

**BY-LAWS OF THE  
GREENS OF GREENCASTLE SUBDIVISION (PHASES 1, 2 AND 3)  
HOMEOWNERS' ASSOCIATION**

**ARTICLE I - OFFICES**

The office of the Corporation shall be located in the City and State designated in the Articles of Incorporation. The Corporation may also maintain offices at such other places within or without the United States as the Board of Directors may, from time to time, determine.

**ARTICLE II - MEETING OF MEMBERS**

**Section 1 - Annual Meetings:**

The annual meeting of the members of the Corporation shall be held within five months after the close of the period of Declarant control as delineated in the Declaration of Covenants, Conditions and restrictions for Phase 2 of the subdivision, for the purpose of electing directors, and transacting such other business as may properly come before the meeting.

**Section 2 - Special Meetings:**

Special meetings of the members may be called at any time by the Board of Directors or by the President, and shall be called by the President or the Secretary at the written request of ten (10%) percent of the members, or as otherwise required under the provisions of the Business Corporation Act.

**Section 3 - Place of Meetings:**

All meetings of members shall be held at the principal office of the Corporation, or at such other places as shall be designated in the notices or waivers of notice of such meetings.

**Section 4 - Notice of Meetings:**

(a) Except as otherwise provided by statute, written notice of each meeting of members, whether annual or special, stating the time and place, shall be served either personally or by mail, not less than ten nor more than fifty (50) days before the meeting, upon each member of record. Notice of a special meeting shall also state the purpose or purposes for which the meeting is called, and shall indicate that it is being issued by, or at the direction of, the person or persons calling the meeting. If mailed, such notice shall be directed to each such member at his address, as it appears on the records of the members of the Corporation, unless he shall have previously filed with the Secretary of the Corporation a written request that notices intended for him be mailed to some other address, in which case, it shall be mailed to the address designated in such request.

(b) Notice of any meeting need not be given to any person who may become a member of record after the mailing of such notice and prior to the meeting, or to any member who attends such meeting, in person or by proxy, or to any member who, in person or by proxy, submits a signed waiver of notice either before or after such meeting. Notice of any adjourned meeting of members need not be given, unless otherwise required by statute.

(c) Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

#### **Section 5 - Quorum:**

(a) Except as otherwise provided herein or by statute, at all meetings of members of the Corporation, the presence at the commencement of such meetings in person or by proxy of twenty percent (20%) of the members of the Corporation, shall be necessary and sufficient to constitute a quorum for the transaction of any business. The withdrawal of any member after the commencement of a meeting shall have no effect on the existence of a quorum, after a quorum has been established at such meeting.

*(b) If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirement set forth in section 4, and the required quorum (including proxies) at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than 90 days following the preceding meeting.*

(c) Despite the absence of a quorum at any annual or special meeting of members, the members, by a majority of the votes cast by the holders of shares entitled to vote thereon, may adjourn the meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted at the meeting as originally called if a quorum had been present.

#### **Section 6 - Voting:**

(a) Except as otherwise provided by statute, any corporate action shall be authorized by a majority of votes cast at a meeting of the members.

(b) Except as otherwise provided by statute, at each meeting of members, each lot in the subdivision shall be entitled to one vote.

(c) Each member entitled to vote or to express consent or dissent without a meeting, may do so by proxy; provided, however, that the instrument authorizing such proxy to act shall have been executed in writing by the member himself, or by his attorney in fact thereunto duly authorized in writing. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the person executing it shall have specified therein the length of time it is to continue in force. Such instrument shall be exhibited to the Secretary at the meeting and shall be filed with the records of the Corporation.

(d) Any resolution in writing, signed by all of the members entitled to vote thereon, shall be and constitute action by such members to the effect therein expressed, with the same force and effect as if the same had been duly passed by unanimous vote at a duly called meeting of members and such resolution so signed shall be inserted in the Minute Book of the Corporation under its proper date.

### **ARTICLE III - BOARD OF DIRECTORS**

#### **Section 1 - Number, Election and Term of Office:**

(a) The number of the directors of the Corporation shall be ~~three (3)~~ five (5) unless and until otherwise determined by vote of a majority of the entire Board of Directors.

(b) Except as may otherwise be provided herein, the Board of Directors of the corporation, who need not be members of the Corporation, shall be elected by a majority of the votes cast at a meeting of members, of the Corporation, present in person or by proxy, entitled to vote in the election.

(c) Subject to the terms of the Declaration and of the Pennsylvania Uniform Planned Community Act, each director shall hold office for a term of three (3) years beginning on the date of their election and terminating three (3) years later at the annual meeting of the members, and until his successor is elected and qualified, or until his prior death, resignation or removal. There shall be not limit on the number of terms a director may serve. Two (2) of the initial directors shall serve abbreviated terms so as to provide continuity on the board of directors. At the organizational meeting of the members, the candidate for directors receiving the highest number of votes shall serve a three (3) year term, the candidate receiving the second highest number of votes shall serve a two (2) year term and the candidate receiving the third highest number of votes shall serve a one (1) year term.

#### **Section 2 - Duties and Powers:**

The Board of Directors shall be responsible for the control and management of the affairs, property and interests of the Corporation, and may exercise all powers of the Corporation, except as are in the Certificate of Incorporation or by statute expressly conferred upon or reserved to the members.

#### **Section 3 - Annual and Regular Meetings; Notice:**

(a) A regular annual meeting of the Board of Directors shall be held immediately following the annual meeting of the members, at the place of such annual meeting of members.

(b) The Board of Directors, from time to time, may provide by resolution for the holding of other regular meetings of the Board of Directors, and may fix the time and place thereof.

(c) Notice of any regular meeting of the Board of Directors shall not be required to be given and, if given, need not specify the purpose of the meeting; provided, however, that in case the Board of Directors shall fix or change the time or place of any regular meeting, notice of such action shall be given to each director who shall not have been present at the meeting at which such action was taken within the time limited, and in the manner set forth in paragraph (b),

Section 4 of this Article III, with respect to special meetings, unless such notice shall be waived in the manner set forth in paragraph ( c) of such Section 4.

#### **Section 4 - Special Meetings; Notice:**

(a) Special meetings of the Board of Directors shall be held whenever called by the President or by one of the directors, at such time and place as may be specified in the respective notices or waivers of notice thereof.

(b) Except as otherwise required by statute, notice of special meetings shall be mailed directly to each director, addressed to him at his residence or usual place of business, at least two days before the day on which the meeting is to be held, or shall be delivered to him personally or given to him orally, not later than the day before the day on which the meeting is to be held. A notice, or waiver of notice, except as required by Section 8 of this Article III, need not specify the purpose of the meeting.

(c) Notice of any special meeting shall not be required to be given to any director who shall attend such meeting without protesting prior thereto or at its commencement, the lack of notice to him, or who submits a signed waiver of notice, whether before or after the meeting. Notice of any adjourned meeting shall not be required to be given.

#### **Section 5 - Chairman:**

At all meetings of the Board of Directors, the President shall preside, and in his absence, a Chairman chosen by the directors shall preside.

#### **Section 6 - Quorum and Adjournments:**

(a) At all meetings of the Board of Directors, the presence of a majority of the entire Board shall be necessary and sufficient to constitute a quorum for the transaction of business, except as otherwise provided by law, or by these by-laws.

(b) A majority of the directors present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time, without notice, until a quorum shall be present.

#### **Section 7 - Manner of Acting:**

(a) At all meetings of the Board of Directors, each director present shall have one vote.

(b) Except as otherwise provided by statute, or by these by-laws, the action of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. Any action authorized, in writing, by all of the directors entitled to vote thereon and filed with the minutes of the Corporation shall be the act of the Board of Directors with the same force and effect as if the same had been passed by unanimous vote at a duly called meeting of the Board.

## **Section 8 - Vacancies:**

Any vacancy in the Board of Directors occurring by reason of an increase in the number of directors, or by reason of the death, resignation, disqualification, removal (unless a vacancy created by the removal of a director by the members shall be filled by the members at the meeting at which the removal was effected) or inability to act of any director, or otherwise, shall be filled for the unexpired portion of the term by a majority vote of the remaining directors, though less than a quorum, at any regular meeting or special meeting of the Board of Directors called for that purpose.

## **Section 9 - Resignation:**

Any director may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Corporation. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or such officer, and the acceptance of such resignation shall not be necessary to make it effective.

## **Section 10 - Removal:**

Any director may be removed with or without cause at any time by the affirmative vote of a majority of the members of the Corporation at a special meeting of the members called for that purpose, and may be removed for cause by action of the Board.

## **Section 11 - Salary:**

~~By resolution of the Board of Directors, each director may be paid his or her expenses, if any, of attendance at each meeting of the Board of Directors or committee thereof. No such payment shall prevent any director from serving the Corporation in any other capacity and receiving compensation therefor, and a director may be a salaried officer or employee of the corporation.~~

## **Section 12 - Contracts:**

A contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise in which one or more of this Corporation's directors or officers are directors or officers or have a financial or other interest, shall not be void or voidable solely for that reason, or solely because the common or interested director or officer is present at or participates in the meeting of the Board of Directors that authorizes the contract or transaction, or solely because the common or interested director's or officer's vote is counted for such purpose, if: (1) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors and the Board, in good faith, authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors even though the disinterested directors are less than a quorum; or (2) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the members and the contract or transaction is specifically approved in good faith by vote of those members; or (3) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors or the members. Common or interested directors may be counted in

determining the presence of a quorum at a meeting of the Board of Directors that authorizes a contract or transaction specified in this section.

### **Section 13 - Committees:**

The Board of Directors, by resolution adopted by a majority of the entire Board may, from time to time, designate from among its members an executive committee, *an Architectural Control Committee*, and such other committees, and alternate members thereof, as they may deem desirable, with such powers and authority (to the extent permitted by law) as may be provided in such resolution. Each such committee shall serve at the pleasure of the Board.

### **Section 14 - Personal Liability of Directors:**

A director of the Corporation shall not be personally liable for monetary damages for any action taken, or any failure to take any action, unless the director has breached or failed to perform the duties of his or her office under Section 8363 of Subchapter F of Chapter 83 Title 42 of the Pennsylvania Consolidated Statutes, as it may be amended, and such breach or failure to perform constitutes self-dealing, willful misconduct or recklessness; provided, however, that the foregoing provision shall not eliminate or limit (1) the responsibility or liability of that director under any criminal statute, or (2) the liability of a director for the payment of taxes according to local, state or federal law. Any repeal, modification or adoption of any provision inconsistent with this section shall be prospective only, and neither the repeal or modification of this by-law nor the adoption of any provision inconsistent with this by-law shall adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or modification or the adoption of such inconsistent provision.

## **ARTICLE IV - OFFICERS**

### **Section 1- Number, Qualifications, Election and Term of Office:**

- (a) The officers of the Corporation shall consist of a President, a Secretary, ~~an Assistant Secretary~~, a Treasurer, and such other officers, including one or more Vice Presidents, as the Board of Directors may, from time to time, deem advisable. Any officer may be, but is not required to be, a director of the Corporation. Any two or more offices may be held by the same person.
- (b) The officers of the Corporation shall be elected by the Board of Directors at the regular annual meeting of the Board following the annual meeting of members.
- (c) Each officer shall hold office until the annual meeting of the Board of Directors next succeeding his election, and until his successor shall have been elected and qualified, or until his death, resignation or removal.

## **Section 2 - Resignation:**

Any officer may resign at any time by giving written notice of such resignation to the Board of Directors, or to the President or the Secretary of the Corporation. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or by such officer, and the acceptance of such resignation shall not be necessary to make it effective.

## **Section 3 - Removal:**

Any officer may be removed, either with or without cause, and a successor elected by a majority vote of the Board of Directors at any time.

## **Section 4 - Vacancies:**

A vacancy in any office by reason of death, resignation, inability to act, disqualification, or any other cause, may at anytime be filled for the unexpired portion of the term by a majority vote of the Board of Directors.

## **Section 5 - Duties of Officers:**

Officers of the Corporation shall, unless otherwise provided by the Board of Directors, each have such powers and duties as generally pertain to their respective offices as well as such powers and duties as may be set forth in these by-laws or may, from time to time, be specially conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Corporation. *The officers shall have the duties of preparing budgets, determining property assessments, and litigating violations of the restrictive covenants and non-payment of assessments.*

## **Section 6 - Sureties and Bonds:**

In case the Board of Directors shall so require, any officer, employee or agent of the Corporation shall execute to the Corporation a bond in such sum, and with such surety or sureties as the Board of Directors may direct, conditioned upon the faithful performance of his duties to the Corporation, including responsibility for negligence and for the accounting for all property, funds or securities of the Corporation which may come into his hands.

## **Section 7 - Shares of Other Corporations:**

Whenever the Corporation is the holder of shares of any other Corporation, any right or power of the Corporation as such shareholder (including the attendance, acting and voting at members' meetings and execution of waivers, consents, proxies or other instruments) may be exercised on behalf of the Corporation by the President, any Vice President, or such other person as the Board of Directors may authorize.

## **ARTICLE V - MEMBERS**

### **Section 1 - Record of Membership:**

The Secretary of the Corporation shall maintain a list of each lot within the subdivision, indicating the current owner of each lot, as defined in the Declaration of Covenants, Conditions and Restrictions for the phase of the subdivision in which the subject lot is situated. This list shall be the official record of lot ownership and shall be modified only upon the presentation of a fully executed deed from the previous lot owner and the tendering of the Transfer Assessment.

### **Section 2 - Member Voting:**

The holder of fee simple legal title to any lot shall be a member and shall be entitled to one (1) vote in the corporation for every lot owned. Where more than one individual or entity is an owner of a lot it shall be the responsibility of the owners of the lot to designate, to the Secretary, a singular individual or entity to vote the lot's interest as a member. The Secretary and the Corporation shall not be responsible for recognizing the vote of a lot representative who subsequently appears to have not, have had authority to vote. Owners of more than one (1) lot shall have as many votes as the number of lots they own.

### **Section 3 - Member Additions By Phase:**

*The Greens of Greencastle Subdivision is a phased development comprising Phases 1, 2, and 3 and following phases. Each phase is governed under its own Declaration of Covenants, Conditions and Restrictions, which detail the period of declarant control. At the termination of the period of declarant control for each phase, the owners of the lots within that phase will become members of the Corporation and the Corporation will form a master Association. The Greens of Greencastle Phase 4 is an adjoining development and is not part of the Corporation.*

## **ARTICLE VI - FISCAL YEAR**

The fiscal year of the Corporation shall be fixed by the Board of Directors from time to time, subject to applicable law.

## **ARTICLE VII - CORPORATE SEAL**

The corporate seal, if any, shall be in such form as shall be approved from time to time by the Board of Directors.

## **ARTICLE VIII - AMENDMENTS**

### **Section 1 - By Members:**

All by-laws of the Corporation shall be subject to alteration or repeal, and new by-laws may be made, by the affirmative vote of a simple majority of the members of the corporation, provided

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that the notice or waiver of notice of such meeting shall have summarized or set forth in full therein, the proposed amendment.

## **Section 2 - By Directors:**

The Board of Directors shall have power to make, adopt, alter, amend and repeal, from time to time, by-laws of the Corporation, except that the Board of Directors shall have no power to change the quorum for meetings of members or of the Board of Directors, or to change any provisions of the by-laws with respect to the removal of directors or the filling of vacancies in the Board resulting from the removal by the members; provided, however, that the members may alter, amend or repeal by-laws made by the Board of Directors, except that the Board of Directors shall have no power to change the quorum for meetings of members or of the Board of Directors, or to change any provisions of the by-laws with respect to the removal of directors or the filling of vacancies in the Board resulting from the removal by the members. If any by-law regulating an impending election of directors is adopted, amended or repealed by the Board of Directors, there shall be set forth in the notice of the next meeting of members for the election of directors, the by-laws so adopted, amended or repealed, together with a concise statement of the changes made.

## **Section 3 - Amendments to the Declaration:**

Any two (2) officers or Executive Board members of the Corporation may prepare, execute, certify and record amendments to the Declaration on behalf of the Corporation.

## **ARTICLE IX - INDEMNITY**

(a) Any person made a party to any action, suit or proceeding, by reason of the fact that he, his testator or intestate representative is or was a director, officer or employee of the Corporation, or of any corporation in which he served as such at the request of the Corporation, shall be indemnified by the Corporation against the reasonable expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and necessarily incurred by him in connection with the defense of such action, suit or proceedings, or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding, or in connection with any appeal therein that such officer, director or employee is liable for negligence or misconduct in the performance of his duties.

(b) The foregoing right of indemnification shall not be deemed exclusive of any other rights to which any officer or director or employee may be entitled apart from the provisions of this section.

(c) The amount of indemnity to which any officer or any director may be entitled shall be fixed by the Board of Directors, except that in any case where there is no disinterested majority of the Board available, the amount shall be fixed by arbitration pursuant to the then existing rules of the American Arbitration Association.