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BY-LAWS  
OF  
MALLARD LANDING HOMEOWNERS ASSOCIATION

ARTICLE I  
NAME AND LOCATION

The name of this corporation is MALLARD LANDING HOMEOWNERS' ASSOCIATION, hereinafter called the "Association". The principal office of the Association shall be located in Allegheny County, Pennsylvania but meetings of members and directors may be held at such other places as may be designated by the Board of Directors.

ARTICLE II  
DEFINITIONS

The defined terms used in these By-Laws shall have the definitions given to them in the Mallard Landing Declaration of Covenants, Conditions and Restrictions unless the context clearly indicates otherwise.

ARTICLE III  
MEMBERSHIP

The members shall consist of all the Owners of the Property. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The Association shall have two classes of voting membership, Class A and Class B, as more fully set forth in the Mallard Landing Homeowners Association Covenants.

ARTICLE IV  
MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the membership may be held within one year after the first house in the development is occupied. Thereafter, an annual meeting of the members shall be held on a date, as set by the Board, in each succeeding year, which is not more than twelve (12) months following the preceding annual meeting.

Section 2. Special Meetings. Special Meetings of the members may be called at any time by the President or the Board of Directors, or on written request of the members who are entitled to vote twenty-five (25%) percent of all the votes of the Class A membership.

Section 3. Notice of Meeting. Written notice of each meeting of the members shall be given by or at the direction of the Secretary. Such notice may be given by personal delivery, by publication, or by mailing a copy of such notice, postage prepaid, not less than ten (10) nor more than fifty (50) 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 shall specify the place, day and time of the meeting and, in the case of a special meeting, the purpose of the meeting. A written waiver of notice shall be deemed equivalent to the giving of notice. The attendance of a member in person or by Proxy at the meeting shall constitute a waiver of notice by such member.

Section 4. Proxies. At all meetings of members each voting member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary prior to the commencement of the meeting. Every proxy shall be revocable and shall automatically cease upon sale by the member of his Lot.

Section 5. Quorum. The presence, either in person or by proxy, of the members entitled to cast ten percent (10%) of all the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Declaration or these By-Laws. If a quorum is not in attendance, those members who are present may adjourn the meeting to a new date or dates, without notice other than announcement at the meeting, until a quorum as above defined shall be present or represented. Unless a different vote is required by express provision of the Declaration, the Articles of Incorporation, or these By-Laws, each question presented at a meeting shall be determined by a majority vote of those present.

Section 6. Place of Meeting. Any annual or special meeting of members may be held at such place within or without the Commonwealth of Pennsylvania as the Board of Directors may fix from time to time. In the event the Board of Directors shall fail to fix such place or time, or in the event members are entitled to call or convene a special meeting in accordance with law, then, in such event, such meeting shall be held at the principal office of the Association.

Section 7. Membership List. At every meeting of members, there shall be presented a list or record of members as of the record date, certified by the officer responsible for its preparation and,

upon request therefor, any member who has given written notice to the Association, which request shall be made at least ten (10) days prior to such meeting, shall have the right to inspect such list or record at the meeting. Such list shall be evidence of the right of the persons to vote at such meeting, and all persons who appear on such list or record to be members may vote at such meeting.

Section 8. Inspectors of Election. The Directors may, but need not, appoint one or more inspectors to act at any meeting or any adjournment thereof. If inspectors are not appointed, the presiding officer of the meeting may, but need not, appoint inspectors. Each appointed inspector shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his ability. The inspectors shall determine the number of memberships outstanding, the voting power of each, the number of memberships represented at the meeting, the existence of a quorum, and the validity and effect of proxies. The inspectors shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result and do such acts as are proper to conduct the election or vote of all members. The inspectors shall make a report in writing of all matters determined by them with respect to such meeting.

Section 9. Voting. Each member shall be entitled to the number of votes set forth in the Declaration as follows:

Class A -- One (1) vote per Lot

Class B -- Three (3) votes per Lot

Section 10. Action by Consent. Whenever the vote of members is required or permitted, such action may be taken without a meeting on the written consent setting forth the action taken signed by a majority of the members entitled to vote.

#### ARTICLE V BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be managed by a three-member Board of Directors. So long as there are Class B members in the association, members need not be Owners of Lots. Thereafter, Board members shall be either Lot owners or the spouse of a Lot owner. The initial Board of Directors shall have 3 members and shall be appointed by the Developer and may be replaced at will by the Developer. They shall hold office until their successors have been elected at the first annual meeting. At the first annual meeting and at each annual meeting thereafter, the Board of Directors shall be appointed or elected in the manner herein

provided.

Section 2. Term of Office. At the first annual meeting, the members shall elect two (2) of the directors for a term of two (2) years; and one (1) for a term of one (1) year. At the expiration of the initial term of office of each respective Board member, his successor shall be elected to serve a term of two (2) years. The Board members shall hold office until their successors have been elected and qualified.

Section 3. Removal or Vacancy. A director may be removed from the Board, with or without cause, by majority vote of each class of members at any special meeting called for the purpose. In the event of death, resignation or removal of a Director, a successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for his services as a Director. However, Directors may be reimbursed for any expenses incurred in the performance of their duties.

Section 5. Effect of Presence. Any member of the Board present at such meeting shall be deemed to have assented to any action taken at such meeting unless his dissent is entered on the minutes or unless his written dissent is filed with the Secretary at or immediately following the adjournment thereof, provided that no member may dissent from any action for which he voted at the meeting.

#### ARTICLE VI NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nominations. Nominations for election to the Board of Directors may be made from the floor at the annual meeting or by nominating petition signed by 5 unit owners delivered to the Board at least 30 days prior to the election.

Section 2. Election. Election to the Board of Directors may be by secret written ballot, or such other appropriate voting method as may be selected by the Board, at the annual meeting of the Association. At such election, the voting members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected to the longest term of office then open. Cumulative voting is not permitted. Elections may also be held by mail-in ballot with the ballots counted at the time of the annual meeting.

ARTICLE VII  
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the elected Board of Directors shall be at least once each year, without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association or by any two (2) Directors, after not less than three (3) days' notice to each Director.

Section 3. Quorum. At all meetings of the Board of Directors, a majority of the Board members shall constitute a quorum for the transaction of business, and any action taken by the majority of those present shall be regarded as the act of the Board.

Section 4. Action Taken Without a Meeting. The Directors 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 of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors. They may also act if all directors are connected by conference telephone or other electronic means whereby all directors can hear each other at all times.

ARTICLE VIII  
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Property, and the personal conduct of the members and their guests thereon, and to establish penalties for the infractions thereof;
- (b) Exercise for the Association all powers, duties, and authority vested in or delegated to Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (c) Employ such contractors, or employees as they deem necessary and to prescribe their duties.
- (d) Open bank accounts and designate the signature required;

- (e) Collect assessments;
- (f) Enforce by legal means the provisions of the Declaration, these By-Laws and any rules and regulations and bring any proceeding which may be instituted on behalf of the Owners concerning the Association;
- (g) To borrow money for the purpose of the repair or restoration of the Common Property.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members;
- (b) Supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed;
- (c) Cause the Common Property to be maintained;
- (d) Issue or cause an appropriate officer to issue, or demand, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made for the insurance of these certificates;
- (e) Carry out any other duties imposed by the Declaration.

#### ARTICLE IX OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Association shall be a President, who shall at all times be a member of the Board of Directors, a Secretary, and a Treasurer.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the membership.

Section 3. Term. The officers of the Association shall be elected annually by the Board, and each shall hold office for one (1) year unless they shall sooner resign, be removed or otherwise disqualified to serve.

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 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 5. Vacancies. A vacancy in any office may be filled by appointments by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6. Compensation. The President shall not receive any compensation except reimbursement for out-of-pocket expenses. The Secretary and Treasurer may be compensated for their services if the Board of Directors determines that such compensation is appropriate.

Section 7. Duties. The duties of the officers are as follows:

- (a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments.
- (b) 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; 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 other duties as required by the Board.
- (c) 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 Board of Directors; 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 expenditures to be presented to the membership at the regular annual meeting.

ARTICLE X  
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words "Mallard Landing Homeowners Association".

ARTICLE XI  
AMENDMENTS

These By-Laws may be amended, at a regular or special meeting of the membership, by vote of a majority of the membership of the Association, whether present in person or by Proxy, or by written consent of a majority of the membership, except that any By-Laws affecting the rights or interests of the Developer shall not be amended or modified without the written consent of the Developer. In addition, the Federal Housing Administration and/or the Veterans Administration (depending on which, if either, has issued insured mortgages in the project) shall have the right to veto amendments while there is Class B membership; provided, however, that the consent of the agency shall be implied if it fails to submit a response to any written proposal for amendment within thirty (30) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

ARTICLE XII  
LIMITATION OF LIABILITY AND INDEMNIFICATION

Section 1. Limited Liability of the Board. The Board, and its members in their capacity as members and officers:

- (a) Shall not be liable to the members as a result of the performance of the Board members' duties for any mistake of judgment, negligence or otherwise, except for the Board members' own willful misconduct or gross negligence;
- (b) Shall have no personal liability in contract to a member or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Board or the Association in the performance of the Board members' duties;
- (c) Shall have no personal liability in tort to a member or any other person or entity, direct or imputed, by virtue of acts performed by or for them, except for



the Board members' own willful misconduct or gross negligence in the performance of their duties; and

- (d) Shall have no personal liability arising out of the use, misuse or condition of the property and equipment of the Association, or which might in any other way be assessed against or imputed to the Board members as a result of or by virtue of their performance of their duties, except for the Board members' own willful misconduct or gross negligence.

Section 2. Indemnification. Each member of the Board, in his capacity as a Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Board, or any settlement of any such proceeding, which or not he is a Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Board member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his duties; provided that, in the event of a settlement, this indemnification shall apply only if and when the Board (with the affected member abstaining if he is then a Board member) approves such settlement and reimbursement as being in the best interests of the Association; and provided further that indemnification hereunder with respect to any criminal action or proceeding is permitted only if such Board member and/or officer had no reasonable cause to believe his conduct was unlawful. The indemnification by the Association set forth in this Section shall be paid by the Association on behalf of the Association. Such right of indemnification shall not be deemed exclusive of any other rights to which such Board member and/or officer may be entitled as a matter of law, agreement, by vote of the members, or otherwise.

Section 3. Insurance. The Board shall have the right to obtain insurance to satisfy the indemnification obligation of the Association set forth above, to the extent reasonably available.

#### ARTICLE XIII MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall be fixed by the Board of Directors from time to time, subject to applicable law.

Section 2. Books and Records. The Association shall keep records and books of accounts and minutes of meetings as well as a list or record of all members. Current copies of the Declaration, By-Laws, Rules and Regulations, books and records and financial

statements of the Association shall be available at reasonable times for inspection by any member of the Association, or any lender, holder, insurer or guarantor of any first mortgage, at the Association's principal office, and copies made available at a reasonable cost.

Section 3. Conflicts. In the case of any conflicts between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

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CERTIFICATION

I, the undersigned, hereby certify that:

1. I am the duly elected and acting Secretary of the Mallard Landing Homeowners Association, a Pennsylvania corporation.

2. That the foregoing By-Laws are the original By-Laws of the Association, having been duly adopted at a meeting of the Board of Directors thereof held on \_\_\_\_\_, 1991.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Association this \_\_\_ day of \_\_\_\_\_, 1991.

(SEAL)

\_\_\_\_\_

Secretary