

**BYLAWS OF
THE WOOD GATE HOMEOWNERS' ASSOCIATION, INC.**

ARTICLE I - DEFINITIONS

Section 1. "Association" shall mean Woodgate Homeowners' Association, Inc., a Pennsylvania nonprofit corporation incorporated in the Commonwealth of Pennsylvania on March 13, 1978, its successors and assigns.

Section 2. "Board" shall mean the Woodgate Homeowners' Association, Inc. Board of Directors.

Section 3. "Building" shall mean the exterior facade surrounding the units: that is, the brickwork; the wood panels on the front and rear of the units; the shed doors; the roof shingles; the subroof; the roof flashings; the chimneys; the ridge boards; the rafters; soffits; fasciae; gutters and downspouts. Building shall also include the brick privacy walls (arch walls) to the front and rear of the units and the back patio walls as well as the portico structures between Complex A to Complex B; Complex C to Complex D; Complex E to Complex F (as referenced in the Plan).

Section 4. "Bylaws" shall mean the bylaws of the Association.

Section 5. "Common Areas" shall mean those areas of land shown on the Plan and designated as Common Areas thereon or on any recorded sub-division plot of the Property and intended to be devoted to the common use and enjoyment of the Owners.

Section 6. "Declaration" or "Amended Declaration" shall mean that certain Second Amended Declaration of Restrictions, Covenants and Easements dated _____, 2011, recorded in the Office for the Recorder of Deeds in and for the County of Chester, Pennsylvania (the "Office"), which Declaration subjects the Property (as hereinafter defined) to certain covenants, restrictions, easements, charges and liens.

Section 7. “Declarant” shall refer to the original developer, Woodgate, a Pennsylvania general partnership.

Section 8. “Developer” referred to Woodgate, a Pennsylvania general partnership, its successors and assigns (other than the Association) or any other entity which acquired fee ownership of an undeveloped Lot or Lots for the purpose of development. The term “Developer” has no current meaning for the Property, given there are no undeveloped Lots.

Section 9. “Director” shall mean a person currently serving on the Board of the Association.

Section 10. “Documents” shall mean the Declaration of Restrictive Covenants and Easements, as amended and filed, the Bylaws, and Rules and Regulations, all as amended from time to time.

Section 11. “Limited Common Area” shall mean the patio/terrace and/or deck/balcony areas devoted to the exclusive use of a Unit Owner as more fully set forth in Article II Section 1 (vi) and Article II Section 3 of the Declaration.

Section 12. “Lot” shall mean the parcel of real property containing a Unit, which is conveyed or transferred to an Owner for use and occupancy as a single family residence.

Section 13. “Member” shall mean a member of the Association who is in good standing as set forth in these Bylaws. A Member is an Owner of a Unit.

Section 14. “Occupant” or “Occupants” shall include any person or persons not an Owner who resides in a Unit. The term includes tenants or persons who are not Owners nor a member of the immediate family thereof.

Section 15. “Owner” shall mean the then record owner, whether one or more persons or entities, of the fee simple title to any Unit, including an owner who has made an agreement to

sell a Unit, but excluding any person having an interest, however described, merely as security for the performance of an obligation, unless and until such person has acquired title pursuant to foreclosure, other legal proceedings or a deed in lieu of foreclosure.

Section 16. “Person” shall include an individual, corporation, partnership, unincorporated association or other entity.

Section 17. “Plan” shall mean the original plans recorded by the Developer. Tredyffrin Township cannot locate the Plan.

Section 18. “Property” shall mean the real property as more fully described in the Plan.

Section 19. “Unit” shall mean any plot of land shown as a separate Lot on any recorded subdivision map of the Property other than the Common Areas, together with that portion of a Building erected thereon intended to be owned and occupied by an Owner as a single family residence.

Section 20. All other undefined terms contained herein which require definition shall have the meaning ascribed to them in the Declaration or as more particularly set forth herein.

Section 21. In the event of any inconsistency between the Declaration and the Bylaws, the Declaration shall control.

ARTICLE II - LOCATION

Section 1. Principal Office. The principal office of the Association shall be located at Box 110, Woodgate Lane, Paoli, PA 19301.

Section 2. Meetings. Meetings of Members and Directors may be held at such places and times as may be designated by the Board of Directors of the Association.

ARTICLE III - MEMBERSHIP

Section 1. Membership. Every Owner shall be a Member of the Association as is more particularly provided in Article III of the Declaration.

Section 2. Assessments. The rights and privileges of membership, including but not limited to voting rights, and such other rights as the Association may designate as membership rights (the "Membership Rights") are subject to the timely payment of annual and special dues and assessments levied by the Association, as is more particularly described in Article V of the Declaration.

Section 3. Suspension of Membership Rights. The Membership Rights of any Member may be suspended by the Directors during the period in which any assessment on a Unit owned by that Member remains unpaid, whether or not he is personally liable for payment of such assessment. Also, the Membership Rights of a Member may be suspended by the Directors if that Member, a tenant or occupant of that Member's Unit, a member of the Member's family or a guest or invitee of that Member violates any covenant, restriction, rule or regulation contained in the Documents or any other instrument, ordinance, law or private or governmental regulation.

Section 4. Voting Rights. The Association shall have one class of voting membership consisting of the Owners of the Units. Whenever more than one person shall be the record title holder of any Unit, all such Owners shall appoint one person for the purpose of voting in accordance with these bylaws. All Owners shall have equal voting rights, that is, each Owner shall be entitled to cast one vote whenever voting is required by Members in the Documents, provided that Owner is a Member in good standing of the Association.

**ARTICLE IV - TERMINATION, TRANSFER
AND SUSPENSION OF MEMBERSHIP**

Section 1. Membership shall terminate automatically upon a Member's ceasing to be the Owner of any Unit.

Section 2. Upon termination of a Member's membership through sale or other transfer of the Unit, said membership shall be automatically transferred to the person or persons who are the then Owner(s) of the Unit.

Section 3. The procedure for suspension of membership rights under Article III, Section 3, ("Suspension of Membership Rights") shall be as follows:

(a) The Board shall provide to any Member alleged to be in violation of any covenant, restriction, rule or regulation 10 days' written notice of a hearing before the Board, which notice shall set forth the nature of the alleged violation or violations.

(b) If, prior to said hearing, the violation is fully cured, as determined by the Board, the Member's Membership Rights shall not be suspended.

(c) If the Member has not fully cured the violation prior to said hearing, the Board may, after giving the Member an opportunity to be heard, suspend the membership of said Member, and all Membership Rights for a period that terminates no later than the time the Board determines, in its sole discretion, that the Member has cured the violation.

(d) Notwithstanding the above, if the Board considers, in its sole discretion, that a Member's violation presents a clear and present danger to the safety of all or any part of the Property or the person or property of any other Member, the Board may, without a hearing suspend the membership of said member. The Board shall give the Member prompt notice of said suspension, which shall state the reasons for said suspension and shall set a hearing date not

more than 10 days after the beginning of said suspension period to determine whether or not the suspension should be continued.

**ARTICLE V - PROPERTY RIGHTS AND RIGHTS OF
ENJOYMENT OF COMMON PROPERTY**

Section 1. Each Member shall be entitled to the use and enjoyment of the Common Areas as provided in the Second Amended Declaration.

Section 2. Any Member may delegate his rights or enjoyment in the Common Areas to the members of his family who reside in his Unit or to any of his tenants who reside thereon under a Board-approved leasehold interest. A Board-approved leasehold interest shall be for a period of at least one year. The rights and privileges of such person are subject to suspension to the same extent as those of the Member.

Section 3. Mortgages. The Association shall have power to mortgage the Common Areas only to the extent authorized under the Declaration, as amended.

Section 4. Dedication of Common Areas. The Association shall have the right and power to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. However, no such dedication or transfer, or determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the proposed agreement and action thereunder is sent to every Member at least thirty (30) days in advance of any action taken.

Section 5. Dissolution. The Association may be dissolved by the Board only with the written assent of the Members entitled to cast at least two-thirds (2/3) of the votes and only in compliance with the Documents and the Act.

ARTICLE VI - BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be managed by a Board of Directors, who shall be Members. The Board shall consist of not less than three (3) nor more than seven (7) persons.

Section 2. Selection. Directors shall be elected by a majority vote of the Members at each annual meeting as set forth in Article XII hereof.

Section 3. Term of Office. The term of office of each Director shall be for a term of one year running from the close of the annual meeting at which he or she is elected or re-elected to the close of the next annual meeting and until a successor is elected and qualified.

Section 4. Removal. Any Director may be removed from the Board at any time, with or without cause, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Members.

Section 5. Vacancies. In the event of the death, resignation or removal of a Director, a successor shall be selected by the remaining Directors to serve for the remainder of the then current term. Any such appointed Director shall hold office until his successor is elected by the Members, who may make such election at the next annual meeting or at any special meeting duly called for that purpose.

ARTICLE VII - NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nominations for election may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting.

Section 2. Nominating Committee. If there is a Nominating Committee, it shall consist of a Chairman, who shall be a member of the Board, and two (2) or more Members. The Nominating Committee shall be appointed by the Board prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting and such

appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among the Members. In the event there is no Nominating Committee, the Board shall perform the duties of such Committee.

Section 3. Election. Election to the Board shall be by secret written ballot as hereinafter provided. At such election, the Members, or their proxies, may cast, with respect to each vacancy, one vote for each Unit owned. The names receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII - POWERS AND DUTIES OF THE BOARD

Section 1. Powers. The Board of Directors shall have authority and power to:

- (a) Act in all instances on behalf of the Association.
- (b) Call special meetings of the Members whenever, in its sole discretion, it deems necessary, and it shall call a meeting at any time upon written request of the Members representing at least fifteen (15) Units.
- (c) Appoint, employ and remove at pleasure all independent contractors, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these bylaws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever, provided that there is disclosure of the pertinent facts, the interested Director does not vote and the provisions of Section 5715 of the Pennsylvania Nonprofit Corporation Law are followed.

(d) Establish, levy, assess and collect the dues, assessments or charges provided for in the Second Amended Declaration or Bylaws.

(e) Adopt and publish rules and regulations governing the use of the Common Areas and the personal conduct of the Members, their guests, occupants, tenants and invitees, and establish penalties and fines for violations thereof.

(f) Exercise all powers, duties and authority vested in or delegated to the Association, except those reserved to the Members by any other provision of the Documents or the Articles of Incorporation.

(g) Borrow money on behalf of the Association and mortgage the real property of the Association as security therefor to the extent authorized herein.

(h) Purchase, sell, lease or otherwise dispose of the real property of the Association when necessary in furtherance of the purposes of the Association, subject to the provisions of the Documents and the Articles of Incorporation.

(i) Suspend Membership Rights and rights to use specified portions of the Common Areas and impose fines for failure to pay dues or an assessment or for violations of a covenant, restriction, rule, regulation or other provision in the Documents.

(j) Stand in a fiduciary relation to the Association and perform their duties, including duties as members of any committee of the Board upon which they may serve, in good faith; in a manner they reasonably believe to be in the best interests of the Association; and with care, including reasonable inquiry, skill and diligence as a person of ordinary prudence would use under similar circumstances.

(k) Manage the Association's reserve funds and invest the Association's reserve funds in investments permissible by law for the investment of trust funds.

(l) Rely in good faith on any information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(i) One or more other Directors or a Member or Members whom the Board reasonably believes to be reliable and competent in the matters presented;

(ii) Counsel, public accountants or other persons as to matters which the Board reasonably believes to be within the professional expert competence of that person; or

(iii) A committee of the Board designated in accordance with law, as to matters within its designated authority, which committee the Board reasonably believes to merit confidence.

(m) The Board may receive complaints from Members on any matter involving Association functions, duties or activities within its field of responsibility. It shall dispose of such complaints or refer them to such committee, director or officer of the Association, as it deems appropriate.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Observe, perform and administer the Association in accordance with the provisions of the Documents.

(b) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting or at any special meeting when such is requested in writing by the Members representing at least 15 Units.

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

(d) Perform all the duties of the Board of Directors provided in the Documents.

(e) Issue, or cause an appropriate officer to issue, upon demand by any Owner or first mortgagee, a certificate stating whether any assessment on a Lot owned by the Owner, or covered by a first mortgage held by that mortgagee, has been paid.

(f) Issue, or cause an appropriate officer to issue, the state-mandated information relating to resale of units following the written request of the Owner which request is to include a check, payable to the Association for this service. The fee for the issuance of such resale certificate shall be established by the Board from time to time.

(g) Provide for the maintenance and storage of the Association's records as may be required by law.

ARTICLE IX - BOARD MEETINGS

Section 1. Regular Meetings. The Board of Directors shall meet at least 10 times each year on such date and at such place and time as may be fixed from time to time by the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by any three (3) Directors after not less than five (5) days' written notice to each Director.

Section 3. Quorum. A majority of the Board of Directors shall constitute a quorum. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. Any action which may be taken at a meeting of the Directors may be taken without a meeting if a consent or consents in

writing, setting forth the action so taken, shall be signed by all of the Directors and filed with the Secretary.

Section 4. Teleconference Meetings. One or more Directors may participate in a meeting of the Board or any committee thereof by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other.

ARTICLE X - OFFICERS

Section 1. Officers. The Officers of the Association shall be a President, a Vice-President, a Secretary, a Treasurer and a Member at Large. Those persons elected to officer positions created by these Bylaws shall be elected from among the Directors.

Section 2. Election. The Officers shall be elected by majority vote of the Directors.

Section 3. Term. Officers shall serve for a term of at least one year.

Section 4. Resignation and Removal. Any Officer may resign at any time by giving written notice to the Board; such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. Any Officer may be removed from office by the Board at any time, with or without cause, by a majority vote of the remaining Directors.

Section 5. Vacancies. A vacancy in any office may be filled by the Directors.

Section 6. Multiple Offices. Any person may simultaneously or successively hold any number of offices, except that the President and the Vice-President may not simultaneously hold any other office.

Section 7. President. The President shall preside at all meetings of the Board of Directors, see that orders and resolutions of the Board are carried out and sign all notes, checks,

leases, mortgages, deeds, and all other written instruments. The President may delegate that any other Board Member or Officer signs a Resale Certificate.

Section 8. Vice-President. The Vice-President shall perform all the duties of the President in his absence and such other duties as may be assigned by the Board.

Section 9. Secretary. The Secretary shall record the votes and keep the minutes of all proceedings of the Board and membership meetings in a book to be kept for the purpose; keep the records of the Association; keep a membership book containing the name and address of each Member and record therein the fact and date of each termination of membership and the name and address of each new Member; keep the corporate seal of the Association and affix it on all documents requiring said seal; provide notice of meetings of the Board and of the Members; and perform such other duties as may be assigned by the Board.

Section 10. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by resolution of the Board; sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President or the Vice-President; keep proper books of account and cause an annual review of the Association's books to be made by a public accountant at the completion of each Fiscal Year; prepare an annual budget and an annual statement of income and expenses; and present the said budget and statement to the Members at the annual meeting and send a copy thereof to each Member.

ARTICLE XI - COMMITTEES

Section 1. Standing Committees. The Standing Committees of the Association shall consist of the following:

- Architectural Control Committee

- Finance Committee
- Nominating Committee

To the extent that any Standing Committee is not formed or maintained for any reason, the Board of Directors shall perform the duties of such committee.

Section 2. Other Committees. The Board may appoint such other committees as it may deem desirable from time to time.

Section 3. Appointment. The committees shall be appointed by the Board promptly after each annual meeting to serve until the close of the next annual meeting. The size of each committee shall be determined by the Board, and any or all of the Directors may be appointed to any committee. Any member of any committee may be removed from that committee by the Board at any time, with or without cause. An appointment to a committee may be made by the Board at any time.

Section 4. Nominating Committee. The Nominating Committee shall have the duties and powers described in Article VII hereof.

Section 5. Architectural Control Committee. The Architectural Control Committee shall have the duties and powers described in the Second Amended Declaration.

Section 6. Finance Committee. The Finance Committee shall supervise the annual review of the Association's books and approve the annual budget and statement of income and expenses to be presented to the membership at its regular annual meeting as provided above. The treasurer shall be an ex officio member of the Committee.

ARTICLE XII - MEMBERSHIP MEETINGS

Section 1. Annual Meetings. The annual meeting of the Members shall be held in May of each year, at the location indicated in the notice, or at such other time and place as the Board may determine.

Section 2. Special Meetings. Special meetings of the Members for any purpose may be called at any time by any three (3) or more Directors, or upon written request of the Members representing at least fifteen (15) Units.

Section 3. Notice. Written notice of each meeting shall be given to all the Members by the Secretary. Notice may be given to a Member either personally, placed in the Member's mailbox or by mailing a copy of the notice, postage prepaid, to the address last appearing on the books of the corporation. Each Member shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any meeting, regular or special, shall be mailed at least fifteen (15) days, or such longer period as may be required herein or in the Declaration, in advance of the meeting, shall specify the place, date and time of the meeting and, in the case of a special meeting, shall state generally the nature of the business to be transacted.

Section 4. Quorum. The presence at the meeting of members and/or proxies entitled to cast sixty percent (60%) of the Membership votes shall constitute a quorum for any action, except as otherwise provided by the Documents or the Articles of Incorporation. If a quorum is not present at any meeting, the meeting may be adjourned to a later date within sixty (60) days thereafter, at which the presence at the meeting in person or by proxy of those Members entitled to cast thirty percent (30%) of the Membership votes shall constitute a quorum.

ARTICLE XIII - PROXIES

Every Member entitled to vote at a meeting of Members may authorize another Owner to act for him by proxy. Every proxy shall be executed in writing by the Member, or by his duly authorized attorney-in-fact, and filed with the Secretary. 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. No proxy shall be valid after eleven (11) months from the date of its execution, unless a longer time is expressly provided therein, but in no event shall a proxy be valid after three (3) years from the date of its execution. A proxy shall not be revoked by the death or incapacity of the maker unless, before the vote is counted or the authority is exercised, written notice of such death or incapacity is given to the Secretary. A Member shall not sell his vote or give a proxy to any person for any sum of money or anything of value; and any proxy given for such consideration shall not be valid. A proxy shall automatically cease when the Member is no longer a Unit Owner.

ARTICLE XIV - BOOKS AND RECORDS

Upon written request to the Board, the books, records and papers of the Association shall be subject to the inspection of any Member or of any holder of a first mortgage on a Unit at such reasonable times as may be specified by the Board.

ARTICLE XV - CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: WOODGATE HOMEOWNERS' ASSOCIATION, INC., a Pennsylvania nonprofit corporation.

ARTICLE XVI - FISCAL YEAR

The fiscal year of the Association shall end on March 31.

ARTICLE XVII -INDEMNIFICATION OF DIRECTORS AND OFFICERS

A Director shall not be personally liable for monetary damages as director for any action taken, or any failure to take any action, unless:

- (a) the director has breached or failed to perform the duties of Director in accordance with the standard of conduct contained in Section 5712 of the Pennsylvania Nonprofit Act of 1988 (the “Act”) and any amendments and successor acts thereto; and
- (b) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness;

Provided, however, that the foregoing provision shall not apply to (a) the responsibility or liability of a Director pursuant to any criminal statute or (b) the liability of a Director for the payment of taxes pursuant to local, state or federal law.

The Association shall indemnify any officer or Director 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, (and whether or not by, or in the right of, the Association) (a “Proceeding”) by reason of the fact that such person is or was a representative of the Association, or is or was serving at the request of the Association as a representative of another domestic or foreign corporation for-profit or not-for-profit, partnership, joint venture, trust or other enterprise, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such Proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association, and with respect to any criminal proceeding, had no reason to believe such conduct was illegal, provided, however, that no person shall be entitled to indemnification pursuant to this Article in any instance in which the action or

failure to take action giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness; and provided, further, however, in instances of a claim by or in the right of the Association, indemnification shall not be made under this section in respect of any claim, issue or matter as to which the person has been adjudged to be liable to the Association unless and only to the extent that the court of common pleas of the judicial district embracing the county in which the registered office of the Association is located or the court in which the action was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the court of common pleas or other court shall deem proper.

Section 2. Procedure. Unless ordered by a court, any indemnification under Section 1 or otherwise permitted by law shall be made by the Association only as authorized in the specific case upon a determination that indemnification is proper in the circumstances because he or she has met the applicable standard of conduct set forth under that section. Such determination shall be made:

- (i) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to the action or proceeding; or
- (ii) if such a quorum is not obtainable or if obtainable and a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

Section 3. Advancement of Expenses. The Association shall advance expenses incurred by an officer or Director who may be eligible for indemnification pursuant to this Article in defending a Proceeding unless such Proceeding is brought against the person by or in the right of the Association, and may advance such expenses in any case in which it decides indemnification may be appropriate, in advance of the final disposition of such Proceeding, upon

receipt of an undertaking by or on behalf of such person to repay the amount so advanced if it shall ultimately be determined that such person is not entitled to be indemnified by the Association.

Section 4. Continuing Right to Indemnification. The indemnification and advancement of expenses provided pursuant to this Article shall continue as to any person who has ceased to be an officer or Director of the Association and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 5. Other Rights. This Article shall not be exclusive of any other right which the Association may have to indemnify any person as a matter of law.

ARTICLE XVIII - DUES AND ASSESSMENTS

As is more fully set forth in the Declaration, each Member is obligated to timely pay to the Association monthly dues and annual and special assessments as imposed by the Board, including any penalties, fines or other costs imposed by the Association, which are secured by a continuing lien on the Member's Unit.

ARTICLE XIX - AMENDMENTS AND CONFLICTS

Section 1. Amendments. These bylaws may be amended, at any duly convened regular or special meeting of the Members, by a majority vote of the Members present in person or by proxy; provided that the provisions of these bylaws which require a greater quorum or larger percentage of affirmative votes for the action set forth therein may not be amended except in accordance with the quorum or vote so set forth; and provided further that any matter stated herein which is governed by the Declaration or the Articles of Incorporation may not be amended except as provided in the applicable instrument.

Section 2. Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws or the Articles, the Declaration shall control.

ARTICLE XX - RIGHTS OF MORTGAGEES

Section 1. Estoppel Certificate. Upon the written request of the holder of a first mortgage on any Unit, the Association shall notify that holder in writing of any default by the Unit Owner of these bylaws or the Second Amended Declaration.

Section 2. Limitations on Association Powers. Unless at least seventy-five percent (75%) of the holders of first mortgages on Units, based upon one vote for each first mortgage, have given their prior written consent, the Association may not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer all or any part of the Common Areas, except for the granting of a first mortgage which is given to finance construction of improvements and the granting of easements for public utilities or other purposes consistent with the use of the Properties contemplated by the Declaration;

(b) change the method of determining the assessments or other charges which may be levied against a Unit.

(c) by act or omission materially change, waive or abandon any regulations, or enforcement thereof, pertaining to the architectural design or exterior appearance of the town-houses on the Lots, the exterior maintenance of the said town-houses, the maintenance of party walls or the upkeep of lawns and plantings;

(d) fail to maintain hazard insurance, with extended coverage, on the Common Areas on a current replacement cost basis in an amount not less than eighty percent

(80%) of the insurable value, based upon the replacement cost as reassessed at least once every three (3) years; or

(e) use any hazard insurance proceeds for any loss to any part of the Common Areas for any purpose other than the repair, replacement or reconstruction of the damaged improvements.

Section 3. Distribution of Proceeds. Any right of an Owner to receive any distribution of hazard insurance proceeds or condemnation awards for any loss to or taking of any part of the Common Areas shall be subject to any right of a holder of a first mortgage on the Unit, to receive such distribution as provided in the mortgage.

ARTICLE XXI - INSURANCE

Section 1. Insurance to Be Maintained By Association. The Association shall obtain, and maintain in full force and effect, at all times during the existence of the Association, such insurance as may be required by the Declaration, the Act and the provisions of the Pennsylvania Planned Community Act.