

**BYLAWS OF
TIMBER HILL COMMUNITY ASSOCIATION, INC.
P.O. BOX 321, HENRYVILLE, PA 18332
These bylaws contain amendments through 2001**

ARTICLE I – NAME AND ADDRESS

1. The name of this Corporation shall be Timber Hill Community Association, Inc.
2. The mailing address of the Association shall be Timber Hill Community Association, Inc., Box 321, Henryville, Pennsylvania 18332

ARTICLE II – PURPOSE

To insure present and future residential living conditions relating to health, safety, public morals, convenience, comfort and beauty on lots and lands in a development of lands in Paradise and Price Townships, Monroe County, Pennsylvania, known as Timber Hill Incorporated and for any other lawful purpose or purposes for which a non-profit corporation may be formed under the Non-Profit Corporation Law of 1972, Act 271

ARTICLE III – MEMBERSHIP

1. Membership in the Association shall be required of and available only to persons, partnerships, associations, or corporations owning a lot or lots in Timber Hill.
 - A. All members shall be subject to such dues, fees and assessments as may be determined by the Board of Directors pursuant to these Bylaws.
 - B. Membership by the owners of a lot or lots, as defined herein, shall entitle the family and guests to all privileges extended by the Association, as herein set forth.
 - C. Membership in the Association shall not be transferable by any member.
2. Membership shall terminate when a member person, partnership, association, or corporation ceases to own a lot or lots at Timber Hill; but such person, partnership, association or corporation shall remain liable for all charges

incurred prior to submitting written notice to the Association that he, she, or it is no longer a lot owner at Timber Hill.

A. Nonpayment of annual dues, fees, or assessments by any such member shall result in the forfeiture of all such member's Association membership privileges, including the right to vote, to use Association maintained recreational facilities, to hold elected office, and to participate in Association membership meetings, elections and activities.

B. Upon default in payment of any charges made pursuant to these Bylaws, the Board of Directors shall take such action as it deems necessary for the collection thereof, including, but not limited to, suspension of Association privileges and the imposition of interest and collecting charges as provided herein. (As amended, December 9, 2001)

ARTICLE IV - MEMBERS

1. A member in good standing is a person, partnership, association or corporation who is currently paid up in dues, fees and assessments.

A. Each member in good standing of the Association shall be entitled to one (1) vote regardless of the number of lots a member may own. (As amended December 9, 2001)

B. Should more than one person, corporation, association, partnership or family hold fractional ownership interest in the same plotted lot, such owners shall be entitled to one (1) vote in total.

2. In all matters or questions pertaining to Amendments to the Bylaws of the Association, resolutions, proposed referendums or other proposals concerning the administration of the Association which must be decided by the Board of Directors of the Association, such matters may, in the discretion of the Board, be submitted to the General membership for discussion.

A. Only members in good standing as defined hereinabove shall be permitted to vote for the matters referred to in paragraph (2) above, or for the election of Directors.

3. All meetings of the members shall be held at Timber Hill, Pennsylvania, or at any such other place within the Commonwealth of Pennsylvania as may from time to time be determined by the Board of Directors,

- A. The annual meeting of the Association shall be held on the last Sunday of October in each year if not a legal holiday, and if a legal holiday, on the next following Sunday at 1:00 o'clock p.m. when the Association shall transact such business as may properly be brought before the meeting, provided, however, the Board may call the annual meeting at any other time during the calendar year, upon written notice to the membership.
 - B. Special meetings of the Association or its members may be called at any time by the President or the Board of Directors, or upon written petition of fifty (50) members in good standing. At any time upon the written request of any person or persons entitled to request a special meeting, it shall be the duty of the Secretary to call a special meeting of the members to be held at such time as the Secretary may fix, not less than fifteen (15) days or more than thirty (30) days after the receipt of such request, and specify the object(s) of the meeting. If the Secretary shall neglect or refuse to issue such call, the person or persons making the request may do so, Business transacted at all special meetings shall be confined to the object(s) stated in the call and matters pertinent thereto,.
 - C. Written notice of any special meeting and its purpose must be mailed to all of the members at least 14 days before the date for which it is called.
 - D. A members' meeting duly called shall not be organized for the transaction of business unless a quorum is present. The presence of ten (10%) or more of the members in good standing shall constitute a quorum at all meetings of the members for the transaction of business, notwithstanding any provisions to the contrary contained in the Articles of Incorporation. The members in good standing present at a duly organized meeting may continue to transact business until adjournment, notwithstanding any withdrawal of enough members in good standing to leave less than a quorum. (As amended, 1998)
 - E. In all elections for Directors, each member having a right to vote shall have the right to multiply the number of votes to which he may be entitled by the total number of Directors to be elected; however, voting rights are not cumulative and the member may only cast one vote, for any particular candidate. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be elected. (As amended December 9, 2001)
4. The order of business at regular, special and Executive Board Meetings shall be:
 - A. A quorum count

- B. Minutes of previous meeting
 - C. Reports of officers
 - D. Reports of committee chairmen
 - E. Unfinished business
 - F. New business
 - G. Adjournment
5. Roberts Rules of Order shall govern the parliamentary procedure of the Association on all points not covered by Articles of Incorporation and Bylaws.

ARTICLE V – DIRECTORS

1. Number and Qualifications.

- A. The Board of Directors shall consist of not less than three (3) nor more than eleven (11) natural persons who are members in good standing of the Association as defined in these Bylaws.
- B. No husband and wife shall serve on the Board of Directors at the same time.

2. Election and Terms

- A. The Board of Directors shall be elected by the general membership at the annual Membership Meeting. Absentee ballots shall be accepted on or before, but not after, the general meeting. At the first election, the three (3) candidates receiving the most votes shall be elected to serve terms of three (3) years. The two (2) candidates receiving the next highest number of votes shall be elected to serve terms of two (2) years. The two (2) candidates receiving the highest number of votes shall be elected to serve terms of one (1) year. at every annual election thereafter those candidates receiving the highest number of votes will be elected to serve terms of three (3) years. Any remaining candidates receiving the next highest number of votes shall be elected to complete the terms of any vacancies being filled. In the event of a tie, the election will be decided by a coin toss held by the chairman of the judges of election. (As amended December 9, 2001)
- B. Directors' terms of office shall commence on the first day following the

election and shall end on the day following the election or the appointment of their successors. Members of the Board of Directors may be re-elected for an unlimited number of terms.

3. Meeting Place and Time

- A. Meetings of the Board of Directors may be held at such time and place as a majority of the Board agrees, or as designated in the notice calling the meeting. Such meeting shall be held within Monroe County in the Commonwealth of Pennsylvania. Such meetings shall be open to the general membership.

4. Notice

- A. Written notice of every meeting of the Board of Directors shall be mailed by the Secretary to each Director at least five (5) days prior to the day named for the meeting. Written notice of the Board meetings shall be posted for the membership.

5. Quorum

- A. A simple majority of the Directors in office at the time shall be necessary to constitute a quorum to conduct business. Their acts as a majority present shall be acts of the Board of Directors.

6. Removal of Board Members

- A. Any member of the Board may be removed by a two-thirds vote of the board for any of the following reasons:
 - 1. By resignation of the member.
 - 2. Failure to attend three (3) consecutive meetings of the Board without acceptable reason.
 - 3. Conducting himself in a manner which will affect adversely the confidence of the general membership of the Association.

7. Disclosure

- A. Following the annual election of Directors, all Directors in office are required to disclose in writing to the membership of the Association all personal

Interest in Timber Hill, Inc., together with all business of financial links with, among, or between other members of the board, employees or service agencies engaged by the Association. Statements by all Board members will be made available for inspection by members upon request.

ARTICLE VI – POWERS OF BOARD OF DIRECTORS

1. The Board of Directors shall control, manage, and administer the property, business, and affairs of the Association. They shall have full power and it shall be their duty to carry out the purpose of the Association according to its Articles of Incorporation, Bylaws, rules and budgetary limitation.
 - A. The Board of Directors shall not receive compensation, payment or other financial benefit for their services.
 - B. The Board of Directors shall not hire, contract with, or pay compensation to any member who is not in good standing with the Association. (As amended, 1998)
2. In addition to, and not in limitation of the powers granted the Board of Directors by law, they shall have these powers:
 - A. To sue or defend suit in the Association name.
 - B. To have a seal which may be altered at pleasure, and to use the same in any proper manner.
 - C. To purchase, take, receive, lease as lessee, take by gift or bequest, or by devise, or otherwise acquire and to own, hold use and otherwise deal with any real and/or personal property or any interest therein situated in or out of the Commonwealth, which may be necessary and proper in the name of the Association.
 - D. To borrow money, enter into long-term contracts, issue its notes, bonds, or other evidence of debt, for money or labor done, or money or property actually received, and to secure any of its obligations by mortgage, pledge, security agreement, or deed of trust of any of its property franchises and income.
 - E. To elect or appoint or remove officers, agents, or employees of the Association, and to define their duties and fix their compensation, if any.
 - F. To purchase, take by gift or bequest or otherwise acquire and to hold shares,

bonds, securities or other evidence of debt of any other person or corporation and to exercise all rights and privileges of such ownership subject to limitations imposed by law.

G. To make transfers, in trust of its property and assets, make contributions and donations for the public welfare, charity, scientific or educational purposes.

H. To grant allowances, pensions, and death benefits to its employees.

I. To arrange for proper and necessary security forces.

J. To determine whether the conduct of any member violates any rules or Bylaws of the Association, and, if so, to fix the penalty for such violation.

K. To appoint or eliminate committees and define their duties, in accordance with these Bylaws.

L. To make, alter, amend, or rescind all rules and regulations for the conduct of the affairs of the Board and of the Association, as are necessary for achieving the purposes of the Association.

M. To establish and enforce rates for Association services: and to make levies and assessments upon the members for the management, operation, and maintenance of roads, and other common facilities but not for any other purpose, except upon approval of the general membership obtained at a meeting thereof.

N. To take whatever action is required to ban the erection, placement, or alteration of a dwelling for multiple-family use.

O. To provide for and regulate trash disposal.

P. To suspend or terminate the privileges of any member who fails to pay the prescribed dues, fees, or assessments, and to take the necessary legal action to collect same.

Q. To appoint an Association counsel and an Association certified public accountant, neither of whom need be a member of the Association.

R. To establish operating and capital budgets annually and to establish annual dues, fees, and assessments pursuant with Article XIII.

3. The Board of Directors must limit total spending to within the total budgeted estimates with the exception of any natural disasters or emergencies which would seriously impair the use of the common facilities of the Association.
4. All contracts obligating the Association to pay an amount in excess of Five Hundred (\$500.00) Dollars must be approved by resolution of the Board of Directors at a meeting of the Board duly conveyed pursuant to these Bylaws. Such contracts duly approved by the Board of Directors must be in writing and must be signed by the President (or the Vice-President when the Vice-President is authorized to act under these Bylaws) and one other officer of the Association. No individual Director or officer of the Association shall have the authority to bind the Association to a contract for more than Five Hundred (\$500.00) Dollars.

ARTICLE VII – NOMINATIONS

1. Qualifications for Office

- A. A person nominated to stand for election to the board must be a member in good standing as defined in Article IV and is required to disclose all business or financial links with, among or between employees or independent contractors engaged by the Association. This information must be disclosed at the time that a nomination petition is provided to the nominating committee of the board of directors, pursuant to Article VII, 2. Nomination Procedures. (As amended December 9, 2001)

2. Nomination Procedures

- A. All qualified persons who seek a position on the Board must submit their names on a petition. The petition must declare the acceptance of the position if elected. It must include the signatures and addresses of not less than ten (10) members who are in good standing.
- B. All petitions will be turned over to the Nominating Committee whose job it will be to check qualifications and then place the names on the ballot. The decision as to the validity of the ballots rests with this committee.
- C. Nomination petitions must be received by the committee at least thirty (30) days before the annual election or by the date set by the Board of Directors for determination of the members of record entitled to vote, whichever is earlier.
- D. The Nominating Committee shall determine the position on the ballot by

random selection.

ARTICLE VIII – OFFICERS

1. The officers of the Association shall be chosen by the Directors at their initial meeting following the annual meeting and election, and shall be a President, Vice-President, Secretary and Treasurer. They shall hold their offices for such terms and shall have such authority and shall perform such duties as shall from time to time be prescribed by the Director. Two or more offices may not be held by the same person. It shall not be necessary for the officers to be Directors. The Board of Directors may secure the fidelity of any or all such officers by bond or otherwise.
2. The officers of the Association shall hold office as specified by the Board of Directors and until their successors are chosen and have qualified. Any officer elected or appointed by the Board of Directors may be removed by the Board whenever, in their judgment, the best interests of the Association will be served thereby, and shall require a two-thirds vote of the members of the Board.
3. The President shall be the general managerial officer of the Association, and the Chairman of the Board: he shall preside at all meetings of the members and Directors: he shall have general and active management of the affairs of the Association. He shall see that all orders and resolutions of the Board are carried into effect subject, however, to the right of the Directors to delegate any specific powers, except such as may be by statute exclusively conferred on the President, or to any other officer or officers of the Association. He shall be vested with the powers and duties generally incident to the office of President of a non-profit organization, except as otherwise determined by the Board. In no event shall the President bind the Association on any contract or other obligation which exceeds \$500.00, without prior approval of the Board of Directors. He shall execute bonds, mortgages, and other contracts approved by the Board requiring a seal of the corporation, and he shall be ex-officio member of all committees.
4. The Vice President shall act in all cases for and as the President in the latter's absence or incapacity, and shall perform such other duties as he may be required to do from time to time.
5. The Secretary shall attend all sessions of the Board and all meetings of the members and act as clerk thereof, and assisted by a Corresponding Secretary appointed by the Board, shall record all the votes of the Association and the minutes of all its transactions in a book to be kept for that purpose. He shall give, or cause to be given, notice of all meetings of the members and of the Board of

Directors or President, under whose supervision he shall be. He shall keep in safe custody the corporate seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it.

6. The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall keep the monies of the Association in a separate account to the credit of the Association. He shall disburse the funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meeting of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association. He shall cause to have two (2) out of three (3) designated signatures on all checks issued by the Association.

ARTICLE IX – VACANCIES

1. If the office of any officer becomes vacant for any reason, the Board of Directors may choose a successor or successors who shall hold office for the unexpired term in respect of which such vacancy occurred.
2. Vacancies in the Board of Directors shall be filled by a two-thirds vote of the remaining members of the Board, though less than a quorum, and each person so elected shall be a Director until his successor is elected by the members, who may make election at the next annual meeting of the members, or at any special meeting duly called for that purpose and held prior thereto.

ARTICLE X – BOOKS AND RECORDS

1. The Association shall keep records of all proceedings pertaining to membership and Directors' meetings. A membership register of all members in good standing shall be available at all times. Appropriate books and records of the Association's financial affairs shall also be kept.
2. It shall be the right of any Association member in good standing to examine or copy the books of account, membership, register and records of any proceedings at any reasonable time upon written request under oath (notarized) stating the purpose of the request. (As amended December 9, 2001)
3. The financial records of the Association shall be based upon the Fund Accounting system with a yearly budget to be prepared and approved at the Board of Directors' initial meeting. The books and records shall be audited by an

independent certified public accountant every three years. (As amended, 1998)

4. It shall be the responsibility of the Board of Directors and its appointed officers to keep accurate accounts of all trust funds, separate and apart from the other operating funds of the Association.

ARTICLE XI – ANNUAL STATEMENT

The President and Board of Directors shall present at each annual meeting a full and complete statement of the activities and affairs of the Association for the preceding year. There shall also be a report by the Treasurer concerning the funds held and the use made of such funds and of the income thereof.

ARTICLE XII – DUES, FEES, ASSESSMENTS AND LIENS

There is hereby imposed upon every lot in Timber Hill and upon every member thereof the dues, fees, and assessments specified or otherwise provided for in this Article, the obligation and liability for payment of which shall arise at the time of every sale of every lot by the Developer to any person whether by installment payment agreement, by deed or otherwise irrespective of whether or not such obligations are expressed in such agreement or deeds. By acceptance of such agreement or deed or by otherwise acquiring a lot in Timber Hill, every person agrees to pay all such dues, fees and assessments specified or otherwise provided for in this Article. The amount of such dues, fees, and assessment shall be determined by the Board of Directors of the Association unless otherwise provided.

1. Member Dues

- A. Annual membership dues are imposed upon each lot owned by a member and shall be used for the maintenance of Common Properties, private streets and roads, and for the general upkeep, maintenance, management, operation, payment of taxes, and insurance, and general welfare of the community. The Member Dues shall be paid annually and full payment must be received by the Association no later than the 1st day of February of each year. The Member Dues shall be considered paid in full for a full fiscal year and shall not be refundable in part. (As amended, 1998).
- B. The annual dues may be increased by a vote of the Board of Directors, provided such increase shall not be greater than twenty (20) percent of the annual dues for the previous year. Increases in annual dues in excess of such amount shall not become effective until the same are adopted by the Board of Directors and ratified by the affirmative vote of a majority of the

votes able to be cast by members of the Association at the meeting of members at which such proposed increase shall be presented.

2. Member Fees

- A. The Association shall have the right to charge reasonable fees for the use of Common Properties, subject to the approval of a majority of the membership.

3. Member Assessments

- A. The Association may, subject to the approval of a majority of the membership, levy special assessments for capital improvements or other non-recurring expenditures for the maintenance or improvement of the Common Properties.

4. Default in Payment

- A. All dues, fees, and assessments specified or otherwise provided for in this Article, together with interest thereon and cost of collection thereof, as herein provided, shall be a charge on the land and continuing lien upon the lots against which it is made or levied and shall take precedence over all unrecorded liens or liens recorded subsequent to the due date of such dues, fees, or assessments.

B. Interest and Costs of Collection

Any member who does not pay outstanding dues, fees and assessments by proof of postmark February 1 of any year shall pay an administrative fee to the Association of Twenty Five (\$25.00) Dollars for each lot for which payments are delinquent. If a member does not pay outstanding dues, fees, interest and assessments by proof of postmark April 1 of any year, the member shall pay an additional administrative fee to the Association of Fifty (\$50.00) Dollars for each lot for which payments are delinquent. Interest shall accrue on such delinquent amounts from April 1, at the rate of fifteen (15%) percent per annum until paid. The members shall also pay the Association's reasonable attorney's fees and court costs actually incurred to collect such delinquent amounts. (As amended December 9, 2001)

Any member who does not pay a fine imposed by the Association within thirty (30) days will pay interest on such a delinquent fine at the rate of fifteen (15%) percent per annum. The members shall also pay the Association's

reasonable attorney's fees and court costs actually incurred to collect such delinquent fines.

5. Membership registration and fee

At the time a deed is delivered for the sale or transfer of any lot or lots in Timber Hill, the new owner shall notify the Association in writing of such transfer, provide the Association with the name(s) and the address(es) of the new owner, provide a copy of the deed of conveyance of the lot or lots and shall pay the Association a membership fee of One Hundred (\$100.00) Dollars which shall be used by the Association for the management, operation and maintenance of roads and other common facilities in Timber Hill. Failure to comply with this requirement shall subject the new owner to a fine of \$100.00. (As amended, 1998)

6. Uniformity of dues, fees and assessments

The dues, fees and assessments established under this Article by the Board of Directors must apply equally to all members of the Association. The Board of Directors shall not have the authority to reduce or waive dues, fees or assessments, or any interest or late charges due and owing from a member or members unless such waiver or reduction is made available to all members of the Association. The members of the Association may reduce or waive any dues, fees or assessments owed by a member or members upon the approval of two-thirds of the membership voting at a meeting of the membership duly convened under these Bylaws.

ARTICLE XIII – NOTICES

1. All notices to members, the Board of Directors, or Committee members shall be mailed to the addresses as registered with the Association office, by regular mail.
2. Notices of meetings shall specify the place, day and hour of the meeting, and the general nature of the business to be conducted.

ARTICLE XIV – INSURANCE

1. The Board of Directors shall maintain a policy of property insurance on property owned by the Association, insuring against all common risks of direct physical loss. The total amount of insurance after application of any deductibles shall not be less than 80% of the actual cash value of the insured property, exclusive of land, excavations, foundations and other items normally excluded from property

policies.

2. The Board of Directors shall maintain a policy of comprehensive general liability insurance, in an amount not less than ten million (\$10,000,000.00) Dollars per occurrence and fifteen million (\$15,000,000.00) in the aggregate, covering all occurrences commonly insured against for death, bodily injury and property damage, arising out of or in connection with the use, ownership, or maintenance of Association property.

A. The terms of this policy shall meet the requirements of the Uniform Planned Community Act, 68 PA.C.S. Section 5312(d)

ARTICLE XV – COMMITTEES

1. There shall be two types of committees: Standing Committees and Ad Hoc Committees.
2. The Chairman of a Standing Committee shall be appointed by the President and approved by a majority vote of the Board. The members of a Standing Committee shall be selected by the Chairman of the Committee. The Board shall have the power to remove any member of a Standing Committee including its chairman for failure to provide satisfactory service.

ARTICLE XVI - GUESTS..

1. Definition

A guest is any visitor to a member's property or home, not necessarily for overnight, who is not a tenant or a property owner in Timber Hill.

2. Security

The conduct of guests is the direct responsibility of the host member.

3. Privileges

- A. Guests shall be entitled to all property privileges to which the host member is entitled.
- B. In order to guarantee and assure the use of the Common Facilities by members, the Board of Directors shall have the power to limit use of the facilities by guests.

- C. In order to guarantee and assure the use of the Common Facilities by members, any member desiring to sponsor special groups shall obtain necessary permission from the Recreation Committee or the Board of Directors for the use of Common Facilities, such as swimming pool(s), tennis court(s), etc., by said group.
- D. Guest fees and privileges are subject to the discretion of the Board of Directors.

ARTICLE XVII – TENANTS

1. Definition

Tenants are those who are leasing an Association Member's house for any period of time.

2. Security

- A. The conduct of tenants, including damage done to Common Facilities, is the direct responsibility of the homeowner.
- B. Tenants will be subject to all established rules and regulations as set forth by the Association.

3. Privileges

- A. Tenants shall be entitled to all property privileges to which their landlords are entitled.
- B. Tenant fees and privilege restrictions are subject to the discretion of the Board of Directors.

4. Fees

- A. A Tenant's fee shall be imposed upon a member whose lot is improved with a two-family dwelling. A "Two Family Dwelling" shall be defined as a building where two individual dwelling units are entirely separated by vertical walls or horizontal floors, unpierced except for access to the outside or to a common cellar.
- B. The Tenant's fee shall be that portion of the annual dues attributable to a house. The tenant's fee is payable annually, in addition to the annual dues. (As amended, 1998).

ARTICLE XVII – LIMITATION FO PERSONAL LIABILITY OF DIRECTORS:
INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER AUTHORIZED
REPRESENTATIVES

1. Limitation of personal liability of Directors

A director of the corporation shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

- A. The Director has breached or failed to perform the duties of his or her office as defined in Section 2 below; and
- B. The breach or failure to perform constitutes self dealing, willful misconduct or recklessness.

The provisions of this section shall not apply to (a) the responsibility or liability of a Director pursuant to any criminal statute; or (b) the liability of a Director for the payment of taxes pursuant to local, state or federal law.

2. Standard of care and justifiable reliance

- A. A Director of the corporation shall stand in a fiduciary relationship to the corporation, and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of prudence would use under similar circumstances in performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:
 - 1. One or more officers or employees of the corporation whom the Director reasonably believes to be reliable and competent in the matters presented;
 - 2. Counsel, public accountants or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such person;
 - 3. A committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its

Designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

B. In discharging the duties of their respective positions, the Board, committees of the Board and individual Directors may, in considering the best interest of the corporation, consider the effects of any action upon employees, upon persons with whom the corporation has business and other relations and upon communities which the offices or other establishments of or related to the corporation are located, and all other pertinent factors. The consideration of these factors shall not constitute a violation of subsection (A) of this section.

C. Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Director of any failure to take any action shall be presumed to be in the best interests of the corporation.

3. Indemnification in third party proceedings

The corporation 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 (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a representative of the corporation, or is or was serving at the request of the corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, has reasonable cause to believe that his or her conduct was unlawful.

4. Indemnification in derivative actions

The corporation shall indemnify any person who what or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the corporation, or is or was serving at the request of the corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees) actually and reasonably incurred in connections with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the corporation unless and only to the extent that the court of common pleas of Monroe County or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court of common pleas or such other court shall deem proper.

5. Mandatory indemnification

Notwithstanding any contrary provision of the articles or these Bylaws, to the extent that a representative of the coporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in either Section 5.3 or Section 5.4 above, he or she shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him or her in connection therewith.

6. Determination of entitlement to indemnification

Unless ordered by a court, any indemnification under Section 5.3 or 5.4 above shall be made by the corporation only as authorized in the specific case upon determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such paragraph. Such determination shall be made:

- A. By the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suite or proceedings; or
- B. If such a quorum is not obtainable, or, even if obtainable, a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

7. Advancing expenses

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board in a specific case upon receipt of an undertaking by or on behalf of the representative to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in paragraphs 1 through 4 above.

8. Indemnification of former representatives

Each such indemnity may continue as to a person who has ceased to be a representative of the corporation and may inure to the benefit of the heirs executors and administrators of such person.

9. Insurance

The corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any capacity or arising out of such person's status as such, whether or not the corporation would otherwise have the power to indemnify such person against such liability.

10. Reliance on provisions

Each person who shall act as an authorized representative of the corporation shall be deemed to be doing so in reliance upon the rights of indemnification provided by this article.

ARTICLE XIX – AMENDMENTS

- 1. The Bylaws may be amended only at the annual meeting of the members or at a special meeting of the members in accordance with the procedures prescribed

In this article.

2. An amendment may be presented for vote at a meeting of the membership by a two-thirds vote of the Board of Directors. The Board resolution to amend the Bylaws must be at least 75 days before the membership meeting. Copies thereof shall be sent to all members by first-class mail and the same shall be published in the Timber Hill Newsletter. The Timber Hill Newsletter shall be mailed no sooner than 45 days before the membership meeting and no later than 30 days before the membership meeting and it shall be required to publish any statements signed by at least five members of no more than 500 words advocating or opposing any proposed amendment.

3. An amendment may also be presented for a vote at a meeting of the membership by a petition signed by 50 members in good standing. The petition shall contain the full text of the proposed amendment and a statement of no more than 500 words explaining the need for the amendment. The petition shall be filed with the secretary at least 75 days before the meeting of the membership, copies thereof shall be sent to all members by first-class mail and the same shall be published in the Timber Hill Newsletter. The Timber Hill Newsletter shall be mailed no sooner than 45 days before the annual meeting and no later than 30 days before the annual meeting and it shall be required to publish any statements signed by at least 5 members of no more than 500 words advocating or opposing any proposed amendment.

4. No amendment shall be valid unless adopted by two-thirds of the eligible votes cast at the meeting, with a quorum of members present.

TIMBER HILL COMMUNITY ASSOCIATION, INC.
MEETING OF THE BOARD OF DIRECTORS
OCTOBER 11, 1987

RESOLUTION NO. 3

RESOLVED, that each and every home built on or after January 1, 1988 shall have a minimum square footage of living space (exclusive of garage and basement space) of one thousand two hundred (1,200) square feet.

Amendment to the By-Laws of the Timber Hill Community Association, Inc. as voted on and passed at the General Meeting of the membership on February 27 2005.

1. The first sentence of Article XII, subparagraph 4B of the by-laws is proposed to be amended to extend the time for mailing payment of annual dues from February 1 to February 15. The rest of the paragraph shall remain unchanged.

Article XII – 4.B Interest and Costs of Collection

Any member who does not pay outstanding dues, fees and assessments by proof of postmark February 15 of any year shall pay an administration fee to the Association of Twenty Five (\$25.00) Dollars for each lot for which payment are delinquent.