

**BY-LAWS  
OF  
MARSHALL WOODS COMMUNITY ASSOCIATION**

As Amended on 10/14/02

**ARTICLE I  
NAME AND LOCATION**

The name of the corporation is Marshall Woods Community Association, hereinafter referred to as the "Association."

**ARTICLE II  
PURPOSE.**

The within By-Laws are intended to govern the administration of the Association, a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania, together with the management and administration of the Common Areas and community facilities located within the community known as Marshall Woods P.R.D., a Planned Community, located in Cranberry Township, Butler County, Pennsylvania.

**ARTICLE III  
DEFINITIONS.**

**Section 1.** "Association" shall mean and refer to the Marshall Woods Community Association, its successors and assigns.

**Section 2.** "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto that may be brought within the jurisdiction of the Association.

**Section 3.** "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

**Section 4.** "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

**Section 5.** "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

**Section 6.** "Declarant" or "Developer" shall mean and refer to Zokaites Contracting, Inc., a Pennsylvania corporation, its successors and assigns, if such successors and assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

**Section 7.** "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Butler County Recorder of Deeds as Instrument No. 200202050004435

**Section 8.** "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

#### **ARTICLE IV MEMBERSHIP.**

The Association membership shall consist of all of the Lot Owners acting as a group pursuant to the Declaration and the within By-Laws. A person shall automatically become a member of the Association when he or she acquires legal title to a Lot in the Marshall Woods P.R.D. Planned Community. A Lot Owner cannot resign from membership or

transfer membership except appurtenant to transfer of title to his or her Lot. Transfer of membership shall be automatic upon transfer of title.

## **ARTICLE V ASSOCIATION MEETINGS**

***Section 1. Annual Meetings.*** The annual meeting of the members shall be held on the first Saturday in November of each year at 1:00 p.m., unless a different date is set by the Board of Directors.

***Section 2. Place of Meetings.*** Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Owners as may be designated by the Board of Directors.

***Section 3. Special Meetings.*** The President shall call a special meeting of the Association if so directed by resolution of the Board of Directors or upon a petition signed and presented to the President by Lot Owners entitled to cast at least twenty-five percent (25%) of the votes in the Association. The notice of any special meeting shall state the time, place and purpose thereof. Such meetings shall be held within thirty (30) days after receipt by the President of said resolution or petition. No business shall be transacted at the special meeting except as stated in the notice.

***Section 4. Notice of Meetings.*** Written notice of each meeting of the members shall be given by or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote at the meeting. The notice shall be addressed to the member's address last appearing on the books of the Association, or supplied by such member to the

Association for the purpose of notice. Such notice shall specify the place, day, hour and purpose of the meeting.

**Section 5. Quorum.** The presence at the meeting of members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the votes in the Association at the commencement of a meeting shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or the within By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote at the meeting shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present or represented.

**Section 6. Proxies.** At all meetings of the members, each member may vote in person or by proxy. All proxies shall be in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Every proxy shall be revocable. A proxy is deemed revoked when the President, or person presiding over the meeting, receives actual written notice of revocation from the grantor(s) of the proxy. No proxy shall be valid for a period in excess of eleven (11) months. A proxy is void if it is not dated or purports to be revocable without notice.

## **ARTICLE VI BOARD OF DIRECTORS**

**Section 1. Number and Qualification.** The affairs of this Association shall be managed by an initial Board of Directors. The initial Board shall be composed of three (3) directors, who need not be members of the Association.

**Subsection (a).** Until the sixtieth (60) day after conveyance of twenty-five percent (25%) of the Lots to Lot Owners other than Declarant, Declarant shall have the right but not the duty to appoint and remove any and all officers and members of the Board of Directors. Declarant shall not have the power to unilaterally remove any members of the Board of Directors elected by Lot Owners other than Declarant.

**Subsection (b).** No later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots to Lot Owners other than Declarant, one of the three members of the Board of Directors shall be elected by Lot Owners other than Declarant.

**Subsection (c).** No later than seven (7) years after the date of the recording of the Declaration or sixty (60) days after seventy-five percent (75%) of the Lots have been conveyed to Lot Owners other than Declarant, whichever ever occurs earlier, all Declarant-appointed members of the Board of Directors shall resign. Upon resignation, the Lot Owners, including Declarant to the extent that Declarant owns a lot or lots, shall elect a new three-member Board of Directors, which shall manage the affairs of the Association at the first following annual or special meeting.

**Section 2. Term of Office.** At the first annual meeting following the election the board as indicated in subsection (c), the members shall elect one director for a term of one year, one director for a term of two years, and one director for a term of three years. At each annual meeting thereafter, the members shall elect directors for a term of three years.

**Section 3. Removal.** Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or

removal of a director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor.

**Section 4. Compensation.** No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his duties.

## **ARTICLE VII NOMINATION AND ELECTION OF DIRECTORS.**

**Section 1. Nomination.** Nomination for election to the Board of Directors may be made by the Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or nonmembers.

**Section 2. Election.** Election of the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, one (1) vote for each Lot upon which no premises is constructed or for each Lot upon which a premises is under construction or in existence. When more than one person holds an interest in a Lot, all such persons shall be members. The vote for the Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast

with respect to any Lot. The persons receiving the largest number of votes shall be elected. No members of this Association shall have the right to cumulate his or her votes for the election of Directors, or otherwise, or for any other purpose except for the right to exercise a cumulative voting privilege specifically granted or reserved by law.

## **ARTICLE VIII MEETINGS OF DIRECTORS**

**Section 1. Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined by a majority of the members, but such meetings shall be held at least two (2) times each year. Notice of regular meetings of the Board shall be given to each member by mail at least three (3) days prior to the day named for such meeting.

**Section 2. Special Meetings.** Special meetings of the Board of Directors may be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director. Such notice must contain the time, place and purpose of the special meeting.

**Section 3. Quorum.** A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. If, at any meeting of the Board there shall be less than a quorum present, any member present may adjourn the meeting.

**Section 4. Action Taken Without a Meeting.** The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the

written approval of all directors. Any action so approved shall have the same effect as though taken at a meeting of the directors. If action is taken by written consent, such consent shall be filed with the minutes of the proceedings of the Board.

**ARTICLE IX**  
**POWERS AND DUTIES OF THE BOARD OF DIRECTORS.**

**Section 1. Powers.** The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties, including authorizing said manager or employee to collect assessments and fees, and to sign checks drawn on appropriate Association bank accounts; and
- (f) enter into agreements, contract, deeds, leases and other written instruments or documents in the name of the Association and authorize the execution, delivery and recording thereof.

**Section 2. Duties.** It shall be the duty of the Board of Directors to:



- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or any special meeting when such statement is requested in writing by twenty-five percent (25%) of the members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
  - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
  - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
  - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certifications. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Area to be maintained in good, clean and sanitary condition, order and repair.

**ARTICLE X**  
**OFFICERS AND THEIR DUTIES.**

**Section 1. Enumeration of Offices.** The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a

Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

**Section 2. Election of Officers.** The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members by a majority vote of the Board.

**Section 3. Term.** The officers of this Association shall be elected annually by the Board and each shall hold for one (1) year unless he shall sooner resign, or shall be removed, or otherwise qualified to serve.

**Section 4. Special Appointments.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

**Section 5. Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by given written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 6. Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officers appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

**Section 7. Multiple Officers.** The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

**Section 8. Duties.** The duties of the officers are as follows:

***President.***

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; and shall sign all leases, mortgages, deeds, promissory notes and other written instruments, except checks.

***Vice-President.***

(b) The vice-president shall act in the place and stead of the president in the event of his or her absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.

***Secretary.***

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and fix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their address, and shall perform such other duties as required by the Board.

***Treasurer.***

(d) The treasurer or management agent shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notice of the Association; keep proper books of account; cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

**Section 8. Execution of Documents.** No agreement, check, deed, lease, or other instrument of the Association shall be binding upon the Association unless entered into on its behalf by the Board of Directors and signed by two of the aforesaid officers or by any other person designated by the Board of Directors, including but not limited to a manager or managing agent.

**ARTICLE XI  
COMMITTEES.**

The Association may appoint a Nominating Committee, as provided herein. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

**ARTICLE XII  
BOOKS AND RECORDS.**

The books, records and papers of the Association as well as the Declaration, Articles of Incorporation and By-Laws of the Association shall at all times, during reasonable business hours, be subject to inspection by any member, lender, or the holder, insurer or guarantor of any first mortgage, at the principal office of the Association, where copies of the legal documents may be purchased at a reasonable cost.

**ARTICLE XIII  
ASSESSMENTS.**

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid within thirty (30) days after the due date, shall bear interest from the date of delinquency at the rate of fifteen percent (15%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the

amount of such assessment. In addition, any assessment not paid on or before the due date shall automatically be assessed twenty-five dollars (\$25.00) as a late charge. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his or her Lot. As stated in the Declaration, the lien for the assessments shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to the payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

**ARTICLE XIV  
CORPORATE SEAL.**

The corporate seal of the Association shall bear the name of the Association and any other language required by the Commonwealth of Pennsylvania.

**ARTICLE XV  
AMENDMENTS.**

**Section 1.** Subject to the requirements set forth in the Declaration, these By-Laws may be modified or amended only by a vote of Lot Owners entitled to cast a majority of the votes in the Association. However, if any amendment would have a material effect upon the rights, privileges, powers and duties of the Declarant, such amendment shall require written approval of the Declarant. Additionally, if any amendment is necessary in the judgment of

the Board of Directors to cure any ambiguity or to correct or supplement any provision of the By-Laws that is defective, missing or inconsistent with a provision hereof, or with the Declaration, or if such amendment is necessary to conform to the then current requirements under the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration or the Veterans Administration, then at any time the Board may effect an appropriate corrective amendment without the approval of the Lot Owners.

**Section 2.** In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

**ARTICLE XVI  
FISCAL YEAR.**

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

**ARTICLE XVII  
INDEMNIFICATION OF OFFICERS AND DIRECTORS.**

The directors and officers and any assistant officers (1) shall not be liable to the Members or the Association as a result of their activities for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or gross negligence; (ii) shall have no personal liability in contract to the Association or a Member or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Board or the Association in their capacity as such; (iii) shall have no personal liability in tort to the

Association, a Member or any other person or entity direct or imputed, by virtue of acts performed by them, except for their own willful misconduct or gross negligence, or acts performed for them, in their capacity as such; and (iv) shall have no personal liability arising out of the use, misuse or condition of the Common Areas, or which might in any other way be assessed against or imputed to them as a result or by virtue of their capacity as such.

The Association shall indemnify and hold harmless any person, his or her heirs and personal representatives, from and against any and all personal liability, and all expenses, including counsel fees, incurred or imposed, or arising out or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by the Association or any one or more Members or any other persons or entities, to which he or she shall be made a party by reason of the fact that he or she is or was a director or an officer or assistant officer, other than to the extent, if any, that such liability or expense shall be attributable to his or her willful misconduct or gross negligence, provided, in the case of any settlement, that the Board shall have approved the settlement, which approval shall not be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Members or of the Board, or otherwise. The indemnification by the Association set forth in this Article X shall be paid by the Board on behalf of the Association and shall constitute a common expense and shall be assessed and collectible as such.