

BY-LAWS
OF
VILLAGE OF CRANBERRY WOODS PHASE II OWNERS ASSOCIATION

ARTICLE I
NAME AND LOCATION

The name of the Association is the VILLAGE OF CRANBERRY WOODS PHASE II OWNERS ASSOCIATION (the “Association”), which corporation, not-for-profit, is created pursuant to the provisions of Title 15, Subpart C, Chapter 51 Nonprofit Corporation Law of 1988 of the Commonwealth of Pennsylvania. The principal office of the Association shall be as set forth in its Articles of Incorporation (the “Articles”), and the place of meetings of Owners (sometimes hereinafter referred to as the “Members”) and of the Board of Directors of the Association shall be at such place in Butler County, Pennsylvania as the Board of Directors (the “Board”), may from time to time designate. These “By-Laws” will govern the day-to-day operation of the Association, subject to the terms of the Declaration (defined below).

ARTICLE II
DEFINITIONS

All of the terms used herein shall have the same meanings as set forth in the Declaration of Easements, Covenants and Restrictions of Village of Cranberry Woods Phase II Planned Community (the “Declaration”), recorded simultaneously herewith with the Office of the Recorder of Deeds for Butler County, Pennsylvania. In the event of a conflict between the terms and provisions of the Declaration and these By-Laws, the terms and provisions of these By-Laws shall control.

ARTICLE III
PHASE PARCEL OWNERS (MEMBERS)

Section 1. Composition. Each Owner, as defined in the Declaration, is a member of the Association.

Section 2. Annual Meetings. Regular annual meetings of the Owners shall be held in the first calendar quarter of each year hereafter, on a date and at an hour established, from time to time, by the Board.

Section 3. Special Meetings. Special meetings of the Owners may be called at any time by the president or by the Board, upon written request of Owners entitled to exercise one-third or more of the voting power of Owners, and when required by the NPCL.

Section 4. Notice of Meetings. Written notice of each meeting of Owners 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 five days before such meeting, to each Owner entitled to vote thereat, addressed to the Owner's address last appearing on the books of the Association, or supplied by such Owner to the Association for the purpose of notice, or by delivering a copy of that notice at such address at least five (5) days before the meeting. The notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 5. Quorum. The Owners of the majority of the Parcels shall constitute a quorum at any duly called and noticed meeting of Owners; such Owners may be present in person, by electronic means (phone or video conference) or by proxy. Owners entitled to exercise a majority of the voting power of Owners represented at a meeting may, at any time, adjourn such meeting. If any meeting is so adjourned, notice of the time and place to which such meeting is adjourned need not be given at that time.

Section 6. Proxies. At any meeting of Owners, an Owner may vote in person, by electronic means (phone or video conference), or by proxy. All proxies shall be in writing and filed with the secretary prior to the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by an Owner of a Phase Parcel.

Section 7. Voting Power. Except as otherwise provided in the Association's organizational documents, or these By-Laws, each Owner shall be entitled to the number of votes equal to the total Acreage of such Owner's Building Parcel owned in fee simple, rounded up or down to the nearest whole number; provided, however, that in no event shall any Owner be entitled to less than one (1) vote owned in fee simple. In the case where more than one entity or party is an Owner of one Parcel, such group of Owners of one Parcel shall be required to act collectively as one Owner, and unless timely challenged by an Owner of a fee simple interest in a Parcel, any Owner of a fractional fee simple interest in that Parcel may cast the entire vote with respect to that Parcel. The term "Building Parcel" shall mean each of Parcels A, B, C, C 2A, C 2B, C 2C, D, E and F, upon which it is anticipated that a Building or Buildings will be constructed

Section 8. Action In Writing Without Meeting. Any action that could be taken by Owners at a meeting may be taken without a meeting with the affirmative vote or approval, in a writing or writings, of all of the Owners.

ARTICLE IV **BOARD OF DIRECTORS**

Section 1. Initial Directors. The Board shall be comprised of three (3) Directors. The initial Directors shall be representatives of those three (3) persons (Initial Occupants) named as the initial Directors in the Declaration, or such other person or persons as may from time to time be substituted by the Declarant.

Section 2. Successor Directors. The number, times of election, and terms of office of those who will serve as Directors of the Association to succeed the initial Directors, shall be as provided in the Declaration and these By-Laws. In general, each Owner shall designate an individual representative from its organization to act as its Director.

Section 3. Removal. In the event a representative of a Director is removed for cause, death, incapacity (mental or physical) or due to resignation, the Owner whom the Director represents shall immediately designate a replacement Director. In the event of an uncured and continuing event of default under the Declaration, Declarant shall have the sole right to remove the Director representing a defaulting Owner and select the temporary successor Director who shall serve as a Director for the defaulting Owner until the cure of such default as provided in the Declaration.

Section 4. Election. Each Owner shall designate a Director who shall serve at the pleasure of the Owner designating said Directors.

Section 5. Compensation. Unless otherwise determined by the Owners at a meeting duly called and noticed for such purpose, no Director shall receive compensation for any service rendered to the Association as a Director. However, any Director may be reimbursed for the Director's actual expenses incurred in the performance of the Director's duties, subject to Board approval.

Section 6. Regular Meetings. Regular meetings of the Board shall be held no less than quarterly, without notice, on such date and at such place and hour as may be fixed from time to time by resolution of the Board.

Section 7. Special Meetings. Special meetings of the Board shall be held when called by the president of the Board, or by any three Directors, after not less than three (3) days' notice to each Director.

Section 8. Quorum. The presence at any duly called and noticed meeting, of Directors entitled to cast a majority of the votes on any matter that may be determined by the Board, shall constitute a quorum.

Section 9. Voting Power. Except as otherwise provided in the Declaration or Association's organizational documents, or by law, a majority of the Directors voting on any matter that may be determined by the Board at a duly called and noticed meeting at which a quorum is present shall be sufficient to determine that matter; provided however, as long as Declarant is the Owner of any portion of the Property, all actions of the Board shall be subject to Declarant's consent and approval, which will not be unreasonably withheld, conditioned or delayed.

Section 10. Action In Writing Without Meeting. Any action that could be taken by the Board at a meeting may be taken without a meeting with the affirmative vote or approval, in a writing or writings, of all of the Directors; provided however, as long as Declarant is the Owner of any portion of the Property, all actions of the Board shall be subject to Declarant's consent and approval, which will not be unreasonably withheld, conditioned or delayed.

Section 11. Powers. The Board shall exercise all powers and authority, under the law, and under the provisions of the Association's organizational documents, that are not specifically and exclusively reserved to the Owners by law or by other provisions thereof, and without limiting the

generality of the foregoing, the Board shall have the right, power and authority to:

- (a) take all actions deemed necessary or desirable to comply with all requirements of law, the Declaration, and the Association's organizational documents;
- (b) obtain insurance coverage no less than that required pursuant to the Declaration;
- (c) repair, maintain and improve the Infrastructure;
- (e) establish, enforce, levy and collect assessments as provided in the Declaration;
- (f) adopt and publish rules and regulations governing the use of the Infrastructure and the personal conduct of Owners, occupants and their guests thereon, and establish penalties for the infraction thereof;
- (g) suspend the voting rights of an Owner during any period in which such Owner 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 sixty (60) days for each infraction of published rules and regulations or of any provisions of the Declaration);
- (h) declare the office of a member of the Board to be vacant if such Director shall be absent from three consecutive regular meetings of the Board;
- (i) authorize the officers to enter into one or more agreements necessary or desirable to fulfill the purposes and objectives of the Association and to facilitate the efficient operation of the property; (it shall be the primary purpose of such management agreements to provide for administration, management, repair and maintenance as provided in the Declaration, and the receipt and disbursement of funds as may be authorized by the Board - the terms of any management agreements shall be as determined by the Board to be in the best interest of the Association, subject, in all respects, to the provisions of the Declaration);
- (j) cause funds of the Association to be invested in such reasonable investments as the Board may from time to time determine;
- (k) borrow funds, as needed, and pledge such security and rights of the Association as might be necessary or desirable to obtain any such loan; and
- (l) do all things and take all actions permitted to be taken by the Association By-Laws or the Declaration not specifically reserved thereby to others.

Section 12. Duties. It shall be the duty of the Board to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Owners at each annual meeting of Owners, or at any special

meeting when such statement is requested in writing by Owners representing one-half or more of the voting power of Owners;

- (b) supervise all officers, agents and employees of the Association and see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - (i) fix the amount of assessments against each Parcel;
 - (ii) give written notice of each assessment to every Owner subject thereto within the time limits set forth therein; and
 - (iii) foreclose the lien against any property for which assessments are not paid within a reasonable time after they are authorized by the Declaration to do so, or bring an action at law against the Owner(s) personally obligated to pay the same, or both;
- (d) issue, or to cause an appropriate representative to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid;
- (e) procure and maintain insurance and bonds as provided in the Declaration, and as the Board deems advisable;
- (f) cause the property subject to the Association's jurisdiction to be maintained within the scope of authority provided in the Declaration;
- (g) cause the restrictions created by the Declaration to be enforced;
- (h) take all other actions required to comply with all requirements of law, the Declaration and these By-Laws; and
- (i) establish reasonable rules and procedures for the examination of the Association's records and a reasonable fee for copying such records.

ARTICLE V **OFFICERS**

Section 1. Enumeration of Offices. The officers of the Association shall be a president, a vice-president, secretary, a treasurer and such other officers as the Board may from time to time determine. Only Directors can be officers. The same person may hold more than one office. Of these four (4) offices, each of the Directors will be entitled to occupy at least one (1).

Section 2. Selection and Term. The officers of the Association shall be selected by the Board, from time to time, to serve until the Board selects their successors. The term of each office will be one (1) year. Officers may be re-elected to repeat terms, but no more than two (2)

successive years for the same office. The occupancy of office of the President will rotate between Directors of the Phase Parcels every two (2) years, so that each Phase Parcel has a representative Director serving as President for two (2) of every six (6) year period.

Section 3. 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 4. 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 giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and the acceptance of such resignation shall not be necessary to make it effective. Any removed or resigned officer will be promptly replaced by a designee from the Owner which the removed or resigned officer represented.

Section 5. Duties. The duties of the officers shall be as the Board may from time to time determine. Unless the Board otherwise determines, the duties of the officers shall be as follows:

- (a) **President.** The President shall preside at all meetings of the Board, shall have the authority to see that orders and resolutions of the Board are carried out, and shall sign all legal instruments on behalf of the Association. The President and the Secretary shall each have the power and authority to prepare, execute, certify and record amendments to the Declaration on behalf of the Association after the due approval of same.
- (b) **Vice-President.** Except as specially limited by vote of the Board, the Vice-President shall perform the duties and have the powers of the President during the absence or disability of the President and shall have the power to sign all deeds, and contracts of the Association during the absence or disability of the President. The Vice-President shall perform such other duties and have such other powers as the Board shall designate.
- (c) **Treasurer.** The Treasurer shall assume responsibility for the receipt and deposit in such bank accounts and investment of funds in such vehicles as the Board directs, the disbursement of such funds as directed by the Board, the keeping of proper books of account, the preparation of an annual budget and a statement of income and expenditures to be presented to the Owners at annual meetings, and the delivery or mailing of a copy of each to each of the Owners.
- (d) **Secretary.** The Secretary shall record the votes and keep the minutes and proceedings of meetings of the Board and of the Owners, serve notice of meetings of the Board and of the Owners, keep appropriate current records showing the names of Owners of the Association together with their addresses, and shall act in the place and stead of the President in the event of the President's absence or refusal to act. The President and the Secretary shall each have the power and authority to prepare, execute, certify and record amendments to the Declaration on behalf of the

Association after the due approval of same.

Section 6. Salaries. The officers shall not receive compensation for their services as officers, but the Board may authorize reimbursement for expenses incurred by officers in connection with the performance of their duties as officers on behalf of the Association.

Section 7. Initial Officers. The initial officers of the Association shall be:

1. President: _____

2. Vice-President: _____

3. Secretary: _____

4. Treasurer: _____

ARTICLE VI **COMMITTEES**

The Board shall appoint a nominating committee and may appoint such other committees as it deems appropriate in carrying out its purposes.

ARTICLE VII **BOOKS AND RECORDS**

The books, records and financial statements of the Association shall be available for examination and copying by Owners and the holders and insurers of first mortgages on the Phase Parcels, subject to such reasonable standards as the Board may establish, including a reasonable fee for copying documents. The Association need not permit the examination or copying of any records concerning personnel issues, communications with legal counsel or attorney work product pertaining to pending litigation or other Property-related matters, records pertaining to contracts or transactions currently under negotiation, or information that is contained in a contract or other agreement containing confidentiality requirements and that is subject to those requirements, information that relates to the enforcement of the Declaration, By-Laws, or other rules of the Association against Owners, or information the disclosure of which is prohibited by state or federal law. During normal business hours or under other reasonable circumstances, the Association shall have available for inspection by Owners, holders, insurers and guarantors of first mortgages on Parcels, and prospective purchasers, current copies of the Declaration and these By-Laws governing operation of the Association.

ARTICLE VIII **FINANCIAL STATEMENTS**

The Board shall cause the preparation and furnishing of an annual financial statement for the immediately preceding fiscal year, (provided that no such statement need be furnished earlier than

one hundred and twenty (20) days following the end of such fiscal year), to each requesting Owner, at the expense of the Association.

ARTICLE IX FISCAL YEAR

Unless otherwise changed by the Board, 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, except that the first fiscal year shall begin on the date of incorporation of this Association.

ARTICLE X DISSOLUTION

Upon dissolution of the Association, the Board shall, after paying or making provision for the payment of all liabilities of the Association, transfer or convey all of the remaining assets of the Association to one or more non-profit domestic or foreign corporations, or non-profit organizations, as shall then be exempt organizations within the meaning of the NPCL.

ARTICLE XI NOTICES

Section 1. Notices. Whenever written notice is required by law, the Articles of Incorporation or these By-Laws, to be given to any Owner, Director or member of a committee, such notice may be given by mail, addressed to such Owner, Director or member of a committee, at such person's address as it appears on the records of the Association, with postage thereon prepaid, and such notice shall be deemed to be given three (3) days after the time when the same shall be deposited in the U.S. Postal Service. Written notice may also be given personally and shall be deemed given on the date of personal delivery.

Section 2. Waivers of Notice. Whenever any notice is required by law, the Articles of Incorporation or these By-Laws, to be given to any Owner, Director or member of a committee, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE XII INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Power to Indemnify in Actions, Suits or Proceedings. The Association shall indemnify a person who was or is a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that such person is or was a director or officer of the Association, against expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding to the extent provided by the provisions of the NPCL, as such act shall be amended from time to time; provided however the Association shall not be obligated to provide such indemnity to the extent the person seeking indemnity acted

illegally, with gross negligence or willful misconduct.

Section 2. Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a Director or officer of the Association, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Association would have the power or the obligation to indemnify him or her against such liability under the provisions of this Article XII.

ARTICLE XIII **AMENDMENTS**

Any modification or amendment of these By-Laws shall be made only by means of an amendment to the Declaration, in the manner and subject to the approvals, terms and conditions set forth therein, and shall be effective as of the date set forth in such modification or amendment, or, if such modification or amendment is silent as to the effective date, then as of the date of adoption.

ARTICLE XIV **RULES OF PROCEDURE**

The rules of Roberts Rules of Order shall apply to the conduct of all meetings of Owners, Directors and any committees of the Association, except as otherwise specifically provided by law.