

BYLAWS

of

BEAR CREEK LAKES CIVIC ASSOCIATION, INC.

Bear Creek Lakes, a Planned Community
Stewart Hall, 57 Pool Drive, Jim Thorpe, Pennsylvania

Effective 05/27/2017
Amended 5/24/2025

Bear Creek Lakes is a planned community located in Penn Forest Township, Carbon County, Pennsylvania. The Community is legally subject to certain parts of the *Uniform Planned Community Act*, 68 Pa. C.S.A. § 5101 *et seq.* (the UPCA). Bear Creek Lakes was in existence before the effective date of the UPCA, February 2, 1997.

BCLCA BYLAWS
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BYLAWS
of
Bear Creek Lakes Civic Association, Inc.

ARTICLE 1
NAME; PRINCIPAL OFFICE; PURPOSES

1.1. Name. The name of the corporation is Bear Creek Lakes Civic Association, Inc., a Pennsylvania non-profit corporation.

1.2. Principal Office. The registered office of this Association shall be at 57 Pool Drive, Jim Thorpe, Pennsylvania 18229.

1.3. Purposes. The purposes for which the Association is formed are to (1) own and manage the Common Facilities that have been created and may be created in the future in Bear Creek Lakes, a single-family residential, and a recreational planned community located in Penn Forest Township, Carbon County, Pennsylvania; and (2) maintain and advance the social and civic interests of property owners in the Community.

ARTICLE 2
POWERS

2.1. Powers. The Association shall have all rights, privileges, duties, obligations, and responsibilities of a community association under the Governing Documents and the laws of the Commonwealth of Pennsylvania, including, but not limited to, the power to:

a. operate, manage, preserve, maintain and replace, as necessary, the Common Facilities;

b. provide for perpetual governance, control and maintenance of the Community including mutual and beneficial standards, controls and restrictions on the use and improvement of each residential property in the Community, and the use of the Common Facilities;

c. hire and discharge personnel necessary to properly discharge the duties of the Association;

d. collect common expense assessments levied against and due from the Members of this Association as fixed by the Board of the Association for the management, operation, maintenance, and replacement of the Common Facilities of the Community;

e. take such other actions as may be necessary to comply with regulations and other legal requirements affecting the Common Facilities as imposed by any federal, state, county or municipal authority with jurisdiction;

f. comply with building code standards and orders of code enforcement bodies;

g. enter into contracts for necessary or useful services benefiting the Association as the Association shall deem appropriate, and contracts for equipment, materials, and other supplies necessary or useful in order to operate, maintain and replace the Common Facilities of the Community;

h. establish and maintain, in the name of the Association, bank accounts or other investments for the deposit of funds paid to the Association by its Members or from any other source;

i. borrow money, to make and issue promissory notes with authority of the Board of Directors, to make and issue bills of exchange, bonds, debentures, and obligations and evidences of indebtedness of all kinds, whether secured by mortgage, pledge, or otherwise, and secure the same by mortgage, pledge or otherwise to purchase, lease or otherwise acquire all kinds of personal property, and to purchase, lease exchange, sell, hire, mortgage, or otherwise acquire or encumber any real or personal property;

j. exercise any other rights or privileges which the Association may deem necessary or desirable for the benefit of its Members;

k. do all things necessary, suitable, convenient, or proper for the achievement of any of these purposes, pursuant to authority granted by law and the Community's Governing Documents; and

l. address other matters for the benefit of its Members as may be deemed necessary or desirable by the Board of Directors of the Association or its Members, with all of the powers now or hereafter conferred by the Laws of the Commonwealth of Pennsylvania upon non-profit corporations that act as community associations in planned communities.

ARTICLE 3 DEFINITIONS

All of the defined terms shall have the meanings stated in this Article 3 whenever used in the Bylaws.

3.1. Association shall mean Bear Creek Lakes Civic Association, Inc., the Pennsylvania non-profit corporation that owns the Community's Common Facilities.

3.2. Board shall mean the Board of Directors of the Association.

3.3. Bylaws shall mean this document, as amended from time to time by the Members of the

Association.

3.4. Common Facilities shall mean all real estate within Bear Creek Lakes which is owned by the Association. This term specifically excludes the sub-divided residential Lots in the Community not owned by the Association, which are intended to be conveyed to and owned by individual purchasers, the Members.

3.5. Community shall mean the Bear Creek Lakes planned community and includes all of the real property shown on the Community's recorded sub-division maps approved by Penn Forest Township, Carbon County, Pennsylvania.

3.6. Declaration shall mean the applicable Declaration of Restrictive Covenants, etc. as recorded in the Office of the Recorder of Deeds, in and for Carbon County, Pennsylvania, as amended from time to time by the Lot Owners in the Community in accordance with the laws of the Commonwealth of Pennsylvania.

3.7. Directed Proxies shall mean the official Association proxy forms delivered with the notice of a Membership meeting under the direction of the Secretary of the Association or designee, which permit Members in Good Standing to direct how their votes are to be cast on each agenda item that may come before the Members. In accordance with the laws of the Commonwealth of Pennsylvania, a properly executed Directed Proxy shall constitute the presence of the Member at the meeting of the Association.

3.8. Directors shall mean the members of the Board of Directors of the Association.

3.9. Governing Documents shall mean, collectively, the Declaration for the Community, and the Articles of Incorporation, Bylaws, Code of Ethics and/or Rules of Conduct, Rules and Regulations and Policies and Procedures of the Association.

3.10. Lot shall mean a numbered residential Lot as shown on the recorded subdivision plans for the Community that has not been declared to be a Common Facility. This term shall have the same meaning as the word Unit as used in the *Pennsylvania Uniform Planned Community Act*, 68 Pa. C.S.A. § 5101 et seq.

a. Improved Lot shall mean a numbered residential Lot as shown on the recorded sub-division plans for the Community that has a house constructed on the Lot.

b. Unimproved Lot shall mean a numbered residential Lot as shown on the recorded sub-division plans for the Community that has no house constructed on the Lot.

c. Adjacent Lot shall mean a numbered residential Lot as shown on the recorded sub-division plans for the Community that is both an Unimproved Lot and is owned by the identical Owner(s) of a contiguous (sharing a common property line) Improved Lot or Unimproved Lot. The phrase "identical Owners" means legal title to all such Lots is held by exactly the same person(s) and with exactly the same legal interest(s).

3.11. Member shall mean each Owner of a Lot in the Community.

3.12. Member in Good Standing shall mean a Member (1) who is current in payments of all financial obligations due the Association for every Lot the Member owns in the Community, including obligations pursuant to Board approved payment plans, and (2) who is also currently in compliance with all other legal obligations for every Lot the Member owns in the Community, including all other legal obligations arising under the Governing Documents of the Association. A Member remains in Good Standing even if subject to an outstanding citation if the citation is under appeal as of the Record Date for the Meeting in question.

3.13. Owner shall mean any person or entity holding deeded title to any Lot in the Community.

3.14. Strategic Plan shall mean a written plan for the Community that states a future vision, mid-term and long-term goals and specific prioritized, actionable tasks with target deadlines to achieve the goals. If and when it is adopted by the Board, then all subsequently amended provisions or versions of that Plan shall be adopted in conformity with Article 11 of these Bylaws.

3.15. Voting Member shall mean a Member who is in Good Standing. If a Lot is owned by more than one Member, then the Owners shall decide among themselves who shall be the Voting Member. There shall be only one Voting Member per Lot and one vote per Lot.

ARTICLE 4 MEMBERSHIP

4.1. Members. All Lot Owners in the Community shall be Members of the Association. All Members shall be subject to such dues, fees, assessments, and other charges as may be determined by the Board of Directors. In cases of joint or shared ownership, each Owner is personally liable for the full amount of such obligations. Membership shall end automatically when a person ceases to be an Owner.

4.2. Membership Privileges. All Members in Good Standing and their respective household residents shall have the conditional privilege to use and enjoy the Common Facilities, but subject in all cases to the Rules and Regulations of the Association. As may be required by Association Policies and Procedures, the Association shall issue a set of annual membership badges, parking passes and any other required identification to Members in Good Standing for each Lot that pays a 100% common expense assessment, that is (i) each Improved Lot and (ii) each Unimproved Lot that is not an Adjacent Lot that pays a 100% common expense assessment. Members who own certain grandfathered Unimproved Lots that are not Adjacent Lots and only pay a 25% assessment shall not receive badges, passes and IDs for those grandfathered Lots. Upon termination of any Owner's membership, no payment whatsoever shall be due the prior Member from the Association either for any *pro rata* share of the assets of the Association or for any payments made to the Association.

4.3. Membership Duties. Each Member, as well as that Member's tenants, household residents, guests and invitees shall abide by the Declaration, these Bylaws, and the Rules and

Regulations of the Association, as amended from time to time. Members are responsible for the actions of those residing in their households, as well as guests and other invitees. Failure to abide by the Governing Documents will result in loss of status as a Member in Good Standing, and may implicate the enforcement provisions of Article 13.

4.4. Transfer of Memberships. When a Member ceases to be an Owner, that person's membership, and all household residents' privileges acquired through that Member, shall end. All prior Owners shall remain personally liable for all financial obligations owed to the Association. In addition, any outstanding balance due the Association from a prior Owner shall become due on termination of membership, and shall continue to be a lien on the respective Lot until paid.

4.5. Voting Privileges. Only Members in Good Standing shall be entitled to vote on matters that may come before meetings of the Members. The record date for determining whether Owners are Members in Good Standing and entitled to vote at any annual or special meeting of the Association shall be 45 days prior to the date of the meeting. Each Member in Good Standing and eligible to vote shall have one vote for each Lot owned by the Member.

4.6. Means of Voting. All Members in Good Standing may vote at a Members' meeting (i) by mail using a Directed Proxy form sent to the eligible Members by the Association prior to the meeting; (ii) in person using a paper Ballot provided by the Association at the meeting; or (iii) in person by any other means permitted by state law, as may be determined by the Board. The Board shall prepare an official Directed Proxy form for each meeting which, under the direction of the Secretary or a designee, shall be delivered to each eligible Member along with the Notice of the meeting. The Board shall also prepare an official paper Ballot form for each meeting. Only the official Directed Proxies and the official paper Ballots prepared by the Board can be used for voting; the use of copies or other reproductions is prohibited. Directed Proxies will be valid only if they are completed properly using the Association's official form, and are returned to the Association no later than ten (10) days before the date of the meeting. Directors shall be elected as provided in Article 5 of the Bylaws.

ARTICLE 5 BOARD OF DIRECTORS

5.1. Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors consisting of fifteen (15) persons over the age of eighteen (18). All Board candidates and sitting Board members must at all times be Members in Good Standing of the Association, and must be Owners of Lots as evidenced by recorded deeds in Carbon County, Pennsylvania. Only one Member per Lot may serve on the Board at any time. Except as otherwise allowed in this paragraph 5.1, qualified Members are eligible to run for and to serve on the Board for a maximum of three consecutive terms only. All Members who begin serving a third consecutive term are ineligible to run for and to serve on the Board during the twelve months after the end of the third term. Whenever the Board appoints a Member to fill a vacancy on the Board, the appointed Member shall serve as a Director for the remainder of the term of the vacant seat; and the appointee's short period of service on the Board shall count as one term of the three-term maximum.

There is one exception to these eligibility requirements and term limits. Any Board member who is serving a third consecutive term (or any greater number) on May 27, 2017, the effective date of these amended Bylaws, can continue to serve on the Board for the remainder of that current term, but shall then become ineligible for next twelve months.

5.2. Powers. In performance of its fiduciary duties as the governing body of the Association, which acts in the best interest of the Community, the Board shall have all powers as prescribed by law, including but not limited to the following:

a. To operate, maintain, clean, renew, replace, care, protect, and provide surveillance of the Common Facilities and all other property, real or personal, of the Association.

b. To propose and adopt a timely, balanced budget, including an operating budget and a capital budget, prepared consistent with law and approved by an absolute two-thirds ($\frac{2}{3}$) majority of the Board of Directors. Promptly after adoption of the annual budget by the Board, the Board shall distribute the approved budget to the Members by posting it on the Association's website, and by making a good-faith effort to email it to those Members, who at least thirty (30) days prior to the adoption of the annual budget by the Board, have provided their email addresses to the Association. Members have the power to reject any operating or capital budget by complying with Section 5303(b) of the Pennsylvania Uniform Planned Community Act.

1. To propose and approve capital expenditures. Promptly after approval of any capital expense by the Board, the Board shall notify the Members by posting on the Association's website a description of what the capital expense is for, the amount of the capital expense, and the terms of payment of the capital expense, and by making a good-faith effort to email that same information to those Members, who at least thirty (30) days prior to the approval of the capital expense by the Board, have provided their email addresses to the Association. Members have the power to reject any capital expense by complying with Section 5303(b) of the Pennsylvania Uniform Planned Community Act.

c. To fix the annual common expense assessments based on the approved budget, and to assess the same against Owners in such fair and equitable proportions and amounts as shall from time to time be deemed appropriate by these Bylaws for the proper functioning of the Association; and to establish other reasonable charges and fees as appropriate. Members' common expense assessments, fees and other charges shall be fixed by the Board to vary reasonably as between improved, unimproved and adjacent lots as follows:

Improved Lots: 100% of the annual common expense assessment.

Unimproved Lots: 100% of the annual common expense assessment if the Owner(s) owns an Unimproved Lot that is not an Adjacent Lot; and 25% of the annual common expense assessment if the Unimproved Lot is an Adjacent Lot.

Adjacent Lots: 25% of the annual common expense assessment.

These proportions of the annual assessments by type of Lot shall not be changed except by Bylaw amendment, with one exception. Before May 27, 2017, certain Unimproved Lots that are not Adjacent Lots had only been assessed Road Fees. For a limited time, those Lots will be assessed temporarily as Adjacent Lots. This temporary exception for each Lot shall end whenever (i) ownership of the Lot changes by recorded deed or (ii) the Lot is improved with a residence.

d. To use and expend any sums collected from assessments or other charges levied for the operation, maintenance, renewal, care, upkeep, surveillance and protection of the Common Facilities and all of the Association's other real and personal property; and to enter into contracts for these purposes. Any unbudgeted expenditure by the Association exceeding \$5,000 shall (a) be specifically reported as an agenda item at a Board meeting and (b) be properly recorded in the Association's monthly financial reports. The \$5,000 limit shall be in the aggregate during any three-month period.

e. Except as may otherwise be provided in these Bylaws, all purchases or leasing of goods or services that are in excess of an amount as may be established in the Association's financial policies adopted by the Board, shall be advertised and solicited for bid and shall be awarded to the lowest responsible, qualified bidder as determined by the Board. Professional services are exempt from this requirement.

f. To levy and collect special assessments if approved by an absolute two-thirds ($\frac{2}{3}$) majority of the Board in order to meet increased operating or maintenance costs or additional capital expenses, or because of emergencies.

g. To select a Managing Agent of the Community, if and when appropriate and properly budgeted, and to employ or retain such persons, and to purchase or arrange for such services, machinery, equipment, tools, materials, and supplies as in the opinion of the Board may from time to time be necessary for the proper operation, maintenance, and replacement of the Common Facilities. The Board may employ a Managing Agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including but not limited to, the duties listed in Section 5.2 of these Bylaws.

h. To pay any taxes and assessments levied or assessed against any property of the Association exclusive of any taxes or assessments against any property properly chargeable to the Owner(s) thereof.

i. To collect delinquent Association charges or assessments, including levies against and execution sales of any Lot and its Owner, which amounts shall include but not be limited to court costs and attorney's fees, whether by lawsuit or otherwise; to abate nuisances and enforce observance of the Governing Documents of the Association by injunction, fines, or such other legal means as the Board may deem necessary or appropriate.

j. To establish such operating accounts, escrow accounts and other accounts as the Board may deem appropriate from time to time, consistent with good accounting practices; to maintain accounting records in accordance with generally accepted accounting principles; and to engage an independent certified public accountant to conduct an audit of the accounts of the Association at the end of each fiscal year.

k. To keep the Common Facilities and all other real property, improvements, fixtures, equipment, and personal property owned by the Association protected and insured against hazards, casualties, or contingencies due to loss or damage by fire or other casualties, and such other risks as are customarily covered.

l. To maintain Comprehensive General Liability insurance and Directors and Officers Liability insurance covering (i) the Association; (ii) its employees; and (iii) members of its Board of Directors and its committees, for acts or omissions within the scope of their authority attributable to the Association.

m. To adopt and publish a Code of Ethics and/or Rules of Conduct which shall govern the Board, Members serving on all Association Committees, and other Community volunteers.

n. To adopt and amend rules and regulations governing the use of the Common Facilities and the personal conduct of the Members, their household residents, on the Common Facilities.

o. To adopt Policies and Procedures for the operation of the Community.

p. To provide necessary training to Directors, management personnel and other staff and volunteers.

q. To support and implement a Strategic Plan as adopted or as properly amended pursuant to Article 11 (Strategic Plan) and Article 16 (Amendments). The Strategic Plan shall be subject to bi-annual review.

r. To take advantage of membership expertise, management expertise, and outside resources such as the auditor, legal counsel and information available from the Community Association Institute (CAI) to continuously review best practices in homeowner association governance.

5.3. Decisions. Formal decisions by the Board shall be made and memorialized at Board meetings, unless otherwise restricted by law. Decisions shall be by simple majority vote with a quorum present unless otherwise restricted by law, the Declaration or these Bylaws.

5.4. Term of Office. The members of the Board shall serve staggered three (3) year terms, and a maximum of three consecutive terms beginning on the date stated in Section 5.1 and subject to the terms of Section 5.1. At the Annual Meeting of the Members of the Association, five Directors shall be elected to fill the seats made vacant because of Directors' terms then expiring. Each eligible Director so elected shall serve for a term of three (3) years and until each Director's successor is seated. Directors shall serve without compensation, but may be reimbursed reasonably for expenses incurred for acting as a Director.

5.5 Eligibility and Nominations.

- a. To be eligible to run for, be elected to, be appointed to or continue to serve on the Board, an owner (1) must be a Member in Good Standing and (2) cannot have completed three consecutive terms on the Board within the prior twelve months from the date of the election or appointment.
- b. To become a candidate for the Board election at an Annual Meeting, any Member in Good Standing must submit a written note with a statement confirming intent to run for the Board. Members shall submit the note in accordance with the Nomination Policy and Procedure that is maintained on the Members Only section of BCLCA's website.
- c. The Agenda and Directed Proxy or Ballot forms for the Annual Meeting shall contain the names of all Board candidates, as well as all other agenda items approved by the Board at its July Board meeting. The Board will mail the Notice, Agenda, and the Directed Proxy or Ballot forms for the Annual Meeting during the last week of July so they can be delivered to the Members on or about August 1.

5.6. Elections.

- a. All votes for election to the Board shall be cast as directed by the Board. The Board shall permit voting by directed proxy, written ballot or other specifically designated and secure electronic means. Official Directed Proxies or Ballots shall be prepared by the Board or the Board's designee, and shall be delivered with the notice and call of the Membership meeting. No other forms of proxies or ballots are permitted.
- b. The Board shall appoint a person to serve as the Judge of Elections, plus any assistants that are appropriate or necessary. The Judge of Elections shall oversee distribution of ballots, receive and review completed ballots and proxies, tabulate and record all votes, and certify the results in writing to the Secretary, which report is to be included in the minutes of the meeting.
- c. Directed Proxies or Ballots shall be provided to Members in Good Standing, together with the Notice of the Meeting. If a Lot is owned by more than one person, only one Proxy or Ballot shall be issued for that Lot.
- d. Members' completed Directed Proxy or Ballot forms must be mailed or hand-delivered to the Association office, and must be received at least ten (10) calendar days prior to the Annual Meeting. The returned forms shall be date-stamped, checked for completeness, logged in and then stored in a secure manner. The Association shall tally the votes by those Members sending Directed Proxy or Ballots, and shall cross-check names in order to preclude duplicate votes cast by those Members attending the Annual Meeting in person.
- e. The candidates receiving the greatest number of votes shall be elected.

f. If the number of qualified nominees for the Board equals the number of full-term vacancies to be filled on the Board, those nominees shall be deemed elected, and no voting shall be necessary. In lieu of a vote, the Secretary of the Association shall notify the membership at the Annual Meeting, and the result shall be properly recorded in the minutes of the next meeting of the Association.

g. If necessary, whenever extra Board vacancies are to be filled in one election, the term of each elected Director will be determined as follows. The candidates who receive the greatest numbers of votes will serve full three (3) year terms, and the candidates who receive the next highest number of votes will serve the next longest unexpired term until all open positions are filled. Tie votes shall be broken by the toss of a coin.

5.7. Vacancies. Vacancies caused by any reason other than by removal of a Director by vote of the Association may be filled at a properly convened Board meeting, held within ninety (90) days after the vacancy occurs, by vote of a majority of the remaining Directors. Each qualified Member so elected shall serve as a Director for the remainder of the term of the vacant seat. Any such vacancy not filled by appointment by the Board shall be filled in accordance with Section 5.6.

5.8. Resignations. Any Director who is absent without cause from three (3) regularly scheduled monthly meetings in the course of a twelve-month period, shall be deemed to have resigned and the Board shall fill the vacancy in accordance with these Bylaws.

5.9. Removal of Directors. In addition to other removal powers authorized under state law to the Board of Directors and a Court, at a special meeting of the Members with a quorum present and called for the purpose of removal of any one or more of the Directors, the Voting Members may do so, with or without cause, by a two-thirds ($\frac{2}{3}$) vote of the Voting Members present and voting. Cause may include failure to attend three consecutive meetings without notice; failure to carry out duties of Committees; or a material conflict of interest in violation of the Code of Ethics and/or Rules of Conduct. Any Director whose removal has been proposed by the Members shall have a reasonable opportunity to be heard at the meeting. If a Director is removed, a successor may then be elected at the same meeting to fill the vacancy.

5.10. Reorganization Meeting. The Board Reorganization Meeting shall be held not later than twenty (20) days after the date of the Annual Meeting or Special Meeting at which new Directors are elected.

5.11. Regular Meetings.

a. Regular monthly meetings of the Board shall be held during each fiscal year, beginning the month after the Reorganization Meeting. A schedule of Board Meetings for the fiscal year shall be established and communicated to the Membership after the Reorganization Meeting. After the Board adopts the schedule for monthly meetings, no further notice of those meetings shall be required.

b. One or more Directors may participate in up to two (2) meetings of the Board of Directors every twelve (12) months by means of conference telephone or other electronic technology that allows all persons participating at the meeting to hear each other. Participation by electronic means shall constitute presence in person at the meeting.

c. All Association Members in Good Standing may attend Board meetings to observe only. The Board may conduct portions of meetings in executive sessions, which shall be closed to the Association Members. In executive session, the Board may only discuss matters that are confidential, privileged or involve personal privacy, such as personnel issues, legal matters, or similar subjects as may be deemed appropriate by the Association's legal counsel.

d. Notice of any rescheduled meeting of the Board shall be given to each Director personally, or by other reasonable means, at least three days prior to the date of the meeting, and notice of the rescheduled meeting shall be communicated to the Association Members.

5.12. Special Board Meetings.

a. Special Board Meetings may be called by the President of the Association on five (5) days' notice to each Director, given personally or by other reasonable means, which notice shall state the time, place, and purpose of the meeting. In addition, upon the written request of at least five (5) Directors, the President or Secretary shall call a Special Board Meeting in like manner and on like notice. Notice of Special Meetings shall be communicated to Members in the same method as stated for rescheduled monthly meetings.

b. The President may by email or telephone notice call an Interim Special Meeting of the Board to address specific issues that are truly of immediate importance. All Board Members shall participate in the meeting by conference phone call or other electronic means. Doing so shall not count as attendance at a Regular Meeting permitted by electronic means under Section 5.12.b. With a quorum present by electronic means, all decisions of the Board shall be valid procedurally, and documented in the Minutes of the Interim Special meeting. If appropriate, interim actions of the Board may be ratified at a Regular or Special Meeting of the Board.

5.13. Record of Meetings. The Secretary shall cause official minutes of all regular and special Board meetings to be kept, and to be made available to Association Members.

5.14. Directors' Waiver of Notice. Attendance by a Director at any Meeting of the Board shall constitute a waiver of notice of the time and place of that meeting. If all the Directors are present at any meeting of the Board, no further evidence of notice shall be required and any business may be transacted at such meeting.

5.15. Fidelity Bonds, etc. The Board shall assure that all officers and employees of the Association handling or responsible for Association funds shall be covered by adequate Fidelity Bonds or shall be insured against theft, to the extent that such products are reasonably available. The Association shall pay the premium for such Bonds or insurance.

5.16. Avoidance of Conflicts. The Directors of the Board shall comply with Policies and Procedures and avoid conflicts of interest in their service on behalf of the Association. No Director shall contract with or be employed by the Association in any capacity while the Director serves on the Board and for one (1) year after the Director no longer holds that office.

5.17. Conduct of Meetings. Conduct of Board meetings, if not covered by statute or these Bylaws, shall be governed by the *Modern Rules of Order* as published by the Pennsylvania Bar Institute (latest edition)¹.

5.18. Order of Business. The order of business at regular meetings, and, so far as applicable, at special meetings, shall be taken up for consideration and disposed of as follows:

- a. Quorum roll call.
- b. Approval of the Minutes of previous Meetings.
- c. Treasurer's Report.
- d. Communications, (a) written and (b) oral; petitions; hearings; and comments by Members.
- e. Management Report.
- f. Committee Reports.
- g. Payment of Bills.
- h. Awarding of Contracts.
- i. Hearing upon, adoption or amendment of proposed Changes to the Rules and Regulations or Policies and Procedures on second reading.
- j. Other Unfinished Business.
- k. New Business.
- l. Proposed Changes (additions, deletions, and modifications) to the Rules and Regulations or Policies and Procedures on first reading.
- m. Other Miscellaneous Matters

¹ Pennsylvania Bar Institute, 5080 Ritter Road, Mechanicsburg, PA 17055-6903, (717) 796-0804, (800) 932-4637, <http://www.pbi.org>, info@pbi.org.

n.Adjournment.

ARTICLE 6 OFFICERS

6.1. Officers. The Officers of the Association shall be the President, Vice President, Secretary, and Treasurer, all of whom shall be elected by and from the Board. The Directors may also appoint an Assistant Treasurer, and an Assistant Secretary, and such other Officers as in their judgment may be necessary or appropriate.

6.2. Election of Officers. The Board at the Reorganization Meeting of each new Board shall elect the Officers of the Association annually. All Officers shall hold office for a one year term and shall serve at the pleasure of the Board.

6.3. Removal of Officers. On an affirmative vote of a majority of the Members of the Board, any Officer may be removed, either with or without cause, and the Officer's successor elected at the regular meeting of the Board at which the removal occurred.

6.4. President. The President shall be the Chief Executive Officer of the Association, and shall preside at all meetings of the Association and of the Board. The President shall have all the general powers and duties that are usually invested in the office of the President of an Association, including but not limited to the power to appoint committee members in Good Standing from time to time as the President may decide is appropriate to assist in the conduct of the Association's affairs. The President shall also be an Ex-Officio member of all committees.

6.5. Vice President. The Vice President shall take the place of the President and perform the President's 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 shall appoint another Officer to perform such duties as shall from time to time be determined by the Board.

6.6. Secretary. The Secretary shall cause minutes to be kept for all meetings of the Board as well as for all meetings of the Association. The Secretary shall have custody of the official books and papers as the Board may direct, and shall in general perform all the duties incident to the office of the Secretary.

6.7. Treasurer. The Treasurer shall be responsible for oversight of all Association funds and securities and shall be responsible for the deposit of all monies and other things of value, in the name of the Association, in such depositories as may from time to time be designated by the Board. The Treasurer shall assure that the Association's accounting records are kept on an accrual basis and in compliance with generally accepted accounting principles. The Board may require that the Treasurer be bonded or insured for such amount and under such conditions that the Board may determine. Association checks shall be signed by those persons who authorized to do so by Policy and Procedure of the Association.

ARTICLE 7
INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

7.1. Indemnity. The Association shall insure, indemnify, hold harmless and defend every Director, Officer and Committee member, and their respective heirs, executors, and administrators, against all loss, costs and expenses, including legal fees, reasonably incurred in connection with any action, suit, claim or other proceeding to which the Officer, Director or Committee Member may be made a party by reason of being or having been a Director, Officer or Committee Member of the Association. The Association shall have no duty, however, to insure, indemnify, hold harmless or defend any Officer, Director or Committee Member, past or present, for any matter in which the Officer, Director or Committee has been found by a court or other tribunal to have acted or failed to act in a manner that constitutes recklessness, gross negligence, or intentional misconduct.

7.2. Settlement. In the event of any legal settlement, the Association's duty to indemnify shall encompass only the matters resolved by the settlement, and then only if the Association is advised by its legal counsel that the Officer or Director to be indemnified did not commit any acts or omissions constituting recklessness, gross negligence or intentional misconduct in the matter. The foregoing rights shall not be exclusive of other rights to which the Director, Officer, or Committee Member may be entitled.

7.3. Common Expense. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason of, ensuing out of or in connection with the foregoing indemnification provisions shall be treated by the Association as a common expense.

7.4. Limitation. Nothing in this Article shall obligate the Association to indemnify any Member of the Association with respect to any duties or other obligations that person has as Owner of a Lot in the Community; even the Owner is or has been a Director, Officer, or Committee Member of the Association.

ARTICLE 8
MEETINGS OF MEMBERS

8.1. Place of Meeting. All annual and special meetings of the Association shall be held at the principal office of the Association or at any other suitable, convenient place as may be determined by the Board.

8.2. Annual Meeting. The Annual Meeting of the Association shall be held on the Saturday immediately preceding Labor Day of each year.

8.3. Special Meetings. A Special Meeting of the Association may be called (a) by the President; (b) the vote of at least five (5) members of the Board or (c) by the written petition of at least fifteen (15%) percent of all votes that Voting Members are entitled to cast at the particular meeting. The Voting Members' petition shall state the specific purpose of the Special Meeting. No business other than that stated in the notice shall be transacted.

8.4. Notice of Meetings. Written notice of the place, date, and hour of each Association Meeting shall be provided to each Member in Good Standing in accordance with the following

- a. Except for Special Meetings held pursuant to Sections 5.2(b) or 5.2(b.1) of the Bylaws, such notice shall be given at least thirty (30) days before the date of the meeting. The meeting shall be held no more than sixty (60) days after receipt of a valid request.
- b. In the case of Special Meetings held pursuant to Section 5.2(b) or 5.2(b.1) of the Bylaws, such notice shall be given at least fifteen (15) days before the date of the meeting. The meeting shall be held no more than twenty-five (25) days after receipt of a valid request.
- c. Notice of any Special Meeting shall be given by approved means and shall state the specific purpose of the meeting. Other reasonable notice of the meeting may also be provided. All Members are requested to provide an email address to the Association; and by doing so, those Members confirm that their email addresses may be used by the Association to deliver legal notices to them, including notices of Meetings.

8.5. Quorum. The presence in person or by proxy of at least ten percent (10%) of the Voting Members of the Association shall constitute a quorum for conducting Association business. At any meeting at which a quorum has been established, the affirmative vote of a majority of those Voting Members who are present and voting, in person or by directed proxy, is necessary to approve any matter under consideration, unless otherwise provided by law or the Governing Documents.

ARTICLE 9 MANAGING AGENT

9.1 Agent. A Managing Agent may serve as the General Manager of the Community, reporting directly to the Board.

ARTICLE 10 COMMITTEES

10.1. Purpose and Role. Committees, composed of unpaid volunteer Members of the Association, are critical to the Association's well-being. In discharging their duties, Committee members must abide by the Governing Documents, the Code of Ethics and/or Rules of Conduct, the Committee Membership Policy adopted by the Board, and the Strategic Plan. Members shall confirm that obligation annually, upon appointment or reappointment. Unless otherwise provided in these Bylaws or required by the Board, the primary role of each Committee is to provide advice to the Board. The Board may assign administrative and other non-decisional matters to a Committee for review and recommendation. The Board may establish new Committees, and may alter the roles and functions of existing Committees, as deemed necessary, without requiring amendment to these Bylaws. Board decisions that establish a new Committee or modify the role or function of an existing Committee shall

be documented in the minutes of the Board and made available to the Members as Association records. See Article 15.

10.2. Mission Statement. Each Committee shall have a brief Charter that is approved by the Board. Each Committee shall abide by the Committee Charter.

10.3. Committee Membership. Any Member in Good Standing may volunteer as a voting member of any Committee. If more than one member of a household is on any committee, only one shall be designated as a voting member. Residents who are not Members may also volunteer and be non-voting members of Committees. The Board may determine the Procedures for appointing new members of each Committee. Each active Committee shall annually submit for Board approval the recommended maximum size, manner of appointment, and proposed names of Chairperson(s) and Committee Members. As noted above, the President shall be a non-voting member of all Committees. A Board liaison shall be appointed by the Board to chair each Committee and be a voting member of the Committee.

10.4. Standing Committees. The number, functions and sizes of Standing Committees of the Association shall be determined by the Board.

10.5. Ad hoc Committees and Subcommittees. Ad hoc Committees and Subcommittees may be established, as the Board deems necessary and appropriate. The Board may limit the size of such Committees.

10.6. Board Committees. If and when appropriate, the Board may also appoint an Executive Committee or other Committees of the Board for purposes allowed under the *Pennsylvania Nonprofit Corporation Law*, 15 Pa. C.S.A. § 5101 *et seq.*

ARTICLE 11 STRATEGIC PLAN

11.1. Purpose. The Board by an absolute two-thirds ($\frac{2}{3}$) vote may adopt an initial Strategic Plan for the Community (the “Plan”). The Plan shall assess the status of the Community’s infrastructure, governance, amenities, property, operations, and finances. The Plan shall also outline short- and long-term strategies for improvements to the Community.

11.2. Changes to Strategic Plan.

a. Supermajority requirement to amend the Plan: Given the critical importance of the Strategic Plan to the maintenance and betterment of the Community as above described, and the long-term planning and commitment required to implement the Plan, any proposed change to Plan shall require a review and approval by an affirmative vote of at least two-thirds of the Directors.

b. Procedure to change the Plan: If the Board determines that any change to the Plan is necessary or advisable, the Board shall first submit the proposed changes to the Finance Committee, an optional Strategic Advisory team, and any other directly-affected Committees for comment and analysis of financial impact. After reviewing these comments and the financial impact assessment, the

Board may approve the change only by an affirmative vote of at least two-thirds of the Directors. Such duly-adopted changes to the Strategic Plan shall not require a Bylaw amendment in order to be effective.

c. Record of changes. Properly-approved changes to the Strategic Plan shall become part of the Strategic Plan; shall be compiled and maintained by the Board; and shall be made available for the Members' inspection in the Association's offices and on the Members-only section of the Association website. (See Article 15.)

11.3. Bi-Annual Review of Strategic Plan. Although Strategic Plans generally are not changed over short periods of time, the Board must review the Strategic Plan at least every two years and determine if any material changes are required.

11.4. Strategic Advisory Team. The Board has discretion to establish a Strategic Advisory Team of experts and other advisors for purposes outlined in any Strategic Plan. The Strategic Advisory Team will serve solely in an advisory capacity to the Board.

ARTICLE 12 ASSESSMENTS

12.1. Assessment Obligations. The Owner(s) of a Lot shall pay the Association common expense assessments levied against that Lot by the Board in compliance with the Governing Documents, laws of the Commonwealth of Pennsylvania, and Board policy. See paragraph 5.2 c.

12.2. Purposes of Assessments. Among other things, the common expense assessments shall also be used to pay the cost of administration of and communication about the affairs of the Association, in addition to the operation, maintenance, repair and replacement of the Common Facilities, including the expense of administration of the Association and all of its real and personal property, and other costs and expenses incurred by the Association in achieving and furthering its purposes and as provided by law.

12.3. Payment of Assessments. Owners shall pay common expense assessments levied by the Association on or before the due date fixed by resolution of the Board. Written notice of the assessments and the date of payments shall be sent to the Owners of each Lot at the address of record last given by the Owners to the Association. No Owner is exempt from any share of such expenses by waiver of the use and enjoyment of the Common Facilities of the Association or by abandonment of any Lot.

12.4. Special Assessments. Special assessments may be assessed by the Board against Lot Owners in the Association within the limits of the Governing Documents. See paragraph 5.2 f. Special assessments may include only (a) those expenses ordinary and necessary to related services provided by the Association or (b) other unbudgeted amounts necessary for proper functioning of the Association as determined by the Board.

12.5. Limited Special Assessments. Special assessments may be assessed by the Board against certain individual Lot Owners. Special assessments against individual Owners may include only those expenses for materials and services provided by the Association to or for the benefit of that Owner that are otherwise the responsibility of that Owner.

12.6. Unpaid Assessments. All assessments (as the term is defined in the Pennsylvania Uniform Planned Community Act) and other charges levied against any Lot or Owner shall constitute a lien under that Act against the Lot until paid and shall be a personal obligation of the Owner for the benefit of the Association.

12.7. Voluntary Conveyance. Upon voluntary conveyance of any Lot, both the prior Owner and the new Owner of the Lot shall be jointly and severally liable for all unpaid assessments and other charges pertaining to the Lot as levied by the Association.

ARTICLE 13 ENFORCEMENT OF THE ASSOCIATION'S GOVERNING DOCUMENTS

13.1. Compliance. Each Member, tenant, household resident and all other guests and invitees, shall comply strictly with these Bylaws and with the other Governing Documents of the Association, as amended from time to time.

13.2 Automatic Suspension of Privileges. Upon failure of any person to comply with any of the Governing Documents and, after the Association mails a notice required in section 13.4.a for a violation that is not due to a Member's failure to pay dues and assessments, the responsible Member shall automatically become not in Good Standing. The person's failure to comply shall automatically suspend:

- a. the Member's voting privileges; and
- b. all of the Member's other privileges, and the privileges of other persons authorized through that Member, including tenants, other household residents, guests and invitees, to use the Common Facilities of the Community, except for use of Community roads for access to the Member's property.

13.3. Other Remedies. In addition to all powers and remedies granted by the laws of the Commonwealth of Pennsylvania, the Board shall also be empowered under the Governing Documents by vote of the Board, when appropriate or necessary, to:

- a. Fines. Fine the Member for each breach. Failure of the Member to pay any fine within thirty (30) days after mailing of the notice of violation shall constitute a separate violation; and
- b. Civil Action. File a civil action or actions to recover all sums due, for damages or injunctive relief, or both, in the name of the Association on behalf of the Community.

13.4. Due Process Procedure.

a. Notice of Violation. Based on the plain language of the Governing Documents, the Association shall give the Member written notice of (i) the specific nature and basis of any violation that is not due to a Member's failure to pay dues or assessments, and which violation is chargeable to the Member or to the Member's Lot; and (ii) the right to appeal the violation stated in the notice timely to the Security Committee of the Association. The Association shall send the notice of violation by regular mail with proof of posting, and also by certified mail, return receipt requested, to the address of the Member shown on the records of the Association. Notice shall be complete upon sending. No notice is required for any violation that is due to the Member's failure to pay dues or assessments other than is required in accordance with adopted Policy and Procedures.

b. Appeal and Review. The Member is entitled to file a written appeal to the Security Committee regarding the violation and disciplinary action specified in the notice and to submit written evidence only to the Security Committee. The Member is not entitled to appeal a violation that is due to the Member's failure to pay dues or assessments.

c. Standing and Filing an Appeal. Only the Member shall have standing to appeal any violation. Both the Member's written appeal to and the Member's written evidence, if any, for review by the Security Committee shall be delivered to the Association within thirty (30) days from the date of the Association's mailing of the notice of violation to the Member. Failure by the Member to file a timely written appeal for a review by the Security Committee shall preclude the Member appealing the matter any further.

d. Security Committee Review. After a Member files an appeal to the Security Committee, the Association shall, within thirty (30) days of the receipt of the Member's appeal, schedule the Security Committee review meeting. A panel consisting of at least three members of the Security Committee shall review the notice and any written evidence and arguments submitted by the Member. The Member will not appear personally before the Security Committee at the review meeting. The review meeting is not a hearing and no additional evidence will be presented or accepted at the meeting. The panel shall base its decisions on the plain meaning of the Governing Documents and on any written evidence submitted with the appeal by the Member. The panel shall determine by majority vote whether the violation shall be affirmed, modified or dismissed, and shall forward that decision to the Board in writing.

e. Notice of Decision. Within ten (10) days after the appeal notice and written evidence are reviewed by the Security Committee, the Association shall communicate the Security Committee's decision in writing to the Member, setting forth the Security Committee's determination and confirming any disciplinary action imposed.

f. Hearing by the Appeals Committee. The Member shall be entitled to file a written request for the Appeals Committee to review the Security Committee decision at a hearing on the matter. The Appeals Committee shall be comprised of members of the Board of Directors of the Association. The Member's request for an Appeals Committee hearing must be filed within twenty (20) days of the Association's mailing of the Security Committee's decision to the Member. Failure by the Member to file a timely written request for an Appeals Committee hearing shall preclude the Member from taking any further appeal.

g. Notice of Appeals Committee Hearing. When a Member files a proper request for an Appeals Committee hearing, the Appeals Committee shall schedule the hearing at least five (5) days after mailing of written notice of the time and place of the hearing to the Member. The Appeals Committee notice shall also confirm the nature of the violation(s) and the Member's having a reasonable opportunity to present evidence and arguments to the Appeals Committee at the hearing. The hearing shall be completed with a minimum of three members of the Appeals Committee (the "Panel") present. Failure by a Member to request and participate in a scheduled Board hearing shall preclude the Member from taking any further appeal.

h. Appeal Committee Hearing and Decision. The Appeals Committee will allow the Member a reasonable opportunity to present evidence and arguments supporting the Member's position at the hearing. No rules of evidence shall apply, but the Appeals Committee may exclude repetitive or irrelevant evidence. The Panel of the Appeals Committee shall determine by majority vote whether the Security Committee's decision shall be affirmed, modified or dismissed based on Member's evidence and arguments and the plain meaning of the Governing Documents for the Community.

i. Notice of Decision. Within ten (10) days after the Appeals Committee hearing, the Association shall communicate the Appeals Committee's decision in writing to the Member, setting forth the Appeals Committee's determination affirming, modifying or dismissing the violation and any disciplinary action imposed. The Member shall have no legal right to appeal the matter to the Membership of the Association.

ARTICLE 14 INTEGRATION OF DECLARATION OF RESTRICTIVE COVENANTS

14.1 Senior Legal Document. The Declaration of Restrictive Covenants for the Community is legally superior to and should be read in conjunction with these Bylaws. The Declaration is the most senior legal document of the Community.

ARTICLE 15 MISCELLANEOUS

15.1. Inspection of Bylaws. The Association shall keep in its principal office the original or a copy of these Bylaws, as amended, which shall be open to inspection by the Members at all reasonable times during regular office hours.

15.2. Inspection of Member Register, Records of Proceedings. The Membership register and minutes of proceedings of the Members and Directors shall be open to inspection upon request by any Member at any reasonable time during regular office hours.

15.3. Inspection of Other Information. The Board shall establish and maintain in the Association's Administration Office the following information, which shall be reasonably available to Members during normal business hours, weekdays, and on weekends. This information shall remain on the premises and should not be removed for any reason.

- a. A list of all property owners, including Lot numbers and mailing addresses.
- b. Copies of all Committee Reports.
- c. Copies of all approved Budgets.
- d. Copies of the Minutes of the Annual Meeting of the Association, monthly and Special Meetings of the Board.
- e. Auditors' Reports.
- f. The Association's Strategic Plan and a compilation of any changes to the Strategic Plan.

ARTICLE 16 AMENDMENTS

16.1. General Rule. These Bylaws may be amended from time to time at a duly called meeting of the Members with a quorum present by the affirmative vote of at least a two-thirds ($\frac{2}{3}$) majority of the Members in Good Standing present and voting on the proposed amendments. No vote to amend shall be conducted until (i) the proposed Bylaw revisions are properly distributed to the Members in Good Standing as required by law; and (ii) the Officers have identified and explained the proposed amendments to those present at the Membership meeting.