

AMENDED AND RESTATED

BYLAWS

OF

TRACES OF LATTIMORE COMMUNITY ASSOCIATION

August 27, 2001
(Amended October 27, 2007)

TRACES OF LATTIMORE is a residential lot subdivision with common area. It is located in Delaware Township, Pike County, Pennsylvania, and is a planned community as defined in the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S.A. §5101 etc. The planned community was in existence before the effective date of the Act, February 2, 1997.

Bylaws of Traces of Lattimore Community Association

ARTICLE I

SECTION 1: NAME AND ADDRESS

The name of the corporation is *Traces of Lattimore Community Association*. The registered office of the Corporation is at Post Office Box 921, Dingmans Ferry, Pennsylvania, 18328.

ARTICLE II - DEFINITIONS

SECTION 1: DEFINITIONS

The following terms as used in these Bylaws, are defined as follows:

- (a) AMEND shall mean to alter (a legislative measure, for example) formally by adding, deleting or rephrasing.
- (b) AMENDMENT shall mean a formal revision of the bylaws utilizing the amendment procedures herein.
- (c) ASSOCIATION shall mean Traces of Lattimore Community Association, a Pennsylvania nonprofit corporation, its successors and assigns.
- (d) BALLOT shall mean a written or printed slip or ticket used to cast a secret vote.
- (e) THE BOARD OF DIRECTORS OR BOARD shall mean the group of persons elected to manage the business and affairs of the Association pursuant to the authority granted by law and the governing documents of the Development.
- (f) BYLAWS shall mean this document, written regulations among the members for management of the business and affairs of the Association, as amended from time to time.
- (g) COMMON AREA shall mean any and all real property and easements in the community other than the plotted residential lots, and any interest therein and together with the facilities and improvements located thereon, as designated in the deed to the Association and in subdivision maps of the Development.
- (h) DECLARANT means Traces of Lattimore Community Association, a Pennsylvania

nonprofit corporation, its successors and assigns.

- (i) DECLARATION means the *Declaration of Protective Covenants, etc. for Traces of Lattimore* as recorded in Pike County Deed Book 2213, page 2413 *et seq.*, as amended from time to time.
- (j) DEVELOPMENT shall mean all of the real property, including all lots and common area, in Traces of Lattimore, a planned community located in Delaware Township, Pike County, Pennsylvania, as shown on the subdivision plans for the community recorded in the office of the Recorder of Deeds in and for Pike County, Pennsylvania.
- (k) DUES ASSESSMENTS shall mean any dues, assessments, fines, citations, late charges, interest, attorney's collection fees, legal costs of litigation and other charges levied pursuant to the authority granted by law and the governing documents for the Development.
- (l) HOUSEHOLD shall mean the members of one immediate family or by a family made up of no more than three (3) unrelated persons.
- (m) IN-GOOD-STANDING shall mean that a property owner has met all the financial obligations owed to the Association and is in compliance with all other obligations under the governing documents for the Development.
- (n) GUEST shall mean a guest of a property owner in-good-standing or of a tenant.
- (o) LOT means any numbered residential parcel of land that is not common area, with such boundaries as are shown on a Plat.
- (p) MANAGER means an employee or elected member of community Board of Directors or independent contractor hired by the Board of Directors and whose duties are defined in Article XIV of the Bylaws.
- (q) OWNER means any person, or persons, including Declarant, that holds fee simple title to any Lot.
- (r) PLAT means a final subdivision map for any portion of the Development, as recorded by a Declarant or a Successor Declarant in the office of the Recorder of Deeds in and for Pike County. The term "Plats" shall mean all of the final subdivision maps of Traces of Lattimore, including any additions thereto.
- (s) RESERVED AREA means any and all of the real property designated as such on a Plat.
- (t) ROAD means any and all of the real property designated as roads on a Traces of Lattimore Plat, currently or in the future.
- (u) SINGLE FAMILY DWELLING means a building designed and intended to be occupied as the residence of the members of one immediate family or by a family made up of no more than three (3) unrelated persons.
- (v) UTILITY FACILITIES means all property, real, personal or mixed acquired or constructed by Traces of Lattimore and used or useful in connection with providing shared water supply service, sanitary sewage collection and disposal service and electric

service to property within the Development, or providing such other services (including cable television service) as shall be determined by the Association to be useful or necessary to property within the Development.

ARTICLE III - PURPOSES

The purposes of the corporation are to engage in and do any lawful act concerning any or all lawful business for which corporations may be incorporated under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania; to operate and maintain roadways, recreational facilities; to create new facilities at the Traces of Lattimore Development; to encourage and stimulate an interest in the Development; generally to provide its members with the conveniences necessary to engage in and enjoy recreational activity; to buy, sell, lease, mortgage and exchange any and all real and personal property which may be necessary, advantageous, proper or convenient to the accomplishment of these purposes or objectives; to regulate the use, maintenance, repair, restoration, replacement and modification of the common areas in the Development; to assist in obtaining compliance with the covenants, conditions and restrictions on and appurtenant to the lots in the Development; to promote the health, safety and welfare of the residents within the Development; to perform all of the duties and obligations of the Association as set forth in Declaration for the Development; to fix, levy, collect and enforce payment by any lawful means, all charges for assessments pursuant to the terms of the Declaration; to pay all expenses incident to the conduct of the business of the Association; to acquire (by gift, purchase, or otherwise), own, hold, improve, build on, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association; and to do everything necessary and proper to accomplish the purpose herein above set forth.

ARTICLE IV - ASSOCIATION MEMBERSHIP

SECTION 1: MEMBERSHIP - There shall be one class of voting members of the Association, which shall include all Owners of Lots within the Development. Each Lot Owner shall, by reason of ownership, be a member of the Association. Members in-good-standing shall be entitled to one vote per Lot owned on matters requiring a vote of the members. In the event there are multiple owners of one lot, only one vote may be cast for that lot. Such owners' vote shall be determined by the Board, which decision will be final.

SECTION 2: RIGHTS & PRIVILEGES OF NON-VOTING MEMBERS

For any Lot owned by a member in-good-standing, each of the following persons shall be non-voting Association members entitled to all the rights and privileges of membership in the Association other than the right to vote:

- (a) The spouse and children, or any other person constituting the Household of any owner; and
- (b) *Bona fide* guests or tenants of the Owner.

SECTION 3: MEMBERS' USE OF COMMON AREA

Members in-good-standing shall receive a permit or badge to use the Common Areas subject to provisions of the Bylaws and subject to such rules and regulations as may be established by the

Board.

SECTION 4: SUSPENSION OF RIGHTS

The Board may suspend the voting rights; permit to use Common Areas and any other rights of any member for:

- (a) Any period during which any Association dues assessment or other obligation, as provided by the bylaws, Rules and Regulations, and Declaration, remains unpaid;
- (b) The period of any continuing violations by such member of provisions of the aforementioned documents after the existence thereof shall have been declared by the Board; and
- (c) A period to be determined by the Board, for repeated violations of the Declaration, Bylaws and /or Rules and Regulations of the Association.

SECTION 5: MEDIATION PROCEDURES

A Dispute Resolution Committee made up of 3 to 5 members in-good-standing, and including one Board member, may be established by the Board of Directors to hear and advise on disciplinary cases. The procedures to be followed by the said Committee are as follows:

- (a) If a complaint against any member shall be signed by another member of the Association, the latter shall bring the matter to the attention of the Committee within ten (10) days thereafter.
- (b) The Committee shall thereupon request an explanation from the alleged offender. If the alleged offense is such that it should be handled by informal warnings or admonitions to the member, then the Committee shall advise the Board of Directors; or, if the complaint involves repeated violations or infractions of the Association's Declaration, Bylaws, and/or Rules and Regulations, or involves such misconduct that it requires a hearing by all parties involved, then such a hearing shall be held by the Committee after due notice of the offense(s) and opportunity is given to all parties to be heard and to present evidence on a member's behalf.
- (c) The Committee shall make its findings and recommendations to the Board of Directors within a reasonable time, as deemed appropriate for the particular case, but not later than thirty days from the close of the hearing.
- (d) The Board of Directors shall then review the findings and recommendations of the Committee at its meeting and may, by an affirmative vote of a quorum of members present and voting, affirm, modify, or reject all or any part of the findings and recommendations of the Committee. An abstention is considered a negative vote.
- (e) The Board may, by affirmative vote of the quorum of members present and voting, impose such sanctions on the offender if offense reasonably warrants such, as:
 - 1. Admit by reparation.
 - 2. Suspension of privileges for a period of time as the Board may deem just, but not to exceed three (3) months where the misconduct is of a repeated nature and is such as to be considered disorderly, injurious or hostile and against the best interest or objectives of the Association and its members. Failure to make reparations may be deemed sufficient grounds for the suspension of the member
 - 3. Imposition of a fine.
 - 4. All or any of the above.

- (f) The offender shall have the right, within ten (10) days of the receipt of the notice of the decision of the Board, to appeal in writing to the Board for a review of the decision. On the appeal, the Board shall limit its inquiry to a review of the regularity of the proceedings, whether they were conducted in good faith, and whether or not the member was accorded a full and fair hearing. In its sole and absolute discretion the Board may, for good cause shown on such appeal, modify the judgment of sanctions previously rendered.
- (g) Any owner aggrieved by a decision of the Board may appeal that decision to the Court of Common Pleas within thirty (30) days of announcement of the Board's decision on appeal. The scope of review of the Court shall be limited to the regularity of the proceedings.

ARTICLE V - EVIDENCE OF MEMBERSHIP; OBLIGATIONS; LEASING

SECTION 1: RECORDS

The Association shall maintain adequate records showing the names and addresses of the members of the Association and the date of membership, as required by the Nonprofit Corporation Law.

SECTION 2: OWNERSHIP AND OWNERS' OBLIGATIONS

When a member ceases to be an Owner, that person's membership shall automatically end, but the person and the person's respective heirs, successors and assigns shall remain liable personally for all Association assessments and all other obligations owed to the Association by law or under the governing documents of the Development that accrued while the person was a member.

OBLIGATIONS OF MEMBERS

Applicable law and the governing documents of the Development impose duties and obligations upon members of the Association, which shall include the following duties:

- (a) To pay all dues, assessments, fines, citations, late charges, interest, attorney's fees, legal costs of litigation and all other charges imposed by applicable legal authority.
- (b) To be responsible for all damages, fines, and citations attributable to the member, his/her family, guests, tenants and invitees.
- (c) To comply at all times with the rules, regulations and policies of the Bylaws of the Association, and to be responsible for the compliance by family members, guests, tenants and invitees.
- (d) To comply with the Declaration.
- (e) To notify the Association in advance if a member's home will be occupied by tenants and to provide the Board of Directors with a copy of the lease with the lessee's name, address and phone number of the Owner's primary residence. It is, furthermore, the responsibility of the homeowner to provide such lessee with a copy of the Rules and Regulations. All tenants, their family members and invitees, shall be bound by the governing documents for the Development and every lease shall so state.

SECTION 3: OTHER LEASING RESTRICTIONS

No home may be leased for a term of less than 6 months or more than two (2) years. All leases must lease the entire home and Lot. Only one lease may be given for the same home and same lease term. Any home which is rented must be rented in its entirety and may not be occupied in part by the Owner during the rental period. No subleasing is permitted. Owners must register their homes as being rented with the Association Office.

A copy of the lease agreement and tenants' written receipt of copies of the governing documents for the Development must be provided to the Association prior to the occupancy of the house.

SECTION 4: TENANT PRIVILEGES

A member who leases the member's Lot and home shall be deemed to have assigned limited non-voting membership privileges to the tenant. The tenant shall not be permitted to use the common areas and facilities in the Development other than the roads during any period that the member is not in-good-standing. By leasing and occupying the Lot and home in the Development, a Tenant shall be bound legally and shall abide by the governing documents of the Development.

SECTION 5: OTHER OWNER, GUEST AND RENTER OBLIGATIONS

Guests and renters must obtain guest/renter passes to use recreation and other common areas. Property owners are responsible for acquainting guests and/or renters with the Rules and Regulations of Traces of Lattimore and providing them with a copy. Property owners will be responsible for damages caused and costs incurred to the Association by their guests/renters and their children.

ARTICLES VI - MEETINGS OF MEMBERS

SECTION 1: MEETINGS

Any meeting of the members of the Association shall be held in the State of Pennsylvania at such place and time therein as may be stated in the notice of such meeting.

SECTION 2: ANNUAL MEETING

The annual meeting of the Association shall be held on a weekend day during the month of October, unless circumstance, as determined by a quorum of the Board members present and voting, preclude that date. Then an alternate date will be selected by the Board.

SECTION 3: SPECIAL MEETING

Special meetings of the Association may be called by the Board at any time in the manner herein provided. A special meeting may also be called upon written petition of members in-good-standing of the Association holding at least ten percent (10%) of votes entitled to be cast at such meeting. Such petition shall set forth the purpose of the special meeting.

SECTION 4: EMERGENCY MEETING

The Board of Directors shall have the right to take any emergency or temporary action in the

absence of a meeting by obtaining the spoken or electronically communicated approval of the majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors. In order to constitute such a meeting, the following shall be required:

- (a) Any Director(s) who calls such a meeting shall provide the Secretary with the following:
 1. The manner in which all Directors were notified
 2. The establishment of a quorum.
 3. Written statement of action(s) and any results of such action(s).
- (b) The Director(s) shall provide the Secretary of the Association with a signed statement of any action(s) that have been taken.
- (c) All emergency or temporary action(s) taken shall be reviewed at the next scheduled Regular meeting to establish if such action(s) are to be made permanent.

SECTION 5: NOTICE OF MEETINGS

- (a) Written notice shall be given of the place, date and hour of membership meetings. An agenda shall be mailed to each property owner ten (10) days prior to the meeting.
- (b) Written notice to be given in the case of special meetings, the purpose or purposes for which the meeting is called shall be delivered not less than thirty (30) calendar days before the date of the meeting, either personally or by mail, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to have been 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 the postage prepaid. At a special meeting, no business shall be conducted except that stated in the notice of said meeting.

SECTION 6: QUORUM

A quorum at either a special meeting or the annual meeting shall be attendance of at least 15% of all of the members in-good-standing of the Association or their authorized representatives. A majority of the votes entitled to be cast at any meeting, at which a quorum is present, shall be necessary for the adoption of any matter voted upon by members, unless a greater proportion is required by the law or the governing documents of the Development.

SECTION 7: CONDUCT OF MEETINGS

Matters arising at a meeting regarding conduct of meetings only that are not specifically addressed by these Bylaws are to be addressed in the manner provided in the most current edition of Roberts Rules of Order.

ARTICLE VII: BOARD OF DIRECTORS

SECTION 1: POWERS OF THE BOARD OF DIRECTORS

The Board of Directors of the Association shall, among other powers given by law and the governing documents of the Development, have to power to:

- (a) Manage and control the affairs of the Association.
- (b) Designate a banking institution or other financial institution as depository for the

Association's funds; and the officer or officers authorized to make withdrawals therefrom and to execute obligations on behalf of the Association.

- (c) Borrow money, mortgage, pledge, deed in trust or hypothecate any or all its real or personal property as security for money borrowed or debts incurred. All borrowings to meet operating expenses shall be approved by the Board of Directors. No borrowing shall be made to meet operating expenses unless the borrowing can be liquidated by reasonable expectations of receipt of Association fees outstanding at the time of such borrowing.
- (d) Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be required by the Board of Directors.
- (e) Have and exercise any and all powers, rights and privileges which a nonprofit corporation may have under the laws of the Commonwealth of Pennsylvania, whether now existing or hereafter created.
- (f) Perform other acts the authority for which has been granted herein by the Declaration, bylaws or by law, including the borrowing of money for Association purposes. A resolution by the Board that the interests of the Association require the borrowing of money shall be sufficient evidence for any person that the borrowing is for a proper corporate purpose. The Board may, if it determines that the same shall be reasonably necessary, assign, pledge, mortgage or encumber any Association property as security for such borrowing, and they may pledge or assign future revenues of the Association as security therefore.
- (g) Enforce and cause the Association and its members to perform and to abide by provisions of the Declaration, Bylaws and rules and regulations.
- (h) Adopt such rules and regulations relating to the use of Association property, and sanctions for non-compliance therewith, as it may deem reasonably necessary for the best interests of the Association and its members.
- (i) Cause the Association to employ sufficient personnel to adequately perform the responsibilities of the Association.
- (j) Adopt reasonable rules of order for the conduct of the meetings of the Association.
- (k) Establish committees of the Association and appoint members thereof. It may assign to such committees such responsibilities and duties not inconsistent with the provisions of the Declaration, these Bylaws or with the law as it may deem appropriate.
- (l) The Board shall, prior to March 1st in each year, adopt an operating budget and establish and levy the annual assessment for the following year in accordance with the Declaration and Bylaws.
- (m) Oversee the Traces of Lattimore Environmental and Building Guidelines.

SECTION 2: BOARD MEMBERS

The Board shall consist of five (5) members. Board members shall be lot owners in-good-standing who are at least twenty-one (21) years of age and citizens or legal residents of the United States. Board members must have been in good standing for at least one (1) year prior to

being nominated for a seat on the Board.

SECTION 3: BOARD MEMBERS / TIME SERVED

The members of the Board shall serve staggered terms of two (2) years or until their successors have been elected and qualified. Board members may serve any number of consecutive terms in any position.

SECTION 4: ELECTION OF DIRECTORS

- (a) The election of Directors shall be conducted by written ballot, which ballot shall describe the vacant seat(s) to be filled and the names of those candidates seeking office, as nominated as provided below.
 - 1. All ballots, accompanied by information on nominees, shall be prepared and mailed by the Secretary to each member entitled to vote.
 - 2. Only those members in-good-standing are entitled to vote, as determined by the Board immediately preceding mailing of the ballots.
 - 3. The ballots shall be mailed to the members at least thirty (30) days prior to the annual meeting.
 - 4. The Directors shall establish by resolution the date for the return receipt of ballots
 - 5. Only those ballots received by such date shall be validated and counted.
 - 6. The candidates receiving the largest number of votes shall be elected and the results announced at the annual membership meeting.
 - 7. Ballots cast in an election will be kept in the Association Office for up to two (2) years and maybe reviewed by any member in-good-standing. After the two (2) year period, all ballots may be destroyed.
- (b) The Community Manager, on behalf of the Board of Directors, shall solicit resumes from Members in-good-standing who are interested in running for any vacancy. This information shall be limited to one (1) side of an 8½" x11" typewritten sheet. The Community Manager shall recommend to the Membership, in writing, a slate of Officers at least forty (40) days in advance of the election. At the Annual Homeowners Meeting, the Membership will vote based on the resumes distributed by the Community Manager. At that meeting, the President shall appoint a Judge of Elections as well as three (3) tellers. The results of the vote shall be presented to the Board at that meeting by the Judge of Elections.

SECTION 5: WHEN THE BOARD MEETS

The Board shall meet at such intervals as it shall determine but no less than four times per year. Special meetings of the Board can be called by the President or a majority of the Board and shall be held at such place as the call or notice of the meeting shall designate. Notice of a special meeting may be given in writing or orally or waived by the Board in writing. After adoption of a resolution setting forth the times of the regular meetings, no other notice of such meeting shall be required or waived, but notice of special meetings of the Board shall be given.

SECTION 6: ACTS OF THE BOARD

A majority of the Board shall constitute a quorum to transact business of the Board, and the act of the majority of the Board members present at any such meeting shall be deemed to be an act

of the Board.

SECTION 7: VACANCY OR VACANCIES

If a Director vacancy occurs, the Board of Directors will appoint a replacement within thirty (30) days to serve the unexpired term. If a vacancy or vacancies should occur among the officers between annual meetings, the vacancy or vacancies shall be filled by a member of the Board as soon as possible, not to exceed thirty (30) days. He or she shall serve the unexpired term of the replaced position.

SECTION 8: IMMEDIATE FAMILY / HOUSEHOLD MEMBER

Only one member of any household may serve as a member of the Board at any one time.

SECTION 9: BOARD MEMBER / ABSENCE

Any Board member who is absent, without good cause or reasons, from three (3) consecutive Board meetings or four (4) meetings within a twelve (12) consecutive month period shall be deemed to have resigned from the Board, in which event the vacancy shall be filled in accordance with these Bylaws.

SECTION 10: RECALL OF BOARD MEMBERS

- (a) A member of the Board of Directors may be removed from office in accordance with the recall procedure provided in this section.
- (b) A recall petition demanding the removal of a designated Board member must be signed by members in good standing holding at least thirty percent (30%) of the votes that all members of the Association are entitled to cast and shall be filed with the Secretary. Within ten (10) days of the filing of the petition, the Secretary shall determine whether the petition is sufficient and shall, within two (2) days, serve the Board member with a copy of the petition by certified mail.
- (c) If within fourteen (14) days after such service, the Board member in question does not resign, the Secretary shall fix a weekend date at least thirty (30) days but no more than forty-five (45) days after the serving of the petition for the holding of a special membership meeting, at which a recall election shall be held. Notice of the filing of a petition a copy thereof and notice of the date of the election shall be sent by the Secretary to all Association members by first-class mail at least fifteen (15) days prior to the meeting. The Board member whose removal is sought shall have the right and opportunity to make a statement in his or her own behalf
- (d) If the recall election does not result in the Board member's removal, no further recall petition may be filed against the same Board member for the same cause.

ARTICLE VIII - THE OFFICERS

SECTION 1 – OFFICERS

The officers of the Association shall be the President, Vice President, Secretary, Treasurer and such other officers as the Board may from time to time elect. The officers shall be elected at the

first Board meeting following the election of Directors. Officers shall serve at the will of the Board. Any two (2) or more offices may be held by the same person except the offices of President and Secretary. Assistant officers need not be members of the Board.

SECTION 2 – PRESIDENT

The President shall be the general managerial officer of the Association, except as otherwise determined by the Board, and he shall be vested with the powers and duties generally incident to the office of President of a nonprofit corporation, except as otherwise determined by the Board, or as otherwise set forth in these Bylaws.

SECTION 3 – VICE PRESIDENT

In the absence of the President, or in the event of the President's inability or refusal to act, the Vice President is empowered to act and shall thereupon be vested with the powers and duties of the President. The Vice President, in the absence of the Secretary, shall sign and affix the Corporate Seal on any and all documents requiring such attestation.

SECTION 4 - SECRETARY

The Secretary of the Association shall keep the minutes of the business and or other matters transacted at the meetings of the members and of the Board. The Secretary shall mail, or cause to be mailed, all notices required under the Bylaws. The Secretary shall have custody of the Corporate Seal, and records and maintain a list of the members and their addresses, and perform all other duties incident to the office of Secretary. In the absence of both the President and Vice President, the Secretary shall execute the duties of the President. In the absence of the Secretary, the Board shall appoint a person or persons to record minutes of said meetings.

SECTION 5 – TREASURER

The Treasurer shall supervise the payment of the obligations of the Association out of its funds, cause the collection of assessments and perform such other duties as are incident to the office of the Treasurer. The Board may require that the Treasurer be bonded or insured for fidelity for such amount and under such conditions as the Board may require. The cost of any such bond or insurance coverage shall be paid by the Association.

SECTION 6 Any officers may be removed at any time at the discretion of the Board.

ARTICLE IX— ASSOCIATION ASSESSMENTS AND FEES

SECTION 1: GENERAL RULE

The Association, through its Board of Directors, as hereafter set forth, may levy assessments, reserves, special assessments, fees, fines and other charges on members subject to the provisions in Article IX, Section 6 of these bylaws.

SECTION 2: AMOUNT AND METHOD OF COLLECTION

(a) The amount of the annual dues assessment and method of levying shall be fixed by the

Board, subject to and taking into consideration adoption of, the Association budgets as hereinafter set forth.

- (b) If a proposed budget is presented to the membership and rejected, the Board of Directors may adopt the previous year's budget or present a revised budget to the membership.
- (c) There shall be sent to each member, at the address last given by such member of the Association, notice of any assessments which shall be paid on or before the date fixed by resolution of the Board
- (d) The Board may proceed at law in the collection of any assessment, fines or other charges that are delinquent after thirty (30) days from their due date.
- (e) Any member unable to fulfill the member's financial obligation to the Association may file an appeal with the Board for relief. These cases will be decided on a case-by-case basis.

SECTION 3: ENFORCEMENT OF PAYMENT

- (a) The Board may bring such actions as it shall determine appropriate at law or in equity necessary to enforce the collection of delinquent assessments, fines or other charges including, but not limited to, provisions for the suspension of membership and privileges and the imposition or foreclosure of a lien or liens upon a member's property.
- (b) In all such cases, however, reasonable notice shall be given to those 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.

SECTION 4: VOLUNTARY CONVEYANCE

- (a) All voluntary transfers and conveyances of a Lot between parties shall be registered with the Association office; all transfers will be under and subject to the Association's lien(s) for all delinquent accounts, assessments and other charges not paid at or before the time of the transfer, subject to any prior agreements by contract with others by the Association.
- (b) The grantor and grantee of such property shall be personally, jointly and severally liable for all unpaid assessments and other charges pertaining to said property up to the date of conveyance.

SECTION 5: GUEST FEES

The Board may levy such guest fees as it may determine necessary from time to time.

SECTION 6: ANNUAL LIMITATION ON INCREASES IN FINANCIAL OBLIGATIONS OF MEMBERSHIP

The financial obligations of the membership for regular and necessary maintenance may be increased by the Board without membership approval, provided that such increase shall not exceed fifteen percent (15%) of those obligations for the fiscal year of the Association immediately preceding that in which the increase shall be effective. The Board may increase dues and assessments in an amount greater than fifteen percent (15%) with the approval of the membership.

SECTION 7: ANNUAL RESERVES

The Board of Directors shall establish a reasonable annual reserve assessment provided that such assessment is determined based on the preparation of one of the following: a replacement study, a certified public accountant's estimate, an engineering study or any accepted industry-wide analysis. Further, the Board shall separate the annual reserve charge from the annual assessment on the annual invoice. The annual reserve shall not be subject to any limitations as established in Article IX, Section 6.

SECTION 8: SPECIAL ASSESSMENTS

Special assessments can be passed by the Board for anything up to thirty percent (30%) of current year's dues. Anything in excess must be voted on by the membership.

ARTICLE X — FINANCIAL MANAGEMENT

SECTION 1: ACCOUNTING PERIOD

The Association's fiscal management shall operate within the fiscal year, January 1 through December 31.

SECTION 2: BOOKS AND ACCOUNTS

Books and accounts of the Association shall be kept under the direction of the Treasurer subject to the member's right of inspection, upon prior written request stating the nature and reason for the request to the Secretary and with a second officer present.

SECTION 3: PRELIMINARY BUDGET

- (a) The Board, at least three (3) months prior to April 1st, shall direct the Financial Committee to prepare a budget.
- (b) This proposed budget shall be prepared and available for distribution and/or submission for approval to the membership by February 1st, subject to the condition set forth in Article IX, Section 6.
- (c) The proposed budget, after submission to the Board for review, modification and approval, and prior to being acted upon, shall be published for a period of not less than thirty (30) days to allow the members of the Association an opportunity to review same and to comment thereon.

SECTION 4: ADOPTION OF THE BUDGET

- (a) The Board by majority vote shall adopt the final budget which shall be itemized with particularity and which may contain such changes, additions, deletions, or corrections as the Board deems appropriate and in the best interest of the Association by March 1st.
- (b) In the event the budgeted amount exceeds the allowed 15%, approval of the membership shall be made via mail ballot. A majority of fifty-one (51%) percent of those votes received from members in good standing shall be required to approve or disapprove the

- budget.
- (c) The adopted budget shall then be effective for the fiscal year to which it applies.
 - (d) After the proposed budget has been adopted by the Board, and the Board has considered other sources of income available to it, it may levy such assessment for each lot owner to cover those budgeted items in accordance with the terms and conditions of the Bylaws and Declaration.
 - (e) Notice of assessment shall be mailed at least thirty (30) days prior to April 1st.

SECTION 5: AUDIT

Financial statements shall be audited or reviewed at least every three (3) years by a CPA retained by the Board who shall submit a report to the Board which shall be made available for review by any member upon written request.

SECTION 6: LINE ITEM EXPENSE

Any expense which has not been approved within the budget and is in excess of \$250 shall be approved by the Board.

ARTICLE XI — COMMITTEES

SECTION 1: THE STANDING COMMITTEES OF THE ASSOCIATION SHALL BE:

- (a) Environmental
- (b) Community Maintenance and Grounds
- (c) Finance and Budget
- (d) Dispute Resolution
- (e) Such other committees as shall be established from time to time by the Board.

Unless otherwise provided herein or by the Board, each committee shall consist of not less than three (3) members, one of whom should be a member of the Board. Each committee shall have a Chairperson, appointed by the Board. Appointments to standing committees shall be made annually, and subsequent to each annual meeting of the Association.

SECTION 2: COMMITTEE MEMBERS

- (a) Committees shall be advisors to the Board of Directors. Committee members shall serve at the request of the Board and may be removed or replaced any time at discretion of the Board
- (b) Committees shall meet at the discretion of the Committee Chairperson. Committees shall maintain official minutes which shall be forwarded to the Board of Directors.
- (c) Each Committee shall have power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

ARTICLE XII - DECLARATION INCORPORATED BY REFERENCE

SECTION 1: DECLARATION.

The Declaration is imposed upon the Traces of Lattimore Development in its entirety and not only to the extent specifically referred to in these Bylaws. The Declaration is hereby incorporated into and made a part of these Bylaws of the Association.

ARTICLE XIII — PERSONNEL

SECTION 1: SUPERVISION

- (a) The personnel file of the manager shall be kept and maintained by the Secretary of the Board for the purpose of job performance and retention.
- (b) All other employees' files shall be retained by the manager.
- (c) The Board of Directors as a body, when in Executive Session, may review all employees' personnel files on a need-to-know basis, provided these records are requested in writing to the manager in a timely fashion. These files shall be provided within 24 hours, of a second request, either written or verbal.

SECTION 2: EMPLOYEE POLICIES AND PROCEDURES

Traces of Lattimore Community Association shall keep an employee manual in force at all times which will describe the policies and procedures of the Association as it relates to all employees. The contents of the manual will be subject to approval of a majority of the Board of Directors and each new employee shall receive a copy of the policies and procedures. Nothing herein shall prevent the Board of Directors from amending such procedures as the Board deems necessary from time to time.

ARTICLE XIV — COMMUNITY MANAGEMENT

SECTION 1: SCOPE OF COMMUNITY MANAGER

- (a) The affairs of the Association may be administered by a Community Manager (hereinafter called the "Manager") and such other personnel or independent contractor as are, from time to time, authorized by the Board of Directors.
- (b) The Manager shall be responsible for operating the office of the Association and be responsible to the Board of Directors for the management of the affairs of the Association and the execution of the policies and decisions of the Board of Directors. The Manager shall be chosen by the Board of Directors. The Manager at no time may be a Director.

SECTION 2: APPOINTMENT AND TENURE

The Manager shall be appointed for a term agreed to by the Board, and may be removed by a $\frac{2}{3}$ ^{rds} vote of the Board. At least thirty (30) days before such removal shall become effective, the Board shall notify the Manager of its decision to remove the Manager from office, stating the

reasons for that removal. The Manager may reply in writing and may request a Board hearing, which shall be held not earlier than twenty (20) days and not later than thirty (30) days after the filing of such request. After such hearing, if one is requested, and after due consideration, the Board may suspend the Manager from duty but may, in any case, cause to be paid to the Manager forthwith any unpaid balance of salary or contract terms.

SECTION 3: ILLNESS OR ABSENCE

The Manager may designate a qualified administrative employee of the Association to perform the Manager's duties during any temporary absence or disability. In the event of the Manager's failure to make such designation, or if the absence or disability continues more than thirty (30) days, the Board may appoint an employee of the Association to perform the duties of the Manager during such absence or disability until the Manager shall return or the disability shall end.

SECTION 4: SPECIFIC DUTIES - JOB DESCRIPTION

The Manager shall:

- (a) Be the chief operating officer of the Association, except in areas requiring changes to formal policy or adoption of policy; the Board of Directors reserves the right to establish and amend the policy.
- (b) Act to insure compliance with established Rules and Regulations, Bylaws and procedures formulated and approved by the Board or its officers.
- (c) Administer all tasks generally relegated to a Personnel Director or Director of Human Resources. The Board of Directors reserves the right to establish compensation packages; dismiss or release employees and hire department heads.
- (d) Negotiate contracts for the community, subject to the approval of the Board, make recommendations concerning the nature and location of community improvements and execute community improvements as determined by the Board.
- (e) Assure that all terms and conditions imposed in favor of the Association or its residents in any statute public utility franchise or other contract are faithfully kept and performed and, upon knowledge of any violation, call the same to the attention of the Board.
- (f) Attend all meetings of the Board, with the right to take part in the discussions, but without the right to vote.
- (g) Make such recommendations to the Board concerning policy formulation as he/she deems desirable and keep the Board informed as to the conduct of the Association affairs.
- (h) Assist the Treasurer in the preparation of the annual budget.
- (i) Perform such other duties as may be required of the Manager by resolution of the Board.

ARTICLE XV - INDEMNIFICATION

SECTION 1: 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 the Director, Committee Member and/or Manager 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 the Director, Committee Member and/or Manager in connection with the action, suit or proceeding, if the Director, Committee Member and/or Manager acted in good faith and in a manner the Director, Committee Member and/or Manager 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 the Director's, Committee Member's and/or Manager's conduct was unlawful.

SECTION 2: DERIVATIVE ACTION INDEMNIFICATION

The Association shall have power to indemnify any Director, Committee Member and/or Manager 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 the person 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), actually and reasonably incurred by the Director, Committee Member and/or Manager in connection with the defense or settlement of the action or suit if the Director, Committee Member and/or Manager acted in good faith and in a manner the Director, Committee Member and/or Manager reasonably believed to be in, or not opposed to, the best interest of the Association. No indemnification shall be made in respect of any claim, issue or matter, however, as to which person shall have been adjudged to be liable for gross negligence or intentional misconduct in the performance of the Director, Committee Member and/or Manager 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 circumstance of the case, the person is fairly and reasonably entitled to indemnity for expense which the court shall deem proper.

SECTION 3: 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 1 or Section 2 or in defense of any other claim, issue or matter in the action, the Director, Committee Member and/or Manager shall be indemnified against expense (including attorneys' fees) actually and reasonably incurred by the Director, Committee Member and/or Manager in connection with the action.

SECTION 4: STANDARD OF CARE AND JUSTIFIABLE RELIANCE

- (a) Person acting as a Fiduciary: A Director of the Association, Committee Member and/or Manager shall stand in a fiduciary relationship to the Association and shall perform the Director's, Committee Member's and/or Manager's duties, in good faith, in a manner the Director, Committee Member and/or Manager 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 the duties, a Director, Committee Member and/or Manager 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:

- (1) One or more officer or employee of the Association whom the person reasonably believes to be reliable and competent in the matters presented.
 - (2) Counsel, public accountants or other persons as to matters which the person reasonably believes to be within the professional or expert competence of that other person.
 - (3) A Committee of the Board upon which the person does not serve, duly designated in accordance with the law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.
- (b) Consideration of Factors: In discharging the duties of their respective positions, the Board of Directors, Committees of the Board, individual Directors, Committee Members and/or Managers 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.
- (c) Presumption: Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Director, Committee Member and/or Manager, or any failure to take any action, shall be presumed to be in the best interest of the Association.

SECTION 5: PERSONAL LIABILITY OF DIRECTORS

- (a) 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:
- 1) The Director, Committee Member and/or Manager has breached or failed to perform the duties the Director's office stated above; and
 - 2) The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.
- (b) Exception: All provisions of this Article shall not apply to:
- 1) The responsibility or liability of a Director, Committee Member and/or Manager pursuant to any criminal statute; or
 - 2) The liability of a Director, Committee Member and/or Manager for the payment of income and franchise taxes pursuant to Local, State, or Federal law.

SECTION 6: 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 the Director, Committee Member and/or Manager has met the applicable standard of conduct set forth above. The determination shall be made:

- a) 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;
- b) If a quorum is not obtainable, or, even if obtainable, when a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion; or
- c) By members of this Association.

SECTION 7: NON-EXCLUSIVITY AND SUPPLEMENTARY COVERAGE

- a) 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 the Director's, Committee Member's and/or Manager's 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.
- b) 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.

SECTION 8: PAYMENT OF EXPENSES

Expenses incurred by an Officer, Director, Committee Member, Manager, employee or agent in defending a civil or criminal action, and 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 the Director, Committee Member and/or Manager is not entitled to be indemnified by the Association.

SECTION 9: RIGHT 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, Committee Member, Manager, employee or agent and shall inure to the benefit of the heirs, executors and administrators of that person.

SECTION 10: 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 a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against the Director, Committee Member and/or Manager and incurred that capacity, or arising out of that status, whether or not the Association would have the power to indemnify the Director against that liability.

ARTICLE XVI - CORPORATE SEAL

The Association shall have a Corporate Seal in the form adopted by the Board of Directors.

ARTICLE XVII - AMENDMENTS

SECTION A: AMENDMENTS TO BYLAWS


These bylaws may be amended by an affirmative 2/3 majority vote of the membership at a regular meeting where a quorum is present or special meeting called for that purpose where a quorum is present subject to applicable law.

SECTION 2: ARTICLES

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

ARTICLE XVIII - DISSOLUTION OF THE ASSOCIATION

In the event the Association dissolves, no part or parts of the assets, at the time of dissolution, can be distributed to the individual members.

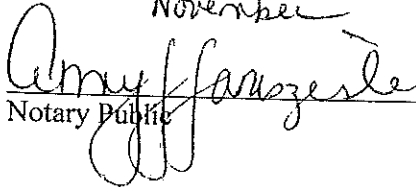


Traces of Lattimore Community Association
President



Traces of Lattimore Community Association
Secretary

Subscribed and sworn before me this
~~16~~ day of ~~October~~, 2007
November



Notary Public

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Amy J. Janiszewski, Notary Public
Covington Township, Lackawanna County
My commission expires August 14, 2011