

EXHIBIT "B"

By-laws

**BY-LAWS OF THE
MEADOWBROOK FARMS HOMEOWNERS ASSOCIATION**

**ARTICLE I
INTRODUCTORY PROVISIONS**

1.1. **Applicability.** These Bylaws provide for the governance of the Meadowbrook Farms Homeowners Association (the "Association") pursuant to the requirements of Section 5306 of the Pennsylvania Uniform Planned Community Act, 68 Pa. C.S.A. 5101 *et seq.* (the "Act") with respect to the Planned Community created by the recording of the Declaration in the Office of the Recorder of Deeds in and for Cumberland County on February 3, 1998, in Misc. Book 567, Page 1090.

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.

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

1.4. **Office.** The office of Association and the Executive Board shall be located at the Property or at such other place as may be designated from time to time by the Executive Board.

**ARTICLE II
Members**

2.1. **Eligibility.** Members shall have the following qualifications:

(a) Every Unit Owner which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit or which is subject to assessment. Unit Owners shall comply with and be bound by the Articles of Incorporation, these By-Laws and amendments thereto, the Declaration, and the policies, rules and regulations at any time adopted by the Association in accordance with these By-Laws.

(b) The Association shall have only one class of voting membership.

2.2. **Assessments.** The Executive Board may determine from time to time the amount of any annual or special assessments payable by the Unit Owners.

2.3. **Assignment.** Membership in this corporation is not transferable or assignable.

2.4. **Meetings.** The annual meeting of the Unit Owners of the Association for, among other purposes, the election of directors and officers, shall be held at such time and place as the board may from time to time determine, but not less than once each year. Special meetings of

the Unit Owners may be called at any time by the chairman of the board, the president, the board or at least twenty percent (20%) of the Unit Owners. Meetings of the Unit Owners may be held at any place within or without the Commonwealth of Pennsylvania.

2.5 **Notice.** Written notice of the time and place of the annual meeting and all special meetings of the Unit Owners of the corporation shall be delivered to each member not less than ten days nor more than sixty days prior to the date of such meeting. Notice of all special meetings of the Unit Owners shall state the general nature of the business to be transacted and shall be sent by the Secretary to the Association. Any written notice shall be delivered personally or by mail. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, and addressed to the designated member of such member's most recent address listed in the records of the corporation.

2.6 **Quorum.** A meeting of Unit Owners duly called shall not be organized for the transaction of business unless a quorum is present. The presence in person of twenty percent (20%) of the Unit Owners entitled to vote shall constitute a quorum at all meetings of the Unit Owners for the transaction of business except as may be otherwise provided by law or by the Articles of Incorporation. The Unit Owners present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough Unit Owners to leave less than a quorum. If a meeting cannot be organized because a quorum has not been attained, those present may, except as otherwise provided by statute, adjourn the meeting to such time and place as they may determine, but in the case of any meeting called for the election of directors and officers, those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of electing directors and officers. In the case of any meeting called for any other purpose, those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of acting upon any resolution or other matter set forth in the notice of the meeting, if written notice of such second adjourned meeting, stating that those Unit Owners who attend shall constitute a quorum for the purpose of acting upon such resolution or other matter, is given to each member of record entitled to vote at such second adjourned meeting at least ten days prior to the day named for the second adjourned meeting.

2.7 **Voting by Unit Owners.** Every Unit Owner shall be entitled to the number of votes as set forth in the Declaration. No Unit Owner shall sell his vote for money or anything of value. Upon request of a Unit Owner, the books or records of Unit Ownership shall be produced at any regular or special meeting of the corporation. If at any meeting the right of a person to vote is challenged, the presiding officer shall require such books or records to be produced as evidence of the right of the person challenged to vote, and all persons who appear by such books or records to be Unit Owners entitled to vote may vote. The right of a member to vote, and his right, title and interest in or to the corporation or its property, shall cease on the termination of his Unit Ownership.

2.8 **Method of Voting.** Voting may be by ballot, mail or any reasonable means determined by the Executive Board. Elections for directors and officers need not be by ballot except upon demand made by a member at the election and before the voting begins.

ARTICLE III - EXECUTIVE BOARD

3.1 **General Powers.** The business and affairs of the Association shall be managed by the Executive Board. In addition to the powers and authority expressly granted by these By-Laws, the Executive Board may exercise all powers of the Association and do all acts that are not prohibited by the Act or applicable law, by the Declaration, by the Articles of Incorporation or by these By-Laws.

3.2 **Number/Qualification.** The Executive Board shall consist of at least three in number or such other greater number of directors as the Unit Owners may from time to time determine.

3.3 **Term and Election.**

3.3.1 At the date of adoption of these By-Laws, the directors shall consist of those persons elected by the Unit Owners and shall serve for terms specified by the Executive Board.

3.3.2 At the first annual meeting of the Unit Owners following the adoption of these By-Laws and at each annual meeting thereafter, the directors shall be elected by the Unit Owners for terms of one year each.

3.3.3 All directors shall serve for a term of one year (or, when filling a vacancy, the unexpired portion of the term) or until their successors are elected and have qualified, provided that any director may be removed from office at any time, without assigning any cause, by the Unit Owners.

3.3.4 Vacancies on the board may be filled by the remaining directors in their discretion.

3.4 **Meetings.** The annual organizational meeting of the Executive Board shall be held at such time and place as the board may from time to time determine. Regular meetings of the board shall be held at such time and place as the board may from time to time determine. Special meetings of the Executive Board may be called at any time by the president or at least one-third of all the directors. Meetings of the Executive Board may be held at any location within or without the Commonwealth of Pennsylvania.

3.5 **Notice.** Written notice of the time and place of all meetings of the Executive Board shall be delivered to each director at least ten days prior to the date of such meeting unless a longer period of notice is required by applicable law, (the Articles of Incorporation or by these By-Laws) and, in the use of special meetings, shall state the general nature of the business to be transacted, provided that no written notice is required in the case of regular meetings where the date, time and place has been determined in advance by the Executive

Board. Written notice shall be delivered personally or by mail. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the designated director at such director's most recent address listed in the records of the corporation.

3.6 **Quorum**. A majority of the directors then in office shall constitute a quorum for the transaction of business at any meeting of the Executive Board, unless a greater proportion is required by applicable law, by the Declaration of Covenants, by the Articles of Incorporation, or by these By-Laws.

3.7 **Voting**. Each director shall be entitled to one vote on any matter submitted to a vote of the Executive Board. The acts approved by the affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be acts of the Executive Board, unless a greater proportion of affirmative votes is required by applicable law, by the Declaration of Covenants, by the Articles of Incorporation or by these By-Laws.

3.8 **Limitation on Liability**. A director shall not be personally liable for monetary damages for any action taken, or any failure to take any action, unless (i) the director has breached or failed to perform the duties of his office under subchapter B of Chapter 57 of the Nonprofit Corporation Law of 1988 and (ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of this Section 3.8 shall not apply to (i) the responsibility or liability of a director pursuant to any criminal statute or (ii) the liability of a director for the payment of taxes pursuant to local, state or federal law. Any repeal or modification of this Section 3.8 shall be prospective only, and shall not affect, to the detriment of any director, any limitation on the personal liability of a director of the corporation existing at the time of such repeal or modification.

3.9 **Compensation**. Directors as such, shall not receive any stated salary for their services, but by resolution of the Executive Board, a fixed sum and expenses, if any, may be allowed for attendance at each regular or special meeting of the Executive Board PROVIDED, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity.

3.10. **Delegation of Powers**. The Executive Board may employ for the Association 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, the Articles of Incorporation, or these Bylaws, such duties shall be performed as advisory to the Executive Board. Any contract with the Managing Agent must provide that it may be terminated with or without cause on no more than 30 days written notice and without payment of a termination fee. The term of any such contract may not exceed three years.

ARTICLE IV

Officers

4.1 **Officers Generally; Election.** The executive officers of the corporation shall be elected by the Unit Owners at the annual meeting of the Unit Owners of the corporation, and shall be a President, Vice President, Secretary, Treasurer and such other officers and assistant officers as the needs of the corporation may require. The President and Secretary shall be natural persons of full age; the Treasurer, however, may be a corporation, but if a natural person, shall be of full age. They shall hold their offices for a term of one year coinciding with the fiscal year and shall have such authority and shall perform such duties as are provided by the By-Laws and as shall from time to time be prescribed by the By-Laws. It shall not be necessary for the officers to be directors and any number of offices may be held by the same person. The Executive Board may secure the fidelity of any or all such officers by bond or otherwise. None of the officers of the Corporation shall receive a salary or compensation for their services as an officer.

4.2 **President.** The president shall be the chief executive officer of the corporation and shall control and manage its property, business and affairs, subject to the policies and directions of the Executive Board. He shall be ex-officio a member of all committees.

4.3 **Vice-President.** The vice-president shall perform such duties as may be assigned by the president, subject to the policies and directions of the Executive Board.

4.4 **Secretary.** The secretary shall keep the minutes of all meetings of the Executive Board and shall have charge and custody of the seal and records of the Executive Board and the Association.

4.5 **Treasurer.** The treasurer shall have charge and custody of all funds of the Association, shall maintain an accurate accounting system and shall present financial reports to the Executive Board in such manner and form as the Executive Board may from time to time determine.

ARTICLE V

Committees

5.1 **Executive Committees.** The Executive Board, by resolution adopted by a majority of the directors in office, may designate and appoint one or more committees, which committee, to the extent provided in said resolution, shall have and exercise the authority of the Executive Board in the management of the Association; provided, however, that no such committee shall have the authority of the Executive Board in reference to amending, altering or repealing the By-Laws; electing, appointing or removing any member of the executive committee or any director or officer of the Association; amending the articles of incorporation of the Association; adopting a plan of merger or adopting a plan of consolidation with another Association; authorizing the sale, lease, exchange or mortgage of all or substantially all of the

property and assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Association; or taking action on matters committed by the By-Laws or resolution of the Executive Board to another committee of the Executive Board.

5.2 **Removal and Replacement.** The Executive Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or Unit Owners thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any absent or disqualified member. Each committee of the Executive Board shall serve at the pleasure of the Executive Board.

5.3 **Term of Office.** Each member of a committee shall continue as such until the next annual meeting of the directors of the Association and until his successor is appointed unless the committee shall be sooner terminated, or unless such member be removed from such committee.

5.4 **Quorum.** Unless otherwise provided in the resolution of the Executive Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the Unit Owners present at a meeting at which a quorum is present shall be the act of the committee.

ARTICLE VI. Indemnification.

6.1 **Right to Indemnification.** The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the Association, or, while a director or officer of the Association, is or was serving at the request of the Association as a director or officer of another Association, partnership, joint venture, trust, or other enterprise, including an employee benefit plan, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding, whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Association, to the extent that such person is not otherwise indemnified and to the extent that such indemnification is not prohibited by applicable law.

6.2 **Advance of Expenses.** Expenses incurred by a director or officer in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Association.

6.3 **Procedure for Determining Permissibility.** To determine whether any indemnification or advance of expenses under this Article VI is permissible, the Executive Board by a majority vote of a quorum consisting of directors not parties to such action, suit or proceeding may, and on request of any person seeking indemnification or advance of expenses shall be required to, determine in each case whether the applicable standards in any applicable statute have been met, or such determination shall be made by independent legal counsel if such quorum is not obtainable, or, even if obtainable, majority vote of a quorum of disinterested directors so directs. The reasonable expenses of any director or officer in prosecuting a successful claim for indemnification, and the fees and expenses of any special legal counsel engaged to determine permissibility of indemnification or advance of expenses, shall be borne by the Association.

6.4 **Contractual Obligation.** The obligations of the Association to indemnify a director or officer under this Article VI, including the duty to advance expenses, shall be considered a contract between the Association and such director or officer, and no modification or repeal of any provision of this Article VI shall effect, to the detriment of the director or officer, such obligations of the Association in connection with a claim based on any act or failure to act occurring before such modification or repeal.

6.5 **Indemnification Not Exclusive: Inuring of Benefits.** The indemnification and advancement of expenses provided by this Article VI shall not be deemed exclusive of any other right to which one indemnified may be entitled under any agreement, vote of Unit Owners or directors or otherwise, both as to action in such person's official capacity as to action in another capacity while holding such office, and shall inure to the benefit of the heirs, executors and administrators of any such person.

6.6 **Insurance, Security and Other Indemnification.** The Executive Board shall have the power to (i) authorize the Association to purchase and maintain, at the Association's expense, insurance on behalf of the Association and others to the extent that power to do so has not been prohibited by applicable law, (ii) create any fund of any nature, whether or not under the control of a trustee, or otherwise secure any of its indemnification obligations and (iii) give other indemnification to the extent not prohibited by statute.

ARTICLE VII. COMPLIANCE AND DEFAULT

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

(a) *Additional Liability.* Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of his tenants, guests, invites 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 an increase in casualty insurance premiums occasioned by improper use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

(b) *Costs and Attorneys Fees.* In any proceedings arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorneys fees as may be determined by the court.

(c) *No Waiver of Rights.* The failure of the Association, the Executive Board or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws, the Executive Board Rules and Regulations or the Act shall not constitute a waiver of the right of the Association, the Executive Board or the Unit Owner 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 Unit Owner pursuant to any term, provision, covenant or condition of the Declaration, these Bylaws, the Rules and Regulations or the Act 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, the Rules and Regulations or the Act or at law or in equity.

(d) *Abating and Enjoining Violations by Unit Owners.* The violation of any of the Executive Board Rules and Regulations adopted by the Executive Board, the breach of any Bylaw contained herein or the breach of any provision of the Declaration, Articles of Incorporation of the Association, or the Act shall give the Executive Board the right, in addition to any other rights: (a) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, 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) *Additional Rights of Action.* Any Unit Owner shall have a right of action against Unit Owners who fail to comply with the provisions of the Declaration, these Bylaws, the Executive Board Rules and Regulations, the Act or the decisions of the Executive Board.

ARTICLE VIII
Amendment of By-Laws

8.1 **Amendments**. These By-Laws may be altered, amended or repealed or new By-Laws may be adopted by the directors at any meeting of the Executive Board or by the Unit Owners at any meeting of the Unit Owners.

8.2 **Amendments to the Declaration**. Any two officers or Executive Board Unit Owners of the Association may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

ARTICLE IX
Miscellaneous Provisions

9.1 **Fiscal Year**. The fiscal year of the Association shall be fixed by resolution of the Executive Board.

9.2 **Audit**. The Executive Board shall select an independent public accountant to audit the books and accounts of the Association every other fiscal year.

9.3 **Annual Report**. The Executive Board shall present annually to the Unit Owners a report in accordance with Section 5553 of the Nonprofit Association Law of 1988.

9.4 **Annual Financial Statements**. Within 180 days after the close of the fiscal year, the association shall prepare annual financial statements consisting of at least a balance sheet and a statement of revenues and expenses for the Association.

IN WITNESS WHEREOF, the undersigned members of the Executive Board adopt the within as Bylaws this _____ day of _____, 199__.

EXECUTIVE BOARD OF MEADOWBROOK
FARMS HOMEOWNERS ASSOCIATION




