

**AMENDED AND RESTATED BYLAWS**  
**OF**  
**STONEYBROOK OF ELIZABETHTOWN HOA, INC.**

**SECTION ONE. INTRODUCTORY PROVISIONS**

1.1. Applicability. These Bylaws provide for the governance of the Association pursuant to the requirements of Section 5306 of the Pennsylvania Uniform Planned Communities Act, 68 P.S. §5101, *et seq.*, as amended (the “Act”), with respect to Stoneybrook of Elizabethtown HOA, Inc. (the “Planned Community”) created by recording the Declaration among the records of the Lancaster County Recorder of Deeds (the “Declaration”). These bylaws shall govern the administration and management of the association and the Planned Community.

1.2. Definitions. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration to which these Bylaws pertain or, if not defined therein, the meanings specified or used for such terms in the Act.

A. "Independent reviewer." A person who is selected by the Executive Board and satisfies all of the following:

i. Holds a certificate as a certified public accountant issued by the Commonwealth, is licensed to practice law in this Commonwealth or is a vote management system.

ii. Is not a Lot Owner, directly or indirectly.

iii. Has no immediate family relationship with a Lot Owner or the planned community manager.

iv. Has no financial interest shared with a Lot Owner or the planned community manager.

v. If compensated by the Association or the planned community manager, has disclosed the terms of the compensation to all Lot Owners of the planned community at a scheduled meeting.

1.3. Compliance. Pursuant to the provisions of the Act, every Lot Owner and all persons entitled to occupy a Lot shall comply with these Bylaws.

1.4. Office. The registered office of the Association and the Executive Board shall be located at PO BOX 149 Elizabethtown, PA 17022 or such other place as may be designated from time to time by the Executive Board.

1.5. Incorporation of Statutory Law. Except as expressly provided herein, in the Declaration, or in the Act, the Association shall be governed by the provisions of the Non-Profit Corporation Law of 1988 of the Commonwealth of Pennsylvania, 15 Pa.C.S. §5101, *et seq.*, as it may be amended from time to time (the “Corporation Law”). The “Board of Directors” described therein shall be referred to herein and in the Declaration as the “Executive Board.”

## **SECTION TWO. THE ASSOCIATION**

2.1. Responsibility. The Association shall have the responsibility of administering the Planned Community, establishing the means and methods of collecting assessments and charges, arranging for the management of the Planned Community and performing all of the other acts that may be required or permitted to be performed by the Association pursuant to the Act and the Declaration.

2.2. Annual Meeting. The annual meetings of the Association shall be held on the second Wednesday of March of each year, unless such date shall occur on a holiday or other extenuating circumstances prohibit holding the meeting on that date, in which event the meetings shall be held as close to the second Wednesday in March as is reasonably possible. At such annual meetings the Executive Board shall be elected by ballot of the Lot Owners in accordance with the requirements of Section 3.3 of these Bylaws (subject to the Declaration) and such other business as may properly come before the meeting may be transacted.

2.3. 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 Lot Owners as may be designated by the Executive Board.

2.4. Special Meetings. The President shall call a special meeting of the Association if so directed by resolution of the Executive Board or upon a petition signed and presented to the Secretary by Lot Owners entitled to cast at least ten percent (10%) of the votes in the Association. The notice of any special meeting shall state the time, place and purpose thereof. Such meeting shall be held within forty-five days after receipt by the President of such resolution or petition; however, if the purpose includes the consideration of the rejection of a budget such meeting shall be held within thirty (30) days after receipt by the President of such resolution or petition. No business shall be transacted at a special meeting except as stated in the notice.

2.5. Notice of Meetings. The Secretary shall give to each Lot Owner a notice of each annual meeting or regularly-scheduled meeting or special meeting of the Association at least fourteen (14) but not more than sixty (60) days, prior to such meeting, stating the time, place and purpose thereof, including, without limitation, any proposed budget or assessment changes, the general nature of any proposed amendment to the Bylaws or Declaration, and any proposal to remove an Executive Board member or Officer. The giving of a notice of meeting in the manner provided in this Section of these Bylaws shall be considered service of notice.

2.6. Methods of Notice. Notice of meetings (including virtual) of the Association may be given by:

A. first class or express mail, postage prepaid, or courier service, charges prepaid, to the mailing address of each Lot or to any other mailing address designated in writing

by the unit owner. Notice under this paragraph shall be deemed to have been given to a Lot Owner when deposited in the United States mail or with a courier service for delivery to the Lot Owner.

B. facsimile transmission, e-mail or other electronic communication to the Lot Owner's facsimile number or address for e-mail or other electronic communications supplied by the Lot Owner, provided that the Lot Owner has agreed in writing to accept the notice by electronic means. Notice under this paragraph shall be deemed to have been given to the unit owner when sent.

2.7. Quorum. The presence in person or by proxy of Lot Owners holding twenty percent (20%) or more of the aggregate votes of all Lot Owners shall constitute a quorum at all meetings of the Association. If available, a Member may participate in a meeting of the Association by means of a conference telephone or other remote electronic technology, including the Internet, which allows participants in the meeting to hear each other. Participation in a meeting as authorized under this subsection shall be deemed in-person attendance at the meeting.

2.8. Adjournment of Meetings. If at any meeting of the Association a quorum is not present, the Board may choose to adjourn the meeting. The adjourned meeting shall be reconvened not less than seven (7) nor more than thirty (30) days from the date of the original meeting. At such second meeting, a quorum at such second meeting shall be the number of Members present at the re-convened meeting.

2.9. Voting. Each Lot Owner shall be entitled to one vote at all meetings of the Association. If the owner of a Lot is a corporation, limited liability company, or partnership, the natural person who shall be entitled to cast the votes for such Lot shall be the natural person named by such entity pursuant to its governing documents and certified as such to the Association. If the owner of a Lot is more than one Person, the Person who shall be entitled to cast the votes of such Lot shall be the natural person named in a certificate executed by all of the owners of such Lot and filed with the Secretary or, in the absence of such named person, the person owning such Lot who is present. If more than one of the multiple Owners is present, then such votes shall be cast only in accordance with their unanimous agreement pursuant to Section 5301(a) of the Act. In all elections for Executive Board members, each Lot Owner shall be entitled to cast the votes allocated to that Lot for each vacancy to be filled. Those candidates for election receiving the greatest number of votes cast in such elections shall be elected and, if Executive Board members are being elected to unequal terms, the candidates receiving the highest number of votes shall be elected to the longest terms. No votes allocated to a Lot owned by the Association may be cast. There shall be no cumulative or class voting.

The Executive Board may suspend unit owners' rights, including, without limitation, the right to vote and/or the right to serve on the Executive Board or any committees, for any period during which assessments are delinquent or violations of the declaration, bylaws and rules and regulations remain uncured.

2.10. Proxies. A vote may be cast in person or by proxy. If a Lot is owned by more than one Person, each Owner of the Lot may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy. Such proxy may be granted by any Lot Owner in favor of only another Lot Owner or a holder of a mortgage on a Lot. Proxies shall be duly

executed 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. Such proxy shall be deemed revoked only upon actual receipt by the Person presiding over the meeting of written notice of revocation from the grantor(s) of the proxy. No proxy shall be valid for a period in excess of one year after the execution thereof. A proxy is void if it is not dated and purports to be revocable without notice.

2.11. Pre-Election Sessions: In the event that there are more candidates than open positions on the Executive Board, then, upon request of one or more of the Candidates, the Association shall hold a special session at least seven days before the election to allow the Lot Owners to meet each candidate. Each candidate shall have equal time to address the Lot Owners during this meeting.

2.12. Conduct of Meetings. The President (or in the President's absence, one of the vice-presidents) shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings.

A. Meetings may be held in person or through electronic means, including without limitation, any combination of audio and/or video conferencing where all Lot Owners participating in the meeting can hear each other, as determined by the Executive Board. Participation in a meeting pursuant to this section shall constitute a Lot Owner's presence in person at the meeting.

B. Approved methods of voting. The voting rights of a Lot Owner may be cast or given in the following ways: in person or by proxy at a meeting of the Association or by absentee or electronic ballot.

C. An absentee or electronic ballot may:

i. be counted as a Lot Owner present and voting for the purpose of establishing a quorum, and otherwise, only for agenda items appearing on the ballot.

ii. not be counted even if properly delivered, if the Lot Owner attends the meeting to vote in person. A vote cast at a meeting by a Lot Owner supersedes a vote submitted by absentee or electronic ballot previously submitted.

D. The term "electronic ballot" means a ballot cast or given by electronic transmission over the internet, vote management system or the Association's community network, whether by direct connection, intranet, telecopier, electronic mail or other technological means, if:

i. the identity of the Lot Owner submitting the ballot can be confirmed and

ii. a receipt of the electronic transmission and ballot can be made available to the Lot Owner.

E. Acclamation. -- In the event that an election for a position on the Executive Board is uncontested, the officer or chair presiding at the election meeting may declare the nominee elected by acclamation after determining there are no further nominations.

2.13. Recorded Meeting. At the sole discretion of the Executive Board, meetings of the Association may be recorded by the Executive Board via audio or video technology, provided that an announcement is made by the presiding officer at the commencement of the meeting that the meeting will be recorded. A recorded meeting under this subsection shall be maintained and available to Lot Owners for a period of no less than six months after the date of the meeting.

### **SECTION THREE. EXECUTIVE BOARD**

3.1. Number and Qualification. The affairs of the Association shall be governed by an Executive Board. The Executive Board shall be composed of not fewer than three nor more than seven, members, all of whom shall be natural persons and Lot Owners.

3.2. Delegation of Powers: Managing Agent. The Executive Board may employ for the Planned Community a "Managing Agent" at a compensation established by the Executive Board. The Managing Agent shall perform such duties and services as the Executive Board shall authorize, including, but not limited to, all of the duties listed in the Act, the Declaration and these Bylaws; provided, however, where a Managing Agent does not have the power to act under the Act, the Declaration or these Bylaws, such duties shall be performed as advisory to the Executive Board. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Act, the Declaration and these Bylaws other than the following powers:

- A. To adopt the annual budget and any amendment thereto or to assess any Common Expenses;
- B. To adopt, repeal or amend Rules and Regulations;
- C. To designate signatories on Association bank accounts;
- D. To borrow money on behalf of the Association;
- E. To acquire and mortgage Lots;
- F. To allocate Limited Common Elements.

Any contract with the Managing Agent shall be presented to the Association if said contract will impact the annual budget. Said contract must provide that it may be terminated with cause on no more than thirty days' written notice and without cause on no more than ninety days' written notice. The term of any such contract may not exceed one year. No individual person who is a resident or a unit owner may serve as a Managing Agent.

3.3. Election and Term of Office.

A. At the annual meeting of the Association, subject to the Declaration and Section 2.2 of these Bylaws, the election of members of the Executive Board shall be held. The term of office of any Executive Board member to be elected (except as set forth in Section 3.5) shall be fixed at two years. It is the intention of these Bylaws that approximately half of the Board Members' terms expire each year. In the event that it is necessary to stagger terms in order to elect half of the Board in any given year, the Members elected to the Board receiving the most votes

shall receive two-year terms, and the Members receiving the fewest votes shall be elected for one-year terms. The members of the Executive Board shall hold office until the earlier to occur of the election of their respective successors or their death, adjudication of incompetency, removal or resignation. An Executive Board member may serve an unlimited number of terms and may succeed him or herself.

B. The Executive Board may establish nominating procedures, provided that if there is fewer than two nominations for any position to be elected, that the Association shall also accept nominations from the floor on the date of the election meeting.

3.4. Removal or Resignation of Members of the Executive Board. A Board Member may be removed, with or without cause, by a two-thirds vote of all Members present and entitled to vote at any meeting of the Lot Owners at which a quorum is present, provided notice of the intention to remove the Executive Board Member is given with the notice of the meeting at which such removal is considered. If an Executive Board Member is removed pursuant to this Section, a replacement shall be elected immediately and shall serve the remainder of the removed Member's unexpired term. A member of the Executive Board may resign at any time and shall be deemed to have resigned upon the transfer of title to his or her Lot.

3.5. Vacancies. Vacancies in the Executive Board caused by any reason other than the removal of a member by a vote of Lot Owners shall be filled by a vote of a majority of the remaining members at a special meeting of the Executive Board held for such purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Executive Board for the remainder of the term of the member being replaced. In the case of multiple vacancies, the member receiving the greatest number of votes shall be elected for the longest term.

3.6. Organization Meeting. The first meeting of the Executive Board following each annual meeting of the Association shall be held within 30 days thereafter at such time and place as shall be fixed by the President (even if he is the outgoing President) at the meeting at which such Executive Board shall have been elected, and no notice shall be necessary to the newly elected members of the Executive Board in order legally to constitute such meeting, if a majority of the Executive Board members shall be present at such meeting.

3.7. Regular Meeting. Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time by a majority of the members, but such meetings shall be held at least every six months during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each member, by mail, email or facsimile, at least three business days prior to the day named for such meeting.

3.8. Special Meetings. Special meetings of the Executive Board may be called by the President on at least three business days' notice to each member, given by mail, email or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two members of the Executive Board.

3.9. Waiver of Notice. Any member may at any time, in writing, waive notice of any meeting of the Executive Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Executive Board shall constitute a waiver of notice by him or her of the time, place and purpose of such meeting. If all members are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

3.10. Quorum of the Executive Board. All the meetings of the Executive Board a majority of the members shall constitute a quorum for the transaction of business. The votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Executive Board. If at any meeting of the Executive Board there shall be less than a quorum present, a majority of those present may adjourn the meeting at any time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. One or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

3.11. Compensation. Members of the Executive Board shall be reimbursed for any budgeted expenses incurred in the performance of his or her duties, upon presentation by the Member of documentation, expense statements, vouchers, or such other supporting information as the Executive Board may require, provide however, that the amount available for such expenses may be fixed in advance by the Board. The Executive Board may delegate any professional responsibility (such as accounting or collections) to any person, including a Board Member, who may be paid a fair market rate for those services. Such delegation shall be subject to the provisions of section 3.14 (conflicts of interest).

3.12. Conduct of Meetings. The President, or in his absence any vice-president, shall preside over all meetings of the Executive Board and the Secretary shall keep a minute book of the Executive Board meetings, recording therein all resolutions adopted by the Executive Board and a record of all transactions and proceedings occurring at such meetings.

3.13. Action Without Meeting. Any action by the Executive Board required or permitted to be taken at any meeting may be taken without a meeting if all the members of the Executive Board shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Executive Board.

3.14. Conflicts of Interest. Whenever an Executive Board member or officer has a financial or personal interest in any matter coming before the Executive Board, the affected person shall fully disclose the nature of the interest and withdraw from discussion and voting on the matter. Any transaction involving a potential conflict of interest shall be approved only when a majority of disinterested Board members determine that it is in the best interest of the Association to do so. The minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval.

3.15. Inclusion of Interested Board Members in the Quorum. Any Executive Board member holding such director or officer position or having such financial interest in another corporation,

firm or association may be counted in determining the presence of a quorum at a meeting of the Executive Board or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 3.14 hereof.

3.16. No Liability of Board Member. Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as an Executive Board member or any failure to take any action shall be presumed to be in the best interests of the Association. An Executive Board member of the Association shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

A. The Executive Board member has breached or failed to perform the duties of his or her office under this section; and

B. The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

C. The provisions of this section shall not apply to:

i. The responsibility or liability of an Executive Board member pursuant to any criminal statute; or

ii. The liability of an Executive Board member for payment of taxes pursuant to local, State or Federal law. The provisions of this Section are intended to exempt the Board members from liability for monetary damages to the maximum extent permitted under any Pennsylvania law now or hereafter in effect.

#### **SECTION FOUR. OFFICERS**

4.1. Designation. The principal officers of the Association shall be the President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. President and the Vice-President shall be members of the Executive Board. Any other officers may, but need not, be Lot Owners or members of the Executive Board. An officer other than the President may hold more than one office.

4.2. Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organization meeting of each new Board and shall hold office at the pleasure of the Executive Board.

4.3. Removal of Officers. Upon the affirmation vote of a majority of all members of the Executive Board, any officer may be removed, either with or without cause, and a successor may be elected at any meeting of the Executive Board called for such purpose.

4.4. President. The President shall be the chief executive officer of the Association, preside at all meetings of the Association and of the Executive Board and have all of the general powers and duties which are incident to the office of president of a corporation organized under the laws of Pennsylvania including without limitation the power to appoint committees from among the unit Owners from time to time as the President may in his discretion decide is appropriate to assist in



the conduct of the affairs of the Association. The President shall cease holding such office at such time as the President ceases to be a member of the Executive Board.

4.5. Vice President. The Vice President, if the office is created, shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board shall appoint some other member of the Executive Board to act in the place of the President, or an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated or assigned to the Vice President by the Executive Board or by the President. The Vice President shall cease holding such office at such time as the Vice President ceases to be a member of the Executive Board.

4.6. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Executive Board, have charge of such books and papers as the Executive Board may direct, maintain a register setting forth the place to which all notices to Lot Owners and holders of mortgages on any Units hereunder shall be delivered and, in general, perform all the duties incident to the office of secretary of a corporation organized under the laws of Pennsylvania. The Secretary shall, upon request, provide any Person, or cause to be provided to any Person entitled thereto a written statement or certification of the information required to be provided by the Association pursuant to the Act and these Bylaws.

4.7. Treasurer. The Treasurer shall have the responsibility for the safekeeping of Association funds and securities, be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required data and be responsible for the deposit of all monies in the name of the Executive Board, the Association or the Managing Agent, in such depositories as may from time to time be designated by the Executive Board and, in general, perform all the duties incident to the office of treasurer of a corporation or organized under the laws of Pennsylvania, including the endorsement of checks for expenses of the Association.

4.8. Execution of Documents. All agreements, contracts, deeds, leases, and other contracts of the Association for expenditures or obligations shall be executed by any two officers of the Association. All checks for expenditures shall be signed by the managing agent or the bookkeeper.

4.9. Compensation of Officers. Officers shall be reimbursed for any budgeted expenses incurred in the performance of his or her duties, upon presentation by the Member of documentation, expense statements, vouchers or such other supporting information as the Executive Board may require, provided however, that the amount available for such expenses may be fixed in advance by the Board. The Executive Board may delegate any professional responsibility (such as accounting or collections) to any person, including an Officer, who may be paid a fair market rate for those services. Such delegation shall be subject to the provisions of section 3.14 (conflicts of interest).

4.10. Other Professionals. The Executive Board may choose and contract with such other officers and agents, including but not limited to assistant Treasurers and assistant Secretaries, to assist in carrying out the prescribed responsibilities and duties of the officers and agents of the

Association. Such additional officers and agents may be Board members, subject to the provisions of section 3.14 (conflicts of interest).

## **SECTION FIVE. COMMON EXPENSES; BUDGETS**

5.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board.

5.2. Preparation and Approval of Budget.

A. At least 15 days before the start of the fiscal year, the Executive Board shall adopt an annual budget for the Association. Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements.

B. The Executive Board shall make the budget available for inspection at the Association office and shall send to each Lot Owner a copy of the budget in a reasonably itemized form that sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining each Lot Owner's assessments for Common Expenses and shall automatically take effect at the beginning of the fiscal year for which it is adopted.

C. The Executive Board shall make reasonable efforts to meet the deadlines set forth above, but compliance with such deadlines shall not be a condition precedent to the effectiveness of any budget.

## **SECTION SIX. AMENDMENTS**

6.1. Amendments to Bylaws. The Bylaws may be amended only by vote of Lot Owners to which at least: (A) fifty-one percent of votes in the Association are allocated.

The vote may be taken only at a scheduled meeting and following notice to the Lot Owners that was advertised 14 days in advance. Absentee voting shall be permitted provided that the ballots must be submitted to an independent reviewer by the commencement of the scheduled meeting.

6.2. Approval of Mortgagees. These Bylaws contain provisions concerning various rights and interests of record holders of mortgages on Units. Such provisions in these Bylaws are to be construed as covenants for the protection of such holders on which they may rely in making loans secured by such mortgages. Accordingly, no amendment or modification of these Bylaws impairing or affecting such rights, priorities, remedies or interests of such a holder shall be adopted without the prior written consent of such holders who have registered an address with the Secretary.

6.3. FNMA, FHLMA, FHA, VA Amendments. If any amendment to these Bylaws is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision that is defective, missing or inconsistent with any other provision, or with the Act or the Declaration, or if such amendment is necessary to confirm to the then current requirements of any agency or entity that has established national or regional standards with respect to loans secured by mortgages or deeds of trust on units in community projects, including but not limited to the

Federal National Mortgage Association, the Federal Home Loan Mortgage Association, the Federal Housing Administration or the Veteran's Administration, the Executive Board may, at any time and from time to time, effect such amendments without the approval of the Lot Owners or the holders of any liens on all or any part of the Community, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of the Act.

6.4. Amendments to the Declaration. Any two (2) officers or Executive Board members of the Association may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

## **SECTION SEVEN. MISCELLANEOUS**

7.1. Notices. All notices, demands, bills statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt, postage prepaid (or otherwise as the Act may permit), (i) if to a Lot Owner, at the single address which the Lot Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Lot of such Owner, or (ii) if to the Association, the Executive Board or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Lot Owners pursuant to this Section. If a Lot is owned by more than one Person, each such Person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.

7.2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

7.3. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

7.4. Dissolution of Association. In the event that this Association be dissolved, all assets remaining after all debts and other obligations of the Association have been discharged shall be disbursed to the individual Lot Owners in proportion to the Percentage Interest held by each individual Lot Owner.

## **SECTION EIGHT. LIMITED LIABILITY AND INDEMNIFICATION**

8.1. Indemnification of Board Members and Officers. Every Person who was or is a party, or is threatened to be made a party to, or is involved in any action, suit or proceeding, whether civil, criminal, administrative, or investigative, including but not limited to any action by or in the name of the Association, by reason of the fact that he or she or a Person of whom he or she is a legal representative is or was a Board member, officer, employee or committee member of the Association, or is or was serving at the request of the Association as a Board member or officer of another Association, as a member of any committee of the Board, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the

fullest extent permitted or authorized by the law of the Commonwealth of Pennsylvania, as the same exists or may hereafter be amended, against all expenses, liability and loss (including attorney's fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him or her in connection therewith. The individual shall have no right to reimbursement, however, in relation to matters as to which the individual has been adjudged liable to the Association for misconduct in the performance of his or her duties, or was derelict in the performance of his or her duty as Board member, 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. Determinations as to the right of indemnification, or any questions pertaining to indemnification, shall be determined by a majority vote of all disinterested Board members, even if such number does not constitute a quorum.

8.2. Such right of indemnification shall not be exclusive of any other right which the Executive Board members, officers, or representatives of the Association may have or hereafter acquire under any provisions of law, the Articles of Incorporation agreements, insurance policies, vote of disinterested Executive Board members or otherwise, both as to action in their respective official capacities and as to action in another capacity while serving as an Executive Board member, officer or representative. The Association may purchase insurance policies, enter into specific agreements with Executive Board members or officers, establish a security fund, or take such additional actions as the Executive Board deems appropriate to carry out its obligation of indemnification.

8.3. The rights of an Executive Board member or officer to indemnification and advance of expenses granted under this Article are in the nature of a contract between the Association and each Executive Board member or officer, and no amendment or repeal of any provision of this Article of the bylaws shall alter, to the detriment of such Executive Board member or officer, the rights of such Person to the advance of expenses or indemnification related to a claim based on an act or failure to act which took place prior to such amendment, repeal or termination. Such rights shall continue as to a Person who has ceased to be an Executive Board member or officer and shall inure to the benefit of the heirs, executors and administrators of such Person.

ADOPTED THE 19<sup>th</sup> day of April 2023 by a majority vote of members present at a meeting duly convened for the purpose of amending and restating the Bylaws of the Planned Community.

 , Secretary  
GEORGE CRADIC