

TANNERIE WOOD ASSOCIATION, INC.

BY-LAWS

ARTICLE I. NAME AND ADDRESS

Section 1. Name. The name of this corporation is TANNERIE WOOD ASSOCIATION, INC. ("Association").

Section 2. Address. The registered office of this Association is the place designated in the Articles of Incorporation, subject to change upon notice to the Secretary of State of the Commonwealth of Pennsylvania as provided by law.

ARTICLE II. APPLICABILITY

Section 1. Area. These By-Laws apply to Tannerie Wood as defined in the Declaration of Covenants and Easements recorded with regard to Tannerie Wood including all Supplementary Declarations (in these By-Laws collectively referred to as the "Declaration").

Section 2. Persons. These By-Laws apply not only to all members of the Association as defined in the Declaration but, whenever the context requires, to all persons who come upon or reside within Tannerie Wood.

ARTICLE III. DEFINITIONS

Section 1. Definitions in Declaration Apply. The following words when used in these By-Laws (unless the context clearly indicates differently), regardless whether they appear with initial capital letters or in lower case, have the same meaning as is given to them in the Declaration: "Association", "Common Areas", "Declarant", "Lot", "Member", "Owner", and "Tannerie Wood".

Section 2. Additional Definitions. The following words when used in these By-Laws (unless the context clearly indicates differently), regardless whether they appear with initial capital letters or in lower case, have the following meaning:

(a) "First Mortgage" means a mortgage which is intended to be a first lien on the lot as those terms are understood by the common usage or custom of the trade and "first mortgagee" is the record holder of a first mortgage.

ARTICLE IV. MEMBERS AND MEETINGS OF MEMBERS

Section 1. Members. The members of the corporation are all the record owners, whether one or more persons or entities, of a fee simple title to any lot which is situated within the properties known as Tannerie Wood, and subject to assessment.

The foregoing does not include persons or entities who hold an interest merely as security for the performance of an obligation.

Section 2. Annual Meeting. A General Membership Meeting shall be held each year in ~~June~~^{Sept-Oct} for the purpose of electing the Board of Directors and conducting any other business that may properly be brought before the general members.

Section 3. Special Meetings. Special meetings of the members may be called at any time by the President, or the Board of Directors. A special meeting may also be called by any member in good standing of the Association by presenting to any member of the Board of Directors a petition stating the purpose of such meeting and signed by representatives of 20% of the lots of Tannerie Wood and are members in good standing.

Section 4. Notice of Meetings. Written notice of each meeting must be given by, or at the direction of, the persons authorized to call the meeting, to each member of record entitled to vote at the meeting, at least ten (10) days prior to the day named for the meeting, except when a greater period of notice is required by law or by the Declaration. See Article V, Section V, Declaration.

Section 5. Additional Notices to First Mortgagees of Record. In addition to the notices specified in Section 4, written notices must be given, at least ten (10) days prior to the day named for the meeting, to all persons or entities who

hold first mortgages of record on any property within Tannerie Wood but only if they have filed a timely request for such notice with the Secretary of the Association. The request must be in writing and must state the period during which the mortgagee wishes to receive notice (either a time certain or until further notice).

Section 6. Voting Rights of Members. Members are all owners of lots in Tannerie Wood as provided in the Declaration. Members are entitled to one vote for each lot so owned. When more than one person is the owner of any lot, all are members but there is only one vote for each lot to be exercised as the owners among themselves determine. Votes may be exercised in person or by proxy.

Section 7. Votes may be Cast Only by Members in Good Standing. If any Association assessment against any lot remains unpaid for thirty (30) days after its due date, the owners of the lot will not be considered in good standing and will not be entitled to any votes until the assessments, together with interest thereon, cost of collection and other charges connected with the delinquency provided for by these By-Laws have been fully paid. In addition, the Board of Directors may by Rule provide for the suspension of the owners' rights of enjoyment in and to any Association common areas or services as provided in Article III, Section 1 of the Declaration, and Article V, Section 2 (d) of these By-Laws.

Section 8. Voting List. The persons or entities entitled to exercise the voting rights appurtenant to their lots are those shown on a current voting list to be continuously maintained by the Secretary. The list will be closed for each meeting at 5:00 p.m. on the last business day just preceding the meeting date. If joint owners of a lot, whether present at a meeting or represented by a proxy, cannot agree on how a lot's vote shall be cast, the vote for that lot shall not be accepted.

Section 9. Quorum Adjournment. Subject to the provisions of Section 8, of this Article, the presence in person or by proxy of a majority of the members entitled to vote at any meeting constitutes a quorum. 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 quorum is not present at the onset of the meeting, a majority of the members present in person or by proxy shall adjourn the meeting to such time and place as they may determine. Notice of such rescheduled meeting must be given to the members as provided in Section 4 of this Article and those members who attend the rescheduled meeting in person or by proxy will constitute a quorum, although less in number than otherwise required by this Section or by law.

Section 10. Action by Majority of a Quorum: Except Where a Different Rule is specified by the Declaration or These By-Laws.

The members may act on any matter within their power by a majority vote of a quorum of those members who are present at the meeting in person or by proxy. However, the members cannot act on any matter which is governed by the Declaration (such as, for example, to change the maximum of the assessments or to change any provision of the Declaration, such as voting rights or rights in the common areas) except strictly in accord with the provisions of the Declaration (which typically provides for larger majorities and more stringent quorum requirements, as well as for other formalities). The Declaration is a document of title recorded with each lot and is paramount to these By-Laws and is controlling. Furthermore, these By-Laws may require greater majorities, or the consent of certain persons or entities for certain specified actions, in which case those additional requirements must be met before the specified actions can be taken.

Section 11. Place of Meetings. Annual and special meetings of the members will be held at such place within the Commonwealth of Pennsylvania as is generally convenient to members and designated by the person or persons entitled to call special meetings.

ARTICLE V. BOARD OF DIRECTORS

Section 1. Number of Directors. The business and affairs of the corporation will be managed by a board of seven (7) directors who shall be members of the Association.

See Amend. (9)
10/97 changed to 7 directors.

Section 2. Powers. The board shall have all powers necessary and proper to carry out its duties, including, but not limited to, the power to:

(a) adopt, amend, repeal and enforce Rules for the fair and equitable use and enjoyment of the Association common areas and services and for the reasonable and proper conduct of the members in Tanneric Wood;

(b) establish Rules for parking and traffic (including no parking zones);

(c) request the assistance of the Police Department of Upper Dublin Township in the enforcement of the parking and traffic Rules or delegate their enforcement to that Department;

(d) establish by Rules, fines and other penalties, including the suspension of a member's rights of enjoyment of any Association common areas, service or facility, for the violation of any rule or of any covenant in the Declaration to last during any period when assessments against that member's lot remains unpaid or for a period not to exceed sixty (60) days for each violation of any rule or covenant in the Declaration;

(e) establish by Rule informal procedures for the resolution of disputes between members, or between the board and any member, including procedures for the enforcement of these By-Laws and of the Rules;

(f) enter into agreements, contracts, deeds, mortgages, leases and other written instruments or documents on behalf of the members, for activities which are within the annual budget or additional assessment (as defined in Article IX, Section 3 of these By-Laws) and to perform and carry out all obligations incurred pursuant thereto;

(g) open and maintain bank accounts;

(h) purchase, hold, sell, convey, mortgage or lease any lots pursuant to Article IX, Section 5(d) of these By-Laws;

(i) bring, prosecute, defend including settle litigation on behalf of or against the Association;

(j) appoint committees, both standing and ad hoc, from among the members from time to time as they may deem appropriate to assist them in the conduct of the affairs of the Association.

(K) *see above.*
Section 3. Retention of Manager by Board. The Board is authorized to delegate to one or more persons or business entities (the "Manager"), as and to the extent the Board deems said delegation appropriate, the Board's duties to manage the business, operation and affairs of the Association, but the Board cannot delegate its duty of fixing annual assessments or taking legal action. Any management agreement must be terminable at will by the Board for cause upon written notice, and the term of any agreement may not exceed one (1) year, renewable by agreement of the parties for successive one-year periods,

non-renewable with sixty (60) days prior notice.

Section 4. Duties. It shall be the duty of the directors to:

(a) cause the common areas and facilities to be properly maintained, protected and properly lighted;

(b) secure proper trash collection;

(c) secure proper snow removal and sanding and salting of the streets;

(d) supervise all officers, agents and employees of the Association and see that their duties are properly performed;

(e) fix annual assessments and give notice to the members as required by the Declaration;

(f) take appropriate action, including legal proceeding, to collect delinquent assessments;

(g) enforce, by legal action if necessary, all protective covenants;

(h) procure adequate insurance to protect the Association, its employees and its personal and real properties as provided in Article XI of these By-Laws.

(i) serve, if not an officer, on a standing committee.

(j) *see Amendment*

Section 5. Regular Meetings. Regular meetings of the directors shall be held at least every sixty (60) days. The time and place of the next directors' meeting shall be established

prior to adjournment of the meeting and shall be published in the minutes of the meeting. Minutes of each regular directors' meeting shall be distributed to each owner. All regular meetings of directors are open to all owners.

Section 6. Special Meetings. Special meetings of the directors may be called by the President at the request of any member of the Board of Directors on three (3) days notice to each director. Notice of any special meeting must state the business to be considered at such meeting and no business may be considered except as is stated in the notice. Meetings required by emergency situations may be called without notice.

Section 7. Quorum. The presence in person of a majority of the directors who are in office shall constitute a quorum for the transaction of any business. The directors present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum. If a quorum is not present, a majority of the directors present may adjourn the meeting to such time and place as they may determine. When a meeting is adjourned, it shall be required to give notice of the adjourned meeting and of the business to be transacted at an adjourned meeting to the Directors not present. Those directors who attend the adjourned meeting in person will constitute a quorum, although less in number than otherwise required by this Section or by law.

Section 8. Place of Meeting. Regular and special meetings of the directors may be held within the Commonwealth of Pennsylvania at a location generally convenient to the Directors.

Section 9. Terms of Office. Each director shall hold office for a term of two (2) years and until the election of his or her successor. Four directors shall be elected in the even years and ~~three~~ ^{three} directors in the odd years. ^{Apex Amend} The term of the initial Board of Directors shall be determined by lot. All names of the members of the Board shall be placed in a "hat". The names of the first four persons drawn shall have a term of two years. The remaining three persons shall have a term of one year.

Section 10. Election of Directors. Directors will be elected by the members at the June meeting of the members as follows:

(a) nominations may be made at or before the meeting by any director or any member. If made before the meeting, they must be made in writing to the Secretary twenty-four (24) hours prior to the commencement of the meeting. If made at the meeting, they must be made in person and not by proxy. No nominee must be present. Nominations need not be seconded.

(b) voting upon nominations shall be by secret ballot;

(c) voting for directors shall not be cumulative.

Section 11. Vacancies. Vacancies will be filled by appointment by the remaining directors. The person filling the vacancy

is to hold office until his or her successor is elected at the next annual meeting of the members, which term shall be for the remaining unexpired term. The actions authorized herein may be taken by the remaining directors at any regular or special meeting and the quorum at any such meeting will be a majority of seven (7) directors.

Section 12. Removal from Office. Members may remove any director, with or without cause, by a two-thirds vote of all of the members present in person or by proxy at any meeting of the members at which a quorum is present.

ARTICLE VI. OFFICERS

Section 1. Officers. The officers are a President (who ex officio is the chairperson of the Board of Directors), a Secretary and a Treasurer. The officers shall be chosen from and by the Board of Directors.

Section 2. Functions. The functions of the officers are those traditionally associated with their titles. The duties of the Treasurer are further specified in Article VII.

Section 3. Election of Officers. Election of officers shall be held at the first meeting of the Board of Directors which shall take place immediately after the ~~June~~^{Sept} general membership meeting at which Directors are elected. Terms of office shall be one year. The officers will be elected by a

majority vote of a quorum of the directors by secret ballot.

Section 4. Tenure: Removal from Office. Officers will hold office at the pleasure of the directors and may be removed from office in the same manner as provided for their election.

ARTICLE VII. BANK ACCOUNTS; CHECKS;
BOOKS OF ACCOUNT

Section 1. Moneys of the Corporation. The Treasurer will receive all moneys given or paid to the Association and must deposit the same in one or more accounts standing in the name of the Association at a bank or banks approved by the directors.

Section 2. Authorization to Draw Checks and Make Withdrawals. Checks drawn on any account standing in the name of the Association and withdrawals or transfers of funds from or between accounts standing in its name, must have the signatures of any two of the following officers:

The President

The Secretary

The Treasurer

Section 3. Books of Account. The Treasurer must keep full and faithful books of account. All books of account must at all times be open to inspection by any director or any officer of the Association. The rights of members and first mortgagees are governed by Article XII of these By-Laws.

Section 4. Annual Audit. The Treasurer shall arrange for an annual audit of the books by an independent auditor. Copies of the written audit report shall be available to each owner upon request.

ARTICLE VIII. LIABILITY AND INDEMNIFICATION
OF DIRECTORS AND OFFICERS

Section 1. Liability of Officers and Directors

Officers and directors of the Association shall be personally liable to the Association and to its individual members in all actions of law or equity in accordance with and to the extent permitted by the laws of the Commonwealth of Pennsylvania.

Officers and directors of the Association shall not be personally liable to 3rd persons in actions of law or equity unless the cause of action arises from gross negligence, wanton and/or willful recklessness, intentional tort, fraud or derelict of performance of his or her fiduciary duty as an officer or director of the Association.

Section 2. Duty to Defend

Each officer and director shall be provided with a competent legal defense or the cost of said defense by the Association for any action, suit or proceeding in law or equity to which he or she may be made a party by reason of his or her being or having been an officer or director of the Association. The Association's duty to defend does not extend to matters to which an officer or director may be adjudged grossly negligent, wanton and/or willfully reckless, intentionally in violation of the laws of the Commonwealth of Pennsylvania or the rights of individuals, involved in fraudulent conduct or derelict of performance of his or her fiduciary duty as an officer or director of the Association.

Rev. 6/84

Section 3. Indemnification

Each officer and director shall be entitled to full indemnity from the Association for all expenses, awards and settlements reasonable paid, which were incurred by said officers and directors in connection with any action, suit or proceeding to which he or she was made a party by reason of his or her being or having been an officer, or director of the Association. Indemnification will not extend to situations where an officer or director was adjudged to have been grossly negligent, wanton and/or willfully reckless, intentionally in violation of the laws of the Commonwealth of Pennsylvania or the rights of individuals, involved in fraudulent conduct or derelict in performance of his or her duty as an officer or director of the Association. Indemnification also will not extend to a settlement where the Board of Directors (with the affected member or members abstaining) has failed to approve the settlement as being in the best interest of the Association.

Indemnifications are part of the common expenses of the Association.

ARTICLE IX. ASSESSMENTS

Section 1. Maximum Liability for Assessment, and Changes in Assessment.

The maximum assessment and each lot's liability for the assessments is governed by the Declaration. These provisions cannot be changed except as provided in the Declaration.

Section 2. Items Declared to be Common Expenses. Without intending to detract from the generality of the provisions of the Declaration the following expenses are hereby declared to be common expenses:

(a) expenses of administration, maintenance, repair and replacement of all portions of the common areas, furnishings and equipment used in connection with the maintenance of the common areas and the performance of the services provided by the Association to its members, including such amounts as the Board

of Directors deems proper to establish as reserves for the replacement of the Association properties and equipment;

(b) expenses of the Board of Directors in managing the business operation and affairs of Tannerie Wood on behalf of the Unit Owners;

(c) premiums on all policies of insurance required to be maintained by the Board of Directors pursuant to Article XI of these By-Laws;

(d) fees or compensation due to any Manager retained by the Board of Directors pursuant to Article V, Section 3, of these By-Laws;

(e) legal fees incurred by the Association;

(f) such amounts as the Board of Directors deems proper for working capital, general operating reserves, reserves for contingencies, reserves for capital replacement or improvements, and to make up any uncollectable delinquencies in the payment of assessments for common expenses;

(g) any expense agreed upon as common by the owners.

Section 3. Assessment of Common Expenses. The Board of Directors will establish and assess the common expenses as follows:

(a) Annual Assessments and Additional Annual Assessments. Within the forty-five (45) days before the beginning of each calendar year, which shall be the fiscal year, (including any initial short fiscal year) of the Association, the Board of Directors will estimate the amount needed to cover the common expenses during that fiscal year (annual budget) and will assess each lot an equal share of the estimated common expenses. The amount assessed per lot may be less than but cannot be greater

than the maximum per lot assessment permitted under the Declaration. If the amount assessed is less than the maximum permitted for that year and if the common expenses prove to be larger than estimated at the beginning of the year, the Board of Directors may assess additional amounts to cover the additional expenses (in equal shares per lot) provided that the total assessment per lot for that fiscal year does not exceed the maximum established under the Declaration.

(b) Special Assessments for Capital Improvements. In addition to the annual assessments, the Association has the power to impose a special assessment for capital improvements when authorized by a special majority of the members as provided in Article V, Section 4 of the Declaration.

Section 4. Lien of Assessments: Perfection. The Declaration creates a lien in favor of the Association to secure the payment of the assessments. Under the Declaration the lien of assessments is "continuing"-- that is one which is intended to become effective as soon as the assessment is made. In order to facilitate marketability of the lots and homes, however:

(a) Record of Claim of Lien. The lien will not become effective against any lot until the Association records a claim of lien in the office of the Recorder of Deeds for Montgomery County giving the description of the lot, the name of the record owner, the amount due and the date when due, signed and verified

by an officer or agent of the Association.

(b) Certificate of Assessment Status. Any person interested may, upon demand, and payment of a reasonable fee established by Rules adopted by the Board of Directors, obtain a certificate from the Association setting forth whether the assessments on a particular lot have been paid. A certificate issued pursuant to this paragraph, which is apparently regular on its face by a person apparently authorized to issue it on behalf of the Association will be binding and conclusive in favor of any person who, in good faith, relied on it.

Section 5. Acceleration of Assessment Upon Default. In the event that any annual, additional annual or special assessment remains unpaid for a period of more than one hundred eighty (180) days beyond when it is due, the Board shall have the right to call in writing for immediate payment of all sums past due and all assessments scheduled to become due during the remainder of the calendar year as if this aggregate amount had originally been due and payable in full. The Board may take any and all steps available within the law to collect this accelerated amount due.

Section 6. Method of Enforcing Collection of Assessments. The obligation to pay assessments when due may be enforced by any method allowed by Pennsylvania law.

(a) By Personal Judgment. By personal judgment against

the persons who were the owners of the lot when the assessments were made (the personal obligation to pay the assessment does not pass to persons who purchase the lot after the assessment is made but the lien of the assessment, if not discharged, does, as provided in paragraph (b) of this Section). Any judgment against the owner or owners will be enforceable in the same manner as is otherwise provided by law. Members hereby irrevocably authorize and empower any attorney or attorneys or the Prothonotary or Clerk of any Court of record in the Commonwealth of Pennsylvania, or elsewhere, to appear for Member in any such court in an appropriate action there brought or to be brought against Member at the suit of the Association for any sums owing Association, and therein to confess judgment against Member for all sums due by Member herein together with costs of suit and an attorney's fee for collection as aforesaid; and for so doing these By-Laws or a copy hereof verified by affidavit shall be a sufficient warrant.

(b) By Foreclosure. By foreclosure of the lien of the assessment against the lot in the same manner as is provided for the foreclosure of mortgages. After the lien has been perfected as provided in Section 4 (a) of this Article, it will pass with the lot to the person or persons who purchase the lot except purchasers at a foreclosure sale on behalf of a first mortgagee, unless the lien is discharged by payment before or

at settlement.

(c) Together With Interest, Reasonable Attorney's Fees and Costs. The sums which may be collected hereunder shall include interest on the assessments as provided by the Declaration and reasonable attorney's fees and court costs.

(d) Right to Purchase at Judicial Sale. To protect its lien, the Association has the right to purchase the lot and dwelling unit in question at any Sheriff's sale, provided this action is specifically authorized by the Board of Directors.

(e) Uncollectable Amounts Reassessed. Any amount of the Association assessment which becomes uncollectable against any lot will be part of the common expense.

ARTICLE X. COMMITTEES

Section 1. Standing Committees. The standing committees of the Association are: Maintenance and Grounds, Architectural Review, and Arbitration and Grievance. The Board of Directors may appoint such other committees as it deems desirable.

Section 2. Selection for Committees. The Board of Directors will solicit nominations from the members interested in serving on committees and will appoint committees from interested members. A minimum of one Board member shall serve on each committee but not necessarily as chair. The members

of the committee shall select a chairperson from among the committee. Committee members will serve for such term as is indicated by the Board but not in excess of one (1) year and until new members are appointed.

Section 3. Maintenance Committee. The Maintenance Committee will advise the Board of Directors on all matters concerning the maintenance, repair or improvement of the Association common areas and services and will perform such other functions as the Board, in its discretion, decides.

Section 4. Architectural Review Committee. The Architectural Review Committee will review all plans, drawings and specifications showing the nature, kind, shape, height, materials and location of any exterior addition to, or any change or alteration to the exterior of any lot or improvement in Tannerie Wood (excepting all original construction by the developer, "Declarant" as defined in the Declaration) to determine if it is in compliance with the Rules promulgated by the Board of Directors. The committee will either approve, with or without condition, or deny a request of the applicant within thirty (30) days after receipt of the request in writing and will give notice of its decision to the applicant by certified mail. If the committee fails to give notice of its decision within thirty (30) days, the request will be deemed to be approved. If the committee denies the applicant's request,



the applicant may appeal the decision to the Arbitration/Grievance Committee in writing within twenty (20) days from the date of the mail certification of delivery of the decision.

Section 5. Arbitration/Grievance Committee. The purpose of the Arbitration/Grievance Committee shall be to attempt to resolve in the most informal manner possible, disputes between owners or between owners and the Board, over issues either covered by the Declaration of Covenants, the By-Laws or any Rules the Board may, from time to time, adopt.

The Arbitration/Grievance Committee shall not become involved in disputes between owners and/or owners and Board members until a reasonable effort has been made by those involved to resolve the dispute informally.

Members may not commence any action in court concerning any question involving the Association, the common areas or services or the Declaration, By-Laws or Rules except as follows:

(a) Before starting any action in court the owner must first make his or her objection or claim as well as the relief desired, in writing to the Arbitration/Grievance Committee Chair.

(b) The Chair shall schedule a hearing on the complaint within thirty (30) days after receiving the complaint in writing, and shall afford at least ten (10) days written notice of the hearing date, place time and issue to all members. Said hearing shall be attended by the complaining

owner. In hearings before the Committee, all parties are entitled to be represented by counsel.

(c) The Committee will notify the owner and all members either in support of or in opposition to the complaint of its decision in writing twenty (20) days after the last hearing on the matter.

ARTICLE XI. INSURANCE

Section 1. Required Insurance. The Board of Directors must obtain and continuously maintain:

(a) Insurance against loss by damage to or destruction of the Association common areas, fixtures, equipment and personal property, by fire and such other risks as can normally be covered by endorsement for extended coverage, in an amount equal to the full insurable replacement value.

(b) Comprehensive liability insurance, insuring the Board of Directors, the officers and the Manager, if any, against liability to other persons or entities or to the other members, their tenants or invitees, relating in any way to the use, ownership, maintenance and repair of the common areas; provided that the insurance shall not insure any member against liability for injuries to persons or property arising out of the use, ownership, maintenance, or repair of his or her individual lot or dwelling. Limits of liability shall be at least \$1,000,000.00 for any one person injured or killed in any single occurrence, at

least \$1,000,000.00 for any injuries or death sustained by any two or more persons in any single occurrence, and at least \$1,000,000.00 for property damage resulting from each occurrence;

(c) Insurance against loss by damage to or destruction of any personal property owned or used by the Association in connection with the administration of Tannerie Wood in such amounts as the Board of Directors may determine. The Board of Directors shall not obtain casualty insurance against loss by damage to or destruction of the personal property of individual members;

(d) Workmen's compensation insurance and employers' liability as required by law; and

(e) Comprehensive disappearance and dishonesty bond or equivalent coverage against dishonest acts on the part of directors, officers, the manager and employees of the Association and all others who handle or are responsible for the handling of funds of the Association. The bond or insurance must name the Association as obligee or insured. The bond or insurance must be written in an amount equal to at least 150% of the estimated annual common expenses, including reserves. The bond or insurance must contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

Section 2. Insurers. The insurance required by this Article XI will be maintained with insurance companies rated class A or better authorized to transact business within the Commonwealth of Pennsylvania.

Section 3. Special Provisions. The insurance policies and bonds required by this Article must provide that they not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to the Association and first mortgagees whose names and addresses are on file with the Secretary as provided in Article XII hereof.

ARTICLE XII. ACCESS TO INFORMATION AND
OTHER RIGHTS OF MEMBERS AND
FIRST MORTGAGEES

Section 1. Register of Mortgages. The Secretary will maintain a register of all first mortgagees existing in Tannerie Wood who notify the Secretary of their interest, in writing, giving the name and address of the mortgagee and the lot or dwelling in which it holds the mortgage.

Section 2. Access to Books, Records and Association Documents. The Association will make available for inspection, upon request, during normal business hours, to any member and to any first mortgagee who is registered as provided in Section 1 of this Article:

(a) current copies of the Declaration, By-Laws and Rules adopted by the Board of Directors;

(b) books, records and financial statements of the Association;

(c) in addition, members and first mortgagees will have the right, at their expense, to prepare an audited financial statement of the Association, if one is not otherwise available.

Section 3.0 Notice to First Mortgagees. First mortgagees who have registered as provided in Section 1 of this Article are entitled to written notice from the Association concerning the following:

(a) Association meetings as is provided in Article IV, Section 5 of these By-Laws (i.e. only those meetings which they have identified in their request);

(b) any default by an owner of the lot or dwelling on which the mortgagee holds its mortgage in the payment of Association assessments or other charges which has not been cured within sixty (60) days of the default;

(c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) any condemnation, or casualty loss which affects the common areas;

(e) any proposed action which requires the consent of first mortgagees under Section 4 of this Article.

Section 4. Consent of First Mortgagees to Certain Actions.

The consent, in writing, of at least fifty-one percent (51%) of the first mortgagees who have registered as provided in Section 1 of this Article must be obtained for any change in the Declaration or these By-Laws which involves:

- (a) voting rights and procedures;
- (b) assessments and the priority of first mortgages;
- (c) insurance and fidelity bonds;
- (d) rights of enjoyment and use of common areas;
- (e) responsibility for maintenance and repair of the common areas;
- (f) imposition of any restraint on the transfer of any lot;
- (g) any provision which is for the express benefit of the first mortgagees.

ARTICLE XIII. SEAL; FISCAL YEAR;
NOTICES

Section 1. Seal. The corporate seal shall have inscribed on it the name of the Association and the year and State of its incorporation.

Section 2. Fiscal Year. The fiscal year shall be the

calendar year.

Section 3. Notices. When these By-Laws require that notice be "given", the requirement is fully satisfied:

(a) when written notice is deposited, post paid, in the United States mail addressed to the person entitled to the notice at the address appearing on the books of the Association;

(b) when a time is prescribed for a notice, the time of written notice is when it is deposited in the mails regardless of when or whether it is received;

(c) a waiver in writing signed by the person entitled to any notice, whether before or after the time prescribed for the notice, is equivalent to notice.

ARTICLE XIV. ADOPTION AND AMENDMENT
OF THESE BY-LAWS

Adoption, amendment and/or repeal of these By-Laws shall be at a meeting for members and shall be by the affirmative vote of at least a majority of those members entitled to vote at that meeting.

(a) The members of the Association may not amend or repeal any provision of these By-Laws which is governed by the Declaration unless the Declaration allows it or unless the Declaration is amended to allow it;

(b) The members of the Association may not amend or

repeal any provision of these By-Laws which is expressly for the benefit of first mortgagees unless their consent is obtained in writing as provided in Article XII, Section 4 of these By-Laws.

The Board of Directors is hereby authorized to take such action as may be necessary to carry out the purposes of this resolution.

Very truly yours,
[Signature]

AMENDMENT TO BY-LAWS

ARTICLE XVI.

IMPOSITION, ENFORCEMENT AND COLLECTION OF LATE
CHARGES, LEGAL FEES AND COSTS FOR FAILURE TO
TIMELY PAY ANNUAL, ADDITIONAL ANNUAL, OR
SPECIAL ASSESSMENTS

1. This Amendment shall apply to members of the Tannerie Wood Association ("Association") and lots and owners of lots and dwelling units situated within Tannerie Wood, and sets forth the sums which lots and lot owners shall be obligated to pay in the event annual, additional annual, or special assessments are not timely paid.

2. Pursuant to Article V. of the Declaration, as well as Article IX of the By-Laws, and subject only to certain maximums set forth in Article V., Section 3, of the Declaration, the Board of Directors has the duty, and the power, to assess each lot and each lot owner a uniform share of the estimated annual and additional annual common expenses of the Association, as well as the power to uniformly impose, where appropriate, a special assessment for capital improvements when authorized as provided in Article IX, Section 3(b), of the By-Laws and Article V., Section 4, of the Declaration.

3. Article V., Section 8, of the Declaration, in conjunction with Article IX., Section 6(c) of the By-Laws, provides that each lot and lot owner shall be obligated to pay interest at the rate of ten percent (10%) per annum on all assessments not paid

within thirty (30) days after the due date, and Article V., Section 1 of the Declaration and Article IX., Section 6(c) of the By-Laws, renders each lot and lot owner liable for the legal fees and court costs incurred by the Association in the event collection action in court is required.

4. Prior hereto, the Association has had in place an established policy of uniformly imposing a fixed Fifty Dollar (\$50.00) late charge, plus the costs of postage of one registered mailing advising of a delinquency, against lots and owners of lots situated within Tannerie Wood who/which have not timely paid assessments when due.

5. The Association has found, however, that the late charges and costs imposed pursuant to the policy described in paragraph 4 hereof is inadequate to assure that the Association is made whole because legal fees and costs are usually incurred by the Association prior to litigation in an effort to collect delinquent assessments without the need for a lawsuit. After involvement of and notice from counsel, the delinquent sum(s) are then usually paid without litigation, in which case there is no procedure in place for collection of the legal fees/costs incurred, which usually far exceed the amount of the delinquency, late charge and postage.

6. Experience has shown, therefore, that most lots and lot owners who/which have not timely paid assessments when due almost always pay after the matter has been referred to legal

counsel but prior to the need for litigation, in which cases the Association has had to pay, without reimbursement, the legal fees and costs incurred.

7. The Association has also determined, based on experience, that imposition of a fixed Fifty Dollar (\$50.00) late charge, plus the cost of a registered mailing, is not high enough to encourage delinquent lots and lot owners to remedy a delinquency in prompt fashion, with the result that delinquencies have usually remained unpaid for an undue length of time, at increased cost to the Association.

8. The Association, thus, has determined that imposition of a fixed Fifty Dollar (\$50.00) late charge plus the cost of a registered mailing is unfair to all lots and lot owners who timely pay assessments when due, and that the late charge policy in place up to now has not proved sufficient to assure that delinquent lots and owners of lots, instead of the Association, bear the responsibility for reimbursing to the Association all its legal fees and costs incurred in efforts to collect delinquent accounts.

9. Therefore, to remedy this situation and assure that delinquent lots and lot owners, not the Association, pay all the fees and expenses incurred by reason of a delinquency in payment of assessments, the By-laws are hereby amended by the addition of this Article XVI, which provides as follows:

A. Effective immediately, any annual, additional annual, or special assessment(s) not fully paid within thirty (30) days of its/their due date shall be deemed delinquent. Full payment shall mean actual receipt by the Association of all sums assessed.

B. In addition to all other sums which may, as a result of a delinquency, become due and owing to the Association under existing provisions of the Declaration and/or By-Laws, as amended to date, and without further notice or demand, a late charge of Fifty Dollars (\$50.00) is hereby automatically imposed as to each delinquent lot and lot owner effective on the first day of a delinquency (the 31st day after an assessment's due date). Thereafter, additional late charges of Fifty Dollars (\$50.00) each are hereby automatically imposed as to each delinquent lot and lot owner effective the first day of each thirty (30) day period following the first day of a delinquency (the 31st day after an assessment's due date). Each late charge due the Association hereunder shall be deemed part of and automatically added to the delinquency immediately on the effective date of each late charge, and no delinquent assessment shall be deemed paid in full, and shall remain delinquent, and the late charges imposed by this paragraph ¹¹ shall continue, until the entire delinquency, including all late charges imposed hereunder, are paid in full to the Association.


C. Also, in addition to all other sums which may, as a result of a delinquency, become due and owing to the Association under existing provisions of the Declaration and/or By-Laws, as amended to date, and/or under paragraph ⁴¹ of this Amendment, and without further notice or demand, each delinquent lot and lot owner shall be liable for, and shall fully reimburse the Association, all legal fees, court costs, postage and other costs or expenses incurred by the Association before, during, or after any litigation (and including any and all fees and costs incurred in or during any appeal) in its efforts to collect a delinquency (which shall include unpaid late charges imposed under paragraph 11 hereof). All legal fees, costs, and expenses incurred by the Association shall, effective immediately when incurred, automatically be deemed part of and added to the delinquency, and no delinquent assessment shall be deemed paid in full, and shall remain delinquent (with continuation of late charges as provided in paragraph ⁴¹ hereof), until all the legal fees, costs and expenses are paid in full to the Association.

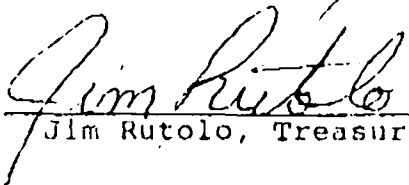
D. All sums which are due or become due hereunder shall be deemed part of the assessment due and owing to the Association, and may be collected by the Association in any manner or pursuant to any or all of the procedures permitted by Article V., Section 8, of the Declaration, and/or Article IX, Section 6, of the By-Laws.

E. This Amendment shall be read and interpreted, where reasonably possible, in conjunction and consistent with all other Articles and Sections of the Declaration and By-Laws, as amended to date. In the event of a conflict between any of the terms of this Amendment and any other term(s) or provision(s) of the Declaration, the Declaration shall control. In the event of a conflict between any of the term(s) of this Amendment and any other term(s) or provision(s) of the By-Laws, this Amendment shall control.

The foregoing Amendment, having been approved for submission to the members of the Association by the Board of Directors, and same having been approved by the affirmative vote of a majority of those members entitled to vote, in person or by proxy, at the membership meeting of June 17, 1994, is hereby approved and adopted effective immediately this 17th day of June, 1994.

TANNERIE WOOD ASSOCIATION, INC.

By: 
Hal Brodsky, President

By: 
Jim Rutolo, Treasurer

1997 AMENDMENTS TO BY-LAWS

(VOTED AT OCTOBER 1997 ANNUAL GENERAL MEETING)

Article V. Section 1- Number of Directors (page 6):

The business and affairs of the corporation will be managed by a Board of seven (7) Directors who shall be members of the Association.

Article V. Section 9 - Terms of Office (page 9):

Each director shall hold office for a term of two (2) years and until the election of his or her successor. Four directors shall be elected in the even years and three directors in the odd years.

1988 AMENDMENTS TO BY-LAWS

(VOTED AT JUNE 1988 ANNUAL GENERAL ASSOCIATION MEETING)

Article V, Section 2 - Powers:

(k) Should reimbursement to the Association pursuant to Article V, Sections 4 (j) or 4(k) not be made within 30 days, to take appropriate action, including legal proceedings against the owner of a property for all costs incurred including but not limited to the actual costs of repairs, maintenance, trimming, and/or lawncutting, filing fees, service costs, attorney's fees and interest at the rate of 12%/annum. for the purpose of this provision a Confession of Judgement is granted to the Tannerie Wood Association.

Article V, Section 4 - Duties:

(j) Require all properties within Tannerie Wood to be properly repaired and maintained; if after written notice to the owner of a property within Tannerie Wood that a property is in need of repairs, and/or maintenance and following a reasonable time to comply, not in excess of thirty (30) days, repairs and/or maintenance is not accomplished, to cause said repairs and/or maintenance to be made; the cost of said repairs and/or maintenance to be reimbursed to the Association within thirty (30) days of written request for reimbursement.

Article V, Section 4 - Duties:

(k) Require the lawns, shrubery, and trees of all members within Tannerie Wood to be neatly and regularly cut and trimmed; if after written notice to the owner of the property within Tannerie Wood advising that the lawn, shrubs, and/or trees of a property are in need of cutting and/or trimming and following a reasonable time to comply not in excess of seven (7) days. The requested cutting and/or trimming is not accomplished, to cause said cutting and/or trimming to be made; the cost of said cutting and/or trimming to be reimbursed to the Association within thirty (30) days of written request for reimbursement.

Article V, Section 9 - Terms of Office:

Each director shall hold office for a term of two (2) years and until the election of his or her successor at the Annual General Meeting. Four (4) directors shall be elected in the even years and five (5) directors shall be elected in the odd years.

1987 AMMENDMENT TO BY-LAWS

(VOTED AT JUNE 1987 ANNUAL GENERAL ASSOCIATION MEETING)

Article V, Section 1 - Number of Directors:

The business and affairs of the corporation will be managed by a board of nine (9) directors who shall be members of the Association.

AMENDMENT TO BY-LAWS

ARTICLE XV. ENFORCEMENT AND COLLECTION OF FINES FOR
NON-ASSESSMENT VIOLATIONS

Section 1. This Amendment shall apply to members of the Tannerie Wood Association and owners of lots and dwelling units situated within Tannerie Wood, and shall govern the procedure to be followed in the event of non-assessment violation(s) of provision(s) of the Declaration, By-Laws, and/or duly adopted Rules of the Association.

Section 2. This Amendment shall not apply to member(s)' or owner(s)' failure to timely pay assessments, annual or special, adopted pursuant to Article VI of the Declaration and Article IX of the By-Laws.

Section 3. In the event that the Board, in its sole discretion, determines that any member or owner is guilty of or responsible for a non-assessment violation of any provision of the Declaration, By-Laws, and/or duly adopted Rules of the Association, as any of the foregoing may be amended, the Board shall direct that written notice be sent to the responsible member(s) and/or owner(s) requesting an end to the violation(s) and, if necessary, that appropriate corrective action (as determined by the Board, in its sole discretion) be taken at the member(s)' and/or owner(s)' expense.

Section 4. In the event the member(s) and/or owner(s) does/do

not fully comply with the Board's notice of violation/corrective action within thirty (30) days of the date of said notice, then, in such event, the Board shall levy a fine beginning on the thirty-first (31st) day after the date of the notice of violation/corrective action, in the sum of \$25 per week, which fine will continue to be assessed against the responsible member(s) and/or owner(s) until the violation(s) have ended and any required corrective action has been taken and payment for same made.

Section 5. A lien against the lot(s) and dwelling unit(s) situated within Tannerie Wood of the responsible member(s) and owner(s) is hereby created in favor of the Association to secure the payment of any fines levied hereunder. This lien shall become effective on the thirty-first (31st) day after the date of the notice of violation/corrective action and shall continue in full force and effect until all fines (and other related sums, if any) have been paid in full to the Association.

Section 6. The Board shall have the right at any time or times to record a claim or claims of lien against the lot(s) and dwelling unit(s) of the responsible member(s) and/or owner(s) in the office of the Recorder of Deeds in and for Montgomery County, Pennsylvania, giving the name of the responsible member(s) and/or owner(s), a description of the lot(s) and dwelling unit(s), and the amount of fine(s) assessed. Each claim of lien shall be signed and verified by an officer or other authorized agent of the Association. A claim of lien may be modified or amended, and/or further claims of lien may be recorded, as often as deemed necessary by the

Board to reflect any continuing or further violation(s) and/or failure(s) to correct and/or to reflect, from time to time, additional sums due and owing to the Association for fines assessed hereunder.

Section 7. All fines assessed and liens recorded hereunder shall be enforceable against any responsible member(s) and/or owner(s), including subsequent owner(s), of the lot(s) and dwelling unit(s) against which a lien or liens has/have been recorded.

Section 8. Collection of fine(s) assessed hereunder may be made by any method allowed by Pennsylvania law. This includes, but is not limited to, the following:

Personal Judgment. The Board, on behalf of the Association, may file suit and/or confess judgment against any responsible member(s) and/or owner(s), including subsequent owner(s) of lots and dwelling units against which a lien or liens has/have been recorded. Any judgment obtained by the Association shall be enforceable in the same manner as is otherwise provided for the collection of judgments.

Members of the Association and owners of lots and dwelling units situated within Tannerie Wood hereby irrevocably authorize and empower any attorney or attorneys or the Prothonotary or Clerk of any Court of record in the Commonwealth of Pennsylvania, or elsewhere, to appear for a member or members and/or owner or owners in any such Court in an appropriate action there brought or to be brought against a member or members and/or owner or owners at the suit of the Association under authority of this Amendment for any

sums due and owing the Association for fines assessed hereunder, and therein to confess judgment against said member(s) and/or owner(s) for all sums due by the member(s) and/or owner(s) for fines assessed hereunder, together with interest at the minimum rate of twelve percent (12%) per annum, costs of suit, and an attorneys' collection fee of a minimum of twenty percent (20%). And for so doing, a copy of this Amendment and the By-Laws of the Association, as amended, verified by affidavit, shall be a sufficient warrant.

The within warrant of attorney shall not be exhausted with one exercise, but, on the contrary, may be exercised and judgment confessed hereunder from time to time and as often as deemed necessary by the Association to enforce collection of fines or continued fines assessed under this Amendment.

Section 9. In the event suit, confession of judgment, or foreclosure becomes necessary for collection of the fines assessed hereunder, the Association shall be entitled to recover its attorneys' fees, interest at the rate of twelve percent (12%) per annum, and court costs, including all attorney fees and costs incurred in any appeal by any party to a higher court or courts.

Section 10. To protect its lien and interest, the Association shall have the right to purchase the lot(s) and dwelling unit(s) in question at any Sheriff's Sale, provided such action is specifically authorized by the Board of Directors.

Section 11. In the event the Board determines that any fine(s) assessed hereunder is/are uncollectible, said fine(s) shall

not be included in the common expenses.

Section 12. The remedies provided herein for enforcement and collection of fines assessed hereunder shall be cumulative. They may be exercised singly and/or in combination with any other remedies provided herein or otherwise available at law or equity. Therefore, the Association's election of any one particular remedy or method of collection shall not be deemed a waiver of the right to pursue other available remedies at any time or times.

Section 13. This Amendment shall be effective June 16, 1992.

The foregoing Amendment having been approved for submission to the members of the Association by vote of the Board of Directors on May 7, 1992, and a majority of those members entitled to vote at the membership meeting of June 16, 1992 having approved said Amendment, same is hereby approved and adopted this 16th day of June, 1992.

James P. Roberts
Allen Hoff