

# BYLAWS OF THE TOWAMENSING TRAILS PROPERTY OWNERS ASSOCIATION

## PREAMBLE

WHEREAS the Towamensing Trails Property Owners Association (TTPOA) is charged with representing the property interests and welfare of all those who own or shall own property in Towamensing Trails Development: and

WHEREAS the TTPOA believes that to best represent these owners, subject to the stated policy of the Association on confidentiality:

WHEREAS the TTPOA believes that a written description of the rules, regulations, code of ethics and operating procedures is necessary in order that the TTPOA best represent these interests and is necessary to adequately inform these owners:

THEREFORE the TTPOA establishes these Bylaws to guide the Association.

## ARTICLE I

### Name, Membership, Applicability and Definitions

Section A. Name. The name of the Association shall be Towamensing Trails Property Owners Association (the "Association"), a Pennsylvania Non-Profit Corporation.

Section B. Membership. The Association shall have one (1) class of membership, as provided for in the Covenants, Conditions, and Restrictions for Towamensing Trails Property Owners Association (the "Covenants"), the terms of which are specifically incorporated in these Bylaws by this reference, and which appear of record for properties located in the Towamensing Trails Subdivision (the "Subdivision"), Penn Forest Township, Carbon County, Pennsylvania. Membership is automatic upon purchase of a lot in the Subdivision. A member in good standing is a member who is in compliance with all covenants, bylaws and rules and regulations of the Association and who has paid all dues, assessments and other charges levied by the Association.

Section C. Definitions. The words used in these Bylaws shall have the same meaning as intended in the Covenants, unless the context shall prohibit. Any member who is not in compliance with, acts contrary to, or is in violation of the Declaration of Protective Covenants, these Bylaws or Rules and Regulations shall be declared a member "not in good standing" by the Board of Directors and shall not be entitled to any rights or privileges of the Association until the member is in compliance with the Declaration of Protective Covenants, these Bylaws and Rules and Regulations.

Except for non-payment of dues, the Association shall give written notice to a member of a Declaration that the member is not in good standing and the reason therefore. Any member who is delinquent in any financial obligation, dues or assessments owed to the Association shall automatically and without notice be classified as a member not in good standing until such delinquency is cured.

Section D. Common Properties. Shall mean and refer to those areas so designated upon any recorded subdivision plat of the Properties and intended to be devoted to the common use and enjoyment of Owners of the Properties; and shall specifically include, but not to the exclusion of other improvements which may hereafter be designated as Common Properties, the following:

Roads and streets not dedicated to the public  
Lakes

Community Center

Permanent Parks  
Permanent Recreational Plots

Section E. Lot. Shall be the numbered and lettered lots in the numbered blocks as shown on any recorded subdivision plat of the Properties.

Section F. Living Unit. Shall mean and refer to any portion of a building situated upon the Properties designed and intended for use and occupancy as a residence by a single family.

Section G. Single-Family Occupancy. The lots in the Towamensing Trails planned community are restricted exclusively to residential use, and no lot may be occupied by more than a single family. As used in these Bylaws, the term "single family" shall mean one or more persons, provided all persons occupying the property are interrelated by blood, adoption or marriage. If persons occupying a property are not all interrelated by blood, adoption or marriage, then the occupancy of the property shall be limited to a maximum of four (4) persons. The words "by blood" shall be deemed to include only children, grandchildren, grandparents, brothers, sisters, nieces, nephews, parents, aunts, uncles and first cousins. The term shall include no other degree of kinship. "Occupancy" shall be defined as staying overnight at a property for a total of more than 30 days, either consecutively or non-consecutively, in any twelve (12) month period.

Section H. Residential Use. Except as otherwise provided in the community's legal documents, each property shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a property.

## ARTICLE II

### Association: Meetings, Quorum, Voting and Proxies

Section A. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at any other suitable place convenient to the members as may be designated by the Board of Directors either in the Subdivision or as convenient to the Subdivision as possible and practical.

Section B. Annual Meetings. The annual meeting shall be set by the Board so as to occur on a weekend day in June of each year. The annual meeting of the members shall be held at a date and time as set by the Board of Directors.

Section C. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by at least ten (10%) percent of the members in good standing of the Association. The notice of any special meeting shall state the date, time, place and purpose of the meeting. No business shall be transacted at a special meeting other than that stated in the notice.

Section D. Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be delivered to the owner of record of a Subdivision lot (or lots) a notice of each annual or special meeting of the Association stating the time and place where it is to be held and, if a special meeting, the purpose thereof; if an owner wishes notice to be given at an address other than his or her Subdivision lot, he or she shall have designated by notice in writing to the Secretary the other address. The mailing or delivering of a notice of meeting in the manner provided in this Section shall be considered service of notice. Notices shall be served not less than ten (10) days before a meeting. Notice through the newsletter of the Association is permissible.

Section E. Waiver of Notice. Waiver of Notice of meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after that meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed a waiver by the member of notice of the time, date, and place of the meeting, unless the member specifically objects to lack of proper notice at the time the meeting is called to order.

Attendance at a special meeting shall also be deemed a waiver of notice or objections to convening of the meeting, of which proper notice was not given, unless an objection is specifically raised before any business is put to a vote.

Section F. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the members in good standing who are present at that meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At any adjourned meeting, any business that might have been transacted at the meeting originally called may be transacted at the adjourned meeting. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings.

Section G. Voting. The voting rights of the members shall be non-cumulative, with a member in good standing having one (1) vote for each owned lot. A lot with multiple owners shall only vote one (1) vote.

Section H. Proxies. At all meetings of members, each member in good standing may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon (1) conveyance by the member of lot(s) in the Subdivision, (2) receipt of notice by the Secretary of the Board of the death or judicially declared incompetence of a member, or (3) the expiration of eleven months from the date of the proxy.

Section I. Majority of Group, The term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total group.

Section J. Quorum. Except as otherwise provided in these Bylaws or in the Covenants, the presence in person or by proxy of ten (10%) percent of the members in good standing shall constitute a quorum at all meetings of the Association. The members in good standing present at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section K. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all other transactions.

Section L. Action without a Meeting. Any action which may be taken by the vote of members at a regular or special meeting, except the election of Board members, may be taken without a meeting if done in compliance with the Pennsylvania Non-profit Corporation Law which requires a written consent to action to be signed unanimously by all members in good standing approving the action(s) stated in the consent.

## ARTICLE III

### Board of Directors, Number, Power, Meetings

#### 1. Composition and Selection.

Section A. Governing Body; Composition. A Board of Directors shall govern the affairs of the Association. The Directors shall be members in good standing or spouses of members; provided, however, no person and his or her spouse may serve on the Board at the same time.

Section B. Number of Directors. The number of Directors in the Association shall be seven (7).

Section C. Nomination of Directors. Nominations for election to the Board of Directors shall be made by an Election Committee. The Election Committee shall have not less than three and not more than seven members, and shall consist of a Chairman, who shall be a member of the Board of Directors not running for election, and at least two or more members in good standing of the Association.

- (1) Schedule.
  - (a) The election Committee shall start to function by at least the first Saturday in March.
  - (b) Names of the Candidates must be submitted to the Election Committee by noon on the second Saturday of May.
  - (c) Candidate's resumes can be received no later than noon on the last Saturday of May along with a petition, signed by at least twenty-five members in good standing, requesting his/her candidacy.
  - (d) A list of Association members (exclusive of those who have requested to have their name removed from the list) will be made available to all Candidates by the last Saturday of May for a \$50.00 processing fee.
  - (e) Candidates will be presented to the Members attending the annual meeting in June.
  - (f) Ballots will be mailed to all eligible voters by the fourth Saturday of June.
  - (g) Only ballots received by mail will be counted by the Election Committee on the fourth Saturday of July.
- (2) Election of Board of Directors shall be by written ballot as hereinafter provided. At such election the members may cast one vote "For" the person or persons nominated for the vacancy to be filled.
- (3) Each member of the Association shall receive one ballot for each lot being voted, to be mailed by the Chairman of the Election Committee, with a return envelope addressed to said Chairman.

- (4) The Election Committee has the duty to ascertain if, in fact, the nominees for a position on the Board of Directors meet all of the qualifications as per subsection (5). Any non-qualifying nominee shall be notified. The Election Committee shall then place all candidates' names on a written ballot as per subsection (6) and shall be responsible for designing and distributing such ballots to all Association members entitled to vote.
- (5) The qualification of a Board Member shall be as follows:
  - (a) All nominees must be a member in good standing of the Association;
  - (b) All nominees must be bondable;
  - (c) Any officer or representative of a corporation developer, realty firm and/or contractor conducting business with Towamensing Trails Property Owners Association shall not be eligible for Board membership as there may be a potential for conflict of interest;
  - (d) Each candidate is required to submit an official petition containing the signatures and lot numbers of twenty five (25) different individuals who are members in good standing of the Association; and
  - (e) Only one member from a family may serve on the board of directors at one time.
- (6) Ballots.
  - (a) Candidate's names will appear on the ballot in random order (as determined by lottery). Their resumes, when mailed to the membership, will appear in the same order as their position on the ballot.
  - (b) Ballots will be returned in an envelope within an envelope. The exterior envelope will contain space for a verification signature and lot numbers attesting the member's right to vote those ballots. The plain interior envelope will contain the ballot. The exterior envelopes will be checked against the master mailout list. The Election Committee will then open all of the valid exterior envelopes and separate them from the ballot containing envelopes.
  - (c) Ballots must be mailed to the Post Office. They will be collected each day by Security personnel and retained in a locked box in the Security Department until 10:00 A.M. The day of the election, at which time they will be turned over to at least two (2) members of the Election committee and delivered to the election place.
- (7) All elections to the Board shall be made on written ballot which shall (1) describe the term of the vacancies to be filled, (2) set forth the names of certified Candidates for such vacancies with space opposite each name with the word "For". Such ballots shall be mailed to the members of the Association at least 30 days in advance of the date designated by the Board as the date for the election.
- (8) Upon receipt of each ballot, the Chairman shall place same in a safe place. Upon the date designated by the Board as the date of the election, the Election Committee shall open and count the ballots in the presence of at least two Directors and other Association members.

- (9) In the event the number of qualified candidates is equal to or less than the number of openings to be filled, the Election Committee shall certify the candidates as elected effective the fourth Saturday in July, thereby dispensing with the balloting process.

Section D. Election and Term of Office. Notwithstanding any other provision contained in these Bylaws:

- (1) All members in good standing of the Association shall be entitled to vote on the election of Directors.
- (2) Members of the Board of Directors shall be elected to serve for a term of three (3) years with no more than three (3) positions to expire each year. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

Section E. Removal of Directors and Vacancies. The entire Board may be removed from office by a majority vote of the Association members in good standing or an individual Director following the recall procedure. In the event of the death or resignation of a Director the vacancy should be posted and a name selected by the other board members within thirty (30) days and shall serve until the next general election.

A Board member may be removed from the Board roll if he/she misses more than three consecutive unexcused meetings as determined by the other Board members, or does not attend more than three (3) meetings in any calendar year. Attendance must be taken at each scheduled meeting.

(1) Recall of a Board Member:

- (a) A member of the Board of Directors may be recalled by the TTPOA membership for one or more of the following causes: malfeasance; misfeasance; fraud; conflict of interest; or disservice to the interest of the TTPOA. The process of recall may be initiated only by presentation to the Board of Directors; original petitions containing the valid individually dated, personal signatures of at least ten (10%) percent of the then qualified voting members of the Association. Each page of the said petitions shall include an outline of the specific cause(s) for which recall is being sought, and the names of the member(s) initiating the petition drive. No more than thirty (30) days may elapse between inception of the petition drive and the presentation of the completed petitions to the Board. Inception shall be established by the certification date of a certified letter from the initiating group to the Board of Directors.

The inception date shall be the first date of any member's signature appearing upon a hand circulated petition and, for a petition commenced by mail, four (4) days prior to the date of the first member's signature. Where both circulation methods are used, the earliest date shall be the inception date. Additionally, upon inception of a recall, the circulators of the petition must serve written notice to the Board of Directors which notice must include the specific, detailed charges which provide reason for initiating recall, the name(s) of the Directors to be recalled, and the names of the members of the group initiating recall.

No more than three (3) Directors may be included in any recall petition and no more than one (1) petition may be considered in any ninety (90) day period from inception of a recall. Where more than one (1) petition is circulated, the first petition received by the Board shall be the only petition considered and all other pending petitions shall be

invalid.

- (b) Upon receipt of petitions as described in (a) above, the Board shall appoint a Review Board of from three (3) to five (5) members to establish the validity of petition signatures. The Review Board shall include at least one (1) member representing the petitioning group, and may not include a member of the Board of Directors. No Director subject to the recall petition shall vote on the appointees of the Review Board.
- (c) The Review Board shall review and validate or invalidate each signature on the petitions, under the voting requirements of the Bylaws. This review must be completed within twenty (20) days after receipt of the petitions by the Board of Directors. Any petition that the Review Board finds has been, in any manner, commenced, participated in, or circulated by a non-member shall be declared invalid by the Review Board. If the petition is found valid, the Board of Directors must arrange for a special meeting of the Association membership, to be held on a Saturday, in a public place, during daylight hours, no more than thirty (30) days thereafter. This meeting shall be announced by a mailing to all members, posted no less than twenty (20) days prior to the meeting. The announcement of the meeting shall include an explanation of the purpose of the meeting. The purpose of the meeting shall be to allow the initiators of the recall drive to explain their reasons for wanting a recall, and for the subject(s) of the recall to present their position in the matter.
- (d) Within ten (10) business days after a recall meeting held as specified in section (c) immediately above, recall ballots shall be mailed to all Association Members in good standing, together with a synopsis of all matter presented at the meeting; this synopsis shall be prepared by the Secretary of the Board and the Review Board members. Association members shall have twenty (20) days in which to return their ballots, which may be marked only AGAINST OR FOR the recall of the subject(s). In order for the recall to be effective, there must be votes FOR recall totaling two-thirds of the votes validly cast.
- (e) Upon certification of the results of the balloting, a Board member recalled shall immediately cease to be a member of the Board membership for a period of two (2) years.
- (f) If the Review Board finds that a petition is not valid, the petitioning group shall be so notified by the Board of Directors. This notification shall include the findings of the Review Board, and shall be mailed within fifteen (15) days after the Review Board's determination. The membership shall be informed in the next edition of the TTPOA publication of the Trails Topics and by posting notice of the decision on the bulletin boards in the Teepee and Community Center.

Section F. Voting Procedure for Directors. The candidate receiving the greatest number of votes shall be elected, as shall each candidate receiving the next greatest number of votes until all currently available Directors' positions are filled. In the event of a tie among candidates for an available position, a random drawing from among the candidates receiving the same number of votes will be used to fill the director's position.

## 2. Meetings.



Section G. Organization Meetings. The first meeting of the Board of Directors shall be held within thirty (30) days following each annual meeting of the membership at the time and place as shall be fixed by the Board.

Section H. Regular Meetings. Regular meetings of the Board of Directors may be held at the time and place as shall be determined from time to time by a majority of the Directors, but at least ten (10) meetings shall be held during each year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to Directors not less than seven (7) days prior to the meeting. Notice of a meeting, however, need not be given to any Director who has signed a waiver of notice for the meeting or a written consent to action taken by the Board of Directors.

Section I. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President or Secretary of the Association, or by any three (3) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one of the following methods: (a) by personal delivery; (b) by written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to a person at the Director's home or office who would reasonably be expected to communicate the notice promptly to the Director; or (d) by telegram, charges prepaid. All notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least five (5) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegram shall be delivered, telephoned, or given to the telegraph company at least seventy two (72) hours before the time set for the meeting.

Section J. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice or consent to action. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section K. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business approved by at least a majority of the required quorum for that meeting. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section L. Compensation. No director shall receive any compensation from the Association for acting as a Director unless approved by a majority vote of the total vote of the Association at a regular or special meeting of the Association.

Section M. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of the Board of Directors, recording all resolutions adopted by the Board of Directors and a record of all other transactions and proceedings occurring at all meetings.

Section N. Open Meetings. All meetings of the Board shall be open only to all members in good standing displaying a current badge, but members other than Directors may not participate in any discussion or deliberation unless expressly authorized by a majority of a quorum of the Board.

Section O. Executive Session. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters,

litigation in which the Association is or may become involved and other orders of business of a similar nature. The general nature of any and all business to be considered in executive session shall first be announced in open session, but said session is not open to the members.

Section P. Action without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Directors and filed with the Secretary of the Board of Directors.

### 3. Powers and Duties.

Section Q. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, including but not limited to all powers defined in the Pennsylvania Nonprofit Corporation Law and the Uniform Planned Community Act, may do all acts and things as are not by the Covenants, Articles of Incorporation, or these Bylaws directed to be done and exercised exclusively by the members. The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the Managing Agent or Manager, if any, which might arise between meetings of the Board of Directors. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be later adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limited: (Such actions must be ratified by the BOD ASAP subsequently)

- (1) Preparation and adoption of an annual budget in which there shall be established the contribution of each owner to the common expenses;
- (2) Making annual assessments in accordance with the declaration of covenants to defray the common expenses, establishing the means and methods of collecting the annual assessments, and establishing the period of the payments of the annual assessment (unless otherwise determined by the Board of Directors, the annual assessment against the proportionate share of the common expenses shall be payable in one (1) installment);
- (3) Establish annual membership dues pursuant to the provisions of section 5544(a) of the Pennsylvania Non-profit Corporation Law to be charged to property owners within the Towamensing Trails subdivision, said dues to be used for capital improvements and/or the repair and maintenance of the roads of the Association as well as for the materials and equipment utilized in the repair and maintenance of the roads and shall be set at \$50.00 per lot or unit commencing in fiscal year 1998;
  - (a) Any increase in the annual membership dues shall be equal to the yearly increase in the Consumer Price Index as of August 31<sup>st</sup> of each year plus two (2%) percent;
- (4) Making special assessment in accordance with the declaration of covenants;
- (5) Providing for the operation, care, upkeep, maintenance, and replacement of all of the Common Area in the Subdivision;
- (6) Designating, hiring, and dismissing the personnel and contractors necessary for the maintenance, operation, repair and replacement of the Association, its property, and the Common Area and, where appropriate, providing for the compensation of personnel and contractors and for the purchase of equipment, supplies, and material to be used by the personnel in the performance of their duties;

- (7) Collecting the dues and assessments, depositing the proceeds of same in a bank depository which it shall approve, and using the proceeds to administer the Association;
- (8) Making and amending rules and regulations;
- (9) Opening of bank accounts on behalf of the Association and designating the signatories required;
- (10) Making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Covenants and these Bylaws after damage or destruction by fire or other casualty;
- (11) Enforcing by legal means the provisions of the Covenants, these Bylaws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the owners concerning the Association;
- (12) Obtaining and carrying insurance against casualties and liabilities, and paying the premium costs for same;
- (13) Paying the cost of all services rendered to the Association and not chargeable to owners; and
- (14) Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. All books and records shall be kept in accordance with generally accepted accounting practices. (Principles)

Section R. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Area without the approval of the members of the Association; provided, however, that the Board shall obtain membership approval for special assessments, in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, and the total amount of the borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year. The Board of Directors shall use reasonable business judgment to minimize special assessments, if possible, for capital expenditures for replacement of Association assets by collecting capital reserves for these items on an annual basis.

Section S. Rights of the Association. With respect to the Common Area or other Association responsibilities owned, and in accordance with the Articles of Incorporation and Bylaws of the Association, the Association shall have the right to contract with any person for the performance of various duties and functions.

Section T. Hearing Procedure. The committees of Association shall not impose a fine, suspend voting, or infringe upon any other rights of a member or other occupant for violations of rules unless and until the following procedure is followed:

- (1) Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying:
  - (a) The alleged violation;
  - (b) The action required to abate the violation; and

- (c) A time period, not less than ten (10) days, during which the violation may be abated without further sanction, if any violation is a continuing one, or a statement that any further violation is not continuing.
- (2) Notice. At any time within twelve (12) months of any demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall serve the violator with written notice of the nature of the alleged violation and any sanction to be imposed.
- (3) Appeal. The violator shall have the right to appeal the violation and sanction to the Board of Directors. To perfect this right, a written notice of appeal must be received by the Manager, President, or Secretary of the Association within thirty (30) days after the mailing of the notice of the formal action sanctioning the violator.

## ARTICLE IV

### Officers

Section A. Officers. The Officers shall be a President, Vice President, Secretary and Treasurer of the Association. The Board of Directors may elect any other officers, including any one or more Secretaries and Assistant Treasurers as it shall deem desirable, which officers shall have the authority and perform the duties prescribed from time to time by the Board of Directors.

Section B. Election, Term of Office and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following the annual election of the Board of Directors. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section C. Removal. Any officer may be removed as an officer by the Board of Directors whenever in its judgment the best interests of the Association will be served.

Section D. Powers and Duties. The officers of the Association shall each have the powers and duties as generally pertain to their respective offices, as well as the powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section E. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Any resignation shall take effect on the date of the receipt of the notice or at any later time specified in the notice, and, unless otherwise specified in the notice, acceptance of the resignation by the Board of Directors shall not be necessary to make it effective.

Section F. Agreements, Contracts, Deeds, Leases, Checks, etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by any other person or persons as may be designated by resolution of the Board of Directors.

## ARTICLE V

### Committees

Section A. List of Committees. The Committees shall compose the following at the soul discretion of the Board:

- Activities Committee
- Advisory and Planning
- Architectural Control
- Budget and Finance
- Lake & Dam
- Maintenance
- Publication
- Civil Penalty Hearing Panel
- Election Committee (Special Committee)

Section B. Membership in Committees. A minimum of 3 members, normally not to exceed 9 members. Any members of the TTPOA in good standing may submit their interest in membership in a particular committee to that committee or to the Board of Directors. Each committee of the Association shall have as one of its members a non-voting member of the Board of Directors who shall be able to act as liaison between the Board and the Committee as required.

Any professional hired either temporarily or permanently by the Board can be invited to committee meetings, ex officio (Ex officio = no vote). Any such hired person, if there is a fee that must be paid, must be approved by the Board of Directors.

An Individual who is a property owner is usually limited to membership on two regular committees.

Section C. Term of Membership on Committees. Members in committees shall serve for two (2) years and may be re-appointed at their request, serving as long as they retain an interest and attend the required number of meetings. However, if a member is using their committee membership to their own self-interest, they can be asked to resign or can be removed from the committee by a majority vote. The Board of Directors may remove a committee member without cause by majority vote at any time.

Section D. Meetings. Must be held a least six (6) times a year. Mandatory meeting shall be set in advance by the Committee and submitted to the Board for publication in the Trails Topics or the monthly newsletter of the TTPOA and tabulated on the bulletin board in the office.

All committee meetings shall be open unless content portions fall under the State Sunshine Law exemptions.

Section E. Chairpersons. Each committee shall elect a Chairperson and a Co-Chairperson, by and from the members of the committee, for a one-year term. The Chairperson shall not be a member of the Board of the TTPOA. Chairperson and Co-Chairperson can be reelected. The duties and responsibilities of the Chairperson and Co-Chairperson shall be to chair meetings, follow up committee assignments, be responsible to the Board for the committee's budget proposal, and be responsible for presenting Committee recommendations to the Board.

The Co-Chairperson may select any committee member to assist with the above responsibilities.

Section F. Secretary of the Committee. Shall be elected by and from the members of the committee for a one-year term. He/she can be reelected. Has responsibility for keeping notes of the

meetings, transmitting such notes to paid Secretary for typing, and transmitting copies of notes of the meeting to the Committee for their correction. The Secretary may draft any necessary correspondence and transmit this to the Secretary-Clerk for typing and transmission to Board members for their approval before full distribution.

Section G. Removal from Committee. A committee member may be removed from the Committee roll if he/she misses more than three consecutive unexcused meetings as determined by the other committee members, or does not attend more than three (3) meetings in any calendar year. Attendance must be taken at each scheduled meeting.

A member may resign from a committee by submitting a resignation letter to the Chairperson or to the Board of Directors.

Section H. Committee Responsibilities and Duties, in General. Committees are responsible for formulating Rules and Regulations in their area of responsibility, subject to Board acceptance.

All committees are responsible for submitting to the Board a proposed budget for the items within the Committee's area of responsibility, in a timely fashion.

All committees shall cooperate with all other committees, particularly where their areas overlap.

## Section I. Areas of Committee Responsibility.

### Activities:

Responsible for planning all activities prepared for the pleasure of the property owners and oversees same

### Advisory and Planning:

Research into various areas of the Organization, and its Committees. Devise such plans as would improve Towamensing Trails. Investigate and suggest revisions to the TTPOA Bylaws for the good of the community, submitting same to the Board for review and approval.

### Architectural Control:

Responsible for the compliance and enforcement of the Rules regarding structures within the Community as outlined in each phase of the Protective Covenants and ACC rules and regulations. This committee shall not disapprove such plans arbitrarily, but shall give the reasons for the disapproval and indicate the changes required to be made to obtain such approval.

### Budget and Finance:

Responsible for examining past expenditures and books of Account; prepare a line-by-line yearly budget, taking into consideration the submission of the various committees and reserves needed. Also responsible for making recommendations to improve the system.

### Lake & Dam:

Responsible for determining conditions for Towamensing Lake, Mud Run within the "Trails", other fresh water areas if they are developed, dam preservation, algae and water plant buildup, control of water quality, correction of shoreline and bank erosion.

### Maintenance:

Responsible for making recommendations for maintenance of roads, all buildings and facilities and common properties; respond to the needs of other committees requiring maintenance and physical services.

### Publications:

Responsible for soliciting, receiving contributions, editing, preparing for publication, and printing of present publications, the Trails Topics and Trails Talk, and future publications as may be identified. Final editing is subject to Board approval prior to publication.



Civil Penalty Hearing Panel:

Responsible for overseeing as a whole security of the "Trails", interfacing with the Security Department. Planning safety measures of the property of the Trails, including applicable Rules and Regulations. Review and make decisions on any civil penalty being appealed. Board shall be kept informed of all appeal decisions.

Section J. Revitalization of Committees: If a committee is adjudged non-functioning or does not perform its duties, the Board of Directors may at its discretion either dissolve the Committee or appoint new members to the Committee or appoint a temporary Chairperson for a set period of time.

Section K. Election Committee: A Special Committee functioning for the Election of Members to the Board of Directors of the TTPOA composed of the Chairperson of each Committee. Alternate is Co-Chairperson. The Chairman shall be a member of the Board of Directors not running for re-election. A list of these persons constituting membership shall be submitted to the Board for publication.

This Committee shall meet as required.

Duty of this Committee is to ask for and receive resumes from potential Candidates and conduct interviews in closed sessions for the vacancies on the Board of Directors of the Towamensing Trails Property Owner's Association, and to conduct the election.

Section L. Other Committees. Committees may be added or deleted as deemed advisable by the Board of Directors; areas of responsibility may be changed by action of the board.

## ARTICLE VI

### Indemnification

Section A. Third Party Action Indemnification. The Association shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a representative of the Association, or is or was serving at the request of the Association directly or as a representative of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement, actually and reasonably incurred by him or her in connection with the action, suit or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section B. Derivative Action Indemnification. The Association shall have power to indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Association or is or was serving at the request of the Association directly or as a representative of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), actually and reasonably incurred by him or her in connection with the defense or settlement of the action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association. No indemnification shall be made in respect of any claim, issue or matter, however as to which a person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association unless and only to the extent that the court in which the action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for expenses which the court shall deem proper.

Section C. Mandatory Indemnification. To the extent that a representative of this Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section A or Section B or in defense of any other claim, issue or matter in the action, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the action.

Section D. Standard of Care and Justifiable Reliance.

- (1) Director as Fiduciary. A Director of the Association shall stand in a fiduciary relation to the Association and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Association, and with the care, including reasonable inquiry, skill and diligence as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:
- (a) One or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matters presented.
  - (b) Counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of that person.
  - (c) A committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

1. Consideration of Factors. In discharging the duties of their respective positions, the Board of Directors, committees of the Board and individual Directors may, in considering the best interests of the Association, consider the effects of any action upon employees, upon suppliers and customers of the Association and upon communities in which offices or other establishments of the Association are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of fiduciary duty.
2. Presumption. Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Director or any failure to take any action shall be presumed to be in the best interests of the Association.

Section E. Personal Liability of Directors.

(1) General Rule. The Directors of the Association shall not be personally liable for monetary damages as Directors for any action taken, or any failure to take any action, unless:

- (a) The Director has breached or failed to perform the duties of his or her office stated above; and
- (b) The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

(2) Exception. The provisions of Section D of this Article shall not apply to:

- (a) The responsibility or liability of a Director pursuant to any criminal statute; or
- (b) The Liability of a Director for the payment of taxes pursuant to Local, State, or Federal law.

Section F. Procedure for Effecting Indemnification. Unless ordered by a court, any indemnification under this Article shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth above. That determination shall be made:

- (1) By the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to the action, suit or proceeding; or
- (2) By the members of this Association.

Section G. Non-exclusivity and Supplementary Coverage.

(1) General Rule. The indemnification and advancement of expenses provided above, or by any other provisions of law providing for indemnification or advancement of expenses applicable to any nonprofit corporation, shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of members or Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding that office. The Association may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this section or otherwise.

(2) When Indemnification is not to be Made. Indemnification shall not be made in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

(3) Grounds. Indemnification under any bylaw, agreement, vote of members or Directors or otherwise, may be granted for any action taken or any failure to take any action and may be made whether or not the Association would have the power to indemnify the person under any other provision or law except as provided in this section and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Association.

Section H. Payment of Expenses. Expenses incurred by an Officer, Director, employee or agent in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of the action, suit or proceeding upon the receipt of a written obligation satisfactory to the Board by or on behalf of that person to repay these amounts if it shall ultimately be determined that he or she is not entitled to be indemnified by the Association.

Section I. Rights to Indemnification. The indemnification and advancement of expenses provided by or granted pursuant to this Article shall continue as to a person who has ceased to be a Director, Officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of that person.

Section J. Power to Purchase Insurance. The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a representative of the Association, or is or was serving at the request of the Association, directly or as representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred that capacity, or arising out of that status, whether or not the Association would have the power to indemnify him or her against that liability.

## ARTICLE VII

### Miscellaneous

Section A. Fiscal Year. The fiscal year of the Association shall end December 31<sup>st</sup>.

Section B. Parliamentary Rules. Except as may be modified by Board resolution establishing modified procedures, the Modern Rules of order as published by the Pennsylvania Bar Institute<sup>1</sup> (current edition) shall govern the conduct of Association proceedings when not in conflict with Pennsylvania Law, the Articles of Incorporation, the Covenants, or these Bylaws.

Section C. Conflicts. If there are conflicts or inconsistencies between the provisions of Pennsylvania Law, the Articles of Incorporation, the Covenants, and these Bylaws, the provisions of Pennsylvania Law, the Covenants, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

Section D. Collection of Charges. Any dues, assessments or other charges which are not paid when due shall be delinquent and incur a late charge(s) in amounts as the Board may determine from time to time. In the event dues or assessments remain unpaid, the Association may thereafter begin suit to collect those amounts. The Association may also bring legal actions for enforcement of other obligations of members under the subdivision legal documents. Each owner, by acceptance of a deed, or as a party to any other type of conveyance, vests in the Association or its agents the right to bring all actions against the owner personally for the collection of dues and assessments as a debt and for enforcement of the owner's other legal obligations. All dues, assessments and other charges, together with interest at a rate set by the Board, late charges, costs and Association attorneys' fees for these actions shall be a charge on the land of each owner against which each charge is made, and shall be collectable by the Association in any legal action. All payments shall be applied first to charges which are not dues or assessments, second to any unpaid installments of annual dues and assessments which are not the subject matter of suit in the order of their coming due, and third to any unpaid installments of annual dues or assessments which are the subject matter of suit in the order of their coming due.

Section E. Books and Records.

- (1) Inspection by Members in Good Standing. The Covenants and Bylaws, membership register, books of account, and minutes of meetings of the members, the Board, and committees shall be made available for inspection by any member of the Association, or by his or her duly appointed legal council at any reasonable time and for a purpose reasonably related to his or her interests as a member at the office of the Association or at any other place within Towamensing Trails Subdivision as the Board shall prescribe.
- (2) Rules for Inspection. The Board shall establish reasonable rules with respect to:
  - (a) Notice to be given to the custodian of the records;
  - (b) Hours and days of the week when any inspection may be made; and
  - (c) Payment of the reasonable cost of reproducing copies of documents requested after obtaining Board approval, which shall not be unreasonably denied.
- (3) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical property owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of documents. The expense of making the copies shall be paid for by the Association, subject to Board approval.

Section F. Notices. Unless otherwise provided in these bylaws, all notices or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first class postage prepaid:

- (1) If to a member, at the address which the member has designated in writing and filed with the Secretary or, if no address has been designated, at the address of the lot or lots of the owner; or
- (2) If to the Association, the Board of Directors, or the Managing Agent, at the principal office of the Association or the Managing Agent, if any, or at any other address as shall be designated by the Board of Directors.

ARTICLE VIII

Amendments

Section A. Procedure. The Board of Directors may by majority vote recommend amendments of these Bylaws. These changes will be voted upon by a general mailing ballot to all members. Any amendments are subject to the subsequent approval or rejection in whole or in part, by a majority of the members in good standing, voting by ballot.

Section B. Effect. These amendments shall take immediate effect and shall apply to all current or pending actions, appointments, designations and all other matters upon approval.

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We, the undersigned, being officers of the Towamensing Trails Property Owners Association, do hereby certify:

That we hereby assent to the Bylaws and adopt them as the Bylaws of the Association.

IN WITNESS WHEREOF, we have executed this document this \_\_19\_\_ day of \_May\_\_\_\_\_, 2001\_\_.

Attest:

TOWAMENSING TRAILS PROPERTY OWNERS ASSOCIATION

\_\_\_\_\_

Secretary

BY: \_\_\_\_\_

President

[Corporate Seal]