

SIERRA VIEW ASSOCIATION
By-Laws

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BY-LAWS OF
SIERRA VIEW ASSOCIATION
(ADOPTED OCTOBER 4, 1992)
(AMENDED *10/94, 10/96, 1/98, 10/99, 10/03, 10/07*)

ARTICLE I.

Section 1. Name. The name of the Corporation is “Sierra View Association”.

Section 2. Address. The address of Sierra View Association is:
P.O. Box 349, Effort, Pennsylvania 18330

ARTICLE II. Definitions

The following terms as used in these By-laws are defined as follows:

- (a) “Association” means Sierra View Association, a Pennsylvania not-for-profit corporation.
- (b) The “Board of Directors” or “Board” is the group of persons vested with the management of the business and affairs of the Association as is more fully set forth in these By-laws.
- (c) “By-laws” means the written code or codes of rules for the regulation or management of the business and affairs of the Association from time to time.
- (d) “Common Areas” means all community property and amenities such as, but not limited to, buildings, roads, rights-of-way, land and access areas deeded to, or obtained by, the Association, and the Clubhouse and swimming pool.
- (e) “Policy” refers to the written regulations or course of conduct adopted and followed by the Board of Directors in the governing and operation of the Association.
- (f) “Development” means all of the real property known as Sierra View Association, a subdivision, situated in the Townships of Chestnuthill and Tunkhannock, Monroe County, Pennsylvania.
- (g) “Lot” means any lot in the Development.
- (h) “Owner” means:
 - (i) Any natural person, firm, corporation, trust or entity who holds fee title to a lot or an undivided interest in fee title to a lot.
 - (ii) Any person who has contracted to purchase the title to a lot or an undivided interest in fee title to a lot under written agreement.

- (i) “Member” means those persons having membership rights in the Association in accordance with the provisions to these By-Laws
- (j) “Tenant” means a person or persons entering into a lease of a private home of a member. One couple and dependents, OR not more than three unrelated adults, are considered “renters” for amenity use purposes. All others are considered “guest of renter”.
- (k) “Single Family Dwelling” means a residential dwelling for one or more persons each related to the other by blood, marriage, or legal adoption, or a group of not more than 3 persons not so related, together with his or her domestic servants, maintaining a common household in such dwelling.
- (l) “Guest” means all invitees of (a) members, and (b) tenants.
- (m) “Fees” include the Annual Membership Dues and all charges to each Member for use of the Association’s Amenities and Common Areas or other purposes.
- (n) “Charges” Charges can include, but not limited to Clubhouse Rentals, admission to functions and guest fees for the pool.
- (o) “Developer” to be known as Vince Barth a/k/a Vincent Barth, Sierra View Corporation, Universal Industries, VJB, mc, et al.
 - (i) Identified as a non voting member
 - (ii) An entity separate and distinct with whom the General Membership may have separate contractual agreements, which are not the responsibility of the Association.
 - (iii) Sierra View Association may have ongoing contractual agreements with the developer and the Membership generally are obligated not to interfere with the Association’s obligations pursuant to such agreements.
- (p) “Association Administrator” to mean salaried employee(s) of the Association who is charged with the daily business operations of the Association.
- (q) “Year” to mean the annual period beginning January 1st and ending December 31st.

The use of any particular genders herein shall be deemed to include all genders.

ARTICLE III. Purposes

Section 1. This corporation shall have the purposes or powers as may be stated in its Articles of Incorporation, and such powers as are now, or may be granted hereafter by the Nonprofit Corporation Law of 1972 of the Commonwealth of Pennsylvania, or any successor legislation. The primary purposes of this Corporation are:

- (a) To assist in the establishment and promotion of a planned unit residential development designed for healthful and harmonious living.
- (b) To promote, assist, and encourage the collective interest of all members in the Development.
- (c) To promote and assist in the establishment, care and maintenance of improvements to the common property and any facilities of any kind dedicated to the use and enjoyment of the Development which now exists or which may hereafter be installed or constructed.
- (d) To regulate the use, maintenance, repair, restoration, replacement and modification of common property in the Development.
- (e) To assist and cooperate with the members of all lots, improved and unimproved, for the purpose of promoting and maintaining the natural beauty of the physical environment in the Development so that the value of property will not be impaired or adversely affected by nuisances or other property conditions detrimental to the health and welfare of the members, and to take such action as may be desirable and necessary to prevent or abate such conditions, as may be consistent with the By-laws and the applicable law.
- (f) To aid and cooperate with the members of the Association in the Development in the enforcement of such conditions and restrictions as shall hereafter may be approved and adopted.
- (g) To exercise any and all rights, privileges and authority that may be delegated to it from time to time by the members of the Association.
- (h) In general, to do everything necessary and proper for the accomplishment of the purpose herein above set forth.

ARTICLE IV. Association Membership

Section 1. Membership rights. The Membership has the following rights:

- (a) The right to vote on dues
- (b) The right to levy assessments
- (c) The right to vote on their directors
- (d) The right to vote the By-laws and their changes
- (e) The right to approve capital improvement expenditures in excess of \$15,000.00.

For purposed of Section 1(e), “capital improvement expenditures” are those expenses, or the expenditures of money, which

1. improve property
2. increase the value of property, or add value to property, or
3. extend the useful life of property by more than a year

but do not include incidental or mere repair, maintenance or preservation of the property. By way of explanation and not in limitation, the following types of costs may be considered or included as capital expenses:

- costs of acquisition of property
- costs of replacement of property
- costs of use of property
- costs of delivery and installation of machinery, equipment and other property
- costs of design, development, erection and construction of property
- costs of labor and services
- related indirect costs, such as, fees and expenses for professional and consulting services, costs of borrowing money and other financing expenses, shipping and transport costs, fees and expenses for surveying. Inspection and testing services and property taxes.

As used herein, the term “labor and service” does not include that which is or shall be directly provided by the Association through its employees or work force; however, it does include labor and services directly furnished by another, such as through a contractor or vendor.

The determination or classification of a cost as a capital expense; and the allocation, appointment, division and segregation of a cost as a capital expense, shall be made by the Board of Directors. The expenditure proposals may be estimated by the Board, and itemized as a single amount or as a

range of amounts. Each cost, however ascertained, may be apportioned, allocated or divided as capital and non-capital expense. Each cost, however ascertained, may be organized and segregated by the project job, task, event or expense, or as components thereof or into identifiable parts, and presented to the membership in that manner.

The membership may only challenge such Board action by voting to disapprove the expenses. Except for expenditures disapproved by the membership, any other challenge of the Board's determination or action regarding such expenses shall not delay any project or contract performance and shall not impair or invalidate any project or contract.

Membership approval of these expenditures does not require the Association to actually incur the expense. It is the Board's sole decision to proceed with any capital project, or to perform any contract, or to incur or pay any such expense, notwithstanding membership approval of the expenditure.

Membership approval shall not be required for such expenditures, if

- (i) an emergency necessitates the expenditure,
- (ii) the object of such expenditures is mandated by law, or
- (iii) Unforeseen acts, events or conditions results in cost over-runs or necessitates related project work or additions.

Section 2. Members.

- (a) A member shall be any person or entity acquiring title to one or more plotted lots in the Development if
 - (i) he/she holds title in fee to a lot in his/her own name; OR
- (b) There shall be one voting member for each lot regardless of the number of persons who may have an ownership interest in such lot.

Section 3. Notice of Meetings of the Association. Written notice of the place, date and hour of the meeting, except in the case of a special meeting which is provided in Article VI, Section 3, shall be delivered not less than thirty (30) days no more than sixty (60) days before the date of the meeting, either personally or by mail, to each member entitled to vote at such meeting. In case of all meetings, including special meetings, if mailed, such notices shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Association, with postage prepaid, or such notice may be published in any newspaper or publication printed under the auspices of the Association and distributed generally among members

of the Association. At a special meeting, no business shall be conducted except that stated in the notice of said meeting.

Section 4. Privileges of Membership. The privileges of membership shall include:

- (a) The use of such facilities as the Association may establish for the health and safety of its members
- (b) The use of such facilities as the Association may establish for the convenience and recreation of its members
- (c) The right to present petition and to vote with respect to all matters that may be referred to the vote of the members by law or by their By-laws.
- (d) The right to attend all open Board Meetings, hearings, and meetings of the membership

Section 5. Obligations of Membership. The obligations of the membership shall be:

- (a) To comply at all times with the rules and regulations, policies and By-laws of the Association, and to be responsible for like compliance by family members, guests, tenants and invitees.
- (b) To pay all dues, assessments, fines and other charges levied pursuant to the Authority granted in these By-laws, including interest.

Section 6. Tenant Privileges. Letter of renters from owner must be filed stating names of renters and time period of lease.

- (a) The Owner in good standing who leases his residential unit for occupancy shall be deemed to have assigned limited membership privileges to the tenant provided, however, the owner must submit a letter setting forth the lease term to the Association. By the mere acceptance of the letter and act of occupancy, the Tenant shall be deemed bound and shall abide by all guest, rental and other rules, regulations, By-laws and policies of the Association relating hereto. Once membership rights are assigned by the owner, the owner shall not have privileges of use of the amenities or facilities. The privileges are reinstated upon expiration of the Lease.

The Letter shall not relieve or release the Owner from their obligations and responsibilities incident to their membership. If an owner rents to another member in good standing, then the owner need not assign their membership rights and privileges.

- (b) A tenant who complies with these By-laws acquires the membership privileges referred to in Section 4(a) and (b).

Section 7. Suspension and Disciplinary Measures. The Board may suspend the voting privileges of any member and their use of the Common Areas as follows:

- (a) The rights conferred by Subsection 4(a), (b), (c), and (d) may be suspended or revoked by the Board of Directors if the member is in default of his annual dues, assessments, fines or charges, including interest, levied pursuant to these By-laws or any other Rule, Regulation or Policy of the Association.
- (b) The voting privileges and the use of Common Areas by Members may be suspended by the Board for:
 - (i) The period of any continuing violation by such member after the existence thereof shall have been declared by the board; and
 - (ii) A period to be determined by the Board, not to exceed three (3) months, for repeated violations of the By-laws or the rules and regulations of the Association.

The rights granted in Subsection 5(a) of these By-laws shall be absolute and may not be withdrawn by the Association.

Section 8. Disciplinary Procedures. A disciplinary Committee made up of not more than nine members, including at least one Board member, may be established by the Board of Directors to conduct hearings and make recommendations, advise on disciplinary matters, and to administer sanctions or discipline.

A majority of the Committee members shall constitute a quorum. The Committee shall operate and act as provided hereunder only by a majority vote of the members present at any hearing at which a quorum has been established. The procedure to be followed by the said Committee is as follows:

- (a) When a signed complaint is received by the Association, the Administrator may process the complaint according to the following procedures. Otherwise, within 5 days of its receipt, the complaint, with all pertinent information, may be directly referred to the Disciplinary Committee for processing with the following procedures.
- (b) A notification letter will be sent to the member in question that a complaint has been received, which will cite the violation of deed restrictions, bylaw, rule and regulation and/or policy. It will further state that the incident or matter is being investigated. The specific nature of the complaint will be identified in the letter.

- (c) The member will have 10 days from receipt of notification to rectify the situation, explain and/or dispute the complaint in writing to the Association Office, or the Discipline Chairman.
- (d) If the complaint has been acceptably explained or the situation promptly rectified to the Association's standards, the member will be notified.
- (e) If the complaint is not satisfactorily resolved through the Association's Administrator, or involves a serious act(s) of misconduct, or a flagrant offender or repetitive violations/infractions of the deed covenants, or the Association's By-Laws, Rules and Regulations and /or policies, then the matter may be administered by the Disciplinary Committee, either informally without a hearing or formally with a hearing set by the Disciplinary Committee. In the event the Disciplinary Committee proceeds informally, the accused may nevertheless request a formal disciplinary hearing no later than 5 days of the Committee's informal disposition of the complaint.
- (f) The accused shall have the opportunity to attend the hearing and enter such defense as he may deem relevant. In the event the accused does not attend the hearing, the same shall proceed in his absence unless previously excused by the Committee in advance for good cause shown.
- (g) After consideration of all the evidence presented, the Committee shall render its judgment and may impose any or all of the following sanctions as it, in its sole discretion, deems just and warranted:
 - (i) Admit of an apology and/or reparation.
 - (ii) Imposition of a fine in an amount not to exceed \$500.00 depending on the severity and gravity of the charge and/or whether the accused has been involved in repeated violations as herein referred to.
 - (iii) Suspension of privileges for a period of time as the Committee may deem just, but not to exceed three (3) months, where the misconduct is a repeated nature and is such as to be considered disorderly, injurious or hostile and against the better interest or objectives of the Association and its members.
- (h) There shall be a ten (10) day grace period, from the date of the Committee's Notice of Judgment, for the accused to pay the fine imposed (if any), or to make reparation or furnish an apology before such person may be declared 'not in good standing' by the Committee
- (i) When "suspension of privileges" is invoked by the Committee, the Board of Directors shall first approve such a suspension before it becomes effective. The

Board may approve the suspension of privileges or impose an alternative sanction or remand the matter back to the Committee which such directives as the Board may deem fit and proper.

- (j) The accused shall have the right, within ten (10) days of the receipt of notice of the decision of the Committee, to appeal in writing to the Board for review of the matter on the following grounds only:
 - (i) On the appeal, the Board shall limit its inquiry to a review of the regularity of the proceedings, whether the proceedings were conducted in good faith, and whether or not the accused was accorded a full and fair hearing.
 - (ii) The Board will not entertain any appeal that does not specifically comply with its appellate procedures, or that involves or seeks reconsideration of the charges, the evidence, or the Committee's decision of its findings on the merits. However, reconsideration may be allowed where the Board determines that new material evidence, which appellant proves to the Board's sole satisfaction, was not previously available for the hearing and has since been made available to the accused.
 - (iii) In its sole and absolute discretion, the Board may, for good cause shown for the above-stated reasons on such appeal, modify the judgment or sanctions previously rendered.
- (k) The taking or acceptance of an appeal shall not operate to stay or suspend the effect of any sanctions or judgment imposed.
- (l) Unless the Association is otherwise notified, all notices of the charges or complaint referred to in Section 8(c) and the Committee's judgment referred to in Section 8(e) shall be transmitted personally or by certified United States mail, return receipt. All other correspondence shall be sent by ordinary United States mail.
- (m) If the mail is returned unclaimed, or with a notation by the postal authorities that the addressee refused to accept the mail, then the Committee shall send notice to the same address by ordinary mail, with the return address of the Committee appearing thereon. Notice by ordinary mail is then deemed complete if the mail is not returned to the Committee within fifteen (15) days after mailing.

ARTICLE V. Membership Fees and Assessments

Section 1. General Rule. The General Membership shall have the right to set dues and place assessments. The Association, through its Board of Directors as hereafter set forth,

may levy fines and other charges on members.

Section 2. Amount and Method of Collection. There shall be sent to each member at the address last given by such member to the Association, notice of any dues and/or assessment which shall be paid on or before the date fixed by resolution of the Board. The Board may set an additional charge for late payment. The Board may proceed at law in the collection of any dues and/or assessments, fines or other charges that are delinquent after ninety (90) days from their due date. Notice will be sent to members at their last known address that their accounts are being placed into collection. Dues are payable on or before February 14th each year, and the assessed amount applies to each individual lot. The gross amount of dues is payable from January 1 to February 14. Dues received after February 14 will be assessed an additional late penalty, not to exceed, that which is allowed by the Commonwealth of Pennsylvania.

Section 3. Enforcement of Payment. The Board may bring such actions as it shall determine appropriate at law or in equity necessary to enforce the collection of delinquent dues, assessments, fines or other charges including, but not limited to, provisions for the suspension of membership and privileges and the imposition of a lien or liens upon a member's property. In all such cases, however, reasonable notice shall be given to such members with respect to any such nonpayment and there shall be given to such member an opportunity for reinstatement of membership privileges upon satisfactory proof that such delinquency has been corrected.

ARTICLE VI. Meetings of Members

Section 1. Place of Meetings. Any meeting of the members of the Association shall be held in the State of Pennsylvania at such place therein as may be stated in the notice of such meeting.

Section 2. The Annual Meeting. The Annual meeting of the Association shall be held on the first Sunday in October of each and every year, except if such day shall be a legal holiday, then and in that event, the Board of Directors shall pick the day, but it shall not be more than two (2) weeks from the date fixed by these By-laws. The time and place of the Annual General Meeting will be announced in the newsletter.

Section 3. Special Meeting of the Association. Special meetings of the Association may be called by the President or the Board of Directors by resolution of the Board. A special meeting may also be called upon the written petition of 100 voting members of the Association, one signature per lot, in good standing. Such petition shall be presented to the Secretary and shall set forth the purpose of the special meeting. Upon receipt of the

signatures to the petition and, if satisfied of the authenticity, he shall forthwith fix a weekend date for such meeting and notify either personally or by mail, to each member entitled to vote at such meetings, of the date, hour, place and purpose or purposes for which the meeting is called within twenty (20) days of the receipt of the petition. The meeting shall be held no sooner than thirty (30) days and not more than sixty (60) days after receipt of the request. If the Secretary shall neglect or refuse to fix the time and place of the meeting, the persons calling the meeting may fix the time and place in compliance with this Section.

Section 4. Adjournment. Adjournments of any regular or special meetings may be taken, but any meeting at which directors are to be elected shall be adjourned only from day to day, or for such longer period not exceeding fifteen (15) days each, as the members present entitled to cast at least a majority of the votes which all members present and voting are entitled to cast shall direct, until such directors have been elected.

Section 5. Quorum. A meeting of the members duly called shall be organized for the transaction of business unless a quorum is present. The presence in person or by proxy of fifty (50) voting members in good standing entitled to vote on the matter to be acted upon shall constitute a quorum. The members present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. If a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided in this article, adjourn the meeting to such time and place as they may determine.

- (a) In the case of any meetings called for the election of directors, those who attended the second of such adjourned meetings, although less than a quorum is present, shall nevertheless constitute a quorum for the purpose of election of directors.
- (b) In case of any meeting called for any other purpose, those who attended the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of acting upon any resolution or other matter set forth in the notice of the meeting, if written notice of such second adjourned meeting stating that those members who attend shall constitute a quorum for the purpose of acting upon such resolution or other matter, is given to each member of record entitled to vote at such adjourned meeting at least ten (10) days prior to the day named for the second adjourned meeting.

Section 6. Proxies. At any meeting of members, a member entitled to vote may do so by Proxy executed in writing by the member or by his duly authorized attorney-in-fact and filed with the Secretary of the Association. A proxy shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until notice thereof has been given to

the Secretary of the Corporation. A proxy shall not be revoked by the death or incapacity of the maker unless before the vote is counted or the authority is exercised, written notice of such death or incapacity is given to the Secretary of the Corporation. No proxy shall be valid after the expiration of eleven (11) months from the date of its length of time for which such proxy is to continue in force, which in no event shall exceed three (3) years from the date of its execution. Proxies, not distributed by Sierra View Association, must be notarized to be considered to be valid.

For any Board-solicited proxy, the proxy shall be deemed voted, on any question or membership proposal, in accordance with the Board's decision and as the Board has directed by its official action, regardless whether the designated proxy-holder decides otherwise or has a contrary position on each question or membership proposal. This shall also apply to any question or membership proposal which has been modified at the called & noticed membership meeting without the necessity of further notice in writing to the membership before its voting consideration. If the Board has not so directed or taken such an official position on each question or membership proposal, then the designated proxy-holder may vote such proxies as desired on each question or membership proposal.

All proxies shall be delivered to the Secretary for filing, ten (10) days prior to the meeting at which said proxies are intended to be used in order to permit the Secretary or its agent to verify the signatures and avoid delay in the conduct of the meeting.

Section 7. Mail in Ballot Procedure.

1. Mail-in or Absentee Ballots will be a part of the accepted voting procedure and count toward quorum for all meetings of the General Membership, Annual and/or Special.
2. Included in the Call to Meeting Packet will be the option for members unable to attend the General Membership Meeting or Special Meetings of the membership duly called, to vote by unsigned Mail-in Ballot.
3. This option will be in addition to the "Proxy" procedure already in place *Art.6, Sec.6* in the By-laws and membership approved.
4. Members will note their "Mail-in" or "Absentee" ballot on the "Signature" envelope.
5. The sealed Signature envelopes will be checked for membership status, validity and name and be placed in a secured box until the signature envelopes are opened by the Election Committee.
6. The "Mail-in" or "Absentee" option will be noted on a master membership list and remain in the signature envelope until the voting registration has been closed.
7. These ballots may be revoked at the time of registration for the meetings, but once the registration table closed, those ballots will be removed to a secure location until the counting of votes by the Election Committee and Judge of Elections.

ARTICLE VII. Association Records, Inspections

- Section 1. Required Records.** The Association shall keep an original or duplicate record of written minutes of the members and the directors and of any other body exercising powers or performing duties which under this Article may be exercised or performed by such other body, the original or a copy of its By-laws, including all amendments thereto to date, certified by the Administrator of the Association, and an original or a duplicate membership register, giving the names of members, and showing their respective addresses and the class and other details of the membership of each. The Association shall also keep appropriate, complete and accurate books of records, of account. The records provided for in this subsection shall be kept at either the registered office of the Association in this Commonwealth, or at its principal place of business wherever situated.
- Section 2. Right of Inspection.** Every member in good standing shall upon written request, stating the purpose thereof have a right to examine, in person or by agent or attorney, during the usual hours of business any documents of the Association for any proper purpose as described by the Pennsylvania Statutes.
- Section 3. Proceedings for the Enforcement of Inspection.** If the Association, or an officer agent thereof refuses to permit an inspection sought by a member or Attorney or other agent acting for the member pursuant to Section 2 of this Article, or does not reply to the demand within five (5) business days after the demand has been made, the member may apply to the proper court for an order to compel such inspection. The court shall determine whether or not the person seeking inspection is entitled to the inspection sought.
- The court may summarily order the Association, officer, or agent thereof to permit the member to inspect the membership register and the other books and records of the Association and to make copies or extracts there from, or the court may order the Association to furnish to a member a list of its members as of a specific date on conditions that the member first pay to the Association the reasonable cost of obtaining and furnishing such list, and on such other conditions as the court deems appropriate. Where the member seeks to inspect the books and records of the Association, other than its membership registry or list of members, he shall first establish:
- (a) That he has complied with the provisions of this Section respecting the form and manner of making demand for inspection of such document; and
 - (b) That the inspection he seeks is for a proper purpose.

Where the member seeks to inspect the membership register or list of members of the Association, and he has complied with the provisions of this Section respecting the

form and manner of making demand for inspection of such documents, the burden of proof shall be upon the Association to establish that the inspection he seeks is for an improper purpose. The court may, in its discretion, prescribe any limitations or conditions with reference to the inspection, or award such other or further relief as the court may deem just and proper. The court may order books, documents and records, pertinent extracts there from, or duly authenticated copied thereof, to be brought within this Commonwealth and kept in the Commonwealth, upon such terms and conditions as the order may prescribe.

ARTICLE VIII. Board of Directors

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of nine (9) persons, all of whom must be members in good standing of the Association.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these By-laws directed to be exercised and done by the members. In addition thereto, the Board shall have the following powers:

- (a) The power to adopt a corporate seal as the seal of the Association;
- (b) The power to designate a banking institution as depository for the Association's funds; and the officer or officers authorized to make withdrawals there from and to execute obligations on behalf of the Association.
- (c) The power to borrow money for the Association.
- (d) The power to assign, mortgage, pledge or encumber any Association property for such borrowings.
- (e) The power to employ a sufficient number of persons to adequately maintain Association property.

Section 3. Other Duties. In addition to duties imposed by these By-laws, or by resolutions of the Association, the Board of Directors shall have, without limitation, the following additional powers:

- (a) Care, upkeep and supervision of the Development and the Common Areas and facilities;
- (b) Collection of special dues and assessments and/or other charges from the members.

- (c) Designation and dismissal of the personnel necessary for the accomplishment of the purposes of the Association.
- (d) Promulgation of such rules and regulations necessary for the effective administration of these By-laws and Association policies.
- (e) The power to adopt reasonable rules and regulations as it may deem advisable for the use, operation, maintenance, conservation and beautification of the "Common Areas" and for the health, comfort, safety and general welfare of the members.

Section 4. Term of Office. One-third of the directors shall be elected each year at the Annual General Membership Meeting and they shall serve for a term of three (3) years. Each term of the elected directors will begin January 1~ following the Annual Membership Meeting of the election. No director shall serve more than two (2) consecutive terms, however, he/she may be reelected to the Board after an interim of not less than one (1) year.

Section 5. Election of Directors.

- (a) Election of Directors shall be by written ballot as hereinafter provided. The person or persons receiving the largest number of votes shall be elected to the vacant position or positions.
- (b) All elections to the Board shall be made on written ballot, which shall:
 - (i) Describe the vacancy to be filled; and
 - (ii) Set forth the names of those persons who have become candidates for the office of director in the order in which they filed their statements of candidacy with the Secretary of the Association.

Such ballots shall be prepared and mailed by the Administrator to members entitled to vote simultaneously with the mailing of the notice of the Annual Meeting of the Association.

- (c) Each member entitled to vote shall receive one (1) ballot for each lot for which he is a voting member.
- (d) The completed ballots shall be returned as follows:
Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one (1) ballot, and each voting member shall be advised that because of the verification procedures hereinafter set forth, the inclusion of more than one (1) ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope shall be

placed in another sealed envelope which shall bear on its face the name and signature of the member, his lot number, and such other information as the Board may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Administrator of the Association at such address as the Board may from time to time determine no later than ten (10) days prior to the annual meeting

- (e) Upon receipt of each return, the Administrator shall immediately place it in a safe or locked place until the day fixed by the Board for the counting of such ballots. On that day, the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to the Election Committee consisting of the Chairman, Judge of Elections, and members of the Association. A representative of each candidate for the office of director may also be present, and if present, serve on the Committee. The Election Committee shall then adopt a procedure which shall establish:
 - (i) That the signature of the member on the outside is genuine; and
 - (ii) That such member is a member in good standing.

Such procedure shall be taken in such manner that the vote of any member shall not be disclosed to anyone, including the Election Committee. The outside envelopes shall thereupon be placed in a safe or other locked place and the Election Committee proceed to the opening of the "Ballot" envelopes and the counting of the votes, if any "Ballot" envelope is found to contain more than one (1) ballot, all ballots contained in such envelope shall be disqualified. The Election Committee shall certify the results of the count at the Annual Meeting and the terms of office of the directors so elected shall commence immediately following such Annual Meeting.

- (f) All outside envelopes, ballots and statements of candidacy shall be retained by the Administrator for a period of one (1) year.
- (g) All ballots may be subject to audit by a certified public accounting firm and the results of all ballot counts shall be published in the Association newspaper.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason shall be filled by vote of the majority of the remaining directors and each person so elected shall be a director and serve to complete the term of that director whose vacancy is being filled.

Section 7. Removal of Directors.

- (a) By the Membership.

Upon written petition of 100 voting members of the Association in good standing; one

signature per lot; filed no later than sixty (60) days before any annual or special meeting duly called, any one or more of the directors may be proposed to be removed for cause (including without limitation, the fraudulent or dishonest acts) by the vote of members entitled to cast at least a majority of the votes which all members present would be entitled to cast at any annual election of the directors, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

(b) By the Board of Directors.

The Board of Directors may declare vacant the office of a director if he is declared of unsound mind by an order of court; or is convicted of a felony; or fails to attend three (3) regular or special meetings of the Board within one year; or may be proposed to be removed for cause (including without imitation, for fraudulent or dishonest acts) provided herein below.

- (i) Upon the second failure of any Board Member to attend a regular or special meeting of the Board within such year, the Board shall give written warning stating as such and that another absence will result in procedure as set forth in these By-laws, Art. VIII, Sec. 7bii.
- (ii) Upon the third failure of any Board member to attend a regular or special meetings of the Board within any such year. the Board shall give written Notice to said Board member of a hearing and shall hold a hearing to determine whether there are reasonable excuses for the three (3) absences;
- (iii) if the Board of Directors finds no reasonable excuses for the three (3) absences within one term year, then the Board by vote of the majority of the remaining directors may declare vacant the office of the director and shall fill said vacancy in accordance with Article VIII. Section 6 of these By-laws.

Section 8. Removal of Directors by Court. The proper court, in jurisdiction, may upon petition of any member or director, remove from office any director in case of fraudulent or dishonest acts or gross abuse of authority or discretion cause, and may bar from office any director so removed for a period prescribed by court. The Association shall be made a party to such action.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least five (5) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day

named for such meeting. There shall be kept minutes of all meetings conducted by the Board, together with record of voting at such meetings. These minutes shall be subjected to inspection by any member of the Association in a manner prescribed in Article VII.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on five (5) days notice to each director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written consent of at least three (3) directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors, shall be waiver of notice by, of the time and place thereof if all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transactions of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. ~ at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to be determined and announced. At any such adjourned meeting, any business which might have been transacted at the original meeting may be transacted without further notice.

Section 13. Executive and Other Committees of the Board.

(a) Establishment and Powers. Unless otherwise restricted, in the By-laws,

(i) The Board of Directors may, by resolution adopted by a majority of the directors in office, establish one or more committees to consist of one or more directors of the corporation, any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all of the powers and authority of the Board of Directors, except that no such committee shall have any power or authority as to the following:

(ii) The submission to members of any action requiring approval of the members under these By-laws.

(b) Term. Each committee chair of the Board shall serve at the pleasure of the Board.

- (c) Effect on Responsibility of Board. The establishment of any committee of the Board of Directors and the delegation thereto of power and authority shall not alone relieve any director of his duty to the Association.

Section 14. Interested Directors.

- (a) General Rule. No director or officer can enter into a contract or transaction with the Association in which the director or officer will have a personal financial interest. This includes:
 - (i) That as a director or officer you are only entitled to reimbursement of funds that you personally spent on behalf of the Association with prior Board approval.
 - (ii) That as a director or officer you will abstain from voting if a member of your immediate household applies for either employment or a contract with the Association.
- (b) General Rule. No more than one member of any household may serve on the Board at the same time.

Section 15. Directors Fiduciary Relationship to Association.

Directors shall be deemed to stand in fiduciary relation to the Association, and shall discharge the duties of their respective positions in good faith and with the diligence, care and skill which ordinarily prudent men would exercise under similar circumstances.

ARTICLE IX. Order of Business

Section 1. Agenda

- (a) Roll Call
- (b) Good and Welfare
- (c) President's Message
- (d) Reading of the minutes of the preceding meeting
- (e) Administrator's Report
- (f) Reports of Committees
- (g) Old and unfinished business
- (h) New business

- (i) Question & Answer
- (j) Adjournment

ARTICLE X. The Officers

- Section 1. Officers.** The officers of the Association shall be the President, Vice President, Secretary, and Treasurer
- Section 2. President.** The PRESIDENT shall preside at all membership meetings. She/He shall by virtue of his office be Chairman of the Board of Directors. She/He shall be present at each annual meeting of the organization and present an annual report of the work of the organization. She/He shall appoint all committees, temporary or permanent. She/He shall see that all books, reports and certificates as required by law are properly kept or filed. She/He shall have such powers as may be reasonably construed as belonging to the chief executive of any organization.
- Section 3. Vice President.** The VICE PRESIDENT shall in the event of the absence or inability of the President to exercise his office become acting president of the organization with all the rights, privileges and powers as if he had been the duly elected president.
- Section 4. Recording Secretary.** The RECORDING SECRETARY shall keep the minutes and record of the organization in appropriate books; file any certificate required by any statute, federal or state; be the official custodian of the records and seal of the organization. She/He shall perform all other duties incident to the office of Secretary.
- Section 5. Treasurer.** The TREASURER shall oversee the Administrator in the care and custody of all monies belonging to the organization and shall be solely responsible for such monies or securities of the organization. He/She shall oversee the Administrator in depositing in a regular bank checking account a sum of money deemed necessary to finance the current and continuing expenses of the organization. The balance of the funds of the organization shall be deposited in a savings bank except that the Board of Directors may cause such funds to be invested in such investments as shall be legal for a savings bank in the State of Pennsylvania. He/She shall render at stated periods as the Board of Directors shall determine a written account of the finances of the organization and such report shall be physically affixed to the minutes of the Board of Directors of such meeting. He/She shall exercise all duties incident to the office of Treasurer.
- Section 6. Removal of Officers.** Any officer may be removed when, in the judgment of the majority of the Board, the best interest of the Association will be served by such removal. The officer will be notified of his removal by Certified Mail.

Section 7. Officers Fiduciary Relation to Association. Officers shall be deemed to stand in a fiduciary relation to the Association, and shall discharge the duties of their respective position in good faith and with that diligence, care and skill which ordinary prudent men would exercise under similar circumstances.

ARTICLE XI. Rules and Regulations

The Board of Directors shall adopt such rules and regulations as may be necessary or appropriate for the accomplishment of the purposes of the Association. Such rules and regulations shall become effective when approved by a majority vote of the Board of Directors.

ARTICLE XII. Saving Clause

These By-laws shall replace any and all previous existing By-laws of Sierra View Association, and shall not impair or affect any act done, offense committed, or substantial right accruing, accrued, or acquired, or liability, duty, obligation, penalty, judgment or punishment incurred prior to the time these By-laws or any subsequent By-laws or amendment thereto takes effect, but that same may be enjoyed, asserted, enforced, or prosecuted as fully and to the same extent as if the Bylaws or any amendments thereto had not been enacted.

ARTICLE XIII. Amendments

These By-laws may only be amended at the Annual General Membership or Special Membership Meeting by majority vote of the members present and voting in person, by mail, or by proxy, and otherwise in the manner in accordance with the quorum and other provisions of these By-laws

ARTICLE XIV. Indemnification

Section 1. Personal Liability of Directors. A Director of the Association shall not be personally liable, as such, for the monetary damage for any action taken, or failure to take any action, unless

- (i) the Director has breached or failed to perform the duties of his or her office under Title 41 PA. Consolidated Statutes, Section 8363 (relating to Standard of Care and Justifiable Reliance), and
- (ii) The breach or failure to perform constitutes self-dealing, willful

misconduct, or recklessness.

The provisions of this Section shall not apply to the responsibility or liability of a Director, pursuant to any criminal statute, or the liability of a Director for the payment of taxes pursuant to local, state or federal law.

Any repeal or modification of this Section by the Board of Directors of the Association shall be prospective only, and shall not affect, to the detriment of any Trustee, any limitation on the personal liability of a Trustee of the Association existing at the time of such repeal or modification.

Section 2. Indemnification of Directors and Officers. The Association shall indemnify any Director or officer of the Association who was, or is, a party, or is threatened to be made a party to any threatened, pending or completed action, suit or other proceeding, if such person is

- (i) A Director or officer of the Association, or
- (ii) was serving in the capacity of Director or officer at the request of the Association.

Such indemnification shall be against all expenses (including attorney's fees), monetary penalties and damages (including settlements arising from such action), unless

- (a) the behavior which gave rise to such action is deemed by the Board to constitute self-dealing, willful misconduct, or recklessness, or
- (b) Applicable laws expressly prohibit such indemnification.

Section 3. Payment of Indemnification. A Director or officer entitled to indemnification under these Sections of the By-laws, shall submit to the Secretary of the Corporation a written request for such indemnification within thirty (30) days of receiving notice of legal action being brought against him. A Director or officer whom the Board deems to be entitled to indemnification under these Sections, shall be indemnified within thirty (30) days of the Board's receipt of his or her written request.

Section 4. Proceedings Initiated by Indemnified Individuals. Unless specifically authorized by the Resolution of the Board of Directors of the Association and directed to do so, a Director or officer who initiates legal action shall not be indemnified by the Association.

Section 5. Insurance. The Board of Directors shall have the power to purchase, satisfy and maintain, at the Association's expense, insurance on behalf of the Association, and on

behalf of others, to the extent that power to do so has been, or may be granted by the statute to insure the obligations provided herein or otherwise.

Section 6. Indemnification Not Exclusive. The foregoing indemnification shall not be deemed exclusive of any other right to which an indemnified may be entitled, both as to action in one's official capacity and as to action in another capacity while holding such office, and shall insure to the benefit of the heirs, executors and administrators of any such person.