

**AMENDED AND RESTATED BYLAWS OF
KING'S MOUNTAIN PROPERTY OWNERS ASSOCIATION**
(a Pennsylvania Nonprofit Corporation)
(Amended as of August 11, 2017)

Article I – Introductory Provisions

- 1.1 **Purpose** - The purpose of the King's Mountain Property Owners Association (the "Association") is to function as the sole and exclusive home and property owners association for all home and lot owners of recorded Plans 1, 2, 3, 4 and Corrected Plan No. 20, and any other previously unrecorded plans at King's Mountain Resort, a private residential development located in Middlecreek Township and Upper Turkeyfoot Township, Somerset County Pennsylvania (the "King's Mountain Development"). The Association shall be required to provide exclusive services to all home and property owners in the nature of owning, controlling, managing, maintaining, improving, repairing and insuring the common areas of the King's Mountain Development as indicated on Exhibits "A" and "B" attached hereto and made a part hereof, which include the swim lake, swim lake recreational grounds, picnic pavilion, and all improved/completed private roads (or portions thereof) at the King's Mountain Development (the "Common Areas"). In addition, the Association shall use its best efforts to protect, uphold and defend its member's collective property interests. (mandatory bylaw provision per Settlement Agreement).
- 1.2 **Applicability** - These amended and restated bylaws (the "Bylaws") provide for the governance of the Association pursuant to the retroactive provisions of the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. §§ 5101 – 5414, as amended (the "UPCA"), any and all other Pennsylvania statutory laws and common law decisions applicable to home and property owners associations, and that certain Settlement Agreement between King's Mountain Resort, Inc. ("KMR"), King's Mountain Property Owners Association ("KMPOA") and the Plan 20 Homeowners Association ("Plan 20 HOA") and Order of Court approved and signed by Somerset County Judge David C. Klementik attached hereto as Exhibit "C" (the "Settlement Agreement"). The Association and its officers and directors (as defined herein) shall be specifically required to operate pursuant to, and be under and subject to, the retroactive provisions of the UPCA, any and all other Pennsylvania statutory laws and common law decisions applicable to home and property owners associations, and the terms of the Settlement Agreement. (mandatory bylaw provision per Settlement Agreement).

Article II - Offices

- 2.1 **Registered Office** - The registered office of the Association in the Commonwealth of Pennsylvania shall be at the place designated in the Articles of Incorporation, or at such place in the Commonwealth of Pennsylvania as the Board of Directors may from time to time determine.
- 2.2 **Other Offices** - The Association may also have other offices at such place within the

Commonwealth of Pennsylvania as the Board of Directors may from time to time determine or the activities of the Association may require.

Article III - Members

- 3.1 **Membership** - All home owners of record in the King's Mountain Development, and only those lot owners of record in the King's Mountain Development who own an unimproved lot that borders either a township road or an improved/completed private road (or portion thereof) in the King's Mountain Development, are automatically members (collectively the "Members" and individually a "Member") of the Association, unless the lot or lots are expressly exempted from membership by the Settlement Agreement. Membership in the Association shall be organized into two (2) classes; owners of record of a home in the King's Mountain Development (collectively the "Home Owners" and individually a "Home Owner"); and owners of record of an unimproved lot in the King's Mountain Development (collectively the "Lot Owners" and individually a "Lot Owner"). Notwithstanding the above, no officer, director, shareholder, partner or investor of KMR, its subsidiaries, successors or assigns shall have the right or be permitted to become a Member of the Association. In addition, no tenants, renters or lessees of a home or lot at the King's Mountain Development shall have the right or be permitted to become a Member of the Association. (mandatory bylaw provision per Settlement Agreement).
- 3.2 **Assessments** - An initial mandatory annual assessment for maintenance of the Common Areas of \$250 shall be assessed to every Home Owner, and \$50 to every Lot Owner in the King's Mountain Development for lots bordering either a township public road or an improved/completed private road maintained by the Association. The mandatory annual assessment for maintenance of the Common Areas shall be due on or before July 1 of each year. Thereafter, the board of directors of the Association shall set each mandatory annual assessment for maintenance of the Common Areas based upon the yearly projected budget of the Association. The board of directors shall be permitted to levy special assessments against the Members for capital improvements without the Members' approval if the capital improvement is necessary for the health, safety or welfare of the Members. All other assessments for capital improvements shall require a vote of the Members who constitute a majority of the votes of the Association that are allocated. A late fee of 5% may be assessed on any delinquent assessments. Any Member who is delinquent in paying any assessments shall have an automatic lien on their property for any unpaid assessments pursuant to section 5315 of the UPCA (which is a retroactive provision of the UPCA relating to liens). The board of directors of the Association shall be required to take legal action against any Member that is delinquent in assessments no later than 3 years from the date of the first delinquency. (mandatory bylaw provision per Settlement Agreement).
- 3.3 **Voting Rights** - All Home Owners who are current in the payment of all assessments shall be entitled to five (5) votes per home owned in the King's Mountain Development, while all Lot Owners shall be entitled to one (1) vote per lot owned in the King's Mountain Development. Members delinquent in the payment of any assessments shall

have their voting rights suspended until such time as they become current in the payment of any outstanding assessments.

3.4 **Annual Meeting** - The annual meeting of the Members of the Association shall be held each year at a location, date and time to be determined by the board of directors of the Association, but by no later than August 15 of any given year. At the annual meeting, the Members shall receive the annual report and budget of the board of directors. Members shall elect directors to the board, and transact such other business as may be brought before the meeting. If a meeting for the election of directors is not held within thirty (30) days after the designated time, then any Member may call such meeting at any time thereafter.

3.5 **Election Ballots** - The secretary of the Association shall mail to each current Member, at least thirty (30) days prior to the annual meeting of the Association, a written election ballot, with a return envelope stamped "KMPOA Election Ballot Enclosed" (postage prepaid), listing the nominees for each available board of director position. Sealed ballots that are returned via U.S. mail must be received at the Association's Post Office Box no later than the day before the annual meeting. Members may also be permitted to turn in their own sealed ballots at the annual meeting. Two impartial Members (who are not current board members and are not running for a board position) shall be designated by the board of directors of the Association as election officials and responsible for collecting the sealed ballots from both the Post Office Box and any Members turning in their ballot at the annual meeting. The ballots shall remain sealed until opened in the presence of the Members and tallied by the two election officials at the annual meeting. The election officials shall then be responsible for certifying in writing the election results. Members may nominate themselves for inclusion on the election ballot by following the nominating procedures established by the board of directors. Only one nomination per Home Owner or Lot Owner shall be permitted. The impartial election official shall be responsible for safe-guarding the sealed ballots, opening and tallying the sealed ballots at the annual meeting, and certifying in writing the election results. If any candidate or candidates run unopposed for any board position(s), it shall not be necessary for the secretary of the Association to mail out to each current Member a written election ballot as required pursuant to this section. The election results for an uncontested election shall thereby be certified by the Members at the annual meeting.

3.6 **Special Meetings** - Special Meetings of the Members may be called by any of the following by submitting a written request there for, stating the purpose of the meeting, to the secretary of the Association:

- a) The board of directors;
- b) The president of the Association; or
- c) Members who constitute at least 25% of the votes in the Association that are allocated.

The secretary shall set the time of the meeting, which shall be held not later than thirty (30) days after receipt of the request. If the secretary shall neglect or refuse to set the

time of the meeting, the person or persons calling the meeting may do so. All Special Meetings of the Members shall be held at the registered office of the Association or at such other place as the Members may determine from time to time. Business transacted at any special meeting shall be confined to the purpose stated in the request there for and matters directly related and germane thereto.

- 3.7 **Notices** - Written notice of every meeting of the Members shall be given to each Member of record entitled to vote at least fourteen (14) days prior to the time of the meeting, unless the meeting will consider a fundamental change under Chapter 59 of the Pennsylvania Nonprofit Corporation Law of 1988, as amended, in which case such notice shall be given at least thirty (30) days prior to the date of the meeting. Such notice shall state the time and place of the meeting and, in the case of a special meeting, the general nature of the business to be transacted.
- 3.8 **Quorum and Action by Members** - The presence at any meeting of Members constituting at least 25% of the votes in the Association that are allocated shall constitute a quorum for the transaction of business, and except as otherwise provided in these Bylaws, the Articles of Incorporation or the retroactive provisions of the UPCA, the acts of the Members constituting a majority of the votes in the Association that are allocated and who are present at a meeting at which a quorum is present shall be the acts of all of the Members. Anytime a quorum is required at any meeting of the Members but is not present, the board of directors shall cause a written consent for any action proposed at such meeting of the members to be mailed to the Members pursuant to the requirements stated in paragraph 3.10 below. Notwithstanding anything to the contrary contained herein, no such quorum shall be required at the annual meeting of the Members of the Association for the election of Members to the board of directors, approval of the Association's annual budget, or the ratification of these Bylaws.
- 3.9 **Designee** - A Member may designate one individual and one alternate individual to act as that Member's designee for matters relating to the Association. Written designation shall be submitted to the secretary of the Association and may be changed at any time by written notice to the secretary. All the acts of such designee or designees shall be the acts of the Member for all purposes relating to the Association, and the board of directors and all officers and representatives of the Association shall be entitled to rely thereon. A written designation shall expire 180 days from the date of that particular written designation, but may be renewed for successive 180 day terms by submitting a new written designation pursuant to this bylaw.
- 3.10 **Informal Action by Members** - Notwithstanding anything to the contrary contained in these Bylaws, any action which may be taken at a meeting of the Members may also be taken without a meeting, if a consent or consents in writing, setting forth the action taken, is/are signed and returned by the designated due date by those Members constituting a majority of the votes of the Association that are allocated. Consents not received by the designated due date will be disregarded for the purposes of calculating a majority of votes cast. The consents shall then be filed with the secretary of the Association.

- 3.11 **Transferability** - Membership in the Association is nontransferable and non-assignable, provided however that if a Member sells or transfers their property to a third party, that third party shall automatically become a Member of the Association. Upon the sale or transfer of a home or undeveloped lot in King's Mountain Resort, a separate Capital Improvement Fee in an amount equal to the then current annual assessment for Common Areas maintenance for said home or lot shall be assessed against the house or lot upon closing. The Association shall be permitted to charge a reasonable fee to the seller of any home or lot in the King's Mountain Development for the preparation of a Resale Certificate.

Article IV – Board of Directors

- 4.1 **General Powers** - The business and affairs of the Association shall be managed by the board of directors, and all powers of the Association not reserved to the Members are hereby granted to and vested in the board of directors, except as otherwise expressly provided in these Bylaws, the Articles of Incorporation, or by the retroactive provisions of the UPCA.
- 4.2 **Qualification and Number** - The board of directors elected pursuant to these Bylaws shall consist of not less than three (3) nor more than five (5) directors who shall be individuals over the age of twenty-one (21) years and who are Members of the Association (collectively the "Board", "Board of Directors", or "Directors", and individually a "Director").
- 4.3 **Selection** - A provisional board of directors consisting of the most recent board members of both the KMPOA and Plan 20 HOA shall be appointed upon the adoption of these Bylaws to assist in the reorganization of the Association. The first full Board to be elected pursuant to these Bylaws shall be elected by the Members of the Association at their annual meeting to be held on or before August 15, 2016. Thereafter, the Directors shall be elected by the majority vote of the Members at their annual meeting or at such other time or times as may be necessary or appropriate.
- 4.4 **Term** - Directors shall serve for a term of two (2) years and until their successors have been duly elected and qualified. Directors shall be eligible for re-election. To insure continuity on the board, terms shall be staggered. However, in order to achieve this result, for the first election under these Bylaws, the top three (3) candidates elected receiving the most votes shall serve a term of two (2) years, while the next two (2) candidates elected shall serve a term of one (1) year. Thereafter, all elected Directors shall serve a term of two (2) years.
- 4.5 **Vacancies** - Vacancies in the Board of Directors shall be filled by special election by a majority vote of the Members at a duly called special meeting at which a quorum of Members is present. Nominations from the floor at any such special meeting shall be permitted. Any Director so elected shall serve for the balance of the unexpired term to which he or she is elected.

- 4.6 **Place of Meetings** - The meeting of the Board of Directors shall be held at such place as the Directors may determine from time to time.
- 4.7 **Regular and Special Meetings** - The Board of Directors shall hold regular meetings open to the Members at least two (2) times per calendar year. (mandatory bylaw provision per Settlement Agreement). Special meetings of the Board may be called, at any time, by the president or by one-third of the Directors, by submitting a written request, stating the purpose of the meeting, to the secretary. The secretary shall set the time of the meeting, which shall be held not later than thirty (30) days after receipt of the request. If the secretary shall neglect or refuse to set the time of the meeting, the person or persons calling the meeting may do so. Business transacted at any special meeting shall be confined to the purpose stated in the written request and matters directly related and germane thereto. Business transacted at any regular or special meeting of the Board shall conform to the then current Robert's Rules of Order.
- 4.8 **Notices** - Written notice of regular and special meetings of the Board shall be given to each Director at least fourteen (14) days prior to the time of the meeting. Such notice shall state the time and place of the meeting and, in the case of a special meeting, the general nature of the business to be transacted.
- 4.9 **Quorum and Action by Directors** - A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business, and except as otherwise provided in these Bylaws, the Articles of Incorporation or the retroactive provisions of the UPCA, the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of all of the Directors.
- 4.10 **Informal Action by Directors** - Notwithstanding anything to the contrary contained in these Bylaws, any action which may be taken at a meeting of the Directors may also be taken without a meeting, if a consent or consents in writing, setting forth the action taken, is signed by a majority of the Directors and is filed with the secretary of the Association.
- 4.11 **Removal and Resignation** - The Members may remove any Director at any time, with or without cause, upon a vote of a majority of Members at a duly called meeting at which a quorum of Members is present. A Director may resign at any time by submitting a written resignation to the president or secretary of the Association.
- 4.12 **Compensation** - Members of the Board of Directors shall not receive any compensation for their services as Directors, but Directors may be reimbursed for reasonable and pre-approved out-of-pocket expenses incurred in connection with service on the Board.
- 4.13 **Committees** - The Board of Directors may establish one or more standing or special committees. Each committee shall be chaired by a member of the Board. Except as otherwise provided in these Bylaws, the Articles of Incorporation, or the retroactive provisions of the UPCA, any committee may exercise only such functions as the Board of Directors may from time to time determine, provided however, that any proposed expenditures of any committee must be approved in writing in advance by the Board. A

committee shall have no right or power to bind the Association, but shall serve only in an advisory capacity to the Board.

- 4.14 **Advisors** - The Board of Directors, at its discretion, may appoint one or more advisors to assist the Association in the transaction of its business, including but not limited to legal, financial and insurance advisors.
- 4.15 **Self-Managed Association** - The Board of Directors shall self-manage the affairs of the Association, and shall be prohibited from delegating such management to a manager or any other person or entity unless any such delegation is approved by Members constituting a majority of the votes of the Association that are allocated.

Article V - Officers

- 5.1 **Offices, Election and Term** - The officers (collectively the "Officers" and individually an "Officer") of the Association shall consist of a president, secretary and treasurer. The Officers shall be elected by a majority vote by secret written ballot, without prior nomination, by and from the Board of Directors at the first meeting of the Board held after the annual meeting of the Members, which meeting shall be held no later than thirty (30) days after the annual meeting of the Members. Each Officer shall serve a one (1) year term but may be elected to consecutive terms. All Officers shall be individuals over the age of twenty-one (21) years who are Members of the Association. No one person shall hold more than one office at any given time.
- 5.2 **Duties** - The duties of each Officer shall include, but not be limited to, the following:
- a) **President** - The president shall preside at all meetings of the Members and Directors; shall generally supervise the business of the Association; shall execute documents on behalf of the Association; and shall prepare the annual report and budget of the Association. The president shall also be responsible for reviewing and reconciling the Association's bank statements on a bi-monthly basis.
 - b) **Secretary** - The secretary shall assure that recorded, accurate and complete minutes are prepared and maintained for all meetings of the Members and Board; shall assure that a complete, accurate and computerized Member database is maintained and updated on a regular basis; shall assure that appropriate notice is given for all meetings of the Members and Board; shall prepare and distribute a regular newsletter to the Members at least twice a year; shall assure that any other required mailings are timely sent to the Members; and shall perform such other duties as may be prescribed by the Board or the president. All records prepared and maintained by the secretary shall be computerized with an appropriate and up-to-date back-up program in place to guard against data loss.
 - c) **Treasurer** - The treasurer shall assure that complete, accurate and up-to-date books and financial records are maintained by the Association using suitable and up-to-date financial software; shall assure that a complete, accurate and up-to-date

computerized Member assessment ledger is maintained; shall cause complete and accurate financial reports to be provided to the Board as requested, but not less than twice a year; and shall perform such other duties as may be prescribed by the Board or the president. All financial records prepared and maintained by the secretary shall be computerized with an appropriate and up-to-date back-up program in place to guard against data loss.

- 5.3 **Removal and Resignations** - The Board of Directors may, with or without cause, remove any Officer from office at any time upon the vote of a majority of the members of the Board of Directors at a duly called meeting at which a quorum of Directors is present. Any officer may resign from office at any time by written notice of resignation given to the President or Secretary.
- 5.4 **Vacancies** - Vacancies in any office shall be filled by election by a majority vote of the Board of Directors at a duly called meeting at which a quorum of Directors is present. Any Officer so elected shall serve for the balance of the unexpired term to which he or she is elected.
- 5.5 **Compensation** - Officers of the Association shall not receive any compensation for their services as Officers, but Officers may be reimbursed for any out-of-pocket expenses incurred in connection with their service as Officers.

Article VI - Limitation of Liability and Indemnification

- 6.1 **Limitation of Liability** - Directors and Officers of the Association shall not be personally liable for monetary damages for any action taken, or any failure to take action, unless:
- a) the Director or Officer has breached or failed to perform the duties of Director or Officer in accordance with the standard of conduct as outlined in the Nonprofit Corporation Law of 1988 or any other present or future provision of Pennsylvania law; and
 - b) the breach or failure to perform constitutes self-dealing, willful misconduct, recklessness, or a breach of fiduciary duty.
- 6.2 **Indemnification** - The Association shall indemnify and defend every Director, Officer, employee and/or agent to the full extent permitted by the Pennsylvania Nonprofit Corporation Law of 1988 and any other present or future provision of Pennsylvania law, provided however that no person shall be entitled to indemnification if their actions or failure to act constitute self-dealing, willful misconduct, recklessness, or a breach of fiduciary duty.

Article VII - Miscellaneous

- 7.1 **Amendments** - The Bylaws of the Association can only be amended by a vote of the

Members who constitute a majority of the votes of the Association that are allocated and who are present at a duly convened meeting at which a quorum of Members is present, provided that notice of such purpose has been given and any proposed amendments provided to each Member. Notwithstanding the above, any mandatory bylaws provisions required pursuant to the Settlement Agreement or the UPCA cannot be amended, changed or repealed by the Members, Directors, or Officers of the Association. The Articles of Incorporation of the Association can only be amended by a majority vote of the Directors. The various Restrictive Covenants of record at the King's Mountain Development (collectively the "Restrictive Covenants") can only be amended pursuant to the specific amendment provisions contained in section 5219 of the UPCA (which is a retroactive provision relating to amendment of the declaration). The President of the Association may prepare, execute, certify and record amendments to any such Restrictive Covenants on behalf of the Association.

- 7.2 **Fiscal Year** - The fiscal year of the Association shall begin on the first day of July and end on the last day of June.
- 7.3 **Books and Records** - The Association shall keep and maintain accurate computerized books and records of all of its business, including but not limited to the proceedings of the Board of Directors, Officers and Members, a copy of the Articles of Incorporation and Bylaws, any and all corporate resolutions, any and all current financial books and records of account, and a current membership register listing the names and addresses of the Members. The Association shall also keep and maintain books and records sufficiently detailed to enable the Association to comply with section 5407 of the UPCA (which is a retroactive provision of the UPCA relating to re-sales of homes and lots).
- 7.4 **Right of Inspection** - Every Member, Director and Officer, upon written request to the president or secretary, shall have the right to examine in person the books and records of the Association, and to make copies there from. The books and records shall be made available to the requesting party within thirty (30) days after receipt of the written request.
- 7.5 **Conflicts of Interest** - The Board shall adopt a policy on dealing with conflicts of interest, which may be amended from time to time by the Board.
- 7.6 **Rules and Regulations** - The Board shall adopt a set of written Association Rules and Regulations which shall be distributed to the Members. These Rules and Regulations shall outline what is considered "acceptable" and "unacceptable" behavior by Members, and may be amended from time to time by the Board.
- 7.7 **Signing of Checks** - All checks, notes, drafts and orders for the payment of money shall be signed by at least one officer of the association.
- 7.8 **Swim Lake/Picnic Pavilion** - The Common Areas consisting of the swim lake, picnic pavilion and swim lake recreational grounds are under the exclusive ownership, management and control of the Association. The swim lake, picnic pavilion and swim

lake recreational grounds are for the exclusive use of the home and lot owners at the King's Mountain Development, provided they are current in any assessment pursuant to these Bylaws. Any Member that is delinquent in any assessment levied pursuant to these Bylaws may be prohibited from using the swim lake, picnic pavilion and/or recreational grounds until such delinquent assessment is brought current and proof of payment is provided to the Association Board. Members at the King's Mountain Development who are current in their assessments may reserve the picnic pavilion for private functions, on a first-come/first-serve basis and at the discretion of the Board, by paying a fee to the Association as determined by the Board. (mandatory bylaw provision per Settlement Agreement).

- 7.9 **Roads** - The Common Areas consisting of the improved/completed private roads (or portions thereof) at the King's Mountain Development are under the exclusive ownership and control of the Association and are designated as private residential roads. No commercial vehicles shall be permitted on said roads, unless said commercial vehicles consist of residential construction vehicles, contractor service vehicles, delivery trucks, postal vehicles, newspaper delivery, school buses, and emergency response vehicles. Any and all other commercial vehicles on the roads must be approved by the Board in advance. The Board shall adopt speed limits and weight limits for the private roads at the King's Mountain Development. The Association shall have the right to seek an injunction and any and all other legal remedies available to prohibit unauthorized commercial activity on any road at the King's Mountain Development. (mandatory bylaw provision per Settlement Agreement).
- 7.10 **Residential Lots** - All lots at the King's Mountain Development are explicitly restricted to private residential purposes only.
- 7.11 **Resale Certificates** - Upon the re-sale of every home and lot at the King's Mountain Development, the Association shall be required to furnish a Resale Certificate detailed enough to comply with section 5407 of the UPCA (which is a retroactive provision of the UPCA relating to re-sales of homes and lots). (mandatory bylaw provision per Settlement Agreement).
- 7.12 **Mandatory Assessments** - A mandatory assessment for common element maintenance, to include maintenance, repair and improvement of the Common Areas will be assessed to all homeowners in the King's Mountain Development, and to only those lot owners in the King's Mountain Development who own an unimproved lot that either borders a township road or an improved/completed private road (or portion thereof) in the King's Mountain Development, unless the lot or lots are expressly exempted from such assessment by these Bylaws or the Settlement Agreement. The aforementioned homeowners and lot owners who are subject to such mandatory assessments shall be the only homeowners and lot owners at the King's Mountain Development who shall be required to be mandatory members of the KMPOA, and who shall have corresponding voting rights. The Association Board of Directors shall have the sole and exclusive right and authority to determine assessments for maintaining the Common Areas, as well as levy special assessments, collect capital improvement fees upon the sale of any home or

lot pursuant to the applicable retroactive provisions of the UPCA, unless the lot or lots are expressly exempted from such assessments of fees by these Bylaws or the Settlement Agreement, and charge a reasonable fee for the preparation of a resale certificate. (mandatory bylaw provision per Settlement Agreement).

7.13 **Enforcement of Restrictive Covenants** - The Association and Board shall make their best effort to enforce all the Restrictive Covenants of record at the King's Mountain Development, provided however, that this does not preclude each individual Home Owner or Lot Owner from also enforcing said Restrictive Covenants. (mandatory bylaw provision per Settlement Agreement).

7.14 **Exemption from Assessments** - In consideration for the conveyance of the Common Areas by KMR to the Association, all property and all lots, whether on an improved/completed private road (or portion thereof), a township road, paper road or otherwise, owned by KMR, its subsidiaries, successors or assigns, shall be exempt from paying any past, present or future lot assessments, including but not limited to Common Areas assessments, special assessments, or capital improvement fees. All real estate transactions involving KMR, as either the Grantor or Grantee, shall be exempt from paying any assessments or any other fees to the Association at the time of closing. In the event that KMR, its subsidiaries, successors or assigns, conveys any or all of its remaining property or lots to the Commonwealth of Pennsylvania or to a Conservancy then those lots and/or property shall be exempt from any lot assessments, or other fees, including but not limited to Common Areas assessments, special assessments, or capital improvement fees, as long as those lots and/or property are owned by the Commonwealth of Pennsylvania or a Conservancy. In the event KMR conveys any or all of its remaining lots and/or property to an Investor(s), and/or a Developer, such as Seven Springs Farm, then the Investor(s) and/or Developer(s), its subsidiaries, successors or assigns, shall be exempt from paying any past, present or future lot assessments, or any other fee, including but not limited to Common Areas assessments, special assessments, or capital improvement fees. All real estate transactions involving an Investor or a Developer, its subsidiaries, successors and assigns, as either the Grantor or Grantee, shall be exempt from paying any assessments or any other fees to the Association at the time of closing. However if a lot is subsequently conveyed to any other individual(s), then said lot will be subject to all assessments and fees required by the Association, provided that the lot is located on an improved road connecting to the roads being conveyed to the Association. (mandatory bylaw provision per Settlement Agreement).

7.15 **KMR Restrictions** - No officer, director, shareholder, partner or investor of KMR, its subsidiaries, successors or assigns shall have the right or be permitted to become a Member, Officer or Director of the Association. (mandatory bylaw provision per Settlement Agreement).

7.16 **Effective Date of Bylaws** - These Bylaws shall become effective upon adoption by a majority vote of the current Members of the Association at a duly convened meeting which shall be held no later than ninety (90) days after the Order of Court approving the Settlement Agreement. Thereafter, these Bylaws shall be ratified by all Members of the

Association at their 2016 annual meeting to be held no later than August 15, 2016.

Amendments:

Amended on March 5, 2016 by unanimous vote of the Members of the Association at a duly convened meeting held at the Holiday Inn Express in Donegal, PA.

Amended on August 11, 2017 by written consent of the Members of the Association at the Annual Membership Meeting held at the Swim Lake.