

COBBLE CREEK COMMUNITY ASSOCIATION, INC
TANNERSVILLE, PENNSYLVANIA 18372

AMENDED -JUNE 1.1991

Article I

Section 1.1.- NAME.

The name of this corporation shall be Cobble Creek Community Association, Inc.

Section 1.2.

The registered office of the corporation is at Sullivan Trail, Tannersville, Monroe County, Pennsylvania, 18372, at the development known as Cobble Creek Estates.

Section 1.3.

The corporation may also have officers at such other places as the Board of Directors may from time to time determine.

ARTICLE II

Section 2.1. - PURPOSES.

The purposes of the Association are:

- (a) To insure the present and future residential living conditions relating to health, safety, public morals, convenience, comfort and beauty on lots in a development of lands in Monroe County, Pennsylvania, known as Cobble Creek Estates and Cobble Creek Estates East;
- (b) To provide for administration, maintenance and management of recreation areas, lands, trails, signs, buildings and facilities in connection therewith as may come into the control and management of the Association for community purposes;
- (c) To levy or assess special fees and dues for the use of common facilities or other projects of the Association where deemed necessary and proper for its purposes;
- (d) To engage in all other activities appropriate for the harmonious development of the Cobble Creek Estates community and to engage in such other incidental and related activities so as to carry out the general purposes herein stated.

Section 2.2. - TERM OF EXISTENCE.

The term of existence of the Association is perpetual or until it is dissolved in accordance with *law*.

Section 2.3. NON-STOCK BASIS.

The Association is organized on a non-stock basis and does not contemplate pecuniary gain or profit, incidental or otherwise, to its members.

ARTICLE III

Section 3.1.- OWNERSHIP.

The Association shall be owned, controlled and operated by the members thereof who shall be:

- (a) James C. Gravatt and Loretta K. Gravatt, his wife, their heirs, administrators, executors and assigns, developers of Cobble Creek Estates and Cobble Creek Estates East; and
- (b) All grantees of real property by James G. Gravatt and Loretta B. Gravatt, his wife, their heirs, administrators, executors and assigns, in the development known as Cobble Creek Estates and Cobble Creek Estates East, in Pocono Township, Monroe County, Pennsylvania.

SECTION 3.2.- CLASSES OF MEMBERSHIP

Membership shall be divided into two (2) classes, namely, Grantee Membership and Developer Membership. These classes are defined as follows:

- (a) Grantee Membership shall consist of all grantees of lots in the development known as Cobble Creek Estates plotted of record. Grantee members shall have one (1) vote per lot in all matters for which members may vote. Notwithstanding any other provision to the contrary, every purchaser of a lot under Agreement of Sale shall be a grantee member in the same manner as an actual owner and also shall be regarded as a owner for the purpose of and requirement of paying charges, dues and fees, and for enforcement of the obligations to pay the same. A purchaser of a plotted lot from the developers shall have the same vote as an actual owner of a lot in the development known as Cobble Creek Estates and Cobble Creek Estates East.
- (b) Developer Membership shall be that of James C. Gravatt and Loretta R. Gravatt, his wife, their heirs, administrators, executors and assigns. The developers shall have five (5) votes per lot owned by them in the development.
- (c) The two (2) classes of membership shall vote together in all matters for which members may vote except as set forth herein.
- (d) Common property or common areas, whether owned by the developers or the Association shall not be the basis for any voting privileges.

ARTICLE IV

Section 4.1 - MEMBERSHIP MEETINGS.

All meetings of the members shall be held at the registered office or such other places, within the commonwealth of Pennsylvania, as the Board of Directors may from time to time determine.

Section 4.2.

A meeting of members shall be held annually during the spring, when a Board of Directors shall be elected and such other business shall be transacted as may properly be brought before the meeting. If the annual meeting shall not be called and held during the designated period, any member may call such meeting at any time thereafter.

Section 4.3.

Written notice shall be given to each member of the annual meeting specifying the place, date and hour of the annual meeting at least ten (10) days prior to the meeting.

Section 4.4. - SPECIAL MEETINGS

Special meetings of the members, for any purpose or purposes, other than those regulated by statute or by the Articles of Incorporation, may be called at any time by the President, or the Board of Directors, or ten (10%) per cent of the members, upon written request delivered to the Secretary of the Association. Upon receipt of any such request it shall be the duty of the Secretary to fix the time of the meeting, which shall be held not less than ten (10) nor more than sixty (60) days after the receipt of the request, as the Secretary may fix, and specify the object(s) of the meeting. If the Secretary shall neglect or refuse to fix the date of the meeting the person or persons calling the meeting may do so. Business transacted at all special meetings shall be confined to the objects stated in the request and matters germane thereto.

Section 4.5.

Written notice of any special meeting of members, stating the place, the date and hour, and the object(s) of the special meeting shall be given to each member entitled to vote thereat at such address as appears in the membership list in the Association records, at least ten (10) days before such meeting, unless a greater period of notice is required by statute in a particular case. When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting, or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

Section 4.6.

Business transacted at all special meetings shall be confined to the business stated in the call.

Section 4.7.- QUORUM.

A members meeting duly called shall not be organized for the transaction of business unless a quorum is present. The presence of not less than fifteen (15%) per cent of the membership

entitled to vote shall constitute a quorum at all meetings of the members for the transaction of business except as may be otherwise provided by law or by the Articles of Incorporation. The members present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. If a meeting cannot be organization because a quorum has not attended. those present may, except as otherwise provided by statute, adjourn the meeting to such time and place as they may determine, but in the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum, snail nevertheless constitute a quorum for the purpose of electing directors. At any adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally notified.

Section 4.8.

When a quorum is present the vote of a majority of the members having voting powers, present in person, shall decide any question brought before such meeting, unless the question is one which, by express provision of the statutes or of the Articles of Incorporation or of these By-Laws, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 4.9.

Except as otherwise provided in the Articles of the Association, any action which may be taken at a meeting of members may be taken without a meeting if a consent or consent in writing, setting forth the action so taken, shall be signed by all of the members who would be entitled to vote at a meeting for such purpose, and shall be filed with the Secretary of the Association.

Section 4.10.

Notwithstanding any provision to the contrary, every grantee member of the Association shall be entitled to one (1) vote for each plotted lot which he, she, they, or it owns at Cobble Creek Estates. If more than one person is the owner of record or has an ownership interest in the same lot, then only one vote shall be cast for such owners. In no event shall more than one (1) vote be cast by the grantee member(s) who is (are) owners of record of that plotted lot. A plotted lot is defined as those plots of a subdivision of land known as Cobble Creek Estates and Cobble Creek Estates East and filed in the Recorder's Office of Monroe County, Pennsylvania, including plotted lots in any after-acquired property developed as part of Cobble Creek Estates and/or Cobble Creek Estates East.

Section 4.11.

Except as otherwise provided in the Articles of Incorporation, in all elections for directors, each member having a right to vote shall have the right to multiply the number of votes to which he may be entitled by the total number of directors to be elected; however, voting rights are not cumulative and the member may only cast one (1) vote for any particular candidate. The candidates receiving the highest number of votes up to the number of directors shall be elected. No member shall sell his vote for money or any-thing of value. Upon request of a member, the books or records of membership shall be produced at any general or special meeting of the

Association. If at any meeting the right of a person to vote is challenged, the presiding officer shall require such books or records to be produced as evidence the right of the person challenged to vote, and all persons who appear by such books or records to be members may vote. The right of a member to vote and his right, title and interest in or to the Association or his property, shall cease on termination of his membership. The right of a grantee member to vote shall be expressly conditioned upon payment of all charges due from the grantee member prior to any meeting.

Section 4.12.

Every member entitled to vote at a meeting of members may authorize another person or persons to act for him by proxy either to vote at a meeting or to sign a written consent. Every proxy shall be executed in writing by the member ,or his duly authorized attorney in fact and filed

Section 4.12.

- a. Every member entitled to vote at a meeting of members may authorize another person or persons to act for him by proxy, either to vote at a meeting or to sign a written consent. The Board of Directors shall provide proper forms, to be sent with a notice of each meeting, to permit any member unable to attend said meeting to designate a person to exercise his or her proxy vote at said meeting. No form of proxy, other than that provided by the Board of Directors, shall be valid. Every proxy shall be executed in writing by the member, or his duly authorized attorney in fact, and filed with the Secretary of the Association. Each and every proxy shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until written notice thereof has been given to the Secretary of the Association. No unrevoked proxy shall be valid after three (3) months from the date of its execution, unless a longer time is expressly provided therein, but in no event shall a proxy be voted on after one (1) year from the date of its execution. A proxy shall not be revoked by the death or incapacity of the maker unless before the vote is counted or the authority is exercised, written notice of such death or incapacity is given to the Secretary of the Association.

- b. Any question to be voted upon by the members, except for the adoption or amendment of these by-laws, may be voted upon by a mail ballot. If an issue to be voted upon by the general mail vote of the property owners association is submitted to the property owners by mail, any property owner not returning his ballot within fifteen (15) days from the date of the mailing thereof by the association shall be deemed to have voted in the affirmative on the issues so presented. Submittal to members shall be by first class mail at the last known address of the member as reflected in the records of the association.

With the Secretary of the Association. Each and every proxy shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation o a proxy shall not be effective until notice thereof has been given to the Secretary of the Association. No unrevoked proxy shall be valid after three (3) months from the date its execution, unless a longer time is expressly provided therein, but in no event shall a proxy be

voted on after one (1) year from the date of its execution. A proxy shall not be revoked by the death or incapacity of the maker unless before the vote is counted or the authority is exercised, written notice of such death or incapacity is given to the secretary of the Association.

Section 4.13.

The Secretary of the Association shall make, at least ten (10) days before each meeting of members, a complete list of the members entitled to vote at the meeting, arranged in alphabetical order, with the address of each, which list shall be kept on file at the registered office of the Association and shall be subject to inspection by any member during the usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection if any member during the whole time of the meeting.

Section 4.14.

Membership in the Association may be evidenced by certificates of membership, in which case there shall be in such form and style as the Board of Directors may determine. Upon the face of each certificate there shall be printed in clear type a statement that the Association is a non-profit corporation. They shall be signed by the President and Secretary and shall bear the corporate seal.

Section 4.15.

When a grantee member ceases to own a lot at Cobble Creek Estates and/or Cobble Creek Estates East, such person's membership shall terminate, but such person shall remain liable for all charges incurred prior to giving written notice to the Association that such person is no longer an owner.

Section 4.16.

The order of business at all membership meetings shall be as follows:

- (a) Minutes of previous meeting.
- (b) Reports of officers.
- (c) Reports of committees.
- (d) Unfinished business.
- (e) Fixing number of Directors to be elected.
- (f) Election of Directors.
- (g) Other new business.
- (h) Adjournment.

Section 4.17.

Robert's Rules of Order shall govern the parliamentary procedure of the Association on all points not covered by the Articles of Incorporation and these By-Laws.

ARTICLE V

BOARD OF DIRECTORS

Section 5.1.

The affairs of the Association shall be governed and administered by a Board of Directors. They shall have full power and it shall be their duty to carry out the purposes of the Association, according to its Articles of Incorporation, By-Laws and its rules and regulations and the laws of the Commonwealth of Pennsylvania.

Section 5.2.

The business of the Association shall be managed by its Board of Directors, five (5) in number, who shall be natural persons at least twenty-one (21) years of age, who shall be members of the Association, and who need not be residents of the Commonwealth of Pennsylvania. Except as hereinafter provided in the case of vacancies, directors, other than those constituting the first Board of Directors, shall be elected by the members, and such director shall be elected to serve until the next annual meeting of the members and until his successors elected by the members.

Section 5.3.

Vacancies in the Board of Directors, including vacancies resulting from an increase in the number of directors, or any vacancy resulting from a resignation of a Director in accordance with these By-Laws, shall be filled by a majority of the remaining members of the Board, no less than a quorum, and each person so elected shall be a director until his successor is elected by the members, who may make such election at the next annual meeting of the members or at any special meeting duly called for that purpose and held prior thereto.

Section 5.4.- BOARD OF DIRECTORS POWERS.

In addition to the powers and authorities expressly conferred upon the Board of Directors by these By-Laws, the Board of Directors may exercise all such powers of the Association and so all such lawful acts and things as are not by statute or by articles or by these By-Laws directed or required to be exercised or done by the members. In addition to and not in limitation of the powers granted the Board of Directors, they shall have these powers:

- (a) To manage and control the affairs of the Association.
- (b) To sue and defend suits in the Association name.
- (c) To purchase, take, receive, lease as lessee, take by gift or bequest, or by devise, or otherwise acquire and to own, hold, use and otherwise deal with any real or personal property or any interest therein, situated in or out of this Commonwealth, which may be necessary and proper.
- (d) To elect or appoint and remove officers and agents of the Association, and to define their duties and fix their compensation.
- (e) To appoint policemen and other security personnel.

- (f) To purchase, take by gift or bequest or otherwise acquire and hold shares, bonds, securities and other evidences of debt of any other person or corporation and to exercise all rights and privileges of such ownership, subject to limitations imposed by law.
- (g) To determine whether the conduct of any member violates any rules or By-Laws of the Association, and if so, to fix the penalty of such violation.
- (h) To appoint committees and define their duties.
- (i) To promulgate rules and regulations for the conduct of the affairs of the Board and of the Association within its purposes.
- (j) To fix the time and place of all meetings of the membership.
- (k) To establish and enforce rates for community services; to make levies and assessments upon the members for maintenance of the common areas; swimming pool; for related pool services; recreational areas; maintenance of entrance signs and island; and maintenance of utility systems; and to establish a fund or funds for reserve for the maintenance, repair, replacement or expansion of community facilities and assets; but not for any other purposes, except upon approval of the membership obtained at a meeting thereof, of which notice of the proposed levy or assessment was stated in the notice of the meeting.

(L) In addition to and not in limitation of the powers and authorities expressly conferred upon the Board of Directors by these By Laws, the Board of Directors may exercise the power to borrow money, enter into long-term contracts, establish a fund or funds for reserve, issue its notes, bonds, or other evidences of debt, for money or labor done, or for money or property actually received, and to secure any of its obligations by mortgage, pledge, security agreement or deed of trust of any of its property, franchises and income, under and subject to the express provision that the fund created shall be used solely and exclusively for Association purposes as set forth herein, including, but not limited to, the maintenance and operation of the swimming pool and other common facilities including tennis courts in the development, and the maintenance of the entrance sign and lights to the development. The developer shall not be entitled to use any portion of the funds created hereby for any of developer's costs and expenses such as the cutting, initial shaling and paving of the roads plotted of record in the development.

- (m) It is expressly understood that developer member shall maintain the roads plotted of record until said roads are offered for dedication to Pocono Township, Monroe County, Pennsylvania.

Section 5.5.

The meetings of the Board of Directors may be held at such time and at such place or places within this Commonwealth, or elsewhere, as a majority of the directors may from time to time appoint, or as may be designated in the notice calling the meeting.

Section 5.6.

Written notice of every meeting of the Board of Directors shall be given to each director at least five (.5) days prior to the day named for the meeting.

Section 5.7.

A majority of the directors in office shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the directors present at a meeting at which a quorum is present, shall be the acts of the Board of Directors. If all the directors shall severally or collectively consent in writing to any action to be taken by the Association, such action shall be as valid corporate action as though it had been authorized at a meeting of the Board of Directors.

Section 5.8.

The Board of Directors may, by resolution adopted by a majority of the whole Board, delegate three (3) or more of its number to constitute an executive committee which, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the business of the Association.

Section 5.9.

The entire Board of Directors or any individual director may be removed from office, without assigning any cause, by a majority vote of the members of the Association entitled to vote at an election of directors. In case the Board or any one or more directors be so removed, new directors may be elected at the same meeting. Unless the entire Board be removed, no individual director shall be removed in case the votes of a sufficient number of members are cast against the resolution for his removal which, if cumulatively voted at the election of the full Board, would be sufficient to elect one or more directors.

Section 5.10.

Duly elected officers and committee chairmen in exercising the duties of their position as herein mentioned shall be the only persons authorized to speak or act on behalf of the Association. All other personnel must be specifically empowered to do so by the Board of Directors.

Section 5.11.- INDEMNIFICATION

Each present and future director shall be indemnified by the Association against all liability incurred by such director by reason of any actions or omissions by him in his capacity as director provided, however, that such director shall not be indemnified for actions or omissions pursued in bad faith whereby he becomes liable directly to the Association for malfeasance or nonfeasance in office unless such indemnification is approved by the general membership.

Section 5.12.

Any action which may be taken at a meeting of the directors may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all the directors and shall be filed with the Secretary.

Section 5.13.

No director shall be held personally liable for monetary damages as a result of any act or omission by such director unless such act or omission constitutes:

- (a) A breach of or failure to perform his duties as Director in compliance with the standards of fiduciary care prescribed by the Pennsylvania Directors Liability Act, and
- (b) Self-dealing, willful misconduct or recklessness.

However, this provision shall not limit liability of any Director for any act or omission committed in contravention of any criminal statute or with respect to the payment of taxes.

ARTICLE VI

NOMINATIONS

Section 6.1. - NOMINATION COMMITTEE

A nomination committee, consisting of three (3) members shall be appointed by the Board of Directors. The committee shall present at the annual membership meeting its slated candidates for election to the Board of Directors. The nominating committee shall not present the name of any candidate without having first obtained his assurance to serve if elected.

Section 6.2.- NOMINATIONS.

Immediately after the report of the nominations committee, the Chairman shall call for nominations on the floor. Any member may make nominations for election to the Board of Directors, but no nominations may be made only at the annual membership meeting. Any member making a nomination from the floor must first submit a nominating petition signed by the ten (10) members and the written consent of the nominee to serve, if elected.

ARTICLE VII OFFICERS

Section 7.1.

The executive officers of this Association shall be chosen by the Directors and shall be a President, Vice President, Secretary, Treasurer and such other officers as the needs of the Association may require. The President and Secretary shall be natural persons of full age; the Treasurer, however, may be a corporation, but if a natural person, shall be of full age. They shall hold their offices for such terms and shall have such authority and shall perform such duties as shall from time to time be prescribed by the directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary. It shall not be necessary for the officers to be directors. The Board of Directors must secure the fidelity of any and all such officers by bond or otherwise.

Section 7.2.

Any officer elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby.

Section 7.3.- PRESIDENT.

The President shall be the general managerial officer of the Association; he shall preside at all meetings of the members and directors; he shall have general and active management of the affairs of the Association; shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the directors to delegate any specific powers, except such as may be by statute exclusively conferred on the President, to any other officer or officers of the Association. He shall be vested with the powers and duties generally incident to the office of President of a non-profit corporation, except as otherwise determined by the Board of Directors.

Section 7.4.

The President shall execute bonds, mortgages, and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.

Section 7.5.

The Vice President shall act in all cases for and as the President in the latter's absence or incapacity, and shall perform such other duties as he may be required to do from time to time.

Section 7.6.- SECRETARY

The Secretary shall attend all sessions of the Board and all meetings of the members and act as clerk thereof, and record all the votes of the Association and the minutes of all its transactions in a book to be kept for that purpose; and shall perform like duties for all committees of the Board of Directors when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors or President, under whose supervision he shall be. He shall keep in safe custody the corporate seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it, and when so affixed, it shall be attested by his signature or the signature of the Treasurer or an Assistant Secretary.

Section 7.7.- TREASURER.

The Treasurer shall have custody of the Association funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall keep the monies of the Association in a separate account to the credit of the Association. He shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as shall be designated by the Board of Directors. He shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meeting of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association.

Section 7.8.

If required by the Board of Directors, the Treasurer shall give the corporation a bond in such sum, and with such surety or sureties as may be satisfactory to the Board of Directors, for the faithful discharge of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all the books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association.

Section 7.9.- VACANCIES.

If the office of any officer or agent, on or more, becomes vacant for any reason, the Board of Directors may choose a successor or successors, who shall hold office for the unexpired term in respect of which such vacancy occurred.

ARTICLE VIII

Section 8.1.

The Board of Directors may require a bond from every officer and employee who is authorized to sign checks for the Association and may require the furnishing of a bond from any other officer or employee. The bonds shall be in such amounts as deemed advisable by the Board of Directors and the premiums for such bonds shall be paid by the Association.

Section 8.2.- ASSOCIATION MANAGER.

The Board of Directors may appoint an Association Manager whose duties shall be to conduct the general administration of the Association under the supervision of the Board of Directors. It shall be the duty of the Association Manager to supervise the construction and maintenance of facilities owned or leased or under the control of the Association.

ARTICLE IX

ASSESSMENT, FEES AND LIENS

Section 9.1.- CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS.

Each grantee member of the Association shall pay to the Association reasonable assessments for operation expenses of the Association, for the creation, acquisition and maintenance of common property and to provide funds for carrying out the purposes of the Association. The annual assessment together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge upon grantee's land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal

obligation of the grantee who was the owner of such property at the time when the assessment fell due. Developer member, although a member of the Association, never shall be levied or assessed with or liable for any such charges, dues or fees.

Section 9.2.

There is hereby imposed upon ever'; grantee lot and upon every grantee member the fees and other assessments specified or otherwise provided for in this Article, the obligation and liability for payment of which shall arise at the time of ever'; sale o fever'; lot by developer to any grantee member whether by installment payment agreement, by deed or otherwise, irrespective Of whether or not such obligations are expressed in such agreement or deeds. By acceptance of such agreement or deed(s) or by otherwise acquiring a lot in Cobble Creek Estate and/or Cobble Creek Estates East every grantee member agrees to pay all such fees, and assessments specified or otherwise provided for in these By-Laws.

Section 9.3.

All fees, and other assessments specified or otherwise provided for in this Article together with interest thereon and costs of collection thereof as herein provided shall be a charge on the land and a continuing lien upon the lot which it is made or levied and shall take precedence over all unrecorded liens or liens recorded subsequent to the due date of such fee, or other assessment.

Section 9.4.- ANNUAL MAINTENANCE FEES.

There is hereby imposed the following maintenance fee schedule:

- (a) A maintenance fee of One Hundred Seventy-Five (\$175.00) Dollars per annum for a lot and structure situate in and upon said lot.
- (b) A maintenance fee of One Hundred-Ten (\$110.00) Dollars per annum for an undeveloped lot.
- (c) An annual maintenance fee of Fifty-Five (\$55.00) Dollars for each additional lot owned by a grantee.

The maintenance fee shall be payable annually on the first day of March and on the first day of March in each year thereafter. The fee shall be paid to developer until such time as the Association is established, after which time it will be paid to the Association. The fee shall be considered paid in advance and there shall be no proration thereof, except, however, that a new member shall pay a prorata maintenance fee for a lot acquired by agreement or deed subsequent to the first of March of any year, allocated for the balance of the fiscal year, notwithstanding any other term or condition of this Section 9.4 of these By-Laws, the initial maintenance fee shall be imposed by the initial Board of Directors within thirty (30) days of the adoption of these By-Laws. Notwithstanding any other term or condition of these By-Laws the initial maintenance fee shall be paid in full regardless of the date of imposition and there shall be no proration of the initial maintenance fee.

Section 9.5

The Association may change the annual maintenance fee imposed on lots and homes in Cobble Creek Estates and Cobble Creek Estates East with an affirmative vote of not less than fifty-one (51%) per cent of the membership entitled to vote. Any such change must, however, bear a reasonable relationship to changes in costs for the scope of the benefits to members and shall be for the exclusive benefit of the members. The Association may also, upon petition of twenty-five (25%) per cent of the grantee members entitled to vote request specific capital improvements and/or other non-recurring expenditures and with the affirmative vote of not less than fifty-one (51%) per cent of the membership entitled to vote, levy special assessments for said capital improvements or other non-recurring expenditures for the maintenance or improvement of common properties.

Section 9.6. - EFFECT OF NON-PAYMENT OF ASSESSMENT.

If an assessment is not paid on the date when due, it shall be regarded as delinquent and together with such interest thereon and costs of collection thereof as hereinafter provided, thereupon shall become a continuing lien on the lot or other land area which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives, successors and assigns. The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them. If an assessment is not paid within thirty (30) days after the due date, as herein provided, the assessment shall bear interest from that date at the rate of six (6%) percentum per annum and the Association may bring an action at law against the owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint or other documents in such action, attorneys fees, filing costs, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided.

Section 9.7. - SUBORDINATION OF THE LIEN TO MORTGAGES.

The lien of the assessment provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

Section 9.8.

The Board of Directors shall prepare a roster of assessments listing the owners and the amount of the assessment of each, and such roster shall be kept in the office of the Association and shall be open to the inspection of any owner. The Association shall, upon demand at any time, furnish to any owner liable for an assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid. Such certificate shall be conclusive proof of payment of any assessment therein stated to have been paid. The Board of Directors shall cause written notice to be sent to each owner prior to the due date of the assessment, written notice showing the due date and the amount due at least thirty (30) days prior to the due date to each owner.

ARTICLE X

Section 10.1.- NOTICES.

Whenever written notice is required to be given to any person, it may be given to such person either by sending a copy thereof through the mail or by telegram, charges prepaid, to his address appearing on the books of the Association or supplied by him to the Association for the purpose of notice. If the notice is sent by mail or by telegraph, it shall be deemed to have been given to the person entitled thereto when deposited in the United States Mail or with a telegraph office for transmission to such person. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the general nature of the business to be transacted.

Section 10.2.

Whenever any written notice is required by statute or by the Articles of By-Laws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except in the case of a special meeting neither the business to be transacted nor the purpose of the meeting may be specified in the waiver of notice of such meeting.

Article XI

Section 11.1.

All checks or demands for money and notes of the Association shall be signed by such officer or officers as the Board of Directors may from time to time designate.

Section 11.2.

The fiscal year of the corporation shall be the calendar year. Section 11.3.

The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Pennsylvania." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

Section 11.4.- INDEMNIFICATION.

The Association shall indemnify any person who was or is a party or threatened to be made a part to any threatened pending or completed action, suit, or proceeding (including actions by or in light of the Association to produce a judgment in its favor) by reason of the fact that he is or was a representative of the Association, or is or was serving at the request of the Association as a representative of another Association, partnership joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred, if such person has been successful on the merits or otherwise in any such action or, upon a determination in the specific case that such indemnification is proper in the circumstances because he has met the standard of conduct applicable to Section 7741 or Section 7742 with the Pennsylvania Non-Profit Corporation Law of 1972. The corporation may

purchase and maintain insurance for the purpose of indemnification on behalf of any or all persons to the full extent permitted under Section 7747 of the Pennsylvania Non-Profit Corporation Law of 1972.

ARTICLE XIII

AMENDMENTS

Section 12.1.

With the express exception of Article III and Section 9.1 of these By Laws, these By-Laws may be altered, amended or repealed by a majority vote of the members of the Association entitled to vote who are present at any regular or special meeting duly convened after notice to the members for that purpose, provided, however, that:

- (a) The Board of Directors has recommended such change or amendment in writing prior to vote; and
- (b) Notice of the proposed amendment or change is included in the notice of the meeting.

Section 12.2.

Article III and Section 9.1 of these By-Laws may be amended, altered or repealed by a unanimous vote of the members of the Association entitled to vote who are present at any regular or special meeting duly conveyed after notice to the members for that purpose, provided, however, that:

- (a) The Board of Directors has recommended such change or amendment in writing prior to vote; and
- (b) Notice of the proposed amendment or change is included in the notice of the meeting.