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BYLAWS OF THOMPSON WOODS  
PROPERTY OWNERS' ASSOCIATION

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BY-LAWS  
OF  
THOMPSON WOODS PROPERTY OWNERS' ASSOCIATION  
A NONPROFIT CORPORATION

ARTICLE ONE  
INTRODUCTORY

Definition of By-laws

1.01 These By-laws constitute the code of rules adopted by THOMPSON WOODS PROPERTY OWNERS' ASSOCIATION ("Association") for the regulation and management of its affairs.

Purpose and Power

1.02 The Association shall have the purposes or powers as may be stated in its Articles of Incorporation and these By-laws and such powers as are now or may be granted hereafter by the Nonprofit Corporation Law of 1988 of the Commonwealth of Pennsylvania.

1.03 The primary purpose of this Association is to create an agency to which shall be delegated and assigned the powers of maintaining and administering the residential community facilities of a tract of approximately 25.82 acres situated in College Township, Centre County, Pennsylvania, and consisting of residential lots numbered 2 through 45 as more specifically described and shown on plat plan recorded in Centre County Plat Book 62, Page 54 and Page 55; administering and enforcing the Declaration of Protective and Restrictive Covenants (the "Declaration"); receiving and maintaining a fund or funds of real and/or personal property; and using and applying the whole or any part of the income therefrom and the principal thereof exclusively for the preservation of common areas, easement areas, and residential community facilities as named herein, subject to the restrictions and limitations hereinafter set forth; and levying, collecting and disbursing the assessments and charges hereinafter created and designated for recreational use,

easements, rights-of-way, or storm water management purposes including detention basins; such that the Association shall be an organization not organized for profit.

## ARTICLE TWO

### OFFICES

#### Principal and Registered Offices

2.01 The principal place of business and the registered office of the Association are located at 3006 Research Drive, Suite B-3, State College, Pennsylvania. The board of directors of the Association may from time to time change the address of its registered office by duly adopted resolution and amend its Articles of Incorporation or file the appropriate statement with the Pennsylvania Department of State.

## ARTICLE THREE

### MEMBERS AND MEMBERSHIP

#### Definitions

3.01 A member of the Association ("Member") is any person or entity having membership rights in accordance with title provisions of these By-laws. References to Member in the singular masculine shall include the plural masculine, both the singular and plural feminine, and any neutral entity or entities.

3.02 The Association has only one class of membership; Member.

#### Qualification of Membership

3.03 The qualification of membership in the Association is ownership of fee simple title to any residential lot in Thompson Woods Preserve Subdivision located in College Township, Centre County, Pennsylvania.

#### Membership Dues

3.04 The annual dues payable to the Association by Members shall be in such amount as may be determined from time to time by resolution of the board of directors of the Association.

#### Assessments

3.05 Membership shall be subject to a monthly assessment as established by the board of directors of the Association on a per lot basis and shall initially be set at the monthly rate of eighty five dollars (\$85) per lot, payable quarterly. Assessments not paid within ten (10) days of the due date will be subject to a late payment fee equal to ten percent (10%) of the amount due.

3.06 Special assessments may be set by the board of directors of the Association as and when the need arises.

#### Place of Membership Meetings

3.07 Meetings of Members shall be held at the registered office of the Association in the Commonwealth of Pennsylvania or at any other place within ten (10) miles of the Thompson Woods Preserve Subdivision as designated by the board of directors of the Association.

#### Annual Membership Meetings

3.08 The annual meeting of the Members shall be held at 7:30 p.m. on the third (3rd) Thursday of November of each year unless such date shall occur on a holiday, in which event the meetings shall be held on the succeeding Thursday. The board of directors of the Association shall prepare an agenda for each annual meeting which shall designate matters on which Members may vote. All meetings shall be conducted in accordance with the latest issue of *Robert's Rules of Order*.

#### Special Membership Meetings

3.09 Special membership meetings may be called by any of the following:

1. The board of directors of the Association
2. The president of the Association
3. Members collectively having at least 10 percent (10%) of the votes which all Members are entitled to cast at such meeting.

#### Notice of Membership Meetings

3.10 Written or printed notice, stating the place, day, and hour of a Membership meeting must be delivered either personally or by first class mail to each Member entitled to vote at such meeting not less than thirty (30) nor more than sixty (60) days before the date of the meeting..

3.11 If mailed, the notice shall be deemed to be delivered to a Member when deposited in the United States Postal Service mail with postage prepaid and addressed to the Member at his address as it appears on the records of the Association.

3.12 In the case of a special meeting, the purpose or purposes for which the meeting is being called must be included in the notice.

#### Voting Rights of Members

3.13 Each Member shall be entitled to one vote on each matter submitted to a vote of Members.

#### Proxy Voting by Members

3.14 A Member may vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be recognized as valid after eleven (11) months from the date of its execution unless expressly provided otherwise in the proxy. A Member's proxy must be submitted to the secretary of the Association at the beginning of any meeting and prior to the balloting on any matter.



### Quorum of Members

3.15 A quorum is present if at least forty percent (40%) of all Members who are entitled to vote are present or are represented by proxy. A majority affirmation of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum is present is necessary for the adoption of any matter voted upon by Members, unless a greater proportion is required by the Nonprofit Corporation Law of 1988, the Articles of Incorporation of the Association, or any provision of these By-laws.

### Transferability of Membership

3.16 Membership in the Association is nontransferable and nonassignable, except to the extent that each owner of a residential lot shall automatically become a Member.

### Termination of Membership

3.17 Membership shall terminate in the Association on either of the following events, and for no other reason:

1. Sale of a residential lot by a Member; or
2. The failure of a Member to pay an assessment on or before its due date

## ARTICLE FOUR

### DIRECTORS

#### Definition of Board of Directors

4.01 The board of directors is that group of persons vested with the management of the business and affairs of the Association. The initial directors shall be two (2) non-Member representatives of Thomas F. Songer, II, plus three Members who have volunteered to serve or have been chosen by Thomas F. Songer, II. The initial board of directors shall be formed within ninety (90) days following the sale of the first thirty (30) residential lots and shall remain in place until forty (40) lots have been sold, as set forth in Article III, Section 4 of the Declaration.

### Qualifications of Directors

4.02 The qualifications for becoming and remaining a director of the Association are:

1. Directors must be residents of the Commonwealth of Pennsylvania; and
2. Directors must be Members except that the initial directors shall be as defined in Paragraph 4.01 above.

### Number of Directors

4.03 The authorized number of directors of the Association shall not be fewer than three (3) nor more than five (5) at any time.

### Terms of Directors

4.04 Non-Member-directors serving on the initial board shall continue to hold office until 40 residential lots have been sold. At that time, two (2) Member-directors shall be elected for a term of three (3) years each, two (2) Member-directors for a term of two (2) years and one (1) Member-director for a term of one (1) year. Election as a director shall be determined by the number of votes received by each candidate with the two highest number of votes determining the three-year terms, the second-highest number of votes determining the two-year terms, and the third-highest number of votes determining the one-year term. Thereafter, all Member-directors shall be elected for three-year terms.

### Board Vacancies and Increases

4.05 Any vacancy occurring on the board of directors of the Association by reason of resignation, death, or removal from the board shall be filled by appointment by the President. A new director appointed to fill such a vacancy shall serve for the unexpired term of the predecessor director.

4.06 Any directorship to be filled by reason of an increase in the authorized number of directors shall be filled by a vote of the Members, the term of such directorship to be determined by the board of directors.

#### Place of Directors' Meeting

4.07 Meetings of the board of directors, regular or special, shall be held at the registered office of the Association or at any other place within ten (10) miles of the Thompson Woods Preserve Subdivision or such place or places as the board of directors designates by resolution duly adopted.

#### Regular Directors' Meetings

4.08 Regular meetings of the board of directors shall be held at 7:30 p.m. on the second Thursday of the first month of each calendar quarter. Should any such day in any year constitute a legal holiday in Pennsylvania, then the meeting shall be held instead on the Thursday immediately following.

#### Notice of Special Directors' Meeting

4.09 Written or printed notice stating the place, day, and hour of any special meeting of the board of directors shall be delivered either personally or by first class mail to each Director not less than seven (7) nor more than thirty (30) days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Postal Service mail with postage prepaid and addressed to a director at his address as it appears on the records of the Association. Such notice need not state the business to be transacted, nor the purpose of such meeting.

#### Call of Special Directors' Meeting

4.10 A special meeting of the board of directors may be called by the President.

#### Waiver of Notice

4.11 Attendance of a director at any meeting of the board of director shall constitute a waiver of notice of such meeting except where such director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting has not lawfully been called or convened.

#### Quorum of Directors

4.12 A majority of the whole board of directors shall constitute a quorum. The act of a majority of the directors shall be the act of the entire board of directors unless a greater number is required under the provisions of the Nonprofit Corporation Law of 1988, the Articles of Incorporation of the Association, or any provision of these By-laws.

#### Attendance at Meetings

4.13 Any director who fails to attend three (3) consecutive board meetings shall be asked to resign. Failure to attend four (4) consecutive board meetings shall require a vote of the uninvolved directors as to whether his directorship should be withdrawn.

#### Removal of Directorship

4.14 Any director elected or appointed to office may be removed by affirmative action of the board of directors whenever in its judgment the best interests of the Association shall be served. However, such removal shall be without prejudice to any contract rights of the officer so removed.

### ARTICLE FIVE

#### OFFICERS

#### Election and Roster of Officers

5.01 The officers of the Association shall be elected by the board of directors and shall consist of:

1. President;
2. Vice President;
3. Secretary;
4. Treasurer.

#### Selection of Officers

5.02 Each of the officers of the Association shall be elected annually by the board of directors. Each officer shall remain in office until a successor to such office has been qualified and elected. Such election shall take place at the regular meeting of the board of directors taking place in the first calendar quarter of each year. Election of an officer to fill a vacancy may take place at any meeting of the board of directors.

#### Multiple Officeholders

5.03 In any election of officers, the board of directors may elect a single person to any two or more offices simultaneously except that the offices of president and secretary must be held by separate individuals.

#### President

5.04 The president shall be the chief executive officer of the Association and, subject to the control of the board of directors, shall supervise and control the affairs of the Association. The president shall perform all duties incident to such office and such other duties as may be provided in these By-laws or as may be prescribed from time to time by the board of directors.

#### Vice President

5.05 The vice president shall perform all duties and exercise all powers of the president when the president is absent or is otherwise unable to act. The vice president shall perform such other duties as may be prescribed from time to time by the president or the board of directors.

#### Secretary

5.06 The secretary shall keep minutes of all meetings of members and of the board of directors, shall be the custodian of the records of the Association, shall give all notices that are required by law or by these By-laws, and generally shall perform all duties incident to the office of secretary and such other duties as may be required by law by the Articles of Incorporation or by these By-laws, or which may be assigned from time to time by the board of directors.

#### Treasurer

5.07 The treasurer shall have charge and custody of all funds of the Association, shall deposit the funds as required by the board of directors, shall keep and maintain adequate and correct account of the Association's properties and business transactions, shall render reports and accounting to the directors and to the Members as required by the board of directors or the Articles of Incorporation or these By-laws, and shall perform in general all duties incident to the office of treasurer and such other duties as may be required by law, by the Articles of Incorporation, by these By-laws, or as may be assigned from time to time by the board of directors.

#### Removal of Officers

5.08 Any officer elected or appointed to office may be removed by affirmative action of the board of directors whenever in its judgment the best interests of the Association shall be served. However, such removal shall be without prejudice to any contract rights of the officer so removed.

#### Attendance at Meetings of the Board of Directors

5.09 All officers of the Association shall be entitled and expected to attend all meetings of the board of directors.

ARTICLE SIX  
INFORMAL ACTION

Waiver of Notice

6.01 Whenever any notice whatever is required to be given under the provisions of the Nonprofit Corporation Law of 1988 of the Commonwealth of Pennsylvania or these By-laws, a waiver of such notice in writing signed by the person or persons entitled to notice, whether before or after that time stated in such waiver, shall be deemed equivalent to the giving of such notice. Such waiver must, in the case of a special meeting of Members, specify the general nature of the business to be transacted.

Action of Consent

6.02 Any action required by law or the Articles of Incorporation of the Association or these By-laws, or any action which otherwise may be taken without a meeting may be taken if a consent in writing, setting forth the action so taken, is signed by all of the persons entitled to vote with respect to the subject matter of such consent, or all directors in office, and filed with the secretary of the Association.

ARTICLE SEVEN  
OPERATIONS

Fiscal Year

7.01 The fiscal year of the Association shall be a calendar year.

Execution of Documents

7.02 Except as otherwise provided by law, checks, drafts, promissory notes, orders for the payment of money, and other evidences of indebtedness of the Association shall be signed by the treasurer and countersigned by the president. Contracts, leases, or other instruments executed in the name of and on behalf of the Association shall be signed by the secretary and countersigned by the

president, and shall have attached copies of the resolutions of the board of directors certified by the secretary authorizing their execution.

#### Books and Records

7.03 The Association shall keep correct and complete books and records of accounts, and shall also keep minutes of the proceedings of its Members and board of directors. The Association shall keep at its registered office a membership register giving the names, addresses, classes, and other details of the membership, and the original or a copy of its By-laws including amendments to date certified by the secretary of the Association.

#### Inspection of Books and Records

7.04 All books and records of the Association may be inspected by any Member, or his agent or attorney, for any proper purpose at any reasonable time on written demand under oath stating such purpose.

#### Non-profit Corporations

7.05 The Association shall not have or issue shares of stock. No dividend shall be paid, and no part of the income of the Association shall be distributed to its Members, directors, or officers. However, the Association may pay compensation in a reasonable amount to Members, officers, or directors for specific services rendered, that are considered to be beyond the normal duties and responsibilities of a Member, officer, or director.

#### Loan to Management

7.06 The Association shall make no loan to any of its directors or officers.

#### Professional Property Manager

7.07 The board of directors shall select and employ a professional property manager to act



on the Association's behalf in the performance of all duties other than policy making duties. Any such property manager shall be a professional person or organization having experience in the operation of a property owners' association.

## ARTICLE EIGHT INDEMNIFICATION

8.01 A. This corporation may indemnify any person who was or is a party to or threatens to be made a party to any threatened, pending, or completed action, suit, or proceeding (including any actions by or in light of the Association to procure a judgment in its favor), by reason of the fact that he or she is or was a director, an officer, employee, or agent of the Association, or is or was serving at the request of the Association, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement, actually or reasonably incurred. In order to warrant such indemnification, the director, officer, employee or agent of the Association must have acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association. With regard to indemnification in any criminal proceeding, the corporate representative must have had no reasonable cause to believe that the conduct resulting in a criminal proceeding was unlawful

B. In any derivative action or proceeding, a director, officer, employee or agent of the Association may be indemnified against expenses and/or liabilities incurred only if such corporate representative shall have not been found liable for negligence or misconduct in the performance of his or her duties to the Association, unless a Court determined that the corporate representative should be indemnified in any case.

C. A corporate representative may be indemnified against expenses or liabilities incurred only after a determination has been made that the corporate representative has met the applicable standard of conduct and is accordingly entitled to indemnification. This determination shall be made by a majority affirmation of the board of directors if a quorum of uninvolved directors exists or, if no such quorum is obtainable, by independent legal counsel.

D. Indemnification of a corporate representative shall be mandatory in the event a corporate representative is successful in a legal proceeding resulting from his or her activities as a corporate representative, or in defense of any claim, issue, or matter in those proceedings.

E. The Association may purchase insurance against the liability of any corporate officer, director, employee, or agent that might result in indemnification by the Association. However, such insurance shall not be mandatory.

F. Directors and officers shall not be personally liable for any monetary damages for any action taken or any failure to take action unless a director or officer has breached or failed to perform the duties of his or her office under Pennsylvania Law, and such breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. Furthermore, the board of directors is authorized to indemnify and to advance funds for payment of expenses, provided arrangements have been made for repayment in the event it is determined that indemnification is not warranted.

G. Directors and officers of the Association shall have all rights and privileges allowed under Pennsylvania Law.

## ARTICLE NINE DISSOLUTION

9.01 In the event of voluntary dissolution of the Association and after the discharge of all of its debts and obligations, any remaining funds and property of the Association shall be conveyed to such other educational, scientific, or charitable organization as the board of directors may determine. Said conveyance shall be made within sixty (60) days after the Association's debts and obligations have been discharged. Any organization to which the remaining funds and property of the Association are to be conveyed must qualify as an exempt organization under the provisions of Sections 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended, or any successors to said Internal Revenue Code provisions, as they may be in effect at the time of conveyance.

ARTICLE TEN  
AMENDMENTS

Modification of By-laws

10.01 The power to alter, amend, or repeal these By-laws, or to adopt new By-laws, insofar as is allowed by law, is vested in the board of directors except with respect to the following: levying or increasing dues or assessment per member per year in an amount greater than one thousand dollars (\$1,000.00), the adoption of which amendment to these By-laws shall require a vote of thirty percent (30%) of all Members entitled to vote.

Adoption of By-laws

These By-laws are adopted by the Incorporator on July 2, 2001, at State College, Centre County, Pennsylvania.

WITNESS:

Elizabeth P. Snapp

Alfred Jones, Jr., Incorporator