

BYLAWS OF
COLD SPRING ESTATES HOME OWNERS ASSOCIATION

ARTICLE I

DEFINITIONS

Section 1. “Association” shall be deemed to be the Cold Spring Estates Home Association, Inc., a nonprofit corporation incorporated under the laws of the Commonwealth of Pennsylvania.

Section 2. “The Properties” shall be deemed to be that land development known as the “Cold Spring Estates”, Phase I Subdivision”, as more fully shown on that subdivision plan for Phase I of Cold Spring Estates, Quincy Township, Franklin County, Pennsylvania, as prepared by R. Lee Royer Associates, dated July 11, 1989 as Drawing No. 2121-88-Wy, Sheet 1 of 6, as recorded in Franklin County Plat Book Volume 288D, Page 981, and such other additions thereto as may hereafter be brought within the jurisdiction of the Association by annexation as provided in Article IV, Section 2, herein.

Section 3. “Common Properties” shall mean and refer to those areas of land conveyed or leased to the Association, shown on any recorded subdivision plat of The Properties (including facilities, improvements, structures and fixtures and personal properties which may be maintained thereon by the Association) and intended to be devoted to the common use and enjoyment of the owners and residents of The Properties.

ARTICLE II

LOCATION

Section 1. The principal office of the Association shall be located at 5886 Hess Benedict Road, Waynesboro, Quincy Township, Franklin County, Pennsylvania 17268, or at such other office(s) as the Association shall hereafter determine.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Every person or entity who is a record owner of a fee or undivided fee interest in any lot intended as the site of a living unit or an interest in any living unit which is subject by covenants of record to assessment by the Association shall be a member of the Association during the period of such ownership, which ownership and membership shall be inseparable; provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be those owners as defined in Section 1 with the exception of the Class B member. Class A members shall be entitled to one vote for each or living unit in which they hold the interest required for membership by Section 1. When more than one person holds such interest or interests in any lot or living unit, all such persons shall be members, and the vote for such lot or living unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such lot or living unit.

Class B. Class B members shall be the developer. The Class B member shall be entitled to three votes for each lot or living unit in which it holds the interest required for membership by Section 1 and for every living unit in each multifamily structure owned by it until such unit is first sold or leased; provided, nevertheless, that the Class B member shall be entitled to at least one more vote than the total of all Class A votes at all times until the happening of the earlier of the following events:

(a) The expiration of one (1) year from the date of completion of work on all stages of development of The Properties (including the Existing Property and all additions elected to be made by Developer to the Existing Property).

(b) Or December 31, 2019.

From and after these events, whichever occurs earlier, the Class B member shall be deemed to have become a Class A member entitled to one vote for each lot or living unit in which it holds the interest required for membership under Section 1.

For purposes of determining the votes allowed under this Section 2, when living units are counted, the lot or lots upon which such living units are situated shall not be counted.

Class B votes may be exercised by the Developer's designated representative.

Section 3. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each member and upon the property against which such assessments are made as provided by Article V and Article VIII, of the Declaration of Covenants and Restrictions to which The Properties are subject, recorded in the Franklin County Recorder's Office. The Association is authorized to pursue collection of delinquencies by means of all remedies and proceedings available to it, including foreclosure of assessment liens, the taking and recording of mortgages, subordination thereof to first mortgages, and the pursuit of remedies under such mortgages and their accompanying bonds.

Section 4. The membership rights of any person whose interest in The Properties is subject to assessments under this Article III, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when the assessments remain unpaid; but upon payment of such assessments, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the common properties and facilities, and the personal conduct of any person thereon is in violation thereof, they may, in their discretion, suspend the rights of any such person

for violation of such rules and regulations for a period not to exceed thirty (30) days.

ARTICLE IV

ASSOCIATION PURPOSES AND POWERS

Section 1. The Association has been organized for the following purposes: to promote the health, safety and welfare of the residents within The Properties situated in The Borough of Waynesboro, Franklin County, Pennsylvania, and such additions thereto as may hereafter be brought within the jurisdiction of this Association by annexation, hereinafter referred to as “The Properties”, and for this purpose to own, acquire, manage, maintain, preserve, replace, construct and improve to common properties and facilities of all kinds, including by way of illustration but not by way of limiting the generality of the foregoing, recreating parks, open areas, green and wooded areas, lakes, ponds and streams, indoor and outdoor areas and spaces for formal and informal play, sports, health and recreation, arts, crafts and hobbies, meetings, games and cultural and community activities, pedestrian, horse, bicycle and vehicular spaces, including improvements, buildings, structures and personal properties incident thereto and spaces, areas, improvements, buildings, structures and personal properties incident to the common services and purposes following; to provide or supplement municipal, utility or other common services, such as refuse removal, fire protection and security; to maintain unkempt lands or trees; to make, enforce and supervise standards, covenants, restrictions and agreements applicable to The Properties and to execute and perform the same on behalf of any owner(s) or group or organization of owners within The Properties where necessary or provided; to pay all expenses, including utilities, taxes and insurance of all kinds, protecting the common properties and personal liability of the Association, and its directors and officers and members’ properties, and, incident to its other powers; to cooperate and coordinate Its purposes and functions with those of any educational or religious institution adjacent to or within the development; to receive gifts and to fix and collect assessments or charges to be levied against The Properties or portions thereof or for use of common properties and facilities; to cooperate with, supervise, coordinate with and to establish as such or as subordinate or local groups or units, any owners or councils, associations, corporations or organizations of owners of real or personal property in the development; to contract with others to perform any or all of said purposes; to do all things and to contract for the doing of all things related or incidental to said purposes, except as otherwise now or hereafter provided in Articles, the Bylaws, or in the Declaration of Covenants and Restrictions insofar as permitted by law; to do any other thing that, in the opinion of the Board of Directors, will promote common benefit and enjoyment of the residents of The Properties.

Section 2. Additions to The Properties described in Section 1 may be made in accordance with the provisions of the recorded covenants and restrictions applicable to said Properties. Such additions, when properly made under the applicable covenants, shall extend the jurisdiction, functions, duties and membership require that certain additions be approved by this Association, such approval must have the assent of members having two-thirds of all votes entitled to be cast at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 3. The Association shall have powers of merger and consolidation as granted by

law and may, thereby, transfer its properties, rights and obligations or assume the properties, rights and obligations of another association as stated in Article II, Section 2(c) of the Declaration.

ARTICLE V

BOARD OF DIRECTORS

Section 1. The affairs of the corporation shall be managed by a board of nine (9) directors who need not be members of the corporation. The initial board of directors shall consist of nine (9) directors who shall be appointed by the Class B member and who shall hold office until the election of their successors for the respective terms stated at the time of their election. Beginning with the first annual meeting to be held _____ 19, the members of each annual meeting shall elect three (3) directors each for a term of three (3) years.

Section 2. Vacancies in the board of directors shall be filled by the majority of remaining directors, any such appointed director to hold office 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.

ARTICLE VI

VOTING RIGHTS

Section 1. Voting rights of members are as set forth in Article III of said Declaration and Article III of these Bylaws.

ARTICLE VII

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

Section 1. Each member shall be entitled to the use and enjoyment of the common properties and facilities as provided by Article IV, Declaration of Covenants, applicable to The Properties.

Section 2. Any member may delegate his rights of enjoyment in the common properties and facilities to the members of his family who resides upon The Properties, or to any of his tenants who reside thereon under a leasehold interest for a term of one year or more. Such member shall notify the secretary in writing of the name of any such person and of the relationship of the member to such person. The rights and privileges of such person are subject to suspension under Article III, Section 4, to the same extent as those of the member.

ARTICLE VIII

ELECTION OF DIRECTORS; NOMINATING COMMITTEE; ELECTION COMMITTEE

Section 1. Election to the board of directors shall be as hereinafter provided. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the recorded covenants applicable to The Properties. Votes shall not be cumulated.

Section 2. Nominations for election to be board of directors shall be made by a Nominating Committee which shall be one of the standing committees of the Association.

Section 3. The Nominating Committee shall consist of a chairman, who shall be a member of the board of directors, and two or more members of the Association. The Nominating Committee shall be appointed by the board of directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting.

Section 4. 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. Such nominations may be made from among members or non-members, as the committee in its discretion shall determine.

Section 5. The Nominating Committee shall prepare a written report which shall: (a) describe the vacancies to be filled; and (b) set forth the names of those nominated by the Nominating Committee for such vacancies. Such report shall be prepared and mailed by the secretary to the members at least fourteen (14) days in advance of the annual meeting or any special meeting called for elections. At any such meeting additional nominations may be made from the floor and the names of any such nominees, together with those nominated by the Nominating Committee, shall constitute the candidates to fill the vacancies on the board. An election shall then be held, and the candidates receiving the highest number of votes, up to the number of directors to be chosen, shall stand elected, and an absolute majority of the votes cast is not a prerequisite to the election of any candidate to the board of directors. If such election be inconclusive because of a tie between two or more candidates, the result shall be determined by further voting including only the tied candidates.

ARTICLE IX

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. The board of directors shall have power:

(a) To call special meetings of the members whenever it deems it necessary and it shall call a meeting at any time upon written request of at least ten (10%) percent of the votes which all members are entitled to cast at the particular meeting, as provided in Article XIII, Section 2.

(b) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any member, officer or director of the Association in any capacity whatsoever.

(c) To establish, levy and assess, and collect the assessments or charges referred to in Article III, Section 3.

(d) To adopt and publish rules and regulations governing the use of the common properties and facilities and the personal conduct of the members and their guests thereon.

(e) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to members in the Declaration of Covenants and Restrictions.

(f) In the event that any member of the board of directors of this Association shall be absent from three (3) consecutive regular meetings of the board of directors, the board may, be action taken at the meeting during which said third absence occurs, declare the office of said absent director to be vacant.

(g) To enter into such contracts with such contractors, including the developer, and on such terms as it shall consider best, for the performance of any of its functions, powers, and duties with respect to the common properties and facilities, utilities and common services and/or the residential properties.

Section 2. It shall be the duty of the board of directors:

(a) To cause to be kept a complete record of all its actions and corporate affairs and to present a statement thereof to the members at the annual meeting of the members.

(b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

(c) As more fully provided in Article V and VIII of the Declaration of Covenants applicable to The Properties:

(1) To fix the amount of the assessment against each property for each assessment period at least thirty (30) days in advance of such date or period and, at the same time;

(2) To prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member, and, at the same time;

(3) To send written notice of each assessment to every owner subject thereto.

(4) To issue, or to cause an appropriate officer to issue upon demand by any person showing good cause therefore, a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;

(5) To take all actions and pursue procedures and remedies deemed necessary for the enforcement and collection of assessments.

ARTICLE X

DIRECTOR'S MEETINGS

Section 1. A regular meeting of the board of directors shall be held on the first _____ of each month at _____ o'clock, .M., provided that the board of directors may, by resolution, change the day and hour of holding such regular meeting.

Section 2. Notice of such regular meeting is hereby dispensed with. If the day for the regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need be given.

Section 3. Special meetings of the board of directors shall be held when called by any officer of the Association or by any two directors after not less than three (3) days' notice to each director.

Section 4. The transaction of any business at any meeting of the board of directors, however called and noticed, or wherever held, shall be as valid as though made a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made part of the minutes of the meeting.

Section 5. The majority of the board of directors shall constitute a quorum thereof.

ARTICLE XI

OFFICERS

Section 1. The officers shall be a president, a vice-president, a secretary and a treasurer, and such other officers as the board shall authorize from time to time. The presidents and the vice-president shall be members of the board of directors.

Section 2. The officers shall be chosen by majority vote of the directors.

Section 3. All officers shall hold office during the pleasure of the board of directors.

Section 4. The president shall preside at all meetings of the board of directors, shall see that orders and resolutions of the board of directors are carried out, and shall sign all notes, checks, mortgages, deeds and all other written instruments.

Section 5. The vice-president shall perform all the duties of the president in his absence.

Section 6. The secretary shall be the ex officio secretary of the board of directors, and shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. He shall sign all certificates of membership. He shall keep the records of the Association. He shall record in a book kept for that purpose the names of all members of the Association together with their addresses as registered by such members (see Article XIII, Section 3.).

Section 7. 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, provided, however, that a resolution of the board of directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the board. The treasurer shall sign all checks and notes shall also be signed by either the president or vice-president of the Association as provided in Article XI, Section 4 and Article XI, Section 5.

Section 8. The treasurer shall keep proper books of account and cause an annual audit of the Association' books to be made by a certified public accountant at the completion of each fiscal year. He shall prepare an annual budget, an annual income and expense statement, and an annual balance sheet statement reflecting principal changes in assets and liabilities, which shall be presented to the membership at its regular annual meeting, together with a statement of the number of members at date of report, increase or decrease during the year, and the place where names and addresses of members may be found.

ARTICLE XII

COMMITTEES

Section 1. The standing committees of the Association shall be the Nominating Committee, the Maintenance Committee, the Architectural Control Committee, and the Audit Committee. Unless otherwise provided herein, each committee shall consist of a chairman and two or more members and shall include a member of the board of directors for board contact. The committees shall be appointed by the board of directors prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting. The board of directors may appoint such other committees as it deems desirable.

Section 2. The Nominations Committee shall have the duties and functions described in Article VIII.

Section 3. The Maintenance Committee shall advise the board of directors on all matters

pertaining to the maintenance, repair or improvement of the common properties and facilities of the Association, and shall perform such other functions as the board, in its discretion, determines.

Section 4. The Architectural Control Committee shall have the duties and functions described in the Declaration of Covenants and Restrictions applicable to The Properties. It shall watch for any proposals, programs, conditions, or activities which may adversely affect the residential value of The Properties and shall advise the board of directors regarding Association action on such matters.

Section 5. The Audit Committee shall supervise the annual audit of the Association's books and approve the annual budget and balance sheet statement to be present to the membership at its regular meeting as provided in Article XI, Section 8. The treasurer shall be an ex officio member of this committee.

Section 6. With the exception of the Nominations Committee and the Architectural Control Committee (but then only as to those functions that are governed by Article VII, Declaration of Covenants and Restrictions applicable to The Properties), each committee shall have the power to appoint a subcommittee among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

Section 7. It shall be the duty of each committee to receive suggestions from members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such suggestions as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE XIII

MEETINGS OF MEMBERS

Section 1. The regular annual meeting of the members shall be held on the first _____ of the month of _____ in each year, at the hour of _____ o'clock .
M. If the day for the annual meeting of the members shall fall upon a holiday, the meeting will be held at the same hour on the first day following which is not a holiday.

Section 2. Special meetings of the members for any purpose may be called at any time by the President, the vice-president, the secretary, or treasurer, or by any two or more members of the board of directors, or upon written request of at least 10% of the votes which all members are entitled to cast at the particular meeting.

Section 3. Notice of any meeting shall be given to the members by the secretary. Notice may be given to the member either personally, or by sending a copy of the notice by first class mail, postage prepaid, to his address appearing on the books of the corporation, and shall be deemed to have been given when deposited in the United States mail. Each member shall register his address with the secretary, and notices of meetings shall be mailed to him at such address. Notice of any meeting, regular or special, shall be mailed or given personally at least six (6) days in advance of the meeting and shall set forth in general the nature of the business to be transaction,

provided, however, that if the business of any meeting shall involve an election governed by Article VIII or any action governed by the Articles of Incorporation or by the Covenants applicable to The Properties, notice of such meeting shall be given or sent as therein provided.

Section 4. Unless otherwise, specifically required by the Charter, the Declaration or these Bylaws, the presence at the meeting of members entitled to cast, or by proxies entitled to cast, one-tenth (1/10th) of the votes which all members of the Association would be entitled to cast if present in person or by proxy at that meeting shall constitute a quorum for any action governed by these Bylaws. Any action of the members governed by the Articles of Incorporation or by the Covenants or these Bylaws applicable to The Properties shall require a quorum unless otherwise therein provided.

ARTICLE XIV

PROXIES

Section 1. At all corporate meetings of members, each member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the member of his home or other interest in The Properties.

ARTICLE XI

BOOKS AND PAPERS

Section 1. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any members.

ARTICLE XVI

CORPORATE SEAL

Section 1. The Association shall have a seal with two concentric circles, the outer one having within its circumference the words "Cold Spring Estates Home Association, Inc." and the inner one containing the words "Corporate Seal".

ARTICLE XVII

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members,

by a vote of a majority or a quorum of members present in person or by proxy, provided that those provisions of these Bylaws which are governed by the Articles of Incorporation of this Association may not be amended except as may be provided in the Articles of Incorporation, otherwise by applicable law, and provided further that any matter stated herein to be or which is in fact govern by the Covenants and Restrictions applicable to The Properties may not be amended except as provided in such Covenants and Restrictions.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control, and in the case of any conflict between the Covenants and Restrictions applicable to The Properties referred to in Section 1 and these Bylaws, the Covenants and Restrictions shall control.

IN WITNESS WHEREOF, we, being all of the members of Cold Spring Estates Home Association, Inc., have duly executed these Bylaws this 15th day of June, 1989.