



3. The voting privileges of any member who shall be in default in the payment of any dues or assessments for a period in excess of thirty days from the due date thereof shall be suspended for so long as said member remains in default thereof. Suspended members shall not be considered in determining the existence of a quorum.

4. Membership in the corporation is not transferable or assignable, except in connection with the conveyance of the lot upon which membership is based in which event, the membership transfers with the lot as an appurtenance thereto.

#### **ARTICLE IV - MEETINGS OF MEMBER**

1. Meetings of the members shall be held at such location as is designated in the meeting notice within the Borough or Township of North East, Erie County, Pennsylvania or at such other place or places, either within or without the Commonwealth of Pennsylvania, as may from time to time be fixed by the Board of Directors.

2. The annual meeting of the members shall be held on the \_\_\_\_\_ day of \_\_\_\_\_ in each year if not a legal holiday, and if a legal holiday, then on the next full business day following at 10:00 o'clock a.m. when they shall elect a Board of Directors and transact such other business as may properly be brought before the meeting. If the annual meeting shall not be called and held within six months after the designated time, any member may thereafter call such meeting with the consent and concurrence of at least ten percent (10%) of the membership.

3. Special meetings of the members may be called at any time by the President, or the Board of Directors, or members entitled to cast at least ten percent (10%) of the votes which all members are entitled to cast at the particular meeting. At any time, upon written request of any

person who has called a special meeting, it shall be the duty of the Secretary to fix the time of the meeting which shall be held not more than sixty days after the receipt of the request. If the Secretary shall neglect or refuse to fix the time of the meeting, the person or persons calling the meeting may do so. Business transacted at all special meetings shall be confined to the objects stated in the call and matters germane thereto.

4. Written notice of every meeting of the members, stating the time, place and object thereof, shall be given by, or at the direction of, the Secretary to each member of record entitled to vote at the meeting, at least ten (10) days prior to the day named for the meeting, unless a greater period of notice is required by statute in a particular case. If the Secretary shall neglect or refuse to give notice of the meeting, the person or persons calling the meeting may do so. In the case of a special meeting, the notice shall specify the general nature of the business to be transacted.

5. A meeting of members duly called shall not be organized for the transaction of business unless a quorum is present. The presence in person or by proxy of a majority of the members entitled to vote shall constitute a quorum at all meetings of the members for the transaction of business except as may be otherwise provided by law or by the Articles of Incorporation. (Suspended members are not entitled to vote and are not considered in establishing 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 by statute, adjourn the meeting to such time and place as they may determine, but in the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum, shall

nevertheless constitute a quorum for the purpose of electing directors. In the case of any meeting called for any other purpose, those who attend 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 second adjourned meeting at least ten days prior to the day named for the second adjourned meeting.

6. Any action which may be taken at a meeting of the members or of a class of members may be taken without a meeting, if a consent or consents in writing, setting forth the action so taken, shall be signed by all of the members who would be entitled to vote at a meeting for such purpose and shall be filed with the Secretary of the corporation.

7. Every member of the corporation shall be entitled to one vote per lot owned. In those instances where more than one person owns a lot, the vote for that lot shall be determined by the majority vote of the owners. A tie vote shall constitute an abstention. No member shall sell his vote for money or anything of value. Upon request of a member, the books or records of membership shall be produced at any regular or special meeting of the corporation. If at any meeting the right of a person to vote is challenged, the presiding officer shall require such books or records to be produced as evidence of the right of the person challenged to vote, and all persons who appear by such books or records to be members entitled to vote may vote. The right of a member to vote, and his right, title and interest in or to the corporation or its property, shall cease on the termination of his membership.

8. Voting may be by ballot, mail or any reasonable means determined by the Board of Directors. Elections for directors need not be by ballot except upon demand made by a member at the election and before the voting begins. Voting may be by proxy pursuant to 15 Pa. C.S.A. §5759.

9. In advance of any meeting of members, the Board of Directors may appoint judges of election, who need not be members, to act at such meeting or any adjournment thereof. If judges of election are not so appointed, the presiding officer of any such meeting may, and on the request of any member shall, make such appointment at the meeting. The number of judges shall be one or three. No person who is a candidate for office shall act as a judge.

#### **ARTICLE V – DIRECTORS**

1. The business and affairs of this corporation shall be managed by its Board of Directors, four (4) in number or such smaller number as the membership may determine at its annual meeting, who shall be natural persons of full age and who need not be residents of this Commonwealth but who shall be members of this corporation. They shall be elected by the members at the annual meeting of members of the corporation, and each director shall be elected for a one (1) year term and until his successor shall be elected and shall qualify.

2. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Articles or by these By-Laws directed or required to be exercised or done by the members. The Directors shall nominate their successors for consideration at the annual meeting of the members and may nominate themselves for re-

election. The members may, by nomination and second, nominate additional members for consideration.

3. The meetings of the Board of Directors may be held at such times and at such place or places within this Commonwealth or elsewhere, as a majority of the directors may from time to time appoint, or as may be designated in the notice calling the meeting.

4. Written or personal notice of every meeting of the Board of Directors shall be given to each director at least ten (10) days prior to the day named for the meeting.

5. A majority of the directors in office shall be necessary to constitute a quorum for the transaction of business and the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. Any action which may be taken at a meeting of the directors may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the directors in office and shall be filed with the Secretary of the corporation.

6. Directors shall not be compensated for their services as such.

7. The entire Board of Directors, or any individual director may be removed from office without assigning any cause 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 or other regular election of the directors. In case the Board or any one or more directors are so removed, new directors may be elected at the same meeting.

8. 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 felony, or if within sixty days after notice of his selection, he does not accept such office either in writing or by attending a meeting of the

Board of Directors, and fulfill such other requirements of qualification as the By-Laws may specify.

9. A director of the corporation shall stand in a fiduciary relation to the corporation and shall perform his duties as a director, including his duties as a member of any committee of the board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his duties, a director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared by any of the following:

(1) One or more officers of the corporation whom the director reasonably believes to be reliable and competent in the matters presented.

(2) Counsel, public accountants or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such person.

(3) A committee of the board upon which he does not serve, duly designated in accordance with law, as to matters within its designated authority, which the director reasonably believes to merit confidence.

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

In discharging the duties of their respective positions, the board of directors, committees of the board and individual directors may, in considering the best interests of the corporation, consider the effects of any action upon employees, upon suppliers and customers of the corporation and upon communities in which offices or other establishments of the corporation

are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of this section.

Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a director or any failure to take any action shall be presumed to be in the best interests of the corporation. A director of the corporation shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

(1) The director has breached or failed to perform the duties of his office under this section.

(2) The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

The provisions of this section shall not apply to:

(1) The responsibility or liability of a director pursuant to any criminal statute; or

(2) The liability of a director for the payment of taxes pursuant to local, state or Federal law.

10. Directors as such, shall not receive any stated salary for their services, PROVIDED, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an independent contractor and receiving compensation therefor or from being reimbursed for out-of-pocket expenses actually incurred.

## **ARTICLE VI – OFFICERS**

1. The executive officers of the corporation shall be chosen by the Board of Directors shall be a President, Vice-President, Secretary-Treasurer, and Co-Treasurer. All the officers



shall be natural persons who have attained their majority and who are directors of the corporation. All officers shall be members of the association and directors. An officer may serve in more than one office.

2. Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights of any person so removed.

3. The President shall be the chief executive officer of the corporation; he shall preside at all meetings of the members and directors; he shall have general and active management of the affairs of the corporation; shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the directors to delegate any specific powers, except such as may be by statute exclusively conferred on the President, to any other officer or officers of the corporation. He shall execute bonds, mortgages and other documents requiring a seal, under the seal of the corporation. He shall be EX-OFFICIO a member of all committees and shall have the general powers and duties of supervision and management usually vested in the office of President.

4. The Vice President shall act in all cases for and as the President in the latter's absence or incapacity, and shall perform such other duties as he may be required to do from time to time.

5. The Secretary-Treasurer shall attend all sessions of the Board and all meetings of the members and act as clerk thereof, and record all the votes of the corporation and the minutes of all its transactions in a book to be kept for that purpose; and shall perform like duties for all committees of the Board of Directors when required. He shall give, or cause to be given, notice

of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. He shall keep in safe custody the corporate seal of the corporation, and when authorized by the Board, affix the same to any instrument requiring it. The Secretary-Treasurer shall fulfill the duties of the Co-Treasurer in the absence or incapacity of the Co-Treasurer. **THE SECRETARY-TREASURER SHALL BE RESPONSIBLE, EITHER DIRECTLY OR BY THIS DESIGNATED AGENT, FOR FILING IRS FORM 990-N ON OR BEFORE THE DUE DATE, TO-WIT: MAY 15 OF EACH YEAR, AND THE ANNUAL STATEMENT, NON-PROFIT CORPORATION TO THE CORPORATION BUREAU, ON OR BEFORE APRIL 30 OF EACH YEAR.**

6. The Co-Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall keep the moneys of the corporation in a separate account to the credit of the corporation. He shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the corporation.

#### **ARTICLE VII - VACANCIES**

1. If the office of any officer or agent, one or more, becomes vacant for any reason, the Board of Directors may choose a successor or successors, who shall hold office for the unexpired term in respect of which such vacancy occurred.

2. Vacancies in the Board of Directors, including vacancies resulting from an increase in the number of directors, shall be filled by a majority of the remaining members of the Board, though less than a quorum, and each person so elected shall be a director until his successor is elected by the members, who may make such election at the next annual meeting of the members, or at any special meeting duly called for that purpose and held prior thereto.

### **ARTICLE VIII - BOOKS AND RECORDS**

1. The corporation shall keep an original or duplicate record of the proceedings of the members and the directors, the original or a copy of its By-Laws, including all amendments thereto to date, certified by the Secretary of the corporation, and an original or a duplicate membership register, giving the names of the members, and showing their respective addresses and the class and other details of the membership of each. The corporation shall also keep appropriate, complete and accurate books or records of account. The records provided for herein shall be kept at either the registered office of the corporation in this Commonwealth, or at its principal place of business wherever situated.

2. Every member shall, upon written demand under oath stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the membership register, books and records of account, and records of the proceedings of the members and directors, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of such person as a member. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the member. The

demand under oath shall be directed to the corporation at its registered office in this Commonwealth or at its principal place of business wherever situated.

#### **ARTICLE IX – EVIDENCE OF MEMBERSHIP**

1. Membership in the corporation may be evidenced by a deed or decree of distribution or land contract having a duration in excess of one year duly recorded in the Recorder of Deeds of Erie County, Pennsylvania and by such other supplementary documents, such as death certificates as may be necessary to establish ownership.

#### **ARTICLE X - TRANSACTION OF BUSINESS**

1. The corporation shall make no purchase of real property nor sell, mortgage, lease away or otherwise dispose of its real property, unless authorized by a vote of two-thirds of the members whose voting privileges have not been suspended.

2. The corporation shall not engage in any activities for third parties and shall confine its activities to those for which the corporation is chartered for the benefit of its membership.

3. All checks or demands for money and notes of the corporation shall be signed by such officer or officers as the Board of Directors may from time to time designate.

#### **ARTICLE XI - ANNUAL REPORT**

1. The Board of Directors shall present annually to the members a report, verified by the President and Co-Treasurer or by a majority of the directors, showing in appropriate detail the following:

meeting and any other information required by statute of these By-Laws. When a special meeting is adjourned it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

2. Whenever any written notice is required to be given under the provisions of the statute or the Articles or By-Laws of this corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except as otherwise required by statute, neither the business to be transacted at nor the purpose of a meeting need be specified in the waiver of notice of such meeting. In the case of a special meeting of members such waiver of notice shall specify the general nature of the business to be transacted. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

### **ARTICLE XIII - MISCELLANEOUS PROVISIONS**

1. The fiscal year of the corporation shall begin on the first day of January and shall be the calendar year.

2. One or more persons may participate in a meeting of the Board or of the members by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

3. The corporation shall not have employees but shall secure such services as it requires in addition to such administrative services as are provided by its directors free of charge from independent third party contractors.

4. The corporation shall not have reserve funds in excess of two years' operating costs unless the membership has authorized a special reserve fund for a capital project.

#### **ARTICLE XIV- INDEMNIFICATION**

1. The corporation shall indemnify each of its directors, officers, and employees whether or not then in service as such (and his or her executor, administrator and heirs), against all reasonable expenses actually and necessarily incurred by him or her in connection with the defense of any litigation to which the individual may have been a party because he or she is or was a director, officer or employee of the corporation. The individual shall have no right to reimbursement, however, in relation to matters as to which he or she has been adjudged liable to the Corporation for negligence or misconduct in the performance of his or her duties, or was derelict in the performance of his or her duty as director, officer or employee by reason of willful misconduct, bad faith, gross negligence or reckless disregard of the duties of his or her office or employment. The right to indemnity for expenses shall also apply to the expenses of suits which are compromised or settled if the court having jurisdiction of the matter shall approve such settlement.

The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to that which such director, officer or employee may be entitled.

## ARTICLE XV - AMENDMENTS

1. By-Laws may be adopted, amended or repealed by the vote of members entitled to cast at least a majority of the votes which all members present are entitled to cast thereon at any regular or special meeting duly convened after notice to the members of that purpose.