

BY-LAWS  
FAIRWAY LANDINGS TOWNHOMES OF  
SOUTHPOINTE ASSOCIATION, INC.

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FAIRWAY LANDINGS TOWNHOMES OF  
SOUTHPOINTE ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of this body is Fairway Landings Townhomes of Southpointe Association, Inc., hereinafter referred to as the "Association". Its principal office will be located in Cecil Township, Pennsylvania, and during the period of becoming established is temporarily c/o Southpointe Estates Development Limited Partnership, 90 West Chestnut Street, Washington, Pennsylvania, 15301.

ARTICLE II

DEFINITIONS AND SUBORDINATION

Unless the context clearly indicates otherwise, the words and phrases used herein have the same meaning as have the identical words and phrases as are defined in the Declaration of Covenants, Conditions and Restrictions as the same is publicly recorded in the Office of the Recorder of Deeds, in Washington County, Pennsylvania, with respect to the development of Fairway Landings of Southpointe, a planned residential development (Under 53 P.S. 10701, et. seq.) in Cecil Township, Washington County, Pennsylvania, by Southpointe Estates Development Limited Partnership as the Developer and Millcraft Investments, Inc. as the original Declarant; and in the event of conflict or ambiguity as between any provisions hereof and of said recorded instrument, such recorded provisions shall control, in that these By-Laws are subordinate to, and in that the Association is required to adhere to the provisions of the Declaration of Covenants, Conditions and Restrictions.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within the second 30-day period after the date one year from the date of incorporation of the Association,

and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. The Board of Directors, with at least 15 days and not more than 30 days notice to the membership, may, for cause, schedule the meeting on another date within 30 days of the date falling as above.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors or initially upon written request of 25% or more of the Owners until a second Phase of the Properties becomes a part of them as subject to the Declaration, and thereafter upon request of 20% or more of all owners.

Section 3. Notice of Meetings. Written notice of each meeting as in the Declaration requires a vote of approval by two-thirds of the Owners, or requires the vote of all Owners if they are to be affected by a Limited Special Assessment, shall be mailed to them and be conspicuously posted in relevant areas. For all other meetings, notice to the members shall be given by, or at the direction of, the Board of Directors or by such others as may be entitled to call the meeting, by mail, by posting, and/or by such other means as assures general awareness in all parts of Fairway Landings. Notices shall be given at least 15 days and not more than 30 days before each meeting. Such notices shall specify the place, day and hour, and purpose of the meeting. Every notice shall bear the name(s) of its authenticator(s).

So long as the Declarant is an Owner, a notice of every meeting on any and all matters shall be properly addressed and mailed to its office. Any action taken without such notice having been received shall be subject to be set aside as it affects the Developer.

Section 4. Quorum. As to matters affecting only certain Lots or Owners, other than for defaults or violations, a quorum shall be as many Owners, present in person or by proxy, as is necessary to bind all as are to be affected; otherwise the presence in person or by proxy of members having one-tenth (1/10) of the votes of class A and class B membership shall constitute a quorum for any action, except for those specific actions as expressly require a higher number of votes for approval, in which cases the quorum shall be that higher number. Failing such a quorum, the votes present and represented may adjourn the meeting from time to time, if need be, until a quorum as aforesaid is had, after notice given pursuant to consensus at the adjourned meeting, or as the Board may decide.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

Section 6. Voting by Mail. The Board of Directors may submit questions to the membership for balloting by mail, and the same may be designated as being either binding upon the Board, or advisory unless it be on a matter reserved for approval by the Owners.

Section 7. Fiscal Year. The first fiscal year shall begin with the date of the conveyance of the first Lot in Phase I, and end with the following December 31. Thereafter, the Association shall be on a calendar-year fiscal accounting basis, provided that the Board may change that.

#### ARTICLE IV

##### BOARD OF DIRECTORS

###### Section 1. The Initial Appointive Board.

(a) Initially the Board of Directors shall consist of three Directors appointed by the Developer, and referred to as the Developer's representatives. They need not be Lot owners. Upon the conveyance of the total of ten (10) Lots, the Developer shall appoint from among their Owners a non-voting member to the Board, referred to as a Lot Owners' representative. Appointments by the Developer shall serve and be replaced at its will.

(b) The Powers of this Board by its voting members shall be to fully manage the Association, its property and affairs, until they are assumed by the elective Board under Section 2 next below. It shall give good faith consideration to the views of the Lot Owners' representative, and to the objectives of Section 2. (k) of this Article.

(c) A quorum of the Board shall be a majority of the Developer's representatives, and decisions shall be by such majority.

(d) The provisions of this Section 1 shall be effective only until the provisions of Section 2, next below go into effect.

Section 2. The Elective Board.

(a) Number After 75% of all Phase I Lots are Sold:

After the Developer has made conveyance of 75% of the Lots in Phase I of the development of Fairway Landings, the Board members shall be of such number, not more than five (5) until a new Phase is added. Board members shall be of such qualification, and be elected in such a manner as the Lot Owners from time to time shall determine, provided that the Developer shall appoint three of the five members to the Board.

(b) When 75% of All Lots are Sold: Elections and Jurisdiction:

(i) At such time as the Developer has made conveyance of 75% of the Lots in all Phases, the Board members shall all be elected by the Lot Owners.

(ii) After the first conveyance in such Phase after Phase I, and until the conveyance of 75% of the Lots in all such Phases, all phases shall be deemed to be a part of the jurisdiction of the existing Board, subject however to advance notice to and subject to approval by the Developer of each action intended to be taken and taken by it as may affect such additional Phase, the intent being that the Developer's rights and interests in completing its development and marketing of each Phase are not affected in any respect, as determined by it without its agreement.

(iii) Upon the happening of such 75% of conveyances in each succeeding Phase, the Association in its membership, jurisdiction, and generally shall thereupon be deemed to have expanded, to include the Lots, Owners, and Occupants of each such additional Phase, and the limitations aforesaid in this Article shall have expired as to each such Phase, which thereupon shall be merged with the existing Phase(s) already under the full jurisdiction of the Board.

(c) Term. After the first election, and thereafter as may become necessary, by a majority consensus of the Board members they shall determine a 3-year system for the same number of term expirations each year, with adjustment in the first year if the total does not evenly divide by three; and they shall either all agree, or draw lots to fix their respective terms. They shall serve however until their replacements are duly elected.

(d) Removal. Except as to appointees of the Developer, a member may be removed by action of the other members when unexcused absences are of such frequency as to be unacceptable to

them; and may be removed by the vote of two-thirds of all of the Lot Owners.

(e) Vacancies. The other members shall promptly fill all vacancies for the balance of the unexpired terms, except as to members appointed by the Developer.

(f) Officers. The members shall promptly after the annual meeting of the Association elect their officers of President, Vice-President, Secretary, and Treasurer. The offices of Secretary and Treasurer may be combined. The officers of the Board shall serve also as officers of the Association. The duties of the officers shall be those as are customary to the respective offices and as the Board may provide. A plurality of all but one of the members shall be sufficient to remove an officer. Checks on the Association's account shall be signed by two officers, and none at any time may be signed in blank by any officer.

(g) Members. As used in this Article "members" refers to members of the Board of Directors.

(h) Meetings.

(i) The Board shall meet at regular intervals as fixed by it.

(ii) It shall meet in special meetings as fixed by it, or on the call of the President, or of any three or more of its members, as to which notice shall be given reasonably in advance, in writing, and in such manner consistent with Article III, Section 3, above.

(iii) Lot Owners shall be permitted to attend and witness all proceedings of the Board, except when matters of personnel, and compensation, and when matters considered by it to be or border on being libelous, scandalous, and seriously disruptive are considered.

(iv) The Board may act by all of its members signing and dating a statement of its action, and upon the Secretary noting the entry of same in, and attaching the original executed instrument to the permanent Minute Book of the Association, except that any matter as may affect the Developer, shall require also its joinder.

(i) Quorum and Decisions. While the members number five, a quorum shall consist of three, and thereafter less two, of up to seven members, and thereafter less three. Decisions shall be by a majority of the quorum, unless the Articles of Incorporation, the Declaration, or these By-Laws elsewhere provide otherwise.



(j) Duty and Power. The Board shall have the duty and power to do all things deemed by it to be necessary and desirable for the good of Fairway Landings as a residentially developed property generally, and for the service and good of the Owners and occupants, as a community of neighbors, and as owners of shared property rights, obligations, and interests; and this shall be construed liberally in favor of the Board as to all matters without exception, subject only to the following:

A. LIMITATIONS.

(i) that no action may be taken, except only as is necessary in clear, urgent, and compelling emergency, that will result in an assessment upon Lot Owners above the limitation in the Declaration; and prompt report shall be made to the Owners;

(ii) that no undertaking and commitment be made (a) as will result in the obligation to pay a total sum in excess of such ceiling as the Owners, by majority vote of 51% of the votes of Owners who vote, set from time to time; and/or (b) as will bind the Association for a period in excess of three (3) years;

(iii) that no action may be taken as will substantially reduce the use, entitlements and property rights, interests, and values of any Lot Owners without fault or cause, or without prior approval of the Owners acting as the Association;

(iv) that no action may be taken on compensation to Directors without prior approval by the Owners;

(v) that none may be taken contrary to, or inconsistent with any action by the Owners; and,

(vi) that no action shall be taken contrary to the terms or clear intent of the Covenants for Fairway Landings as made and publicly recorded by the Developer; and, that in all matters there shall be equity, fairness, and reasonableness toward and between Lot Owners; and at no time may there be selective, and preferential treatment that is not temporary, as a start-up case, and is not consistent with a fully planned, funded, and active program, designed to include all other Lots of like circumstances, and as accordingly provides the basis for the work on or service to the start-up case; or, as is not experimental, or as is not due to special conditions, and circumstances such as need due to fault in material and/or workmanship, and/or to the elements, or to any other equally impersonal and non-preferential cause.

B. DUTIES.

(i) to supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.

(ii) to foreclose the lien against any property for which assessments are not paid within ninety (90) days after due date, or to bring an action at law against the owner personally obligated to pay the same; unless agreement is made to bring the delinquent account current.

(iii) to issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(iv) to procure and maintain adequate liability and hazard insurance on property owned by the Association;

(v) to cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(vi) to cause the Common Area to be maintained; and,

(vii) to cause the exterior of the dwellings to be maintained. In the event an owner of any Lot in the Properties shall fail to maintain his Lot and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore it and the exterior of the buildings and any other improvements erected thereon. The cost of such maintenance and of other legal services as may have been and/or become needed because of the Owner's default shall be added to and become part of the assessment to which the Lot and its Owner are subject, and be due and payable within the month as follows the statement for such cost, and the assessment shall be increased by legal fees, interest, and costs if action is taken to collect the assessment.

(viii) to adopt such Rules and Regulations as it deems appropriate, and to do any and all other things consistent with the above, subject to the Limitations above, and also such as the Owners may duly and properly direct and authorize.

(ix) to enforce defaults and violations according to the following:

RULES ON ENFORCEMENT  
FOR DEFAULTS AND VIOLATIONS

1. A default or violation shall be any omission of duty or obligation, or any misdeed, under the Declaration, these By-Laws, or any Rule or Regulation as adopted by the Board. On behavioral matters Owners shall be responsible for themselves, their household members, and others on the premises with their consent.
2. Only the Board in meeting may act on a default or violation to assess a charge for it. Every such assessment shall be due and payable by the next meeting of the Board. Until paid the assessment shall be an assessment lien, bear interest, and bear attorney's fees incurred in any way incidentally thereto. A concerned party, on written demand delivered at least 5 days before the next meeting of the Board shall be entitled to a reasonable opportunity to be heard, including with legal counsel.
3. Before the Board assesses a charge on a default or violation it shall appear that the Owner involved has had prior notice or request to comply, or refrain, and/or to make good any harm done in connection with a violation, and has failed to do so. The Board may fix such late charge, generally, as it deems appropriate, and it shall be a part of the assessment lien.
4. Until the case is referred to an attorney: at any meeting after the assessment is made, the Owner, if he has not requested or in fact had a hearing by the Board, on written demand as at 2 above, shall be allowed a reasonable hearing, and any as do not so demand a hearing shall be conclusively deemed to admit the rightness of the assessment in all respects without any exception, and be stopped absolutely from thereafter disputing and attacking it on any account.
5. Unless and until an assessment on account of a violation is processed in litigation for a judgment, the Board may withhold identification of the informant(s).
6. References in gender and number shall be read and construed as is appropriate.

(k) Reports and Budget: The Board shall periodically, and at least annually at the Annual Meeting of the Association, report to the Owners on its business, problems, and plans,

generally; submit an annual financial statement prepared in generally accepted accounting principles and, if agreed to by 51% of the Lot Owners, shall be audited by an independent CPA person or firm; shall post Notices of its proposed budget and budget changes reasonably in advance of adopting them, and promptly provide copies to Owners who request them; shall keep their records current and have them available at all times, and, under reasonable arrangements, open to inspection, including the making of copies, by an Owner, group of Owners, or representative.

(1) Annual Meetings:

(i) The Board shall fix and arrange for an Annual Meeting of the Lot Owners.

(ii) It shall have available and on request provide Owners with copies of its Annual Report during at least seven days before the meeting, and it shall be prepared to explain and discuss at the meeting any matter covered, and any not covered in such Report, and at the meeting it shall also allow a reasonable period for questions and answers generally.

(iii) Shall arrange for election to the Board as follows:

1. At least five weeks before the Annual Meeting the Board shall notify the Owners of their rights to make nominations of themselves, and/or of others with their consents. It may also appoint a Nomination Committee of from three to seven members, of which not more than one member of the Board and a non-candidate at the time, may be a member.
2. Nominations and personal resumes of nominees shall be delivered to the Secretary, or mailed to the Board, in time to be presented to it at least three weeks before the Annual Meeting.
3. Each candidate is expected to attend the Board meeting 2 weeks to 10 days in advance of the Annual Meeting when the nominations are presented to it for personal presentation, and for such remarks, questions and answers as may be appropriate. A candidate may be represented by an appointee. Additional nominations may be made from the floor at such meeting. Any report of a Nominating Committee shall be made at the meeting. Notice of the meeting shall be conspicuously posted at least every 200 feet around Phases with occupied residences. Any Member may attend, be heard, and nominate.

4. At the meeting the President shall appoint a Committee of three Tellers, one of which appointments may be a non-candidate member of the Board, and these appointments shall be subject to the approval of the Board.
5. Immediately following the meeting, the Secretary shall mail a ballot and appropriate instructions to each Owner, to each known Tenant, and to the Developer while still a voter. The ballot shall be coded by color or otherwise to indicate its number of votes.
6. The ballot shall show all of the nominees as of the close of the above meeting, and it shall allow room for write-in voting.
7. For return of the ballot there shall be supplied with it two envelopes: one a plain envelope marked "BALLOT", and marked also with "Return by U.S. Mail by not later than \_\_\_\_\_ (with the date filled in)"; and the other envelope shall be in regular form of the Board's business envelopes, with its printed return address in the upper corner, and prepared for self-address return and marked "RETURN OF BALLOT."
8. The sealed "RETURN OF BALLOT" envelope, with the sealed "BALLOT" envelope within it, shall be mailed (and not otherwise delivered) in time to allow for its delivery to the Board at least two days before the Annual Meeting.
9. If the "RETURN OF BALLOT" envelopes are addressed to a Post Office Box, they shall remain in the Post Office Box until they are picked up by at least two of the Tellers' Committee on the date before or on the date of the Annual Meeting, for delivery and opening there. Authorization, if needed, shall be duly provided for making such pick-up of such mail. If these envelopes are returned to a different address they shall be kept separate and sealed, for delivery and opening at the Annual Meeting.
10. The Committee of Tellers shall attend the opening and the counting of the BALLOTS. Each member shall make and keep a separate tally, and on completion their tallies shall be compared and be alike.
11. Any matter of uncertainty or dispute as may arise shall be set aside. In the event that it appears that the matter may turn out to be decisive of the result, its record in its original form shall be preserved and turned over to the Board for its determination, without participation by any member as may have been nominated for re-election.

12. If any Teller fails to show up or gives notice of not showing up, the President, with approval of a majority of the Board as are not candidates for re-election shall appoint a substitute, who may be a non-candidate member of the Board.
13. Upon the elected candidate(s) being determined, a spokesman selected by the Tellers shall report to the Annual Meeting.
14. Each elected candidate shall thereupon become and be a member of the Board.
15. The Board may provide for the giving of notices and for balloting by the use of technology as serves the same ends as the methods set forth above.

(m) Immunity and Protection of Board Members. Board Members are to be taken as public spirited persons who are committed to the best interests of Fairway Landings of Southpointe and shall be entitled to the benefit of any doubt as may arise in judging them and any of them. No Board Member may be personally liable for any Owner, or to any other, for any matter of judgment, or for any act or omission, or otherwise, except that it appear that undisclosed self-interest and significant personal benefit to self or to someone close explains the case, or except that bad faith explains it. Board Members shall be entitled to be defended and to be protected with liability insurance in reasonable limits to cover such contingency, at Association expense.

## ARTICLE V

### CONTROL BY TOWNSHIP OR OTHER PUBLIC BODY

Section 1. Association, Public Duty. It shall be the duty of the Association, as a land owner, to at all times and in all ways comply with all ordinances, laws, rules, and regulations of all duly constituted public authorities, bodies, and agencies, herein referred to as "Township", with respect to the condition, uses, care and maintenance of its property and facilities.

Section 2. Notice of Default. Upon official written notice of any default under Section 1, whether by letter to the Association, or to any officer or member of the Board of Directors, by posting at one or more conspicuous places in Fairway Landings, or by publication in a newspaper of general circulation in the Township, or by any other means reasonably certain to come to the attention of Fairway Landings Unit Owners generally, the Association shall act promptly to correct the default or come to terms for its correction that are acceptable to the Township.

During any period of Developer activity in the project, it shall also be given notice.

Section 3. Absolute Default. Failure to comply with a second notice by a date fixed by it, as a time of the essence, shall give the Township the right:

- (a) to declare all Board members, and officers inactive, effective immediately, as to jurisdiction over all matters as relate to the complaint, the correction of it, and the payments related to it; and,
- (b) to appoint a Manager with the force and effect of having been duly appointed by the Board, with full power and authority to do and cause to be done all things without any exception absolutely which such Manager finds and deems to be reasonably necessary and proper for the removal of the complaint, and for making all related payments.

Section 4. Expenses of Manager. All costs and expenses incurred by the Manager, under Section 3, including reasonable compensation to the Manager shall be borne by the Association; and if not paid to those entitled promptly on presentation, the Manager shall have the power and authority, as, for, and in the names of the Association and of the Board, as such agent, to levy an appropriate special assessment against the Unit Owners, and with consequences generally as are provided in the Declaration of Covenants, Conditions and Restrictions for Fairway Landings.

Section 5. Discharge of Manager. The Manager shall be discharged generally upon completion of removal of the default, but shall continue as the agent of the Association and of the Board for the purpose of effecting the collection of all special assessments under Section 4. Until such collections are completed, the Manager may permit the Board to make the collections.

Section 6. Construing Article V. If any provision of this Article requires construing because of any other provision in these By-Laws, and/or in the Declaration of Covenants, Conditions and Restrictions for Fairway Landings to the extent that they cannot be reconciled as written, the other provision shall be construed as nearly as may reasonable in the circumstances, or to realize its intended purpose, without impairing the purposes of this Article.

Section 7. Amendment. Nothing in this Article may be changed without the written consent of the Township

ARTICLE VI

AMENDMENTS AND CONFLICTS

Section 1. These By-Laws, except Article V, may be amended, at a regular or special meeting of the Owners, by a vote of such number as would be required for action on matters being affected.

Section 2. In the case of any conflict between the Articles of Incorporation, the Declaration and these By-Laws. The documents shall control in the following order:

1. Articles of Incorporation
2. Declaration
3. By-Laws.

IN WITNESS WHEREOF, we, being all of the directors of Fairway Landings of Southpointe, hereby adopt the foregoing as and for its By-Laws, and accordingly hereunto set our hands this 15<sup>th</sup> day of December, 1992.

Rod L. Piatt

Jack B. Piatt

Jack B. Piatt II

Rod L. Piatt  
Jack B. Piatt  
Jack B. Piatt II