

SETTLER'S RIDGE HOMEOWNERS' ASSOCIATION
BY-LAWS

ARTICLE I

Definitions

Section 1.01. Definitions. The following terms shall have the definitions hereinafter set forth throughout these By-laws.

Assessments - Those payments which a Member(s) is obligated to pay the Association and which are secured by a continuing lien on the property against which the assessment is made. Assessments may be Annual or Special.

Annual Assessments shall be for on-going expenses of the Association related to the general upkeep of the Plan and the Common Area, the protection of the Members, Officers and Directors of the Association, and such other expenses as would be incurred on a regular basis in operating the Association, including, without limitation, premiums for general liability, fire, accident and other insurance, officers and directors liability insurance, bonding costs for the Officers and Directors of the Association, ground maintenance costs, landscaping fees, management fees, retainers for accountants, attorneys, and other professionals, tax assessments and bank charges. The Annual Assessment for any year shall be set by the Members at the meeting of the Association at which the budget for said year shall be adopted.

Special Assessments shall be set by the Board of Directors to meet any costs incurred or to be incurred by the Association which are not included within the annual budget of the Association, including, without limitation, costs for capital improvements, special projects of the Association, accounting, legal and other professional fees beyond those set in the yearly retainer, costs incurred in attempting to collect unpaid assessments from Members and/or former Members, and other unscheduled or emergency costs.

Association - The Settler's Ridge Homeowners' Association, a Pennsylvania non-profit corporation.

Common Area(s) - That real property described on Exhibit "A" attached hereto and incorporated herein by reference, owned by the Association for the common use and enjoyment of the Members, and all additions to that real property as may be brought within the jurisdiction of the Association.

Declaration - the Declaration of Protective Covenants, including the Amendment to Protective Covenants and the Second

Amendment to Protective Covenants, all attached hereto as Exhibit "B" and incorporated herein by reference.

Lot - a parcel of real property within the Plan and belonging to Owner or one or more Members.

Members - Those persons, individually or jointly, purchasing one or more developed lot(s) from the Owner or its successor in interest.

Municipalities - The Borough of Plum of Allegheny County, Pennsylvania and the Municipality of Murrysville of Westmoreland County, Pennsylvania.

Owner - Bar Development Co., its successors and assigns, owner or former owner of all of the Lots in the Plan.

Plan - The Settler's Ridge Plan of Lots.

ARTICLE II

Formation

Section 2.01. Name. The name of the Association shall be: "The Settler's Ridge Homeowners' Association".

Section 2.02. Incorporation. The Association is organized in the Commonwealth of Pennsylvania as a non-profit corporation under the provisions of the Nonprofit Corporation Law of 1988, on a non-stock basis.

Section 2.03. Address. The registered office of the Association shall be _____, or at such other place as designated by the Members.

ARTICLE III

Purpose

Section 3.01. Purpose. The purpose of the Association shall be to maintain, preserve, control, regulate, develop and administer the Common Areas for the use, benefit and enjoyment of the Members.

In addition, the Association is formed for the following general purposes:

a. To promote the health, safety, and welfare of the Members;

b. To perform all of the duties and obligations of the Association as set forth in the Declaration;

c. To fix, collect and enforce payment by any lawful means of all charges and Assessments pursuant to the terms of the Declaration, these By-laws and the rules and regulations adopted by the Association from time to time; to pay all expenses in connection with the fixing, collection and enforcement of the charges and assessments, as well as all office and other expenses necessary to conduct the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property controlled by the Association;

d. To acquire (by gift, purchase or otherwise), own, hold, improve, build on, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association;

e. To borrow money, and only with the assent of two-thirds of the Members, mortgage, pledge, deed in trust, or hypothecate all or any of its real or personal property as security for money borrowed or debts incurred;

f. To dedicate, sell or transfer all or any part of the Common Area(s) to any public agency, authority or utility for such purposes and subject to such conditions as are agreed to by the Association; provided that no dedication or transfer shall be effective unless an instrument signed by two-thirds of the Members of the Association shall acknowledge their agreement to the dedication, sale or transfer;

g. To have and exercise any and all powers, rights and privileges that a corporation organized under the Nonprofit Corporation Law of 1988 by law may now or in the future have or exercise.

Section 3.02. Declaration of Covenants, Conditions and Restrictions. The Declaration is attached hereto as Exhibit "A" and is incorporated herein by reference. In the event of a conflict of interpretation between the provisions set forth in these By-Laws and the Declaration, the Declaration shall govern.

ARTICLE IV

Membership

Section 4.01. Membership. Except as otherwise provided, membership in the Association shall be limited to the owners or co-owners of a Lot in the Plan.

Section 4.02. Certificate of Voting. If a Lot is owned by one Member, his or her right to vote shall be established by the recorded title to the Lot. If a Lot is owned by more than one Member who are not husband and wife, the Member entitled to cast a vote for the dwelling unit or lot shall be designated in a Certificate signed by all of the record owners of the Lot and filed with the Secretary of the Board of Directors of the Association. The Member designated in the Certificate, as entitled to cast the vote for the Lot shall be known as the "Voting Member". If such a Certificate is not on file with the Secretary of the Board of Directors for a Lot owned by more than one Member not husband and wife, the vote of the Lot concerned shall not be considered in determining the requirement for a quorum or for any purpose requiring the approval of a Member entitled to cast the vote for the Lot. A Certificate shall be valid until revoked in writing by any owner of a Lot, or until superseded by a subsequent Certificate, or until a change in the ownership of the Lot concerned.

If a Lot is owned by husband and wife, the following three (3) provisions are applicable to voting by such dwelling unit or Lot:

A. The husband and wife may, but they shall not be required to, designate a Voting Member.

B. If the husband and wife do not designate a Voting Member and both husband and wife are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at the meeting.

C. Where the husband and wife do not designate a Voting Member and only one is present at a meeting, the person present may cast the vote of the dwelling unit or Lot without establishing the concurrence of the absent person, just as though he or she owned the dwelling unit or lot individually.

Section 4.03. Affirmative Vote. All decisions shall require for passage the affirmative vote of at least a majority of the Members in good standing, entitled to vote and in attendance at a meeting having present, in person or by proxy, the quorum required in Section 4.06 hereof. Cumulative voting shall not be permitted.

Section 4.04. Membership List. Not less than thirty (30) days prior to the date of the annual or special meeting of the Association, the Secretary shall compile and maintain at the principal office of the Association an updated list of Members. Such list shall also show, opposite each Member's name, the address of the dwelling unit or Lot owned by him/her. This list shall be open to inspection by all Members and other persons lawfully entitled to inspect the same at reasonable hours during regular business days up to the date of such annual or special meeting. The Secretary shall also keep current and retain custody of the Minute Book of the Association containing the minutes of all annual and special meetings of the Association and all resolutions of the Directors.

Section 4.05. Proxies and Mail Ballots. Votes may be cast in person, by mail ballots or by written proxy.

(a) Mail Ballots. A mail ballot signed by the Member designated as the Voting Member on a Certificate filed with the Association must be received by the Secretary of the Board of Directors of the Association before the appointed time of the meeting for which the mail ballot is specified to be effective.

(b) Execution and Filing of Proxy. Every proxy shall be executed in writing and dated by the Member designated as the Voting Member on the Certificate filed with the Association and every such duly executed proxy shall be filed with the Secretary of the Association.

(c) Revocation of Proxy. A proxy shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until written notice thereof has been given to the Secretary of the Association. An unrevoked proxy shall not be valid after one (1) year from the date of its execution unless a longer time is expressly provided therein. A proxy shall not be revoked by the death or incapacity of the maker unless, before the vote is counted or the authority is exercised, written notice of the death or incapacity is given to the Secretary of the Association.

Section 4.06. Quorum. Except as otherwise provided in these By-Laws, the presence in person, by mail ballot or by proxy, of twenty (20%) percent of the Members of the Association shall constitute a quorum at any annual or special meeting of Members. If any meeting of Members cannot be held because a quorum is not present, the Members present, either in person, by mail ballot or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 4.07. Actions Without Meeting. Any action which, under any provision of these By-Laws or the Nonprofit Corporation Law of the Commonwealth of Pennsylvania, may be taken at a meeting of Members, may be taken without a meeting if authorized by a writing signed by at least fifty-one (51%) percent of the Members entitled to vote for that particular matter and filed with the Secretary of the Board of Directors of the Association.

SECTION V

Meetings of Members

Section 5.01. Place of Annual and Special Meetings. All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and, from time to time, fixed by the Board of Directors and designated in the notices of such meetings.

Section 5.02. Date of Annual Meeting. Annual meetings of the Members of the Association shall be held on the same date each year as that date on which the first regular election is held as provided in Section 6.04 hereof. The first annual meeting shall be held on the date of such first regular election. At each annual meeting, there shall be elected by a ballot of a majority of the Members present at the meeting in person, by mail ballot or by proxy and entitled to vote, the Directors of the Association, in accordance with the provisions of Article VI of these By-Laws. The Members may also transact such other business as may properly come before the meeting.

Section 5.03. Notice of Annual Meetings. The Secretary shall mail notice of annual meetings to each Member of the Association, directed to his/her residence in the Plan by first class mail, postage prepaid. Such notice shall be mailed not less than ten (10) nor more than sixty (60) days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. In lieu of mailing notices as herein provided, such notice may be delivered by hand to the Member or left at the Member's residence in his/her absence, within the same time period required as if mailed.

Section 5.04. Special Meeting. It shall be the duty of the President to call a special meeting of the Members of the Association: (a) for the purpose of holding elections of Directors pursuant to the terms of Section 6.03 hereof, or to fill any vacancies in the office of Director; (b) whenever he/she is directed to do so by resolution of the Board of Directors; and (c) upon presentation to the Secretary of a petition signed by thirty (30%) percent of the Members entitled to vote.

Section 5.05. Notice of Special Meeting. The Secretary shall provide notice of such special meeting to each Member of the Association in the manner provided in Section 5.03, except that notice of such special meeting shall be mailed or delivered not less than five (5) nor more than twenty (20) days before the date fixed for such meeting. No business shall be transacted at any special meeting except as stated in the notice thereof unless by consent of two-thirds (2/3) of the Members present, either in person or by proxy.

Section 5.06. Order of Business. The order of business at the annual meeting of the Members of the Association shall be as follows:

- A. Roll Call.
- B. Proof of Notice of Meeting or Waiver of Notice.
- C. Reading and approval of Minutes of preceding Meeting.
- D. Reports of officers and committees.
- E. Election of Directors, if applicable to such meeting.
- F. Unfinished Business.
- G. New Business
- H. Adjournment.

ARTICLE VI

Board of Directors

Section 6.01. Number of Directors. The affairs of the Association shall be governed by a Board of Directors consisting of five (5) persons. All Directors, other than those Directors nominated by the Owner pursuant to Section 6.02, shall be Members of the Association. The initial Directors or their successors shall serve until their successors take office. For so long as the Owner shall appoint one or more Directors, the Owner shall be permitted to appoint and re-appoint such Directors without the necessity of obtaining resignations. As to those Directors nominated or appointed by the Owner, this shall specifically modify Section 6.05 hereof.

Upon the replacement of all Owner-appointed Directors, all Directors of the Association shall be elected by a majority of the

Members of the Association present in person or by proxy at a meeting of the Association.

Section 6.02. Initial Directors. The initial Directors of the Association shall be appointed by the Owner. These Owner-appointed Directors shall be replaced with Members of the Association in accordance with the provisions of Section 6.03.

Section 6.03. Non-Owner-Appointed Directors. The transition from Owner-appointed Directors to Members shall occur as follows:

A. No later than ninety (90) days after seventy-five (75) percent of the dwelling units or lots in Plan are conveyed to Members, said Members shall elect four (4) Association Members, each of whom shall replace a Director appointed by the Owner.

B. No later than ninety (90) days after the last twenty-five (25) percent of the dwelling units or lots in the Plan are conveyed to Members, or at such time as Owner shall decide, said Members residing in dwelling units or lots in the last quarter, shall elect one (1) Association Member whose dwelling unit is situate in the last twenty-five (25) percent sold, who shall replace the remaining Director appointed by the Owner.

Section 6.04. Term of Directors. Within thirty (30) days after the end of a period of one (1) year following the election as provided in Section 6.03.B, an election shall be held by the Association to select Directors who shall replace the Directors succeeding the Declarant-appointed Directors. At such first regular election, which shall be referred to as the first regular election, the Members shall elect five (5) Directors from their ranks. The three (3) nominees receiving the three (3) highest numbers of votes shall serve as Directors for terms of two (2) years each and the two (2) nominees receiving the fourth and fifth highest number of votes shall serve as Directors for terms of one (1) year each. Upon the expiration of the initial term of each Director elected at the said first regular election, his/her successor shall be elected to serve for a term of two (2) years, provided that each Director shall continue to hold office until his/her successor is elected.

Section 6.05. Nominations to Board of Directors. Except as provided for in Section 6.01, Members of the Association may be nominated for election to the Board of Directors in the following way:

A. An Elections Committee shall be appointed no later than two (2) months prior to the Annual Meeting by the Board of Directors. The Elections Committee shall organize and supervise the election of the Board of Directors.

B. (1) An Association Member shall be deemed to have been nominated for election as a Director upon the filing with the Elections Committee, at least five (5) weeks prior to the Annual Meeting, of a written petition of nomination bearing the genuine signatures of not less than ten (10) members of the Association. Not less than ten (10) days prior to the Annual Meeting, the Elections Committee shall provide all Members with a ballot containing the names of all candidates so nominated and the term of each available office.

(2) Nominations will also be entertained at the Annual Meeting. A Member of the Association shall be deemed to have been nominated for election as a Director if the nomination made at such annual meeting is affirmed by a voice vote of not less than ten (10) Members of the Association.

Section 6.06. Organizational Meeting of the Board. No later than twenty (20) days following each annual meeting of the Association, the Board of Directors shall hold a regular meeting for purposes of organization, election of officers and the transaction of other business. Notice of such meeting shall be given to all directors in accordance with Section 6.08, except for the initial meeting which shall be called by the person receiving the highest number of votes.

Section 6.07. Place of Meeting. All meetings of the Board of Directors shall be held at the place or places designated at any time by resolution of the Board of Directors or by written consent of all Directors.

Section 6.08. Regular Meetings of the Board of Directors. Regular meetings of the Board of Directors may be held at such time and place permitted by law as, from time to time, may be determined by the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by telegram, telephone or by United States mail, with postage prepaid, directed to him/her at his/her residence in the Plan, at least five (5) days before the date appointed for such meeting. Such notice shall state the date, time and place of such meeting and the purpose thereof.

Section 6.09. Special Meetings of the Board of Directors. Special meetings of the Board of Directors may be called by the President of the Association on three (3) days' written notice to each Director, given in the same manner as provided in Section 6.08. Special meetings of the Board shall be called by the President or the Secretary in like manner upon the written request of any three (3) Directors.

Section 6.10. Waiver of Notice. Before any meeting of the Board of Directors, whether regular or special, any Director may, in writing, waive notice of such meeting; and such waiver shall be

deemed equivalent to the giving of such notice. All such written waivers shall be filed with the records of the Association or made a part of the minutes of the meeting. Attendance by a Director at any meeting of the Board of Directors shall, likewise, constitute a waiver by him/her of such notice. If all Directors are present at any meeting of the Board, no notice of such meeting shall be required; and any business may be transacted at such meeting except as prohibited by law or these By-Laws.

Section 6.11. Quorum. At all duly convened meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, except as otherwise expressly provided in these By-Laws or by law; and the acts of the majority of the Directors present at such meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there shall be less than a quorum present, the Director or Directors present may adjourn the meeting from time to time; and at such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting as originally called may be transacted without further notice to any Director.

Section 6.12. Consent in Writing. Any action by the Board of Directors may be taken without a meeting if all of the Members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the Minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors.

Section 6.13. Fees and Compensations. No Director or Officer shall receive any salary for his/her services as such Director or Officer.

Section 6.14. Presiding Officer. The President shall be the chief executive officer of the Association, shall preside at all meetings of the Board of Directors and shall serve for a term of one (1) year.

Section 6.15. Records. The Board of Directors shall cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members of the Association at annual meetings of the Members of the Association or at any special meeting where such statement is requested in writing by one-fourth (1/4) of the Association Members entitled to vote.

Section 6.16. Powers and Duties. The Board of Directors shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of the Association and the operation and maintenance of the Common Areas and may do or cause to be done all such other lawful acts and things as are now by law or by these By-Laws directed or required

to be done by Members of the Association. In the performance of its duties as the administering body of the Association, in addition to those powers and duties set forth in the Declaration, the Board of Directors shall have powers and duties including, but not limited to, the following:

A. The duty to provide for the operation, maintenance, cleaning, sanitation, renewal, replacement, care, upkeep, protection and surveillance of the Common Areas and community facilities and all other property, real or personal, of the Association.

B. The duty, consistent with law, to fix the Annual Assessments and assess the same against the Members in accordance with the provisions of the By-Laws and the Declaration.

C. The duty to levy and collect, in addition to regular Assessments, for community expenses, Special Assessments in such amounts as the Board may deem proper, whenever the Board is of the opinion it is necessary to do so in order to meet increased operating or maintenance costs, or additional capital expenses or because of emergencies. Any lot still owned by the Owner shall be exempt from Assessments and Special Assessments until sold to a Member.

D. (1) The duty to use and expend any sums collected from such Assessments, Special Assessments and other funds for the operation, maintenance, renewal, care, upkeep, surveillance and protection of the Common Areas and all of the Association's real and personal property and any and all other improvements, facilities and services that the Board shall find to be necessary, desirable or beneficial for the advancement and in the best interest of the Association. All future improvements shall be of a quality consistent with that of the initial improvements.

(2) The duty to provide for the maintenance and repair of the Common Areas. The Board shall maintain the Common Areas at a minimum level of maintenance equal to that which existed at the time of the conveyance of ninety (90%) percent of the dwelling units or lots to Members.

(3) The duty to use any surplus of the Assessments over expenses for such purposes as the Board of Directors may deem reasonable and necessary pursuant to its powers hereunder.

E. The duty to require all officers and employees of the Association handling or responsible for funds of the Association or funds in its possession or under its control to furnish adequate fidelity bonds or other form of surety as approved by the Association with corporate surety satisfactory to the Board of Directors. The premiums on such bonds shall be paid by the Association as part of the expenses.

F. The duty to pay all taxes and assessments levied or assessed against any property of the Association, exclusive of any taxes or assessments levied against any Member, the Owner or, otherwise, properly chargeable to any Member or the Owner.

G. The power to employ and dismiss such clerks, stenographers, workmen, janitors, gardeners, watchmen and other personnel and to purchase or arrange for such services, machinery, equipment, tools, materials and supplies, as, in the opinion of the Board of Directors, may, from time to time, be necessary for the proper operation and maintenance of the Common Areas of the Association.

H. The power to enter into a contract with a management company at such price and upon such terms as shall be determined by the Board to perform such duties and services as the Board may lawfully delegate. However, any such contract shall be for a term not be exceed two (2) years and shall provide for termination by either party with or without cause on sixty (60) days' written notice thereof to the other.

I. The duty to serve as Managing Agent of the Association.

J. The duty to collect delinquent charges or Assessments made by the Association through the Board of Directors against any dwelling unit or lot and the Member(s) owning said dwelling unit or lot, together with such costs and expenses incurred in connection therewith, including, but not limited to, court costs and attorneys' fees, whether by suit or otherwise, to abate nuisance and enforce observance of the rules and regulations relating to the Plan by injunction or such other legal action or means as the Board of Directors may deem necessary or appropriate.

K. The power to employ or retain such counsel and consultants as may be deemed necessary by the Board for any proper purposes of the Association, and to fix their compensation for professional advice or services such as but not limited to those hereinabove or hereinafter referred to in these By-Laws.

L. The duty to cause such operating accounts and escrow and other accounts, if any, to be established and opened as the Board of Directors may deem appropriate from time to time and as may be consistent with generally accepted accounting practices.

M. The duty to adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the Association, including, but not limited to, the following items:

1. Community expense budget which shall include, without limiting the generality of the foregoing, the estimated

amounts necessary for maintenance and operation of the Common Areas and any and all other expenses related to the operations thereof, including, but not limited to, utility services, casualty and liability insurance, administrative and office expenses and reserves and the costs associated with the administration of the Association;

2. Proposed Assessments against each Member for the calendar year.

Copies of the proposed budget and proposed charges shall be available for inspection by all Members of the Association during regular business hours. If the budget is subsequently amended before the charges or Assessments are made, a copy of the amended budget shall also be available for inspection. Nothing herein contained shall be construed as restricting the right of the Board of the Directors, at any time in its sole discretion, to levy a Special Assessment in the event that the budget originally adopted shall appear to be insufficient to pay the costs of the operation or management of the Association, or in the event of emergencies.

N. The duty to cause a complete audit of the books and accounts of the Association to be made by a competent independent certified public accountant at the end of each fiscal year and at such other time or times as may be deemed necessary.

O. The duty to maintain accounting records in accordance with generally accepted accounting principles.

P. The power to make and enforce compliance with the Declaration and such reasonable rules and regulations as may be adopted by the Board of Directors relative to the operation, use and occupancy of the Common Areas including, but not limited to, penalties to be levied for violations of these By-Laws, the Declaration and such Rules and Regulations, and to amend the same from time to time when approved by appropriate resolutions. The Declaration and all such Rules and Regulations shall be binding on the Members, their successors in title and assigns. A copy of all such Rules and Regulations and copies of any amendments thereof shall be delivered or mailed to each Member promptly upon the adoption thereof.

Q. The duty to keep the Common Areas, fixtures, equipment and personal property owned by the Association insured for the benefit and protection of the Association in amounts equal to their maximum insurable values, excluding foundation and excavating costs, as determined annually by the insurance carrier or carriers, against the following hazards, casualties or contingencies:

1. Loss or damage by fire and other casualties covered by a standard extended coverage endorsement; and

2. Such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other buildings, fixtures and equipment similar in construction, design, use and location to the building and other property hereinbefore mentioned. All such policies shall provide that, in the event of loss or damage, the proceeds shall be payable to the Association. The Association shall pay the premiums on such policies as community expenses.

R. The duty to establish depositories for the Association with such bank or banks as shall be designated from time to time by the Board and in which monies of the Association shall be deposited. Withdrawal of monies shall be only by check signed by such persons as are authorized by the Board.

S. The power to borrow and repay monies, giving notes, mortgages or other security, upon such terms or terms as are deemed necessary.

T. The power to acquire by purchase, annexation or lease real property, if, at any time in the future, the Board deems it to be proper and consistent with the terms thereof.

U. The power to acquire by purchase, gift, bequest, devise, sale or lease additional real or personal property; to protect the Common Areas upon such terms as the Association deems necessary and proper; to accept such additional property from the Owner.

V. The power to employ professional counsel and receive advise from such persons and firms or corporations, such as, but not limited to, landscape architects, recreation experts, architects, planners, biologists, lawyers and accountants.

W. The power to do all things incidental and necessary to the accomplishment of the above.

The Board of Directors shall also maintain public liability insurance insuring the Association and its Members against liability for negligent acts or commission or omission attributable to the Association or any of its Members and which occurs on or in any of the Common Areas. The Board shall also maintain Workmen's Compensation Insurance and such other insurance as will protect the interest of the Association, its employees and the Members, including, but not limited to, Directors' and Officers' liability coverage.

The duties and powers imposed on the Board of Directors by this Section 6.16 shall not be amended so as to reduce

or eliminate any such duties or powers of the Board of Directors without the affirmative vote of two-thirds of the Members of the Association entitled to vote.

Section 6.17. Removal of Directors. The entire Board of Directors, or any individual Director may be removed from office without assigning any cause by a vote of two-thirds of the Members. In case the Board or any one or more Directors are so removed, new Directors may be elected at the same meeting.

Section 6.18. Limitation of Personal Liability of Directors. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as in effect on the date of the adoption of this Section 6.18, or as such laws are thereafter amended, permit elimination or limitation of the liability of Directors, no Director of the Association shall be personally liable as such for monetary damages for any action taken, or any failure to take any action, as a Director. Any amendment or repeal of this Section 6.18 or adoption of any other provision of these Bylaws or the Association's Articles of Incorporation which has the effect of increasing Director liability shall operate prospectively only and shall not have any effect with respect to any action taken, or failure to act, prior to the adoption of such amendment, repeal or other provision.

ARTICLE VII

Officers

Section 7.01. Officers. The officers of the Association shall be a President, Vice-President, Secretary and Treasurer ("Officers").

Section 7.02. Election. The Officers of the Association shall be elected annually by the Board of Directors at the organizational meeting after each election of Directors and shall hold office until their successors are elected or appointed by the Board and qualify, provided that each officer shall hold office at the pleasure of the Board of Directors and may be removed, either with or without cause, and his/her successors elected at any annual or special meeting of the Board called for such purpose, upon the affirmative vote of a majority of the Members of the Board. The Board of Directors may, from time to time, appoint such other officers as in its judgment are necessary. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of the Association. Any such resignation shall take effect as of the date of the receipt of such notice or any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.03. Removal of Officers. Any Officer of the Association may be removed by the Board of Directors with or without cause.

Section 7.04. Vacancies. A vacancy in any office, because of death, resignation, removal, disqualification or any other cause, shall be filled in the manner prescribed in these By-Laws for regular appointments to such office.

Section 7.05. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members and of the Board of Directors. He/she shall have the general powers and duties usually vested in the office of the President of an Association, including, but not limited to, the power to appoint ad hoc committees from among the Members from time to time as he/she may deem appropriate to assist in the conduct of the affairs of the Association. The President shall be an ex-officio member of all standing committees, if any, and shall execute such deeds, contracts and other instruments in the name of and on behalf of the Association and under its corporate seal when a seal is required, except when such documents are required or permitted by law to be otherwise executed, and except when the signing and execution thereof shall be delegated by the Board of Directors to another officer or agent of the Association.

Section 7.06. Vice-President. The Vice-President shall take the place of the President and perform those duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall, from time to time, be imposed upon him/her by the Board of Directors or these By-Laws.

Section 7.07. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the Members and record all votes and the minutes at all meetings and proceedings, including resolutions in a Minute Book to be kept for that purpose and shall perform the duties for any committees when required. The Secretary shall have charge of the Minute Book and such records and papers as the Board shall direct and perform all duties incident to the Office of Secretary, including the sending of notice of meetings to the Members, the Board of Directors and committees, and such other duties as may be prescribed by these By-Laws or by the Board of Directors or the President. He/she shall also have custody of the Corporate Seal and, when authorized by the Board, affix the same to any instrument requiring it and attest the same when appropriate. The Secretary shall keep, or cause to be kept at the principal office of the Association, a Membership Register showing the following: (a) the names and

addresses of all Directors; and (b) the names and addresses of all Members.

Section 7.08. Treasurer. The Treasurer shall have the responsibility to keep the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies, checks and other valuable effects in the name and to the credit of the Association in such depositories as may, from time to time, be designated by the Board of Directors. He/she shall disburse the funds of the Association as may, from time to time, be ordered by the Board or by the President and shall render to the President and Directors at the regular meetings of the Board, or whenever they or either of them shall require, an account of his/her transactions as Treasurer and of the financial condition of the Association. Nothing shall prohibit functions of the Treasurer to be delegated to an agent of the Association, provided such delegation is approved by resolution of the Board of Directors. The delegation of such duties of the Treasurer shall not relieve the Treasurer from any responsibility related to overseeing and reviewing any duties performed by such agent.

Section 7.09. Compensation. The officers of the Association shall serve without compensation except that they shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

ARTICLE VIII

Indemnification of Officers and Directors

Section 8.01. Scope of Indemnification. Each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, including actions by or in the right of the Association, by reason of the fact that he/she is or was a Director and/or Officer of the Association shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by or imposed upon him/her in connection with such action, suit, or proceeding; PROVIDED, HOWEVER, that the Association shall not indemnify any such person where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness and, with respect to any criminal action or proceeding, unless such person had no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person is not entitled to indemnification under this Section, or with

respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

Section 8.02. Reimbursement of Expenses.

(a) To the extent that a Director and/or Officer of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 8.01, or in defense of any claim, issue or matter therein, he/she shall be indemnified against expenses (including attorney fees) actually and reasonably incurred by or imposed upon him/her in connection therewith. The determination of what expenses are actually and reasonably incurred shall be made by the Board of Directors, but in the event of disagreement the person making the request may apply to the Court of Common Pleas of the County in which the registered office of the Association is located or the Court in which such action or suit was brought for such determination.

(b) In situations where a Court has not made a determination that the act or failure to act giving rise to a claim for indemnification constituted willful misconduct or recklessness, any indemnification under Section 8.01 (unless ordered by a Court) shall be made by the Association only as authorized in the specific case upon a determination that the act or failure to act of the Director and/or Officer did not constitute willful misconduct or recklessness. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable if a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (c) by the Members.

(c) Expenses incurred by or imposed upon a Director and/or Officer in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of any undertaking by or on behalf of such Director and/or Officer to repay such amount if it shall ultimately be determined that he/she is not entitled to be indemnified by the Association as authorized in this Article.

Section 8.03. Change of Law. No amendment or repeal of this Article shall adversely affect any right or protection extended to a Director and/or Officer hereunder for an act or failure to act occurring prior to the time of such amendment or repeal. Each Director and/or Officer shall be deemed to act in such capacity in reliance upon the rights of indemnification and advancement of expenses hereunder. The rights to indemnification and advancement of expenses hereunder shall continue as to a person who has ceased

to be a Director and/or Officer and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 8.04. Creation of Fund. The Association may create a fund of any nature which may, but need not, be under the control of a trustee or otherwise secure or insure in any manner its indemnification obligations, whether arising hereunder or otherwise. The Association may purchase and maintain insurance on behalf of any person who is or was a Director and/or Officer of the Association against any liability asserted against him/her and incurred by or imposed upon him/her in any such capacity, or arising out of his/her status as such, whether or not the Association would have the power to indemnify him/her against such liability under the provisions of this Article or otherwise, upon such terms and conditions as the Association may deem requisite including a requirement that any such person must contribute a portion or all of the cost of maintaining such insurance.

Section 8.05. Effectiveness. The provisions of this Article shall be effective for any act or omission of a Director and Officer.

Section 8.06. Self Dealing, Willful Misconduct or Recklessness. Except for responsibility or liability of a Director pursuant to any criminal statute or for payment of taxes pursuant to local, state or federal law, a Director of the Association shall not be personally liable for monetary damages for any action taken or any failure to take any action unless (a) such Director has breached or failed to perform his/her fiduciary duties and (b) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

Section 8.07. Fiduciary Relationship. A Director of the Association shall stand in a fiduciary relation to the Association. Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Director or any failure to take any action shall be presumed to be in the best interest of the Association.

ARTICLE IX

Interested Directors

Section 9.01. Transaction Void or Voidable. No contract or transaction between the Association and one or more of its Directors or Officers or between the Association and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are Directors or Officers or has or have a financial interest, shall be void or voidable solely for such reason, or solely because the Director or Officer is present at or participates in the meeting of the Board of Directors which authorized the contract or transaction, or

solely because his/her or their votes are counted for such purpose, if: (a) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors and the Board of Directors in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Directors even though the disinterested Directors are less than a quorum; (b) the material facts as to his/her relationship or interest and as to the contract or transaction are disclosed or are known to the Members entitled to vote thereon, if any, and the contract or transaction is specifically approved in good faith by vote of such Members; or (c) the contract or transaction is fair as to the Association as of the time it is authorized, approved or ratified by the Board of Directors or the Members. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes a contract or transaction specified above.

Article X

Term

Section. 10.01. Term. The term of the Association shall be perpetual until dissolved in accordance with these By-laws.

ARTICLE XI

Dissolution

Section 11.01. Dissolution. In the event it shall be deemed advisable and for the benefit of the Members that the Association should be dissolved, the procedures concerning dissolution set forth in the Pennsylvania Nonprofit Corporation Law of 1988, or its successor, shall be followed.

Section 11.02. Distribution. In the event of dissolution, the assets, including any surplus of the Association after payment of all debts, including mortgages and other encumbrances, shall be distributed equally among the Members.

ARTICLE XII

Amendments to By-Laws

Section 12.01. Amendments to By-Laws. Except as otherwise provided herein, these By-Laws and the form of administration set forth herein may be amended from time to time by the affirmative vote of the Members representing fifty-one (51%) percent of the Association Membership entitled to vote.