

BYLAWS OF
SUMMER LEA COMMUNITY ASSOCIATION, INC.
A PLANNED COMMUNITY

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**BYLAWS OF
SUMMER LEA COMMUNITY ASSOCIATION, INC.
A PLANNED COMMUNITY**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is Summer Lea Community Association, Inc., A Planned Community, hereinafter referred to as the "Association", which Association is organized and existing as a non-profit corporation under the laws of the Commonwealth of Pennsylvania. The mailing address of the corporation shall be located at 345 Main Street, Harleysville, Pennsylvania, and meetings of members and Officers may be held at such places within or without the Commonwealth of Pennsylvania as may be designated by the Executive Board.

**ARTICLE 11
DEFINITIONS**

Section 1. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration to which these Bylaws pertain.

Section 2. "Declaration" shall mean and refer to the Declaration of Easements, Covenants, Restrictions, Charges and Liens for Summer Lea, A Planned Community, applicable to the Property and recorded or to be recorded among the land records in the Office of the Recorder of Deeds, Bucks County, Pennsylvania.

Section 3. "Property" shall mean the Land described on Exhibit "A" attached hereto and on the Plan, containing a total area of 1 acres, more or less, (excluding being a lot or tract of ground proposed for Garden Apartments, identified as Unit A through Unit G and including Brookside Court, Crestwood Court and Ridge View Court), together with all improvements now or hereafter constructed thereon, all easements benefiting said Land, and all appurtenances thereto.

**ARTICLE III
THE ASSOCIATION**

Section 1. Membership. Membership in the Association shall be governed by Article III, Section 3.02, of the Declaration.

Section 2. Suspension of Membership. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments are imposed against each Owner of land and becomes a lien upon the Property against which such assessments are made as provided by Article IV of the Declaration to which the Properties are subject. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use the Association's Common Elements of such Member may be suspended by the Executive Board until such assessment has been paid. Such suspension shall continue for the period of time in

which the Owner is in default. Such rights of a Member may also be suspended, after notice and hearing, for a period to be determined by the Executive Board, for violation of any rules and regulations established by the Executive Board governing the use of the Common Elements.

Section 3. Powers. The Association shall have the responsibility of administering the Common Elements, establishing the means and methods of collecting assessments and charges, arranging for management of the Association and performing all of the other acts that may be required or are permitted to be performed by the Association pursuant to the Declaration. Except as to those matters which the Declaration or these Bylaws specifically require to be performed by the vote of the Association, the foregoing responsibilities shall be performed by the Executive Board or Managing Agent as more particularly set forth in these Bylaws.

Section 4. Annual Meetings. The annual meeting of the Members shall be held annually at the time and place designated by the Executive Board.

Section 5. Special Meetings. Special meetings of the Members may be called at any time by the President of the Association or by the Executive Board or upon the written request of the Members who are entitled to vote one-third (1/3) of all the votes of the entire membership. The notice of any special meeting shall state the time, place and purpose thereof, and shall be held within forty-five (45) days after receipt of the written request by the Secretary. Provided, however, that if the purpose includes the consideration of a capital expenditure, such meeting shall be held within fifteen (15) days after receipt by the Secretary of said written request. No business shall be transacted at a special meeting except as stated in the notice.

Section 6. Notice of Meetings. Written notice of each annual 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 ten (10) days, but not more than sixty (60) days, before such meeting to each Member entitled to vote, 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 of special meeting shall specify the place, day and hour of the meeting and the purpose of the meeting.

Section 7. Adjournment of Meetings. If at any meeting of the Association a quorum is not present, the Executive Board may adjourn the meeting to a time not less than forty-eight (48) hours after the time the original meeting was called.

Section 8. Voting Rights. Each Unit Owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. A Unit Owner may not revoke a proxy given under this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date unless it specifies a shorter term.

Section 9. Quorum. The presence at the meeting of Members entitled to cast, or proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 10. Conduct of Meeting. The President (or in his absence, any officer) shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The President may appoint a person to serve as parliamentarian at any meeting of the Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration or these Bylaws. All votes shall be tallied by tellers appointed by the President.

ARTICLE IV **EXECUTIVE BOARD**

Section 1. Number. The affairs of this Association shall be managed by an Executive Board comprised of five (5) Officers who, in the case of the Declarant or those appointed by Declarant, need not be Members of the Association. All other members of the Executive Board must be Members.

Section 2. Election. Not later than sixty (60) days after the conveyance of twenty-five percent (25 %) of the Lots to Unit Owners other than Declarant, the Members shall elect two (2) Directors. Not later than sixty (60) days after the conveyance of seventy-five percent (75 %) of the Lots to Unit Owners other than Declarant, the Directors shall all resign and all five Directors shall be elected by Unit Owners. Two Directors shall be elected to serve a term of three years. Two Directors shall be elected to serve a term of two years. One Director shall be elected to serve a term of one year. At the expiration of each successive term of each member of the Board of Directors, his successor shall be elected to serve for a term of three years.

Section 3. Powers and Duties. The Executive Board shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by the Declaration or by these Bylaws required to be exercised and done by the Association. The Executive Board shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the benefit and enjoyment of the Properties; provided, however, that such Rules and Regulations shall not be in conflict with the Declaration or these Bylaws. The Executive Board shall delegate to one of its members, or to a person employed, for such purpose the authority to act on behalf of the Executive Board on such matters relating to the duties of the Managing Agent (as defined in Section 4), if any, which may arise between meetings of the Executive Board as the Executive Board deems appropriate.

The following are supplements and restrictions with respect to the duties and powers of the Executive Board

a. The Executive Board shall keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Properties, and the administration of the Properties, specifying the expenses of maintenance and repair of the Common Open Space and Common Elements and any other expenses incurred. Such books and vouchers evidencing the entries thereupon shall be available, upon reasonable request, for examination by the Members, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner set and announced by the Executive Board for the general knowledge of the Members. All books and records shall be kept in accordance with good and acceptable accounting practices. The cost of any accounting services or reviews may be included in the annual assessment.

b. The Executive Board may notify an Eligible Mortgagee of any default hereunder by the Owner of a Property subject to such Eligible Mortgage, in the event such default continues for a period exceeding thirty (30) days, if such notice is requested by an Eligible Mortgagee.

c. The Executive Board may borrow money on behalf of the Property and the Association when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the Common Elements.

d. The Executive Board may adopt the annual budget, amendments thereto, and set annual and special assessments and late charges.

e. The Executive Board may appoint such committees as are deemed appropriate in the sole discretion of the Executive Board.

f. The Executive Board may do such other things and acts not inconsistent with the Declaration or these Bylaws which the Executive Board may be authorized to do by a resolution of the Association.

g. The Executive Board may indemnify and hold itself, former members, and officers harmless from any claims, damages, awards, or liabilities incurred as a result of being a member or former member of the Executive Board or an Officer of the Association.

h. The Executive Board may establish Rules and Regulations.

Section 4. Managing Agent. The Executive Board may employ a Managing Agent for the Association.

a. Requirements. The Managing Agent must be able to advise the Executive Board regarding the administrative operation of the Property and the Association.

b. Duties. 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 Declaration and these Bylaws; provided, however, where a Managing Agent does not have the power to act under 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 Declaration and these Bylaws other than the following powers:

- (1) To adopt the annual budget, any amendments thereto, and to make assessments;
- (2) To adopt, repeal or remand rules and regulations;
- (3) To designate signatures on Association Bank Accounts; and
- (4) To borrow money on behalf of the Association.

The Managing Agent shall perform the obligations, duties and services relating to management of the Property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of these Bylaws.

c. Standards. The Executive Board shall impose appropriate standards of performance upon the Managing Agent, unless the Managing Agent is instructed otherwise by the Executive Board.

- (1) The accrual method of accounting shall be employed;
- (2) Two (2) or more persons shall be responsible for handling cash to maintain adequate financial control procedures;
- (3) Cash accounts of the Association shall not be commingled with any other accounts.
- (4) No remuneration shall be accepted by the Managing Agent from vendors, independent contractors or others providing goods or services to the Association whether in the form of commissions, finders fees, service fees or otherwise; any discounts received shall benefit the Association;
- (5) Any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Executive Board; and
 - (a) A monthly financial report shall be prepared for the Association disclosing:
 - (b) All income and disbursement activity for the preceding months;
 - (c) The status of all accounts in an "actual" as compared to "projected" (budget) format;
 - (d) Prior to the termination of Declarant's Class B Membership pursuant to Article II of the Declaration, Declarant may employ any Managing Agent. Any contract with the Managing Agent must provide that it may be terminated with cause on no more than thirty (30) days notice and without cause on no more than ninety (90) days written notice

Section 5. Meetings of Directors.

a. Regular Meetings. Regular meetings of the Executive Board shall be held within a two (2) week period following the annual meeting of Members, and such other times as the Executive Board may determine.

b. Special Meetings. Special meetings of the Executive Board shall be held when called by the President of the Association and shall also be called by the Secretary of the Association upon the written request of two (2) Officers.

c. Quorum. A majority of the number of Officers then in office shall constitute a quorum for the transaction of business. In the event a quorum of the Officers is not present, a lesser number may adjourn the meeting to some future time. Notice of such adjourned meeting shall be given in the same manner required for any other meeting of the Executive Board.

d. Notice of Meeting. Notice of meetings shall be given by service upon each Director in person or by mailing to him at his last known address in the records of the Association at least forty-eight (48) hours before the date designated in such notice for the meeting, specifying the time and place of such meeting. At any meeting held without notice at which each member of the Executive Board shall be present or with respect to which all Officers not present shall execute a waiver of notice, any business may be transacted which might have been transacted if the meeting had been called on notice.

Section 6. Action Taken without a Meeting. The Board 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 Officers.

Any action so approved shall have the same effect as though taken at a meeting of the Officers.

Section 7. Removal. Any Director may be removed from the Board with or without cause by a vote of two-thirds (2/3) of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor and until his successor is elected and qualified.

Section 8. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed at the discretion of the Board for his actual expenses incurred in the performance of his duties.

Section 9. Fidelity Bonds. As may be required by the Declaration, there shall be obtained fidelity bonds for all Officers, members of the Executive Board and employees of the Association, including, without limitation, the Managing Agent, handling or responsible for Association funds. The premiums on such bonds shall constitute a Common Expense.

Section 10. Conduct of Meetings. The President shall preside over all meetings of the Executive Board and the Secretary and 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. The then current

edition of Robert's Rules of Order shall govern the conduct of the meeting of the Executive Board when not in conflict with the Declaration and these Bylaws.

Section 11. Validity of Contracts with Interested Officers. No contract or other transaction between the Association and one or more of its Executive Board members or between the Association and any corporation, firm, or association in which one or more of the Executive Board members are Officers or are financially interested shall be void or voidable because such Executive Board member or members are present at any meeting of the Executive Board which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

a. The fact that any Executive Board member is also such a director or officer or has such financial interest is disclosed or known to the Executive Board and is noted in the minutes thereof, and the Executive Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Executive Board member or members; or

b. The contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized, approved or ratified.

Section 12. Inclusion of Interested Directors in the Quorum. Any Executive Board member holding such 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 3.16 hereof.

ARTICLE V

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The Officers of this Association shall be a President, Vice President, Secretary and Treasurer who shall be at all times Directors of the Executive Board.

Section 2. Resignation and Removal. Any Officer may be removed from office with or without cause by the affirmative vote of two-thirds (2/3) of the Directors then in office. 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 unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3. Vacancies. A vacancy in any office may be filled by a vote of the Executive Board. The Officer elected to fill such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 4. Compensation. No Officer shall receive compensation for any service he may render to the Association. However, any Officer may be reimbursed at the discretion of the Board for his actual expenses incurred in the performance of his duties.

Section 5. Multiple Offices- No person shall simultaneously hold more than one (1) office, except in the case of special offices created pursuant to Section 4 of this Article.

Section 6. Duties. The duties of the Officers are as follows:

a. President. The President shall preside at all meetings of the Executive Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

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

c. Secretary. 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 affix it on all papers requiring said seal; prepare, execute, certify and record amendments to any Declaration on behalf of the Association; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses, and shall perform such duties as required by the Board.

d. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Executive Board; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association 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 expenditure to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members. These duties may be assigned to the Managing Agent by the Association.

ARTICLE VI **COMMITTEES**

Section 1. The Association shall appoint such Committees as are deemed appropriate in the sole discretion of the Executive Board, said Committees to be appointed by and in the numbers prescribed by the Executive Board.

ARTICLE VII **ASSESSMENTS**

Section 1. Creation of the Lien and Personal Obligation of Assessments. The creation of the lien and personal obligation of assessments is governed by Article V of the Declaration.

Section 2. Purpose of Assessments. The purpose of assessment is as specified in the Declaration.

Section 3. Basis and Maximum of Annual Assessments. The basis and maximum of annual assessments is as specified in the Declaration.

Section 4. Uniform Rate. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly or annual basis.

Section 5. Special Assessments for Capital Improvements. Special assessments for capital improvements are as specified in the Declaration.

Section 6. Quorum for Any Action Authorized Under Section 5. The quorum called for actions authorized under Section 5 of this Article shall be as determined by the Declaration.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The date of commencement of annual assessments are as specified in the Declaration.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. The effect of nonpayment of assessments and the remedies of the Association shall be as specified in the Declaration.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate pursuant to the provisions of the Declaration.

ARTICLE VIII

COMPLIANCE AND DEFAULT

Section 1. Relief. Each Member shall be governed by, and shall comply with, all of the terms of the Declaration, these Bylaws, the Rules and Regulations as any of the same may be amended from time to time. In addition to the remedies provided in the Declaration, a default by a Member shall entitle the Association, acting through its Executive Board or through the Managing Agent, to the following relief:

a. Additional Liability. Each Member shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, negligent or carelessness of any members of his family or his employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Executive Board. Such liability shall include any increase in the casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any Lot or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by an insurance company of its right of subrogation.

b. Costs and Attorney's Fees. In any proceeding arising out of any alleged default by a Member, the Association shall be entitled to recover the costs of such proceedings and such reasonable attorney's fees.

c. No Waiver of Rights. The failure of the Association, the Executive Board or of a Member to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws, or the Rules and Regulations shall not constitute a waiver of the right of the Association, the Executive Board or the Member to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Executive Board or any Member pursuant to any term, provision, covenant or condition of the Declaration, these Bylaws, or the Rules and Regulations shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Declaration, these Bylaws, or the Rules and Regulations or at law or in equity.

d. Abating and Enjoining Violations by Members. The violation of any of the Rules and Regulations adopted by the Executive Board, the breach of any Bylaw contained herein or the breach of any provision of the Declaration shall give the Executive Board the right, in addition to any other rights: (a) to enter the dwelling unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Member, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Executive Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

e. Penalty Assessment. In addition to any of the assessments provided for in the Declaration, should any Member violate any of the Rules and Regulations adopted by the Executive Board, or breach any Bylaw herein contained or breach any provisions of the Declaration, then, in that event, the Executive Board, in addition to other rights granted to it herein, may upon a majority vote of the Members present or impose a penalty assessment upon the defaulting Member in the maximum amount of Fifty Dollars (\$50.00) for the first violation; a maximum amount of One Hundred Fifty Dollars (\$150.00) for the second violation; and a maximum amount of Three Hundred Dollars (\$300.00) for each violation thereafter, or as established by the Executive Board, which may include the right to assess daily penalties for continuing violations in such amounts as the Executive Board may establish. All Members so assessed shall be obligated to pay the amount of such assessment within thirty (30) days and such penalty assessment shall be a lien as of the effective date as set forth in the preceding sections of these Bylaws. The foregoing shall be an addition to the acceleration of assessments permitted under the Declaration, together with recovery of costs of collection including attorney's fees. Exercise of rights by the Association to collect assessments shall not be a waiver of any other rights of the Association.

ARTICLE IX

CORPORATE SEAL

The seal of the Association shall consist of two (2) concentric circles between the circumference of which shall be inscribed the name, "Summer Lea Community Association, Inc.", and within the circumference of the inner circle the words, "Incorporated, Pennsylvania" and the year of incorporation.

ARTICLE X

AMENDMENTS

These Bylaws may be amended by the Association by majority vote provided that those provisions of these Bylaws which are governed by the Certificate of Incorporation of this Association may not be amended except as provided in the Certificate of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Declaration applicable to the Properties may not be amended except as provided in such Declaration. The Federal Housing Administration or the Veterans Administration shall have the right to veto amendments to these Bylaws while there is Class B Membership.

ARTICLE XI

FISCAL YEAR

The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year.

ARTICLE XII

CONSTRUCTION

Section 1. In the case of any conflict between the Certificate of Incorporation and these Bylaws, the Certificate shall control; and in the case of any conflict between the Declaration application to the Properties and these Bylaws, the said Declaration shall control.

Section 2. Number and gender, as used in these Bylaws, shall extend to and include both singular and plural and all genders as to context and construction requires.