

BYLAWS
OF
MILTON ESTATES PHASE V
HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

NAME AND OFFICES

changed to Laurel Pond
Homeowner's Association, Inc.
on 1-21-97

1.01. Name. The name of the Association is Milton Estates Phase V Homeowners' Association, Inc., an incorporated Association organized under the laws of the Commonwealth of Pennsylvania.

1.02. Registered Office. The registered office of the Association shall be located in Stevens, Pennsylvania, or at such other place within the Commonwealth of Pennsylvania as the Board of Directors may from time to time determine. The registered office may be the same as its principal office.

1.03. Principal Office. The principal office of the Association shall be located at the residency of the president of the Association (whoever he or she may be from time to time) in the County of Lancaster, Commonwealth of Pennsylvania.

1.04. Other Offices. The Association may also have offices at such other places as the Board of Directors may from time to time determine or as the business of the Association may require.

ARTICLE II

DEFINITIONS

2.01. "Nonprofit Corporation Law" shall mean the Nonprofit Corporation Law of 1988 of the Commonwealth of Pennsylvania.

2.02. "Association" shall mean Milton Estates Phase V Homeowners' Association, Inc., a non-profit corporation organized pursuant to the Nonprofit Corporation Law of the Commonwealth of Pennsylvania, its successors and assigns.

2.03. "Board of Directors" or "Board" shall mean the governing body of the Association, elected pursuant to the Bylaws of the Association.

2.04. "Covenants and Restrictions" shall mean and refer to the Declaration of Restrictions for Milton Estates Phase V, recorded on _____, in the Recorder's Office in and for Lancaster County, Pennsylvania, in Record Book _____, Page _____.

2.05. "Lot" shall mean and refer to one of the certain tracts of real property described in the Covenants and Restrictions.

2.06. "Member" shall mean and refer to the members of Milton Estates Phase V qualified as provided in Article III of the

Covenants and Restrictions.

2.07. "Owner" shall mean and refer to the record owner (from time to time) of the fee simple interest in a Lot, excluding those having such interest merely as a security for the performance of an obligation; i.e. mortgagees or judgment holders.

ARTICLE III

PURPOSES OF THE ASSOCIATION

3.01. This Association does not contemplate pecuniary gain or profit to its Members. The specific purpose for which the Association is formed is to promote the social welfare of Milton Estates Phase V by providing nonprofit services or activities for its Members, to the extent permitted by the Nonprofit Corporation Law including, without limitation, the following:

- (a) in the sole and absolute discretion of the Board of Directors, to aid in the enforcement of the Covenants and Restrictions;
- (b) to provide a collective voice in matters of personal or public concern as they relate to conditions in Milton Estates Phase V;
- (c) to keep Milton Estates Phase V a community in which its Members are proud to live by preserving the quality and integrity of the neighborhood through adherence to the Covenants and Restrictions;
- (d) to otherwise promote the health, safety and welfare of the residents within Milton Estates Phase V and any additions thereto as may hereafter be brought within the jurisdiction of this Association; and
- (e) such other proposes as the Board of Directors may determine from time to time.

ARTICLE IV

POWERS OF THE ASSOCIATION

4.01. The Association shall have and be able to exercise any and all powers, rights and privileges which a corporation

organized under the Nonprofit Corporation Law may now or hereafter have or exercise.

ARTICLE V

MEMBERS AND VOTING RIGHTS

5.01. Membership. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Membership shall include an undertaking by an Owner to comply with and be bound by the Articles of Incorporation, these Bylaws and amendments thereto, the Covenants and Restrictions, and the policies, rules, and regulations at any time adopted by the Association in accordance with these Bylaws. Membership in the Association shall terminate on such Member's ceasing to be an Owner of a Lot.

5.02. Voting Rights.

Each Member in good standing shall be entitled to vote on each matter submitted to a vote of the Members. A Member shall have one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as such persons among themselves may determine, but in no event shall more than one (1) vote be cast with respect to any Lot. Any such joint Owners shall designate and register with the Secretary of the Association the name of that Owner entitled to cast such single vote.

At membership meetings all votes shall be cast in person, or by proxy registered with the Secretary.

During any period in which a Member shall be in arrears for thirty (30) days or more in the payment of any annual or special dues levied by the Association, such Member shall be considered in default and the voting rights and any rights as an officer and director of such Member shall be suspended by the Board until such dues have been paid.

ARTICLE VI

MEETINGS OF MEMBERS

6.01. Annual Meetings. The first annual meeting of the Membership shall be held within one year from the date of formation of the Association. Subsequent regular annual meetings of the Members shall be held on the first Monday of February, if not a

legal holiday, and if a legal holiday, then on the next secular day following at 7:30 P.M., or at such other time as the Board of Directors shall direct, but in no event less than annually.

6.02. Special Meetings. Special meetings of the Members may be called at any time by the President or the Board of Directors, or upon the written request of five (5) Members of the Association. It shall be the duty of the Secretary to fix the time of the meeting, which shall be held not more than sixty (60) days after the receipt of the request.

6.03. Notice of Meetings. Written notice of each regular annual meeting of the Members shall be given by or at the direction of the Secretary of the Association or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than thirty (30) days in advance of the meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice.

Written notice of each special meeting of the Members shall be given by or at the direction of the Secretary of the Association or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than thirty (30) days in advance of the meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. However, in the event that the President or the Board determines that a shorter notice period is required to protect the health, safety and welfare of the residents within the Community, then the notice period set forth in this paragraph for special meetings may be reduced to no less than seven (7) days in advance of the meeting.

Such notices required under this Section 6.03 shall specify the place, day, and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

6.04. Quorum. The presence at the meeting of Members entitled to cast or proxies entitled to cast fifty percent (50%) of the votes of the Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than fifteen (15) days following the preceding meeting.

6.05. Majority Vote. The vote of Members entitled to cast a majority of the votes thus represented at a meeting at which a quorum is present shall be the act of the Members' meeting, unless the vote of a greater number is required by law, the Articles of Incorporation or these Bylaws.

ARTICLE VII

BOARD OF DIRECTORS

7.01. Number of Directors. The affairs of this Association shall be managed by a Board of five (5) directors.

7.02. Term of Office. At the first annual meeting, the Members shall select five (5) directors who shall serve for a term of two (2) years.

7.03. Removal. Any director may be removed from the Board with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

7.04. Compensation. No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

7.05. Liability of Board Members. No director of the Association shall be personally liable to any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, the Declarant, the Board of Directors, or any other representative of the Association; and the Association shall indemnify and hold harmless such director from and of all claims and demands and expenses (including reasonable counsel fees) arising by reason of any alleged wrongful act or omission. However, the provisions of this Section shall not apply to the responsibility or liability of a director pursuant to any criminal statute. In the event that this Section is amended, rescinded, repealed or altered, the provisions of this Section shall continue to apply to the wrongful acts or omissions of a director occurring prior to such amendment, rescission, repeal or alteration. Nothing contained herein shall be construed to limit the liability of the Association.

7.06. Unanimous Consent of Directors. The directors shall

have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VIII

NOMINATION AND ELECTION OF DIRECTORS

8.01. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Directors, and one (1) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors at its first meeting after the annual meeting of the Members, to serve from the time of their appointment until the close of the next annual meeting, and such appointments shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

8.02. Election. Upon the request of one Member of the Association, election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may vote, in respect to each vacancy, as many votes as they are entitled to exercise. Persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

ARTICLE IX

MEETING OF DIRECTORS

9.01. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and hour as may be fixed from time to time by resolution of the Board.

9.02. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any one director, after not less than thirty (30) days' notice to each director. Notice need not be given in writing.

9.03. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a

duly held meeting at which a quorum is present shall be regarded as the act of the Board.

9.04. Conference Telephone. One or more directors may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

ARTICLE X

POWER AND DUTIES OF THE BOARD OF DIRECTORS

10.1. Powers. The Board of Directors shall have the power to:

(a) Suspend the voting rights of a Member during any period in which such Member shall be in default in payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for any infraction of published rules and regulations;

(b) Exercise for the Association all powers and duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws:

(c) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without cause shown; and

(d) Employ independent contractors or employees as they deem necessary and to prescribe their duties.

10.2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all acts and Association affairs;

(b) Present to the Members, at the annual meeting of the Members, a report, verified by the President and Treasurer or by a majority of the directors, showing the following:

(i) The assets and liabilities of the Association as of the end of the fiscal year

immediately preceding the date of the report;

(ii) The principal changes in assets and liabilities of the Association during the year immediately preceding the date of the report;

(iii) The revenue or receipts of the Association for the year immediately preceding the date of the report;

(iv) The expenses or disbursements of the Association for the year immediately preceding the date of the report; and

(v) The number of Members of the Association as of the date of the report, and a statement of the place where the names and addresses of the current Members may be found.

(c) Supervise all officers, agents, and employees of this Association and see that their duties are properly performed;

(d) To manage the Association, including but not limited to the following duties:

(i) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the due date of each assessment; and

(ii) Foreclose the lien against any Lot for which assessments are not paid within thirty (30) days after the due date, or to bring an action at law against the Owner personally obligated to pay the same.

(e) Issue, or to cause an appropriate officer to issue, on demand by any person, a certificate setting forth whether or not the assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of payment;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) Enter into contracts on behalf of the Association

for all purposes set forth herein.

ARTICLE XI

OFFICERS

11.01. Identification of Officers. The officers of this Association shall be the President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

11.02. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

11.03. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed or otherwise disqualified to serve.

11.04. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time determine.

11.05. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

11.06. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such a vacancy shall serve for the remainder of the term of such officer he or she replaces.

11.07. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Paragraph 11.04 of this Article.

11.08. Duties. Duties of the officers shall be as follows:

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and any other written instruments and shall co-sign all checks and promissory notes;

(b) The Vice President shall act in the place and stead of the President in the event of his or her absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board of Directors;

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and the Members; keep appropriate current records showing their Members of the Association together with their addresses and shall perform such other duties as required by the Board of Directors.

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by Resolution of the Board of Directors; sign all checks and promissory notes of the Association; keep proper books of account; shall cause an annual audit of the Association books to be made at the completion of each fiscal year by such person as the Board of Directors may deem appropriate; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members within thirty (30) days of completion.

ARTICLE XII

COMMITTEES

12.01. The Association shall appoint a Nominating Committee as provided in these Bylaws. In addition thereto, the Board of Directors may appoint such other committees as deemed appropriate in carrying out its purpose.

ARTICLE XIII

BOOKS AND RECORDS

13.01. Books and records and papers of the Association shall at all times, during reasonable business hours, be subject to

inspection by any Member. Articles of Incorporation, the Bylaws and any amendments thereto shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XIV

ASSESSMENTS

14.01. Lien of Assessments. Each Owner of any Lot, unless these Bylaws provide otherwise, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association;

- (a) Annual assessments or charges; and
- (b) Special assessments for capital improvements.

The annual and special assessments together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

14.02. Purpose of and Authority to Levy Annual Assessments. The annual assessments levied by the Association shall be used exclusively for:

- (a) the maintenance, repair and improvement of the Common Properties including, but without limitation, all costs of labor, materials, management costs, insurance, taxes, if any, and such fixtures and personal property as are necessary or appropriate for the enjoyment and operation of the Common Properties;
- (b) the payment of administrative costs and expenses of the Association, as determined by the Board of Directors; and
- (c) such other purposes as the Board of Directors may determine from time to time.

14.03. Purpose of and Authority to Levy Special Assessments. The special assessments levied by the Association shall be used exclusively for capital improvements.

14.04. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on an annual, quarterly, or monthly basis, as shall be determined by the Board of Directors.

14.05. Due Date. The annual assessment provided for herein shall commence as to each Lot on the day of conveyance of said Lot from Declarant to Owner. Owner shall pay at settlement the then current year assessment prorated from the date of settlement to the end of the current assessment year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period.

14.06. Effect of Non-Payment. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum rate per annum as permissible by the Federal Housing Administration (FHA), the Veterans' Administration (VA), and the Federal Housing Mortgage Association (FHMA), as appropriate. In the event no such rate is applicable, the rate of interest shall be eighteen percent (18%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his or her Lot. To further secure this obligation, the Owner of each Lot hereby irrevocably authorizes the Prothonotary or any attorney of any court of record to appear for them at any time and confess judgment, without process, in favor of the Association for such amount as may appear to be unpaid thereon, whether due or not, together with costs and attorney's fees in the amount of five percent (5%) and to waive and release all errors which may intervene in any such proceedings and to consent to immediate execution upon such judgment, hereby ratifying and confirming all that their said attorney may do by virtue hereof.

14.07. Subordination of Lien to Mortgage. The lien of the assessment provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any judicial proceeding in lieu thereof on any first mortgage or second mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE XV

AMENDMENTS

15.01. Meetings. These Bylaws may be amended at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

15.02. Conflicts. In the case of any conflicts between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control.

ARTICLE XVI

MISCELLANEOUS

16.01. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of the incorporation.

16.02. FHA, VA, FNMA Compliance. It is intended that these Bylaws and the formation and operation of the Association as set forth herein shall comply with all requirements of the Federal Housing Administration (FHA), the Veteran's Administration (VA), and the Federal National Mortgage Association (FNMA). In the event it is necessary to modify or alter any Bylaw set forth herein in order to comply with the requirements of the Federal Housing Administration (FHA), the Veteran's Administration (VA), and the Federal National Mortgage Association (FNMA), said amendment shall be made by the Board of Directors and each Member shall be deemed to have agreed to said amendment. Said amendment need not be made pursuant to the terms of Article XV herein, but such action should be ratified at the next annual meeting of the Members.

16.03. Number/Gender. Unless the contrary clearly appears from the context, for purposes of these Bylaws the singular number includes the plural number and vice versa; and each gender includes the other genders.

CERTIFICATE OF SECRETARY

I certify that I am the acting secretary of the Milton Estates Phase V Homeowners' Association, Inc. and that the foregoing Bylaws constitute the Bylaws of the Association. These Bylaws were duly adopted by the Board of Directors and ratified by a majority of those persons in attendance at the organization meeting, in person or by proxy, who were eligible to become Members of the Association at the first Annual Meeting of the Membership held on _____, 199__.

Dated:

Printed Name:
Secretary of the Association