

08-1117-CD
Steve Tuller vs TLPOA Inc.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

STEVE TULLER, an
individual,
Plaintiff,

vs.

TREASURE LAKE PROPERTY
OWNERS ASSOCIATION
INCORPORATED, a nonprofit
corporation,
Defendant. ¹

Defendant.

No. 2008-1417 -CD

FILED

JUN 19 2008

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William A. Shaw

Prothonotary/Clerk of Courts

Type of Pleading: CERT TO SHFR

COMPLAINT - EQUITY ACTION

Filed on behalf of:

Plaintiff

Counsel of Record for
this party:

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Dated: June 19, 2008

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

STEVE TULLER, an
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Plaintiff,

vs.

TREASURE LAKE PROPERTY
OWNERS ASSOCIATION
INCORPORATED, a nonprofit
corporation,

Defendant.

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No. 2008- -CD

NOTICE

You have been sued in Court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this Complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the Court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the Court without further notice for any money claimed in the Complaint or for any other claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

Court Administrator
Clearfield County Courthouse
Market and Second Streets
Clearfield, PA 16830

(814) 765-2641, ext. 5982

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

STEVE TULLER, an *
individual, *
Plaintiff, *
*
vs. * No. 2008- -CD
*
TREASURE LAKE PROPERTY *
OWNERS ASSOCIATION *
INCORPORATED, a nonprofit *
corporation, *
Defendant. *

COMPLAINT - EQUITY ACTION

NOW COMES the Plaintiff, Steve Tuller, and by his attorneys NADDEO & LEWIS, LLC and the undersigned, James A. Naddeo, sets forth as follows:

1. That Plaintiff, Steve Tuller, is an adult individual, who resides at 1173 Treasure Lake, DuBois, Pennsylvania 15801.
2. That Defendant is Treasure Lake Property Owners Association, Inc., a nonprofit corporation, having its principal place of business at 13 Treasure Lake, DuBois, Pennsylvania 15801.
3. That at all times alleged herein, Plaintiff was an active member of Treasure Lake Property Owners Association, Inc. (hereinafter "TLPOA").
4. That TLPOA will hold its annual membership meeting on July 5, 2008.

5. That TLPOA has certain proposed Bylaw revisions to be voted upon at the July 5, 2008 meeting including a change (reduction) in the number of board members from nine to seven. Attached hereto as Exhibit "A" is *Official Agenda Proxy* (see page 3, paragraph 3).

6. That if said bylaw revision is adopted by the members it will go into effect pursuant to Section 10.5 of *Bylaws of the Treasure Lake Property Owners Association, Inc.* on the first day of the month following the month in which the same was adopted by vote of the members. A true and correct copy of said *Bylaws* is attached hereto as Exhibit "B."

7. In this instance the bylaw revision to reduce the Board of Directors from nine to seven would be effective on August 1, 2008.

8. That the *Bylaws of the Treasure Lake Property Owners Association, Inc.* provides at Section 5.2 that the election results of Board Directors will be confirmed by the certified election results at the annual membership meeting held in July of each year. A true and correct copy of said *Bylaws* are attached hereto as Exhibit "B."

9. That the present construction of the Board Directors terms of office and election is such that each year 1/3 of said directors (three of the nine) have terms expiring and three new directors are elected.

10. That the TLPOA has issued ballots essentially in the alternative to the members such that each member is to vote for one new director for a three year term (said ballots to be utilized in the event that the bylaw revision reducing the number from nine to seven is adopted) and each member is to also complete a ballot electing three new Board Directors (said ballots to be utilized in the event the bylaw revision reducing the number from nine to seven is not adopted). A true and correct copy of ballots are attached hereto as Exhibit "C."

11. That pursuant to Policy No.: A-32 the newly elected directors shall take office upon the adjournment of the Annual Membership Meeting. A true and correct copy of said Policy A-32 is attached hereto as Exhibit "D" (see page five of 14 at paragraph seven thereon).

12. The present course of action by TLPOA will result in three new board directors being elected and taking office at the adjournment of the annual meeting of July 5, 2008.

13. All elected Board Directors serve three-year terms pursuant to section 5.3 of the *Bylaws*. (See Exhibit B).

14. Subsequent thereto if the bylaw revision proposed as described in Paragraph 7 hereof is adopted two of the same newly elected Board Directors will be effectively removed from office on August 1, 2008 when said revision becomes effective.

15. This course of action by the TLPOA removes elected directors from office in a manner that is not provided for within its *Bylaws* and in direct contradiction to the same. (See Section 5.6 of Exhibit B).

16. This course of action by the TLPOA also retroactively applies an adopted bylaw amendment. In particular, application of the bylaw reducing the Board Directors from nine to seven will be applied at the adjournment of the July 5, 2008 annual meeting rather than August 1, 2008 when the *Bylaws* provide and require it to become effective.

17. That the only method by which the Bylaw revision reducing the number of Board directors from nine to seven if adopted may be appropriately implemented in compliance with the *Bylaws* would be to also elect to have it become effective the year following its adoption.

18. That Plaintiff has no adequate remedy at law.

WHEREFORE, Plaintiff, Steve Tuller, prays for relief from Defendant's actions and the entry of an order:

- a. Declaring the election of one Board Director, which forces the removal of two newly elected directors in contradiction to the *Bylaws*, invalid;
- b. Enjoining the Defendant from proceeding in a manner which is contradictory to its *Bylaws*.

- c. Directing that the proposed Bylaw revision reducing the number of Board Directors from nine to seven if adopted be effective the year following its adoption.
- d. Granting any such other relief as the Court deems just and proper.

NADDEO & LEWIS, LLC

By James A. Naddeo
James A. Naddeo
Attorney for Plaintiff

V E R I F I C A T I O N

I, Steve Tuller, Plaintiff, verify that the statements made in the foregoing Complaint are true and correct upon my personal knowledge or information and belief. I understand that false statements herein are made subject to the penalties of 18 Pa. C.S. Section 4904, relating to unsworn falsification to authorities.

By: 

Steve Tuller
Plaintiff

Dated: June 12, 2008

Treasure Lake Property Owners Association, Inc.
Annual
Membership Meeting
July 5, 2008
OFFICIAL AGENDA PROXY

IF YOU DO NOT PLAN TO ATTEND THE ANNUAL MEMBERSHIP MEETING
PLEASE SIGN AND RETURN THIS PROXY IN THE ENCLOSED ENVELOPE
PROXY MUST BE RECEIVED ON OR BEFORE JUNE 27, 2008.

At the Annual Membership Meeting of the Treasure Lake Property Owners Association, Inc. the following items will be discussed and voted on by all members in good standing who are present or voted by proxy.

		FOR	AGAINST	DESIGNEE'S DISCRETION
1	Motion to Approve Proposed Bylaw Amendments			

The undersigned executes this proxy, in accordance with Article 4.1.6 of the Association's Bylaws and cast their vote on the Official Agenda Items as noted above. When you sign this proxy you will be voted present as a property owner for quorum purposes provided you meet the requirements outlined in Article 2.4.2 of the Association's Bylaws that indicate you "have paid, or otherwise current with all financial obligations to the TLPOA.....to include annual assessments, as well as any and all outstanding fines, fees or penalties imposed by the Association..." The signing of this proxy in no way shall entitle any other person to use your name to vote for any business or for candidates for election to the board of directors.

Signature _____ Section # _____ Lot # _____ or UDI # _____

PLEASE PRINT NAME _____

THIS FORM MUST BE SIGNED TO VALIDATE THE PROXY
One owner (or designee) of the identified parcel or unit of real estate must indicate
their agreement by signing above.

After completing this form please detach this page and return it along with the Election Ballots and the Attendance Proxy in the envelope provided and mail it to:

William Owens & Company, CPA
TLPOA Elections
5 John Street, Floor 2
Carbondale, PA 18407-9906

Proposed Revision to:
Treasure Lake Property Owners Association Bylaws, Approved July 7, 2007

The following proposed revisions to various articles of the TLPOA Bylaws are provided for your review in accordance with the Bylaws of the Treasure Lake property Owners Association specifically Section 10.2 ADOPTION of AMENDMENTS that indicates: "Amendments to these bylaws may be adopted only upon the affirmative vote of two-thirds (2/3) of the votes cast by eligible voters, in person or by proxy, at any special, or annual membership meeting, a quorum being present; provided, written notice of such meeting for the purpose of amending the Bylaws, along with a copy of the proposed amendment is mailed to each member not less than thirty (30) days prior to the date set for such meeting. Such notice shall include the reason to vote for or against the proposed amendment."

The proposed revisions to the bylaws as set forth in the following when affirmed by two-thirds vote of the membership will clarify various provisions outlined therein for the government of the Treasure Lake community.

The board of directors recommends that you vote: YES for the bylaw revisions.

1. Present Wording of Bylaw 1.2.2: Action by Board of Directors:

1.2.2 Action By Board of Directors. Whereas the members of the board of directors are elected by those members in good standing of the Association to further and promote the community welfare and to take such action as it deems necessary to promote the safety, security, and well being of its property owners, the directors shall vote on the various issues presented before it in the following manner as generally prescribed throughout these bylaws. 'Elected directors' means the nine (9) directors specified in these bylaws as constituting the membership of the board of directors whether elected by the general membership or selected to fill a directorship as the result of a board vacancy.

Proposed Revision to Bylaw 1.2.2: Action by Board of Directors:

See Rational #1

1.2.2 Action By Board of Directors. Whereas the members of the board of directors are elected by those members in good standing of the Association to further and promote the community welfare and to take such action as it deems necessary to promote the safety, security, and well being of its property owners, the directors shall vote on the various issues presented before it in the following manner as generally prescribed throughout these bylaws. 'Elected directors' means the seven (7) directors specified in these bylaws as constituting the membership of the board of directors whether elected by the general membership or selected to fill a directorship as the result of a board vacancy.

2. Present Wording of Bylaw 1.2.2 (b) Two-thirds (2/3rd) vote shall mean:

(b) Two-thirds (2/3rd) vote shall mean: A roll call vote in the affirmative of the elected directors when there are not less than 6 directors present for that particular business to be conducted. The president, for the purposes cited herein may vote, however; they shall vote last.

Proposed Revision to bylaw 1.2.2.(b) Two-thirds (2/3rd) vote shall mean:

See Rational #1

(b) Two-thirds (2/3rd) vote shall mean: A roll call vote in the affirmative of the elected directors when there are not less than five (5) directors present for that particular business to be conducted. The president, for the purposes cited herein may vote, however; they shall vote last.

3. Present Wording of Bylaw 3.1.2 Board Members:

3.1.2 Board Members. The board shall consist of nine (9) directors, including a president, a vice president, a secretary, and a treasurer.

Proposed Revision to bylaw 3.1.2 Board Members:

See Rational #1

3.1.2 Board Members. The board shall consist of seven (7) directors, including a president, a vice president, a secretary, and a treasurer.

4. Present Wording of bylaw 3.2.3.3 Limitations:

**Article III
Government**

Section 3.2 Duties and Powers of the Board of Directors

3.2.3 Financial. The board shall have the power to:

3.2.3.1 Expenditures. Approve the expenditures of money, as deemed necessary, subject to 3.2.3.3.

3.2.3.2 Contracts. To contract for lease or purchase in the name of the Association, subject to 3.2.3.3.

3.2.3.3 Limitations. The board may not enter into any obligation or dispose of any asset that exceeds in value five percent (5%) of that fiscal year's approved annual budget excluding capital items without obtaining the agreement of the membership either at the annual meeting or at a special meeting called in accordance with section 4.4.

Proposed Revision to bylaw 3.2.3.3 Limitations:

**Article III
Government**

Section 3.2 Duties and Powers of the Board of Directors

3.2.3 Financial: The board shall have the power to:

3.2.3.1 Expenditures: Approve the expenditures of money as deemed necessary, subject to 3.2.3.3.

3.2.3.2 Contracts: To contract for lease or purchase in the name of the Association, subject to 3.2.3.3.

3.2.3.3 Limitations: The board may not enter into any obligation or dispose of any asset that exceeds in value five percent (5%) of that fiscal year's approved annual budget without obtaining the agreement of the membership either at the annual meeting or at a special meeting called in accordance with section 4.4.

3.2.3.3.1 Exceptions:

- a. The Board of Directors by a 2/3rds vote may restructure existing debt and/or negotiate terms of existing debt for the benefit of the Association.
- b. The Board of Directors by a 2/3rds vote may enter into contracts for operating expenses including road paving and major repairs/rental leases and the financing of capital projects that are identified in the approved annual budget and projected future needs.

5. Present Wording of Bylaw Section 5.3 Terms of Office:

See Rationale #1

Section 5.3 TERMS OF OFFICE. The board of directors shall be divided into classes such that a third of said directors shall normally be elected each year. All elected directors shall serve for

terms of three (3) years. However, directors elected by the board of directors under Article V Section 5.7 of the bylaws, shall serve only until the next annual election. No director(s) shall be elected for more than two (2) consecutive terms, not including any additional period elected to fill a board vacancy per Article V. Not withstanding any other provision outlined in these bylaws or Association policies, after a one (1) year absence, a former director will be eligible to be nominated and elected to the board.

Proposed Revision to bylaw 5.3 Terms of Office:

Section 5.3 TERMS OF OFFICE. All elected directors shall serve for terms of three (3) years. However, directors elected by the board of directors under Article V Section 5.7 of the by-laws, shall serve only until the next annual election. No director(s) shall be elected for more than two (2) consecutive terms, not including any additional period elected to fill a board vacancy per Article V. Not withstanding any other provision outlined in these bylaws or Association policies, after a one (1) year absence, a former director will be eligible to be nominated and elected to the board.

6. Present Wording of Bylaw 6.2.1 President:

6.2.1 President: The president shall preside at all meetings of the board and the membership, and shall be responsible to ensure that the business of the Association is carried out in accordance with the meeting agenda, Roberts Rules of Order (Newly Revised Edition), the Declaration of Restrictions, these Bylaws, Association polices and the applicable laws of the Commonwealth of Pennsylvania.

Proposed Revision to Bylaw 6.2.1 President:

6.2.1 President: The president shall preside at all meetings of the board and the membership, and shall be responsible to ensure that the business of the Association is carried out in accordance with the meeting agenda, the Declaration of Restrictions, these Bylaws, Association polices and the applicable laws of the Commonwealth of Pennsylvania.

7. Present Wording of Bylaw Appendix 'A' Glossary of Terms, Elected Board Member:

See Rationale #1

Elected Board Member. Means the nine (9) directors specified in these bylaws as constituting the membership of the board of directors whether elected by the general membership or selected to fill a directorship as the result of a board vacancy.

Proposed Revision to Bylaw Appendix 'A' Glossary of Terms, Elected Board Member:

Elected Board Member. Means the seven (7) directors specified in these bylaws as constituting the membership of the board of directors whether elected by the general membership or selected to fill a directorship as the result of a board vacancy.

8. Present Wording of Bylaw Appendix 'A' Glossary of Terms, Two-thirds (2/3rds) vote:

See Rationale #1

Two-thirds (2/3rd) vote. A roll call vote in the affirmative of the elected directors when there are not less than six (6) directors present for that particular business to be conducted. The president, for the purposes cited herein may vote, however; they shall vote last.

Proposed Revision to Bylaw Appendix 'A' Glossary of Terms, Two-thirds (2/3rds) vote:

Two-thirds (2/3rd) vote. A roll call vote in the affirmative of the elected directors when there are not less than five (5) directors present for that particular business to be conducted. The president, for the purposes cited herein may vote, however; they shall vote last.

BALLOT SIGNATURE

Treasure Lake Property Owners Association, Inc.
Annual Membership Meeting

July 5, 2008

The undersigned hereby acknowledges receipt of this Official Ballot and cast their votes for the candidates selected on this ballot to fill vacancies on the Association's board of directors. I understand that for the vote to be qualified and counted I must be a member in good standing as defined in Article 2.4.2. of the TLPOA Bylaws indicating "have paid, or otherwise current with all financial obligations to the TLPOA.....to include annual assessments, as well as any and all outstanding fines, fees, or penalties imposed by the Association...."

The Ballot must be returned in the enclosed envelope and be received on or before June 27, 2008.

Signature _____ Section # or UDI # _____ Lot # _____

PLEASE PRINT NAME: _____

THIS FORM MUST BE SIGNED TO VALIDATE THE BALLOT
One owner (or designee) of the identified parcel or unit of real estate must indicate their agreement by signing this ballot above.

2008 OFFICIAL BALLOT
Candidates for Board of Directors

There is one (1) three (3) year term to be filled. The one (1) candidate receiving the highest number of votes shall be elected.
You may vote for one candidate
You may not cast more than one vote for each candidate

You may vote for a maximum of one candidate

<input type="checkbox"/>	1. Jack Read
<input type="checkbox"/>	2. Cliff Bennett
<input type="checkbox"/>	3. Steve Tuller

BALLOT SIGNATURE

Treasure Lake Property Owners Association, Inc.
Annual Membership Meeting

July 5, 2008

The undersigned hereby acknowledges receipt of this Official Ballot and cast their votes for the candidates selected on this ballot to fill vacancies on the Association's board of directors. I understand that for the vote to be qualified and counted I must be a member in good standing as defined in Article 2.4.2. of the TLPOA Bylaws indicating "have paid, or otherwise current with all financial obligations to the TLPOA.....to include annual assessments, as well as any and all outstanding fines, fees, or penalties imposed by the Association...."

The Ballot must be returned in the enclosed envelope and be received on or before June 27, 2008.

Signature _____ Section # or UDI # _____ Lot # _____

PLEASE PRINT NAME: _____

THIS FORM MUST BE SIGNED TO VALIDATE THE BALLOT
One owner (or designee) of the identified parcel or unit of real estate must indicate their agreement by signing this ballot above.

2008 OFFICIAL BALLOT
Candidates for Board of Directors

There are three (3) year terms to be filled. The three (3) candidates receiving the highest number of votes shall be elected.
You may vote for either one, or two, or three candidates
You may not cast more than one vote for each candidate

You may vote for a maximum of three candidates

<input type="checkbox"/>	1. Jack Read
<input type="checkbox"/>	2. Cliff Bennett
<input type="checkbox"/>	3. Steve Tuller

(The names appear on the ballot in the order they were drawn by lot)

PLACE THESE COMPLETED AND SIGNED BALLOTS IN
ENVELOPE PROVIDED AND MAIL TO:

William Owens & Company, CPA

5 John Street, Floor 2, Carbondale, PA 18407-9906

Treasure Lake Property Owners Association, Inc.

MANUAL: ADMINISTRATION

POLICY NO.: A-32

SUBJECT: Nomination and Election of TLPOA Directors

PAGE: 1 of 14

DATE ORIGINALLY ADOPTED BY B.O.D.: 1/19/1998

**DATE (S) REVISION (S) APPROVED BY B.O.D.: 2/15/99; 4/22/02; 3/22/04; 3/28/05, 2/06/06, 4/3/06, 2/26/07,
10-22-07**

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- C. Reply Envelope**
- D. Proxy Procedure**
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- G. Chairman Verification Checklist**

(Appendices A, B, C, D, E, F and G require annual revision)

REFERENCES

- 1. TLPOA Bylaws Article V**

I. Nomination and Election Committees

The Committees will have responsibility for the conduct of the nominating process and the election of the Association's board of directors. The same members of the Treasure Lake Property Owners that are in good standing as set forth in Association's Bylaws shall constitute the membership of both Committees and will function as one committee.

A. Committee Members

1. Shall be appointed annually no later than the January Board of Director's meeting and the Committee shall hold its organizational meeting prior to February 28 and at that meeting develop a list of key events and completion dates. At this meeting Committee members shall be provided with a copy of the current A32 Policy, a copy of the Board of Director's Manual and a copy of the process used by the independent third party for the election conducted and concluded the previous year.
2. The Chairperson shall be nominated by the Board President with the advice and consent of the board of directors. The Chairperson of the Committee shall select an even number of additional members, but not less than two (2), who shall also be confirmed by the board of directors.
3. Shall not be a candidate in the election or a sitting member of the board of directors. *However in the event that there is no non-board member volunteer for the committee chairmanship the board of directors may designate by affirmative vote, a member of the board of directors who is not a candidate for election in the next 12 months.*
4. Shall not be a member for more than 5 consecutive terms.
5. Shall not receive any remuneration from the Association but all approved costs involved in the nominating and election process will be paid by the Association.
6. Meetings shall be held as necessary to carry out the Committee's responsibilities and minutes shall be recorded and maintained by the committee.

B. Committee Reference Documents

1. The Committee will ensure (Appendix G) that the nominating and election process is conducted in accordance with the Declaration of Restrictions, current Bylaws and Association policies and procedures pertinent to this process.

C. Election Results

1. The Committee is responsible for assuring that the independent third party agent selected for this purpose fulfills its responsibility for certifying the election results on behalf of the Association's board of directors and membership..
2. The independent third party agent shall assure that its representative is available to announce the election results at the Association's Annual Membership Meeting.

II. Nominating Procedure

The Nominating and Election Committees will solicit candidates for nomination, examine the application and nominating documents and approve the candidates that shall be placed on the ballot for the forthcoming election. The committee shall ensure that at the time of application each potential candidate is issued and acknowledges receipt for a Board Member Manual. *Receipt is acknowledged by the potential candidate affixing their signature to the Board Member Pledge of Commitment, which must be returned with their candidacy application.*

A. Requirements for nomination. (Appendix A)

1. Regular members of the Association who are in good standing as of May 1st of the election year, as defined in Article 2.4.2 of the Association's Bylaws are eligible for nomination.
2. Candidates for nomination shall complete an Application for Candidacy (Appendix A, pages 1 and 2), sign the Board Members Pledge of Commitment and submit all required documents in a sealed envelope to the Committee. Candidate statements will not be accepted nor content altered after the application for candidacy has been received. Only grammatical and spelling errors can be corrected after submittal.

3. Candidates for nomination are required to have signed endorsements from no fewer than seven (7) regular members of the Association who were in good standing for the last full year (May 1 through April 30).
4. Applications must be received by the Committee on or before May 1 of the current application for candidacy year. Application envelopes shall remain sealed until opened by the Committee. The exact dates that applications must be received and the date for their opening by the Committee shall be set forth on Appendix G which shall be submitted each year to the Board of Directors for approval.
5. The Committee shall certify and declare the names of the candidates to be placed on the ballot within two (2) working days of the opening of the applications. Actual dates shall be identified on the previously referenced Appendix G.
6. The Committee shall hold a public drawing within three working days of the certification of the candidates that are to be placed on the ballot to determine ballot position. Actual dates shall be identified on the previously referenced Appendix G.
7. There is no limit on the number of candidates that may be placed on the ballot.

III. Candidates Forum

The Committee, in so far as possible, shall cause to be conducted a 'candidates forum' to be held not more than 10 days following the certification of nominations. The committee shall not actively be involved in the candidates' forum except to enlist community groups to conduct these forums. Any group or individual who conducts a "candidate's forum" shall be responsible for making all arrangements, publicizing the event, and assuming all related costs.

IV. Election Procedure

A. Ballot Distribution

1. The Committee in consort with the general manager shall review the printer's proof of ALL printed materials and approve them prior to printing.
2. The contents of Appendix A including Sections A, B & C shall be converted by the TLPOA administrative assistant into an approved format for distribution with the election materials. The candidates shall have the opportunity to review the reformatted information to make spelling and grammatical corrections. No changes to the content are allowed. This reformatted document shall be distributed with the ballots:
 - a. (General information)
 - b. (Qualifications)
 - c. (Policy Statement)
3. The ballots (Appendix B) and all related documents shall be mailed to the Regular Members regardless of standing at least 28 days prior to the ballots due date. Organization of documents to be mailed:
 - Ballot 1st
 - Candidate Statements 2nd

- Note: With the exception of the transmittal letter and agenda, if other documents are included in the mailing, the ballot and the candidate statements must be placed in front (address side) of the remaining documents.
4. A single ballot will be mailed to the responsible person designated by both the Wolf Run and Silverwoods Associations or its successor provided the information identified in Article V, Section 5.1.2 specified in the Bylaws has been received on or before the close of business on May 31st. Wholly Owned units of these Associations are treated in the same manner as the interval ownerships. The Secretary of the Board of Directors and the Chairman of the Nominating and Elections Committee shall jointly review and attest to the submission of the required documentation.

The documentation required is as follows:

- a. Membership Lists. Active membership lists of each of their members
- b. Board Members. Names and addresses of the board of directors of each organization.
- c. Bylaws/Restrictions. Copy of current Bylaws and Declaration of Restrictions that identify who is authorized to cast votes for members of the respective owners associations.
- d. Interval Ownerships. The number of interval ownership interests sold on a per unit basis.
- e. Wholly Owned Ownerships. The number of Wholly Owned units.

B. Voting

1. Voting shall be by secret ballot
2. Business reply envelopes (Appendix C) shall be included in the mailing for the return of the ballots.
3. All voting shall be done by mail including voting by proxy. (Appendix F – Official Agenda Proxy)
4. The ballots shall be mailed to the post office box of the independent third party agent selected for the purpose of receiving, counting, and certifying the vote.
5. In order to be counted, all ballots must be received by the close of business on the June 30. That date shall be included on the ballot. Only ballots mailed to and received by the independent third party shall be counted and considered in the vote for candidates, proxy and bylaw revisions. Ballots mailed or delivered to the TLPOA will not be included in the vote for candidates, proxy and bylaw revisions.

C. Tallying of Ballots

1. The Committee may recommend and the Board of Directors shall assure that an independent third party agent is hired to count and check the ballots and announce the result of the vote count at the Annual Membership Meeting. Prior to the ballots being mailed, the independent third party shall submit their methodology for counting and checking the ballots, which shall be reviewed by the Nominating and Election Committee and then submitted to the Board of Directors for approval. This does not relieve the Committee of its oversight role. The cost to use an independent third party agent shall be borne by the Association as authorized by the Board. (Reference A-32, 1.C. Election Results)

D. Counting and Checking of Votes

The following procedure shall be used by the independent third party agent.

1. The signature, lot and section number are to be checked against the list of qualified voters provided by the Association.
2. The voter is checked off the list as having voted.
3. The votes are then counted.
4. A second count is completed to validate the first count and any discrepancies are to be resolved.
5. All Association ballots count as one vote.
6. The Undivided Interest (UDI) ballots are identified by a different color and shall be counted as one group. The total number votes for each candidate shall be divided by 7.89 to arrive at the actual number of votes to be recorded. All fractions shall be rounded to the nearest whole number. (0.001 to 0.499 are rounded down and 0.500 to 0.999 are rounded up). This is in accordance with Article 5.1.2 of the Association's Bylaws.
7. The voting eligibility for the Wolf Run and Silverwoods Associations or its assigns is covered in Section 5.1.2 of the Association's Bylaws.
8. No ballots can be cast by the member except by mail and must be received by the due date specified on the ballot. Once the vote has been cast it may not be altered or revoked by the member.

E. Election Results

1. The results of the election shall be kept secret until the results are announced at the Annual Meeting. Election results shall be announced by the representative of the independent third party agent hired by the Board of Directors for this purpose.
2. In the event of a tie vote the independent third party agent, hired by the board of directors, will conduct a recount of the ballots before the results are announced. If the tie vote is confirmed then the tie will be broken by the two tied candidates drawing lots at the Annual Membership Meeting.
3. The results of the election shall be announced at the podium by the independent third party agent hired by the board of directors to perform the ballot count. This presentation shall be at the location of the Annual Membership Meeting. The total votes received for each candidate shall be announced.
4. A candidate requesting a recount of the votes cast shall be responsible for all costs involved in the recount if there is no change to the outcome of the election. If the contested count is determined to be incorrect and it affects the outcome of the election the cost for the recount shall be borne by the TLPOA. The challenge to the election count must be filed (presented) in writing to the chair of the Nominating and Election Committee and the secretary of the BOD not later than 48 consecutive hours after the announcement of the outcome of the election. Upon receipt of the challenge, the chair of the Nominating and Election Committee shall order a recount of the ballots to be performed by the independent third party.
5. The election results shall be included in the minutes of the Annual Membership Meeting, posted on the Association's website and listed in the *Treasure Chest* newsletter.

6. At the request of the Board a further detailed report may be required.
7. The newly elected directors shall take office upon the adjournment of the Annual Membership Meeting.
8. The current officers of the Association shall remain in office until the first meeting of the newly elected Board at which time new officers shall be elected.

F. Election Time Table

The critical dates shown in bold face type shall change as a result of the date falling on a Saturday, Sunday or Holiday. The other dates may vary based upon the date of the Annual General Membership Meeting. One of the first tasks of the Nominating and Election Committee each year shall be to prepare and submit to the Board of directors for approval shall be Appendix G, which sets forth the actual Election Timetable for the upcoming election.

1. Committee appointed **January Board Meeting**
2. Nomination
 - a. Nomination forms available **April 1**
 - b. Completed Nomination forms due **May 1**
 - c. Committee certifies nominations **May 3**
 - d. Committee holds ballot position drawing **May 6**
 - e. Committee has election materials printed **May 10**
3. Election
 - a. Ballots mailed **May 31**
 - b. Ballots due **June 30**
 - c. Ballots validated and counted **July 1-7**
 - d. Election results announced **July 8** at the Annual Meeting

Appendices will be changed each year to reflect the agreed upon dates beginning with Schedule G. A checklist should be added to the back of the ballot return envelope to help ensure that the process has been completed properly.

End of Policy

Authenticated By:

Signature of Secretary, TLPOA Board of Directors

Date

Signature of President, TLPOA Board of Directors

Date

APPENDIX A

Nomination Application Instructions

This application must be completed by all candidates and must be received by the Nominating & Election Committee no later than the close of business on **Month XX, 200X**. The application may be dropped off at the TLPOA offices in a sealed envelope or mailed to:

TLPOA Nominating & Election Committee
13 Treasure Lake
Du Bois, PA 15801

GENERAL INSTRUCTIONS:

1. **Section A – General Information.** This section must be completed. It provides information on the candidates TLPOA membership and TLPOA Clubs & Committees on which the candidate has served.
2. **Section B – Qualifications.** This information must be included with the application and will not be accepted at a later date. It may contain a statement up to 250 words in length regarding the candidates work experience, special expertise and other skills that would make the candidate an asset to the TLPOA Board of Directors.
3. **Section C – Policy Statement.** This information must be included with the application and will not be accepted at a later date. It should contain the candidate views on major issues facing Treasure Lake and ideas for the positive development and growth of our community. This section is also limited to 250 words.

SECTIONS B & C MAY BE COMBINED FOR A TOTAL OF 500 WORDS

4. **Section D – Endorsements.** This section must contain the names, lot & section numbers, mailing address and signature of at least seven (7) TLPOA Regular Members in good standing as defined in Article 2.4.2 of the TLPOA Bylaws. This includes that they "have paid, or are otherwise current with all financial obligations to the TLPOA....to include annual assessments, as well as any and all outstanding fines, fees, or penalties imposed by the Association" Members of the Association may only endorse as many candidates as there are vacancies.
5. **Board of Directors' Pledge.** The completed Board of Directors' Pledge must be signed and submitted with the application.
6. **Section E – Application Verification.** To be completed by Nomination & Election Committee. All applications will be checked for accuracy and compliance with Policy Number A32, the TLPOA Bylaws and other governing documents.

APPENDIX A - Page Two

IMPORTANT: No employee either full time or part time of the TLPOA may be a member of the board of directors. Please refer to the TLPOA Bylaws.

Nomination Application Form
(Please Print or Type)

SECTION A - General Information

Name _____ Phone _____ Email _____

Address _____ Section _____ Lot _____

Treasure Lake Property Owners Association Member (Number of Years) _____

TLPOA Club and Committee Experience (Include Dates of Service)

SECTION B - Qualifications (250 Words or Less)

SECTION C - Policy Statement (250 Words or Less)

APPENDIX A - Page Three

Nomination Application Form

(Please Print or Type)

SECTION D - Endorsements (Minimum Seven (7) Regular Members in Good Standing)

NO	NAME	ADDRESS	SEC/LOT	PHONE	SIGNATURE
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

I certify that the information submitted is true and accurate to the best of my knowledge and I request that my name be placed in nomination for election to the Board of Directors of the Treasure Lake Property Owners, Association, Inc.

Signature _____ *Date* _____

SECTION E - Nominating Committee Use Only

Date Application Received _____ Application Signed _____

One Year TLPOA Membership _____ Member In Good Standing _____

Endorsements Verified:

NO	VERIFIED	COMMENT
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Candidacy Approved: _____ Yes _____ No

If no, explain

The Nominating & Election Committee of the Treasure Lake Property Owners Association places in nomination for election to the board of directors the name of:

Nominee's Name _____

Signature, Committee Chairperson

Appendix B

BALLOT SIGNATURE

Treasure Lake Property Owners Association, Inc.
Annual Membership Meeting
Month XX, 200X

The undersigned hereby acknowledges receipt of this Official Ballot and cast their votes for the candidates selected on this ballot to fill vacancies on the Association's board of directors. I understand that for the vote to be qualified and counted I must be a member in good standing as defined in Article 2.4.2. of the TLPOA Bylaws indicating "have paid, or otherwise current with all financial obligations to the TLPOA.....to include annual assessments, as well as any and all outstanding fines, fees, or penalties imposed by the Association....."

The Ballot must be returned in the enclosed envelope and be received on or before June XX, 20XX.

Signature _____ Section # or UDI # _____ Lot # _____

PLEASE PRINT NAME _____

THIS FORM MUST BE SIGNED TO VALIDATE THE BALLOT

One owner (or designee) of the identified parcel or unit of real estate must indicate their agreement by signing this ballot above.

20XX OFFICIAL BALLOT Candidates for Board of Directors

There are three (3) year terms to be filled. The three (3) candidates receiving the highest number of votes shall be elected.

You may vote for either one, or two, or three candidates

You may not cast more than one vote for each candidate

You may vote for a maximum of three candidates

(The names appear on the ballot in the order they were drawn by lot)

PLACE ONLY ONE SIGNED AND COMPLETED BALLOT
IN EACH ENVELOPE AND MAIL TO:

TLPOA Election
William Owens & Company, CPA
5 John Street, Floor 2
Carbondale, PA 18407-9906

Chair – Record of
Review –
Information is correct
For mailing
Sign: _____
Date: _____

Administrative Record of Process: (Reference A32, IV.D. Election Results)

UDI ballot will be _____ (color to be used)

Association ballot will be _____ (color to be used)

Wolf Run/Silverwoods ballot will be _____ (color to be used)

Material Organization:

1. Ballot appears 1st (address side of envelope)
2. Candidates statements 2nd (behind ballot)

Note: If other documents are included in the mailing, ballot and statements must be placed in front (address side of envelope) of other documents.

Each ballot document
shall be a different
color.

Appendix C

Envelope

No Postage
Necessary if
Mailed in the
United States

BUSINESS REPLY MAIL
FIRST CLASS MAIL PERMIT OF IND. 3RD. PARTY

TLPOA ELECTION
C/O (NAME OF INDEPENDENT 3RD. PARTY)
(Address of Independent 3rd. Party)
(City State & Zip of Independent 3rd Party)

Appendix D

PROXY PROCEDURE FOR THE ANNUAL MEMBERSHIP MEETINGS

Treasure Lake Property Owners Association, Inc.
Annual Membership Meeting
Month XX, 200X

1. Attendance Proxy (Appendix E)

The TLPOA Bylaws, Article 4.1.6, requires a quorum of 600 (including proxies) for business to be transacted at membership meetings. Therefore, it is imperative that property owners who are members in good standing and who will be unable to attend the Annual Membership Meeting sign and return the Attendance Proxy in order to establish a quorum so that business may be transacted.

Mailing Placement: One (1) page document (8.5 x11), unique in color as compared to other documents included, and is to be placed behind *Official Agenda Proxy*, if applicable.

2. Official Agenda Proxy (Appendix F)

The second proxy, Official Agenda Proxy, is used when items requiring membership approval are on the agenda. This allows the vote to be cast by a third party, normally the Association's Secretary. The proxy allows you to vote for or against the agenda item or to allow the third party to cast your votes as they desire.

- a. The secretary of the board of directors shall inform the Chairman of the Nominating and election committee of items that must be included on the Official Agenda Proxy.
- b. The president and secretary of the board of directors shall be responsible to ensure that all items of a substantive nature requiring approval of the membership shall be included on the proxy. Items such as approval of the agenda, approval of the minutes and committee reports shall normally be excluded from the proxy process. Mailing Placement: One (1) page document (8.5 x11), unique in color as compared to other documents included, and is to be placed in front of Attendance Proxy.

3. Distribution of Proxy Forms

The proxy forms along with a business reply envelope are distributed with the general meeting agenda to all members. A ballot may be enclosed if this occurs at the same time as the election of board of director members and the same envelope shall be used for the return of the proxies and ballots.

4. Receipt of Proxies, Tabulation and Results

After receipt, proxies will be reviewed for conformance (correctly signed, legible, member in good standing and other applicable parameters) by the Nominating and Election Committee or their designated agent. The proxies will be tabulated and the results presented to the Secretary of the Association's board of directors for the determination of a quorum and voting results.

Appendix E

Treasure Lake Property Owners Association, Inc.
Annual Membership Meeting
Month XX, 200X

ATTENDANCE PROXY

IF YOU DO NOT PLAN TO ATTEND
THE ANNUAL MEMBERSHIP MEETING
PLEASE SIGN AND RETURN THIS PROXY
IN THE ENCLOSED ENVELOPE
PROXY MUST BE RECEIVED ON OR BEFORE JUNE XX, 20XX

This proxy, in accordance with Article 4.1.6 of the Association's Bylaws, will be used in the determination that a quorum is present at the Annual Membership Meeting and that business can be transacted. When you sign this proxy you will be voted present as a property owner for quorum purposes provided you meet the requirements outlined in Article 2.4.2 of the Association's Bylaws that indicate you "have paid, or otherwise current with all financial obligations to the TLPOA.....to include annual assessments, as well as any and all outstanding fines, fees or penalties imposed by the Association..." The signing of this proxy in no way shall entitle any other person to use your name to vote for any business or for candidates for election to the board of directors.

Signature _____ Section # or UDI # _____ Lot # _____

THIS FORM MUST BE SIGNED TO VALIDATE THE PROXY
One owner (or designee) of the identified parcel or unit of real estate must indicate their agreement by signing this ballot above.

PROXY MUST BE PRINTED ON ONE SIDE ONLY
• using 8.5 x 11 paper
• unique color as compared to other documents to be mailed

Appendix F

Treasure Lake Property Owners Association, Inc.

Annual
Membership Meeting
Month XX, 200X
OFFICIAL AGENDA PROXY

**IF YOU DO NOT PLAN TO ATTEND THE ANNUAL MEMBERSHIP MEETING
PLEASE SIGN AND RETURN THIS PROXY IN THE ENCLOSED ENVELOPE
PROXY MUST BE RECEIVED ON OR BEFORE JUNE XX, 20XX**

At the Annual Membership Meeting of the Treasure Lake Property Owners Association, Inc. the following items will be discussed and voted on by all members in good standing who are present or voted by proxy

	FOR	AGAINST	DESIGNEE'S DISCRETION
1	Agenda Item I		
2	Agenda Item II		
3	Agenda Item III		

The undersigned executes this proxy, in accordance with Article 4.1.6 of the Association's Bylaws and cast their vote on the Official Agenda Items as noted above. When you sign this proxy you will be voted present as a property owner for quorum purposes provided you meet the requirements outlined in Article 2.4.2 of the Association's Bylaws that indicate you "have paid, or otherwise current with all financial obligations to the TLPOA.....to include annual assessments, as well as any and all outstanding fines, fees or penalties imposed by the Association..." The signing of this proxy in no way shall entitle any other person to use your name to vote for any business or for candidates for election to the board of directors.

Signature _____ Section # or UDI # _____ Lot # _____

THIS FORM MUST BE SIGNED TO VALIDATE THE PROXY
One owner (or designee) of the identified parcel or unit of real estate must indicate their agreement by signing above.

PROXY MUST BE PRINTED ON ONE SIDE ONLY

- using 8.5 x 11 paper
- unique color as compared to other documents to be mailed

APPENDIX G

Chairman Verification Checklist - A32

The committee will ensure that the nominating and election process is conducted in accordance with the Declaration of Restrictions, current By-laws and Association policies and procedures pertinent to this process.

(Please refer to Item 'F. Election Time Table' to determine applicable dates)

Chairman to sign and date as completed and then give to the TLPOA Board Secretary.

Sign	Due Date	Task/item (reference document A32 and Appendices)	Date Completed
		Committee Appointed	
Nomination			
	April 3	Nomination forms available	
	April 28	Completed nomination forms due	
	May 3	Committee certifies nominations	
	May 8	Committee holds ballot position drawing	
	May 9	Committee has ballot information printed	
Election			
	May 31	Ballots mailed	
	June 30	Ballots due at designated P.O. Box	
	July 3-7	Ballots validated and counted	
	July 8 Annual Meeting	Election results announced	
		The committee is responsible for assuring that the independent third party agent selected for this purpose fulfills its responsibility for certifying the election results on behalf of the Association's board of directors and membership. The independent third party agent shall assure that its representative is available to announce the election results at the Association's Annual Membership Meeting.	
		The Nominating and Election Committees will solicit candidates for nomination, examine the application and nominating documents and approve the candidates that shall be placed on the ballot for the forthcoming election.	
		The Committee, in so far as possible, shall cause to be conducted a 'candidates forum' to be held not more than 10 days following the certification of nominations.	
		The Committee has ensured the ballot, candidates' statements and business reply envelope are correct and ready for distribution *Ballot (Appendix B) UDI ballot will be _____ (color to be used) Association ballot will be _____ (color to be used) Wolf Run/Silverwoods ballot will be _____ (color to be used) *Candidates Statements (Appendix A) *Business Reply Envelope (Appendix C) <u>Material Organization</u> 1. Ballot appears 1st (address side of envelope) 2. Candidates' statements 2nd (behind ballot) Note: If other documents are included in the mailing, ballot and statements must be placed in front (address side of envelope) of other documents.	

Original completed copy to be kept on file at the TLPOA Administrative Office. TLPOA Board Secretary sign and date upon receipt of.

Sign: _____

Date: _____

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
NO: 08-1117-CD

STEVE TULLER

VS

TREASURE LAKE PROPERTY OWNERS ASSOCIATION INCORPORATED
COMPLAINT IN EQUITY

SERVE BY: 07/19/2008

HEARING:

PAGE: 104300

SERVICE # 1 OF 1

DEFENDANT: TREASURE LAKE PROPERTY OWNERS ASSOCIATION INCORPORATED

ADDRESS: 13 TREASURE LAKE
DUBOIS, PA 15801

ALTERNATE ADDRESS

SERVE AND LEAVE WITH: DEFENDANT/PIC

CIRCLE IF THIS HIGHLIGHTED ADDRESS IS:

VACANT

OCCUPIED

William A. Shaw

ATTEMPTS

FILED

08:30 AM
JUL 02 2008

JM
William A. Shaw
Prothonotary/Clerk of Courts

SHERIFF'S RETURN

NOW, THIS 30TH DAY OF JUNE 2008 AT 1:20 AM / PM SERVED THE WITHIN

COMPLAINT IN EQUITY ON TREASURE LAKE PROPERTY OWNERS ASSOCIATION INCORPORATED,
DEFENDANT

BY HANDING TO MATTHEW S. BEGLEY , GENERAL MANAGER

A TRUE AND ATTESTED COPY OF THE ORIGINAL DOCUMENT AND MADE KNOW TO HIM / HER THE CONTENTS
THEREOF.

ADDRESS SERVED 13 TREASURE LAKE, DUBOIS, PA. 15801

NOW _____ AT _____ AM / PM POSTED THE WITHIN

COMPLAINT IN EQUITY FOR TREASURE LAKE PROPERTY OWNERS ASSOCIATION INCORPORATED

AT (ADDRESS) _____

NOW _____ AT _____ AM / PM AFTER DILIGENT SEARCH IN MY BAILIWICK,

I MAKE RETURN OF **NOT FOUND** AS TO TREASURE LAKE PROPERTY OWNERS ASSOCIATION INCORPORATED

REASON UNABLE TO LOCATE _____

SWORN TO BEFORE ME THIS

DAY OF _____ 2008

So Answers: CHESTER A. HAWKINS, SHERIFF

BY:

Mark A. Condrib
Deputy Signature

Mark A. Condrib
Print Deputy Name

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

STEVE TULLER, an
individual,
Plaintiff,

vs.

TREASURE LAKE PROPERTY
OWNERS ASSOCIATION
INCORPORATED, a nonprofit
corporation,
Defendant.

* No. 2008-1117-CD

FILED

AUG 28 2008

o/11-0515
William A. Shaw
Prothonotary/Clerk of Courts
2 Cents 70

ATTY

610

* Type of Pleading:

* **PRAECIPE TO SETTLE
AND DISCONTINUE**

* Filed on behalf of:
* Plaintiff

* Counsel of Record for
* this party:

* James A. Naddeo, Esq.
* Pa I.D. 06820
* &
* Trudy G. Lumadue, Esq.
* Pa I.D. 202049

* NADDEO & LEWIS, LLC.
* 207 E. Market Street
* P.O. Box 552
* Clearfield, PA 16830
* (814) 765-1601

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

STEVE TULLER, an
individual,

Plaintiff,

vs.

TREASURE LAKE PROPERTY
OWNERS ASSOCIATION
INCORPORATED, a nonprofit
corporation,

Defendant.

*
*
*
*
*
*
*
*

No. 2008-1117-CD

PRAECIPE TO SETTLE AND DISCONTINUE

TO THE PROTHONOTARY:

Dear Sir:

Please mark the above-captioned case settled and discontinued.

NADDEO & LEWIS, LLC

By James A. Naddeo
James A. Naddeo
Attorney for Plaintiff

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

STEVE TULLER, an *
individual, *
Plaintiff, *
*
vs. * No. 2008 - 1117 - CD
*
TREASURE LAKE PROPERTY *
OWNERS ASSOCIATION *
INCORPORATED, a nonprofit *
corporation, *
Defendant. *

CERTIFICATE OF SERVICE

I, James A. Naddeo, Esquire, do hereby certify that a certified copy of Praeclipe to Settle and Discontinue was served on the following and in the following manner on the 28th day of August, 2008:

First-Class Mail, Postage Prepaid

Treasure Lake Property Owners Association, Inc.
13 Treasure Lake
DuBois, PA 15801

NADDEO & LEWIS, LLC

By James A. Naddeo
James A. Naddeo
Attorney for Plaintiff

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 104300
NO: 08-1117-CD
SERVICES 1
COMPLAINT IN EQUITY

PLAINTIFF: STEVE TULLER

VS.

DEFENDANT: TREASURE LAKE PROPERTY OWNERS ASSOCIATION INCORPORATED

SHERIFF RETURN

RETURN COSTS

Description	Paid By	CHECK #	AMOUNT
SURCHARGE	NADDEO	1239	10.00
SHERIFF HAWKINS	NADDEO	1239	37.61

FILED
012-55341
OCT 03 2008

S William A. Shaw
Prothonotary/Clerk of Courts

Sworn to Before Me This

So Answers,

____ Day of _____ 2008



Chester A. Hawkins
Sheriff

BYLAWS OF THE TREASURE LAKE PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I NAME, PURPOSE, AFFILIATIONS

Section 1.1 NAME: This Corporation shall be known as the Treasure Lake Property Owners Association, Inc. (the "Association"), a Pennsylvania non-profit corporation whose business address is 13 Treasure Lake, DuBois, PA 15801.

Section 1.2 PURPOSE AND OBJECTIVE: The general purpose of the "Association" is to further and promote the community welfare of the Treasure Lake property owners, including but not limited to, the holding, management, maintenance and enhancement of such real properties, infrastructures and easements owned by the Association and those which the Association has acquired or may acquire in the future. In exercising this obligation the Association may take such action, as it deems necessary to promote the safety, security, and well being of its property owners.

1.2.1 Glossary of Terms. A 'glossary of terms' (Appendix A) is made part of these bylaws to provide further elaboration where necessary regarding the intended meaning of various provisions throughout the text.

1.2.2 Action By Board of Directors. Whereas the members of the board of directors are elected by those members in good standing of the Association to further and promote the community welfare and to take such action as it deems necessary to promote the safety, security, and well being of its property owners, the directors shall vote on the various issues presented before it in the following manner as generally prescribed throughout these bylaws. 'Elected directors' means the nine (9) directors specified in these bylaws as constituting the membership of the board of directors whether elected by the general membership or selected to fill a directorship as the result of a board vacancy.

(a) **Majority vote shall mean:** A roll call vote in the affirmative of a majority of the directors present when there is a quorum for business to be conducted. The president, for the purposes cited herein may vote, however; they shall vote last.

A roll call is not required for purposes of voting to adjourn a meeting or work session.

(b) **Two-thirds (2/3rd) vote shall mean:** A roll call vote in the affirmative of the elected directors when there are not less than 6 directors present for that particular business to be conducted. The president, for the purposes cited herein may vote, however; they shall vote last.

Section 1.3 AFFILIATIONS: All Treasure Lake organizations, or groups, as of the date of adoption of these bylaws, shall continue to be recognized as being affiliated with or otherwise under the auspices of the Association until their dissolution.

1.3.1 Procedures for Affiliations or Sponsorship. An organization or group may become affiliated with the Treasure Lake Property Owners Association, Inc., with the approval by a majority vote of the board of directors. Application for affiliation with or sponsorship by the Association shall be submitted in writing to the board for review and consideration. The application must be in letterform and shall contain a brief description of the applicant(s) (organization(s)) purpose, structure, and requirements for membership. Upon receipt of such application, the board shall make its decision to approve or disapprove such affiliation within sixty (60) days after receipt of the application by the board secretary.

1.3.2 Dissolution of Affiliation. The board of directors may, for just cause, withdraw affiliation upon a majority vote to do so. The board secretary shall notify the affiliated organization in writing explaining the board's decision to terminate affiliation not less than fifteen (15) days prior to the date set for such action, thereby affording the organization an opportunity to appeal such action. Any appeal against disaffiliation must be made in writing within this prescribed time period.

ARTICLE II MEMBERSHIP

Section 2.1 REGULAR MEMBERSHIP. Regular membership of the Association shall consist of the following: all persons, partnerships, or corporations, who acquire title, legal or equitable, to any form of real estate within the Treasure Lake subdivision, Sandy Township, Clearfield County, Pennsylvania, other than the Treasure Lake Property Owners Association, Inc. ("Association"). For purposes described herein 'acquire title' means, the names appearing on the deed or other legal instrument established for recording ownership, or affiliation with, an entity that has acquired real estate within the Treasure Lake subdivision.

Section 2.2 ASSOCIATE MEMBERSHIP. Associate memberships shall be divided into two groups: Full associate membership and limited associate membership. The regular member must be a member in good standing for the associate membership(s) to be valid.

2.2.1 Full Associate Membership. Full associate membership shall be afforded all rights and privileges as that of a regular membership, to all persons residing in the same household as the regular member and claiming said household as their permanent residence. However, full associate members shall not have the right to vote, hold elective office, or to chair any committee of the Association.

2.2.2 Limited Associate Membership. Limited associate membership may be granted for the use of amenities that allow public access, as deemed by the board of directors. Rules and regulations regarding limited associate membership will be defined by the board of directors and generally applies to guests of a regular member or full associate member, as well as those persons residing in the Treasure Lake subdivision under the terms of a written long-term lease or long-term rental. For purposes described herein 'long-term' means six (6) months or longer. However, limited associate membership shall not entitle the person(s) the right to vote, hold elective office, or to chair or serve on any committee of the Association.

Section 2.3 ASSIGNMENTS OF MEMBERSHIP. Neither class of membership described in Sections 2.1 or 2.2 inclusive shall be assignable.

Section 2.4 MEMBERSHIP STANDING. To be recognized as a regular member in good standing of the Association and thereby entitled to all the rights and privileges thereof, as defined in Article II, Section 2.5 of these bylaws, the member must:

2.4.1 Ownership. Own or have an equitable interest in a lot or lots situated within the Treasure Lake subdivision, Sandy Township, Clearfield

County, Pennsylvania (for purposes of this section the areas known as Cayman Landing, Silverwoods and Wolf Run are also included). Such ownership must be validated by a Deed of Trust or other legally recognized instrument.

- 2.4.2. **Financial Obligations.** Be current with the financial obligations to the Treasure Lake Property Owners Association in accordance with Section 2.4.1, as witnessed by the financial records of the Treasure Lake Property Owners Association, Inc. to include Association annual assessments as well as any and all outstanding fines, fees, or penalties imposed by the Association on the property owner(s) and members excluding amenity membership charges and fees incurred during the current assessment year.
- 2.4.3. **Residency.** Residency within the Treasure Lake subdivision is not required for determining the eligibility standing in the Treasure Lake Property Owners Association as a regular member.

Section 2.5 PRIVILEGES OF MEMBERSHIP. The privileges of regular membership shall include:

- 2.5.1. **Right of Access.** The right of access to the lot(s) owned by the respective members over and across the roads owned or maintained by the Association.
- 2.5.2. **Use of Facilities.** The use of such facilities as the Association may acquire or establish for the convenience of its members.
- 2.5.3. **Use of Recreational Facilities.** The use of such facilities as the Association may acquire or establish for recreational purposes.
- 2.5.4. **Right to Vote.** The right to petition and vote with respect to all matters that may be referred to the vote of the regular members by law or by these bylaws.
- 2.5.5. **Meeting Attendance.** The right to attend all open board meetings, committee meetings, hearings, and meetings of the membership.

Section 2.6 DISCIPLINARY MEASURES.

- 2.6.1. **Right of Access.** The right of access, as the operator of a motor vehicle, over and across roadways owned or maintained by the Association may only be revoked and/or suspended for causes attributed to failure of a member, guest, or invitee to Treasure Lake to make complete and full payment of fines imposed for motor vehicle violations or for repeated hazardous motor vehicle violations, as set forth in the Association's Security Policies and/or the Association's Administrative Policies.
- 2.6.2. **Other Rights.** The rights conferred by Article II, Sections 2.5.2, 2.5.3, 2.5.4 and 2.5.5, shall be automatically suspended if the member (1) is in default of any monetary obligation owed to the Association, (2) is otherwise in default of any other provisions of the Association's legal documents, such as the Declaration of Restrictions, these bylaws, and Association policies and has been afforded ten (10) days written notice of non-monetary default. The member's rights shall be restored after all defaults have been determined to be satisfactorily cured in accordance with policies established by the Board of Directors.
- 2.6.3. **Individuals Subject to Discipline.** If a member, their guests, tenants or invitees, or a member of their immediate family creates a nuisance upon any of the Association's properties, or by intentional actions or omissions, causes damage or expense to the Association in a determinable amount, or otherwise violates the Rules and Regulations of the Association, they shall be subjected to disciplinary actions as outlined in Association policies.
- 2.6.4. **Rights and Remedies.** Rights and remedies provided in Section 2.6 shall not be exclusive of any other rights and remedies provided for under Commonwealth or other law, which the Association may avail itself of to discipline the categories of individuals, set forth in 2.6.1 and 2.6.3.

ARTICLE III GOVERNMENT

Section 3.1 BOARD OF DIRECTORS

- 3.1.1 **Association Management.** The general management of the affairs of the Association shall be vested in the board of directors, who shall be elected as provided in these bylaws.

- 3.1.2 **Board Members.** The board shall consist of nine (9) directors, including a president, a vice president, a secretary, and a treasurer.

- 3.1.3 **General Manager.** The board of directors may hire a general manager to conduct day-to-day management of the activities of the Association. The duties of this position shall be determined by the board of directors as set forth in Article XII and job description.

Section 3.2 DUTIES AND POWERS OF THE BOARD of DIRECTORS

- 3.2.1 **Association Management.** The board shall have general charge and management of the affairs, funds, and property 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, Declaration of Restrictions, Bylaws and the applicable laws of the State of Pennsylvania.
- 3.2.2 **Rules and Policies.** The board shall have the power to establish rules and policies for the conduct of the members, their guests and general invitees and the use of the Association property and to determine whether the conduct of any of these parties is detrimental to the welfare of the Association and to fix penalty for such misconduct as well as any violation of these bylaws, rules or policies.
- 3.2.3 **Financial.** The board shall have the power to:
 - 3.2.3.1 **Expenditures.** Approve the expenditures of money, as deemed necessary, subject to 3.2.3.3.
 - 3.2.3.2 **Contracts.** To contract for lease or purchase in the name of the Association, subject to 3.2.3.3.
 - 3.2.3.3 **Limitations.** The board may not enter into any obligation or dispose of any asset that exceeds in value five percent (5%)

of that fiscal year's approved annual budget excluding capital items without obtaining the agreement of the membership either at the annual meeting or at a special meeting called in accordance with section 4.4.

3.2.4 Property. The board may dispose of or acquire and administer any property or rights from anyone for the benefit of the Association.

3.2.5 Operating Powers. The board shall have the power and authority to perform any and all acts to carry out and achieve its objectives, within the powers granted in these bylaws, but not limited to the foregoing. It shall have the duty, responsibility, power, and authority to:

- 3.2.5.1 **Garbage and Refuse.** Arrange for garbage and refuse collection by private haulers for members of the Association.
- 3.2.5.2 **Safety.** Provide standards of safety for the protection of the members of the Association and its employees.
- 3.2.5.3 **Roads.** Maintain, repair and keep open roads in the Treasure Lake Development owned by or under the control of the Association.
- 3.2.5.4 **Properties and Amenities.** Operate and maintain other properties and amenities owned or acquired by the Association for the benefit of the Association.
- 3.2.5.5 **Other Services.** Provide such other services as may be deemed necessary but not limited to those areas or items listed above.

3.2.6 Assessment Powers. The board shall have the power to impose an assessment or charge upon the members in such amounts as it shall deem necessary for the Association to properly perform its functions and for the services furnished by the Association. Any increase or decrease in the assessment or charges imposed under this clause that will result in a change of more than 10% over or under the prior year's equivalent charge shall require a two-thirds (2/3rds) vote of the elected directors. No such charge shall ever be made against, or be payable by Treasure Lake Property Owners Association Inc. or its successors and assigns, the Association itself or any corporation(s) that may be created to acquire title to, and operate, the water or sewer utilities servicing the area, or any lakes, dams, beaches, lake access tracts, marinas, golf courses, tennis courts, swimming pools, clubhouse grounds, campgrounds, or other like recreational facilities.

3.2.7 Employment Powers. The board may engage and employ such persons at such compensation, as it may deem necessary to carry out and achieve any of the objectives and purposes of the Association. However, no person serving as an elected or appointed director can receive and be compensated in any form, or benefit from the Treasure Lake Property Owners Association during their full term of office. No elected or appointed officer or director of the Association may be employed by the Association in any administrative or supervisory position for a period of one year after leaving office. Any elected or appointed director shall make known any financial interest in any company transacting business with the Treasure Lake Property Owners Association during their full term of office.

3.2.8 Disclosure Statement. Any person, including an employee, who receive or will receive compensation from the Treasure Lake Property Owner's Association, must, at the time of their hiring, disclose fully to the Association any financial and/or business interest in any company or business affiliation with any individual or group transacting business with the Treasure Lake Property Owners Association. Failure to make full disclosure shall result in immediate termination of such employment relationship notwithstanding the existence of any employment contract with the Association. This Section shall also apply to all current employees and a disclosure shall be executed within thirty (30) days of acceptance of these bylaws.

Section 3.3 CONFLICT OF INTEREST. When it is determined or disclosed that a director, officer or employee has a compensatory interest in a privately owned company, or more than one percent (1%) of the outstanding stock of a publicly held corporation with whom Association business is conducted a conflict of interest shall be deemed to exist. No contract, agreement or transaction between the Association and any of its directors, officers, employees, or any other entity in which one (1) or more of the aforesaid directors, officers, or employees are deemed to have an interest shall be entered into by the Association, unless:

3.3.1 Material Facts. 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/or the members entitled to vote thereon, if any, and the contract or transaction is specifically approved in good faith by a two-thirds (2/3rds) vote of the remaining elected directors and the contract or transaction is fair to the Association at the time it is authorized, approved, or ratified by the board of directors or Association members. Any director having a compensatory interest or relationship in the contract or transaction shall recuse them-self from voting.

3.3.2 Violation. Any director, officer, or employee of the Association shall be deemed to have vacated his or her office or position of employment if found to be involved in or a party to a conflict of interest, the circumstances of which he/she has failed or neglected to disclose to the Board of Directors and/or the Association prior to approval or ratification of such contracts or transactions by the board of Association members, when applicable.

3.3.3 Vacancy Due to Violation. The provisions of 3.3.2 concerning removal from office or employment by virtue of conflict of interest in the exercise of assigned duties and responsibilities is hereby incorporated by reference as a part of Article V, Section 5.7 of these bylaws. In such cases, after reasonable inquiry and investigation of the circumstances and facts pertaining to the alleged conflict, a two-thirds (2/3rds) vote of the remaining elected directors of the board of directors shall be sufficient to determine whether there is just cause for vacating the respective board office or position of employment.

3.3.4 Board Member's Pledge of Commitment. Each candidate for the board of directors shall accept and sign the Board of Director's Pledge of Commitment and submit the signed pledge along with their other candidacy documents to the Nominating and Election committee prior to their name being placed on the ballot.

ARTICLE IV MEETINGS and WORK SESSIONS

Section 4.1 GENERAL REQUIREMENTS: Meetings and/or work sessions (hereinafter referred to as regular, special, informational, or general membership) shall be conducted as set forth in Sections 5703 and 5704, Title 15 Pennsylvania Consolidated Statutes which also requires that

notice be given to members and/or the body 5 days prior to the day named for the meeting. All business voted on shall be affected by 'majority vote' except for specific provisions within these Bylaws and real estate transactions which are provided for in Commonwealth statute as requiring a '2/3rds vote'.

For purposes of a 'majority vote' the provisions outlined in Article 1.2.2(a) apply.

For purposes of a '2/3rds vote' the provisions outlined in Article 1.2.2(b) apply.

Section 4.2 ROBERTS RULES OF ORDER. The requirement for Robert's Rules of Order Newly Revised is deleted without substitution with regard to the conduct of the meetings.

Section 4.3 BOARD MEETINGS and WORK SESSIONS

4.3.1 Regular Meetings. The board shall hold regular meetings for the purpose of conducting the business of the Association. Regular meetings of the board are to be held monthly, at times and locations designated by the board of directors. The board may schedule work sessions as necessary. All board meetings and work sessions may be attended by any Treasure Lake Property Owners Association member and it is also recognized that from time to time non-members may also have need to attend these meetings or work sessions. Those sessions dealing with personnel items, legal issues, potential real estate transactions or other items deemed to be of a confidential nature may be held in closed session at the discretion of the chairman and/or a majority request of the B.O.D.

4.3.1.1 Notice. Notice of all meetings and work sessions shall be posted together with an agenda for that meeting or work session five (5) days prior to such meeting or work session taking place.

4.3.1.2 Order of Business. The order of business shall be determined by the board of directors, and shall include, but not be

limited to:

- a. Quorum count
- b. Approval of agenda
- c. Minutes of previous meeting
- d. Treasurers' report or financial report
- e. Standing and special committee reports
- f. Unfinished (old) business
- g. New business
- h. Adjournment

4.3.2 Special Board Meetings. The president or secretary may call a special board meeting of the board of directors on their own initiative whenever, in their judgment, it may be necessary, or otherwise by the secretary upon the request of any two members of the board. Five (5) days notice of a special meeting shall be given to all directors, and shall be deemed sufficient notice of such meeting. The five (5) day notice may be waived upon unanimous consent of all directors.

4.3.2.1 Notice. Notice of a special meeting shall be posted and shall include the purpose for which the meeting is being called.

4.3.2.2 Order of Business. The order of business shall be limited to the purpose for which the meeting has been called.

Section 4.4 MEMBERSHIP MEETINGS

4.4.1 Annual Membership Meeting. There shall be an annual meeting of the membership in July of each year to be held within Treasure Lake. The exact date, time and location shall be set forth in a notice thirty (30) days before such meeting.

4.4.2 Special Membership Meeting. The president shall call a special membership meeting after first having secured the approval of the board of directors or upon receipt of a petition signed by at least ten per cent (10%) of the voting members in good standing. The meeting shall be called within forty-five (45) days of the submittal of the petition.

4.4.3 Informational Meetings. Informational meetings may be called at the discretion of the president to advise the membership of items of general interest, pending changes, current state of the Association and other related matters. Sections 4.4.4 and 4.4.5 do not apply to this section.

4.4.4 Notice of Meetings. Notice of membership meetings shall be posted thirty (30) days before such meeting. The notice shall contain the agenda for the meeting. The notice shall also be sent to all members by mail.

4.4.5 Order of Business: The order of business for general membership meetings shall be as stated in Section 4.3.1.2 and for special membership meetings Section 4.3.2.2.

Section 4.5 QUORUMS

4.5.1 Board Quorum. At meetings of the board of directors, a majority of the total numbers of directorships authorized by these bylaws shall constitute a quorum. There is no quorum requirement for work sessions.

4.5.2 Membership Quorum. At meetings of the membership six hundred (600) regular members in good standing, including proxies, shall constitute a quorum. There is no quorum requirement for informational meetings.

Section 4.6 VOTING PROCEDURES AT MEETINGS (a quorum being present)

4.6.1 Membership Meetings. A majority of those voting including proxies shall be necessary for a motion to pass and be adopted unless otherwise stated in these bylaws.

4.6.1.1. Proxies (Absentee Voting). Proxies shall be valid for determining a quorum and for those matters specified on the proxy forms as set forth in Section 4.7.1.

4.6.2 Board Meetings. A majority of board members present shall be necessary for a motion to pass and be adopted by vote unless otherwise stated in these bylaws as requiring a two-thirds (2/3rds) vote.

Section 4.7 ANNUAL OR SPECIAL MEMBERSHIP MEETING PROXIES

4.7.1 Proxies Format. The Association shall prepare proxy forms that must contain the following: (a) Designate the secretary as the proxy holder; (b) Identify the meeting at which the proxy may be used; (c) set forth a description of each matter which the board, including member motions, if any, will be presented for action by the members; (d) present an opportunity for the members to specify approval or disapproval of each such matter; (e) provide a line for the member's signature, section and lot number or UDI number and the date.

4.7.2 Issuance of Proxies. Proxies will be issued to all regular members of the Association as outlined in Section 2.1 in the manner defined in 5.1.1, 5.1.2 and 5.1.3.

4.7.3 Validity. A proxy so filed shall be valid only for the designated meeting even when such meeting is suspended or adjourned.

ARTICLE V VOTING AND ELECTIONS

Section 5.1 VOTING ELIGIBILITY

5.1.1 Residential Properties. Units of real estate within the subdivision of Treasure Lake, and defined as residential lots by the Declaration of Restrictions, may have more than one owner which may result in more than one regular member of the Association. However, all voting within the Association by individual single residential lots shall be limited to one (1) vote for each parcel of unit of real estate giving rise to membership.

5.1.2 Time Shares. The voting eligibility for other types of ownership and real estate usage within the Treasure Lake Subdivision (e.g. ownership interest at Wolf Run Manor and/or Silverwoods) will be determined based on the details of an agreement as amended and signed by the Recreation Land Corporation, Silverwoods Association, Inc., Wolf Run Manor Association, Inc., and the Treasure Lake Property Owners Association, Inc. dated December 30, 1988. (A copy of the agreement is on file at the administrative offices of the Treasure Lake Property Owners Association, Inc.)

5.1.2.1 Qualification of Voters. To cast votes in elections and other business of the TLPOA the Wolf Run Manor Association, Silverwoods Association and other similar ownership interests must submit by May 10 of each year to the secretary of the TLPOA Board of Directors the following items:

5.1.2.1.1 Membership Lists. Active membership lists of each of their members.

5.1.2.1.2 Board Members. Names and addresses of the board of directors of each organization.

5.1.2.1.3 Bylaws/Restrictions. Copy of Bylaws and Declaration of Restrictions that include who is authorized to cast votes for members of the respective owners associations.

5.1.2.1.4 Interval Ownerships. The number of interval ownership interests sold on a per unit basis.

5.1.3 Undivided Interests. The voting eligibility shall be determined in accordance with the details of an agreement signed by the Recreation Land Corporation and the Treasure Lake Property Owners Association, Inc. dated December 30, 1988 and as amended May 9, 1989. A copy of this agreement is on file at the administrative offices of the Treasure Lake Property Owners Association, Inc.

5.1.4 Voting. Voting for board members and all other Association business shall be in person or by a proxy executed in writing by the member or their duly authorized representative.

5.1.5 Voting Parcels Standing. For their votes to be counted, voting parcels or units must be in good standing relative to payment of all financial obligations owed to the Association, and be otherwise in good standing with respect to the Rules and Regulations of the Association, including Article II, Section 2.4.2 of these bylaws. Each voting parcel or lot shall stand on its own for determining voting eligibility.

Section 5.2 ELECTION OF BOARD DIRECTORS. Voting shall be by printed ballot, as prescribed by Article V, Section 5.1.4 of these bylaws. The directors of the Association shall be confirmed by the certified election results at the annual membership meeting of the Association held in July of each year based upon the policies and procedures approved by the board of directors.

Section 5.3 TERMS OF OFFICE. The board of directors shall be divided into classes such that a third of said directors shall normally be elected each year. All elected directors shall serve for terms of three (3) years. However, directors elected by the board of directors under Article V Section 5.7 of the by-laws, shall serve only until the next annual election. No director(s) shall be elected for more than two (2) consecutive terms, not including any additional period elected to fill a board vacancy per Article V. Notwithstanding any other provision outlined in these bylaws or Association policies, after a one (1) year absence, a former director will be eligible to be nominated and elected to the board.

Section 5.4 NOMINATING AND ELECTION COMMITTEE

5.4.1 Nominating and Election Committee. On or before February 1 each year, the President of the board of directors shall nominate the chairman and members of the Nominating and Election Committee who shall be affirmed by majority vote of the board of directors. Members of the committee must be members in good standing of the Association. It shall be the responsibility of the committee to verify that the prospective candidates have met the requirements as set forth in the Association's bylaws and policies. The qualified candidates shall have their names placed on the ballot for election to the board of directors of the Association. Nominations shall not be accepted from the floor. The committee is responsible for organizing the election according to the policies and procedures established by the board.

Section 5.5 ELIGIBILITY OF NOMINEES. To be eligible to be a nominee for the board of directors all candidates must agree to and fulfill the following conditions:

5.5.1 Member Standing. Be a regular member of the Association in good standing and have met all financial obligations to the Association as outlined in Section 2.4.2.

5.5.2 Nominating Application. Submit the completed application with the endorsement section signed by a minimum of seven (7) regular members in good standing of the Association on or before the required due date.

5.5.3 Covenants. Agree to uphold and enforce the conditions, covenants, and restrictions as outlined in the Declaration of Restrictions and the Bylaws of the Association.

5.5.4 Board Member's Manual. Each candidate for the board of directors shall accept and sign the Board of Director's Pledge of Commitment and submit the signed pledge along with their other candidacy documents to the Nominating and Election committee prior to their name being placed on the ballot.

5.5.5 Felony or Unsound Mind. Conviction of a felony or being found of unsound mind shall disqualify a regular member from becoming a candidate.

5.5.6 Same Household/Ownership Conflict. A regular member shall be disqualified from nomination if they are residing in the same household as any other person whose name appears on the deed is serving, or would be serving, on the board of directors at the same time. In the event two individuals covered by these provisions seek candidacy, one must withdraw, or the committee shall disqualify both candidates.

Section 5.6 REMOVAL FROM OFFICE. After election to the board of directors of the Association, the board shall remove a director for any of the following reasons:

5.6.1 Non-Acceptance of Office. If, within thirty (30) days after notice of their election, the newly elected board member does not accept such office either in writing or by attending a meeting of the board of directors, the newly elected board member shall be removed from the board.

5.6.2 Absenteeism. A board member absent from twenty-five percent (25%) of the regularly scheduled board meetings (3 meetings) within the twelve (12) month period beginning with the July board meeting, will have forfeited their right to serve on the board of directors and shall be mandatorily removed without vote. A successor shall be selected to fill this vacancy and serve until the next annual election according to procedures established in Section 5.7 of this Article.

5.6.3 Unsound Mind. Declaration of unsound mind by a court order.

5.6.4 Felony Conviction. Conviction of any felony.

5.6.5 Fraud, Dishonesty, or Abuse. Any member in good standing or director of the Association may petition the Court to remove from office any director in case of fraudulent or dishonest acts, or gross abuse of authority or discretion with reference to the Association, or for any other proper cause and may thereafter bar from any office any director so removed for a period prescribed by the Court. The Association shall be made party to such action.

5.6.6 Failure to Meet Financial Obligations. A board member and/or officer, following election or during their term of office, that fails to meet their financial obligations to the Association, as required by Article II, Section 2.4.2 Financial Obligations of these Bylaws, shall be removed from office. However, to afford the individual time for correcting the defect the board secretary shall immediately upon discovery notify the member in writing that an arrearage has been identified. The notification shall be by certified mail. The board member shall then have thirty (30) days from the receipt of notification to settle their obligations to the Association. Following expiration of the thirty (30) day period, the removal of the board member shall automatically become final if the obligations to the Association have not been satisfied.

Section 5.7 VACANCIES IN OFFICE. Vacancies occurring on the board of directors resulting from board removal, resignation, death, or other reasons must be filled by the remaining board members by first offering the vacated directorship to the unsuccessful candidates from the last election, beginning with the candidate who received the next highest number of votes. In the event that every unsuccessful candidate refuses the seat, the board must elect, by majority vote, an Association member who is in good standing. The person(s) so elected by the board shall serve until the next annual election, and must agree to the requirements as stated in Sections 5.5.1, 5.5.3, 5.5.4, and 5.5.5 of this Article.

5.7.1 Replacement. The replacement of a board vacancy, using the procedures outlined above in Section 5.7 of these bylaws, shall be accomplished within sixty (60) days following the effective date of the occurrence of that vacancy. In the event the vacancy occurs after April 30 it shall not be filled by the board but shall remain vacant until the new board members are confirmed at the July annual membership meeting.

ARTICLE VI OFFICERS

Section 6.1 ELECTION OF OFFICERS. The board of directors shall elect by majority vote one of their number president, one of their number vice-president, one of their number secretary, and one of their number treasurer. However, the office of secretary and treasurer may be combined if the board so designates by majority vote. An organizational meeting to elect officers shall be held within thirty (30) days following the annual membership meeting of the Association.

6.1.1 Terms of Officers. Officers shall be elected by majority vote for one (1) year terms and shall otherwise continue to serve as officers until their successors have been elected by the board of directors unless otherwise removed as a result of motion and a two-thirds (2/3rds) vote of the elected board members.

6.1.2 Officer Vacancies. Vacancies occurring among the officers of the board of directors shall be filled by the nomination of a board member from the board of directors. A majority vote of the board will be required to confirm election.

6.1.3 Records. All official records including but not limited to correspondence, reports, and plans are the property of the Association and shall

be turned over immediately to the incoming officer.

Section 6.2 DUTIES OF OFFICERS.

6.2.1 President: The president shall preside at all meetings of the board and the membership, and shall be responsible to ensure that the business of the Association is carried out in accordance with the meeting agenda, Roberts Rules of Order (Newly Revised Edition), the Declaration of Restrictions, these Bylaws, Association policies and the applicable laws of the Commonwealth of Pennsylvania.

6.2.1.1 Other Powers. Shall have such other powers and perform such other duties as may be hereafter prescribed by the board of directors.

6.2.2 Vice-President: The vice-president shall, in the absence or disability of the president perform all duties of the president and when so acting shall have all the powers of and be subject to the same requirements as the president.

6.2.2.1 Other Powers. Shall have such other powers and perform such other duties as may be hereafter prescribed by the board of directors.

6.2.3 Secretary. The secretary shall:

6.2.3.1 Minutes/Membership Lists. Keep, or cause to be kept, at the Association's administrative office or other such place as the board may order, a book of minutes of all meetings of directors and members, with the time and place of holding same, whether regular or special, and if special, how authorized, notice thereof given, the names of those members present at directors' meetings, the number of members present at member's meetings, and the proceedings thereof, and records the number of member votes cast by written ballot, or by proxy, when applicable.

6.2.3.2 Corporate Records. Keep, or cause to be kept, appropriate current records including Association policies, changes, and an accurate listing of all members of the Association that includes their addresses.

6.2.3.3 Correspondence. Keep, or cause to be kept a record of correspondence received via letter from property owners and others, and ensure that a timely reply to the correspondent is provided and that copies of the correspondence received and the correspondence sent is provided to the board of directors so that it is available to them in time for the next work session or board meeting whichever comes first.

6.2.3.4 Meeting Agenda and Notification. Give, or cause to be given, notice of all meetings of the board as required by the bylaws and develop meeting agendas with the agreement of the president.

6.2.3.5 Voter Confirmation. Annually, the secretary shall attest to the Nominating and Elections committee that provisions set forth in Article 5.1.2 and its subsections have been complied with by the identified parties and all other annual voting records of the Treasure Lake Property Owners Association are confirmed.

6.2.3.6 Proxy Votes. Cast the proxy votes at membership meetings that are received from members in good standing.

6.2.3.7 Corporate Seal. Keep the seal of the Association in safe custody

6.2.3.8 Other Powers. Shall have such other powers and perform such other duties as may be hereafter prescribed by the board of directors.

6.2.4 Treasurer. The treasurer shall:

6.2.4.1 Records. Keep and maintain, or cause to be kept and maintained, the books and records of the Association that shall provide adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other items required by generally accepted accounting principles, federal, state and local laws and as further prescribed by the board and these bylaws.

6.2.4.2 Audit. An audit shall be performed each year under the direction of the treasurer and the results thereof reported to the Association membership not later than the August board of directors meeting in that same year. Such audit, books and records, excluding individual employee files unless otherwise required by law, shall be open at all reasonable times to inspection and review by any director or member in good standing.

6.2.4.3. Finance Committee Membership. The treasurer shall be a member of the Finance committee and shall not serve as committee chairperson.

6.2.4.4 Other Powers. Shall have such other powers and perform such other duties as may be hereafter prescribed by the board of directors.

Section 6.3 SIGNATURE AUTHORITY. All checks, leases, contracts and other instruments including authorization for third party, electronic single or bulk transfers, or direct deposit disbursements shall be signed in accordance with the following protocol:

1.) Principle and Discretionary Signators. The officers of the association and general manager shall be principal signators. The board of directors may, at its discretion, appoint other directors to act in the absence of the principal signators.

2.) All persons signing must have completed the necessary financial institute signature cards.

3.) All payments to members or employees of the association require two signatures. No person signing an instrument shall benefit from that disbursement.

4.) Payments to non-members and suppliers:

- a.) Under \$500.00 - one signature required
- b.) Over \$500.00 - two signatures required

5.) Inter-association account transfers to be signed by the general manager or treasurer.

Section 7.1 DEFINITIONS:

7.1.1 Operating Expenses. As set forth herein, operating expenses shall mean any recurring expenses of the Association other than the

expenses described in Subsections 7.1.2 and 7.1.3 of this section.

7.1.2 Capital Expenses. As set forth herein, capital expenses shall mean all items of expenditure for the purchase or improvement of real estate, construction, re-construction, or improvement of Association buildings and structures, and the purchase of machinery and equipment.

7.1.3 Capital Project. As set forth herein, capital project shall mean a proposal to purchase or construct a facility of the Association involving expenditures totaling more than twenty-five thousand (\$25,000) in the aggregate.

Section 7.2 BUDGETS AND BUDGET PREPARATION:

7.2.1 Expenditures. All expenditures of the Association shall be provided for in the budgets described in this section. The budgets shall consist of an operating budget and a capital budget. The board of directors shall have the duty to approve and adopt by majority vote (subject to Section 3.2.6) said budgets for each fiscal year. Further, as an adjunct to the budget process, the board of directors shall fix the amount of the annual assessment.

7.2.2 Operating Budget. Each operating cost line shall be classified within a 'cost center' and included as part of the annual operating budget in a manner approved by the board of directors consistent with generally accepted accounting principles.

7.2.2.1 Exceeding Operating Budget. Upon adoption of the operating budget by the board of directors, no cost center shall be exceeded by three percent (3%). Should this occur, the treasurer and/or manager shall report any such excesses to the board of directors for approval or adjustment. The board shall act by majority vote. Approved excesses may be transferred from another cost center.

7.2.2.2 Unexpended Funds. All unexpended funds remaining in the operating budget for any one fiscal year, at the conclusion of said year, shall be carried forward in the general fund, may be used to reduce debt, or placed in one of the reserve accounts, after being reviewed by the Finance committee, which shall make a recommendation to the board of directors for subsequent approval by the members of the association based on a majority vote and applicable Internal Revenue Service Code 70-064 or its successors.

7.2.3 Capital Budget. Each item of capital expense shall be classified as depreciable or non-depreciable and depreciated or expensed in a manner approved by majority vote of the board of directors and consistent with generally accepted accounting principles.

7.2.3.1 Exceeding Capital Budget. Any expenditure over five thousand dollars (\$5000) must first be subject to the bidding process as prescribed by the board of directors in the finance and/or administrative policies/guidelines. Once a capital budget has been approved by the board of directors, no budget line item within said budget may be exceeded at any time, unless otherwise approved by a majority vote of the board of directors.

7.2.3.2 Unexpended Funds. Unexpended funds budgeted for capital expenses, or otherwise authorized for a capital project which has been completed, shall be applied either to the reduction of debt or to a capital reserve account, after review by the Finance committee who shall make its recommendations to the board of directors for approval by majority vote.

7.2.4 Presentation, Hearings, Approvals, and Publication. The budget formulation and approval timeline shall require that the schedule of fees and charges, the operating budget and the capital budget are affirmed by the board of directors at least 10 days before the last day of March preceding the fiscal year for which they are prepared. To meet this timeline the board of directors shall hold at least two (2) work session hearings at least seven (7) days apart and prior to the Board taking Final action on the proposed schedule of fees and charges, the operating budget, and the capital budget.

1. The notice of these work session hearings shall be posted seven (7) days prior to the presentation and shall include a summary of the proposed schedule of fees and charges, the operating budget, and the capital budget. The notice shall also include the anticipated assessments to be levied upon the membership if said budgets are approved. Members in good standing in attendance at these two (2) work session hearings will be afforded the opportunity to comment on the proposed schedule of fees and charges, the operating budget, and the capital budget.

2. The schedule of fees and charges, the operating budget and the capital budget so prepared, shall be voted on individually by the board at a special meeting called for this purpose not more than 3 days after the second work session hearing.

3. In the event that the proposed schedule of fees and charges, the operating budget and/or the capital budget that have been the subject of 2 work session hearings are not approved by the board through a properly conducted vote, the board shall cause to be developed an alternative schedule of fees and charges, operating budget or capital budget that shall be made available in the same manner as the originally proposed budgets except that there shall be 1 (one additional work session hearing where members in good standing in attendance will be afforded the opportunity to comment on the proposed schedule of fees and charges, the operating budget, and the capital budget. Not more than 3 days after this session at a special meeting called for this purpose the board shall vote to approve the proposed alternative(s).

4. Once approved, the general manager or treasurer shall publish the schedule of fees and charges, an outline of the operating budget and the capital budget in reasonable detail making them available in the official publication, the web site, and bulletin boards throughout the Treasure Lake community. They shall also be made available with the detailed capital and operating budgets in the Property Owners Association administrative office.

Section 7.3 FUND ACCOUNTS. A fund account may be established for a specific purpose. Once the fund has been established the funds cannot be used for any purpose other than the original intent unless approved by a majority vote of the board of directors.

Section 7.4 UNRESTRICTED CAPITAL RESERVE ACCOUNT. The unrestricted capital reserve account shall be used solely for budgeted capital expenditures. The board of directors shall have the right to borrow there-from with an annual interest rate of five percent (5%) payable (principal and interest) by May 31 following the fiscal year in which the funds were borrowed.

ARTICLE VIII COMPENSATION, LIABILITY AND INDEMNIFICATION

Section 8.1 COMPENSATION. Officers, directors, and Association members serving on any standing or special committees shall not receive any salary, gratuity, or compensation in any other form for services rendered to the Association. However, the board of directors is hereby authorized and empowered to reimburse reasonable out-of-pocket expenses incurred on behalf of the Association upon written request and justification for such reimbursement as may be prescribed by the board. Prior approval by the President for all expenses in excess of \$250.00 is required.

Section 8.2 LIMITS ON PERSONAL LIABILITY OF DIRECTORS. A director of the Association shall not be personally liable for monetary damages as such for any action taken, or any failure to take action, unless: (a) The director has a breach or failure to perform the duties of his or her office under Section 8363 of the Director's Liability Act, Title 42 of the Pennsylvania Consolidated Statutes (relating to standard of care and justifiable reliance); (b) The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness; and, (c) provided, however, that this section shall not apply to the responsibility or liability of a director pursuant to any criminal statute or liability of a director for payment of taxes under state or federal laws.

Section 8.3 MANDATORY INDEMNIFICATION. The Association shall, to the fullest extent now or hereafter permitted by law, including, but not limited to, the Director's Liability Act, Title 42 of the Pennsylvania Consolidated Statutes, indemnify and make advances on behalf of any person who was or is a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including any action by or in the right of the Association) by reason of the fact he or she is or was a director or officer of the Association, or is or was serving at the request of the Association as a director, officer, committee member, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding. A claim for indemnification may be denied when at a special meeting called for this purpose two-thirds (2/3rds) of the board of directors vote that the claimant has not acted in the best interest of the Association.

ARTICLE IX DUES, FEES AND ASSESSMENTS

Section 9.1 DUES, FEES, AND ASSESSMENTS. The board of directors shall fix membership dues, fees, and assessments. The method and basis for determining the amount of annual dues by type of lot shall not be changed unless approved by favorable vote as stated in the Declaration of Restrictions and these bylaws.

Section 9.2 ANNUAL ASSESSMENT. The annual assessment of members for operating and capital budgets will be determined by the board of directors in accordance with Sections 3.2.6 and 7.2.1 of these bylaws.

9.2.1 Due Date. The annual assessments shall be payable by all members on or before May 1 of each year and shall be paid to the Treasure Lake Property Owners Association, Inc. The board may establish an optional payment program from time to time. Notification of any optional payment programs shall be included in the mailing of the assessment billings but no later than April 15 of each year. Failure of any property owner or UDI owner to make their installment payments on time shall place that person in default of their agreement with the Association. In that event, the remaining balance shall be immediately due and payable. Upon determination of default, the property or UDI owner shall be notified, by certified mail, that should the balance remain unpaid the property or UDI owners privileges of regular membership including but not limited to voting and the use of Association facilities shall be suspended until all due balances to the Association have been paid in full.

9.2.2 Billing. The Association shall ensure the preparation and mailing notices to the entire membership no later than April 15 of each year. Said notices shall indicate the section and lot number or UDI number, member's name, permanent address and amount due for the fiscal year and all unpaid prior balances. All such amounts shall become due and payable on the first day of May of each year.

Section 9.3 SPECIAL ASSESSMENTS. Special assessments to meet unbudgeted operating or capital expenses may be required, will be computed as an equal percentage of the annual assessment for each membership classification, and will be subject to the following:

9.3.1 Public Hearings. The board of directors shall hold a minimum of two (2) public hearings at least seven (7) days apart, with the last occurring at least seven (7) days prior to the board taking final action. The notice for these hearings shall be posted seven (7) days in advance of such meeting and shall include a summary of the proposed budget plus the anticipated special assessment to be levied upon the membership if said budget is approved.

9.3.2 Approval. A special assessment shall only be approved by a minimum of two-thirds (2/3rds) of the elected directors voting in the affirmative.

ARTICLE X AMENDMENTS

Section 10.1 AMENDMENTS. The Bylaws of the Association may be amended in the manner prescribed below.

10.1.1 Resolution for Bylaw Amendment. A resolution for amendment of these bylaws may be proposed by petition signed by at least 10% of the voting members in good standing, or by the recommendation of at least two-thirds (2/3rds) of the elected members of the board of directors at a special meeting of said board to be called for that purpose only; provided, however, that the purpose of this meeting has been clearly stated in the call for the meeting. However, no amendment

shall be considered for adoption by the membership of the Association if, after consultation and review by the board the proposed amendment is determined to be inconsistent with the Declaration of Restrictions, these bylaws or with Pennsylvania law. Such allegation of inconsistency must be documented in writing.

Section 10.2 ADOPTION of AMENDMENTS. Amendments to these bylaws may be adopted only upon the affirmative vote of two-thirds (2/3) of the votes cast by eligible voters, in person or by proxy, at any special, or annual membership meeting, a quorum being present; provided, written notice of such meeting for the purpose of amending the Bylaws, along with a copy of the proposed amendment is mailed to each member not less than thirty (30) days prior to the date set for such meeting. Such notice shall include the reason to vote for or vote against the proposed amendment.

Section 10.3 SECONDARY AMENDMENTS. At any annual or special meeting of the Association membership called to consider amendment of these bylaws, proper written notice having been given, no second degree amendments to the proposed original amendatory language may be recognized from the floor.

Section 10.4 MOTIONS TO MODIFY. Any and all additional proposals for further amendment must be submitted to the board within ten (10) days of the time and date set for the annual or special meeting. Thereafter, the Board of Directors of the Treasure Lake Property Owners Association will make a determination by majority vote as to whether, and in what form, such secondary amendatory language will be submitted to the membership.

Section 10.5 EFFECTIVE DATE OF AMENDMENTS. All such actions shall become effective on the first day of the month following the month in which such approval took place.

ARTICLE XI COMMITTEES

Section 11.1 ESTABLISHMENT OF COMMITTEES. The board of directors may propose to establish such committees, as it determines to be essential to the fulfillment of Association programs and objectives following established provisions for this purpose. The following and any future standing committees shall consist of not less than three (3) members who shall serve at the pleasure of the board. The membership of all standing committees shall be approved by a majority vote of the board of directors. At no time, the Appeals Panel excepted, shall board members comprise the majority membership of any committee. The president shall not chair, or be a voting member of any committee.

11.1.1 Chairperson. The chairperson of all standing and special committees shall be nominated by the president and confirmed by a majority vote of the board. Only members in good standing, as defined in Article II Section 2.4 shall be eligible.

11.1.2 Committee Members. The chairperson of each committee shall propose the membership and submit the proposed membership names for approval by the board. Only members in good standing, as defined in Article II Section 2.4 shall be eligible. An employee of the Association may not be assigned to or be a member of a committee in other than an advisory or support non-voting role. Committees, at their discretion, may have advisory members that shall not vote. The president shall be ex-officio, non-voting member of all committees and whose presence shall not count towards a quorum being present. Except those sessions dealing with personnel items, legal issues, potential real estate transactions or other items deemed to be of a confidential nature committee meetings may be attended by any Treasure Lake Property Owners Association member and it is also recognized that from time to time non-members may also have need to attend these committee meetings.

Section 11.2 STANDING COMMITTEES. The following standing committees are established by these bylaws. The committees shall have the authority to administer the activities of the Association within the general scope of their assigned responsibilities, as hereinafter defined. This includes, making recommendations to the board of directors with regard to changes and additions to the Association's administrative policies, codes, and procedures; to analyze and conduct studies as necessary; and to propose operating and capital expense items for inclusion in the annual budget of the Association. Such committees shall not, by their conduct, operate in a manner as to relieve the Board of any authority or responsibility granted specifically to it by the Declaration of Restrictions, these bylaws, or by civil law.

11.2.1 Property Control. This committee derives its powers from the Declaration of Restrictions Sections 5 through 8 and is responsible for their compliance.

11.2.1.1 Plans and Specifications. It shall be the responsibility of this committee to review all plans and specifications for any structures or improvements thereto on any lot or lots, and, upon approval thereof, to issue an appropriate permit to the property owner(s) in good standing for the construction, improvement, installation, remodeling, reconstruction, additions or alterations thereto. Decisions of the committee in these matters, as stated in Article 5.E of the Declaration of Restrictions, are final and not subject to appeal or review.

11.2.1.2 Enforcement. The committee shall also monitor the prohibitions and requirements pertaining to the use and activities conducted on any lot or lots within the Treasure Lake subdivision, as defined in Article 8.A.a through t. of the Declaration of Restrictions, and to take such steps as necessary to bring to the attention of the owner of the property the nature of the violation and to issue citations as appropriate after the normally prescribed notification and remediation effort has failed.

11.2.2 Finance Committee. The Finance Committee shall conduct the preliminary review and make recommendations to the Board concerning the annual operating and capital budgets of the Association that are developed by the General Manager. It shall also monitor monthly fiscal performance, prepare, and recommend to the Board of Directors budget changes or amendments and supplemental budget requirements as may be deemed in the best interest of the Association. It shall also monitor Association budget and accounting procedures and recommend such changes as necessary to ensure compliance with standard practices consistent with the Association's financial position and anticipated operating requirements. The Committee may also recommend to the Board the use of funds for investment or savings and shall monitor preparation of the annual report of budget and financial status and acting in consort with the Treasurer, verify that recommendations resulting from the annual financial audit of the Association are being accomplished. The Treasurer shall be the board liaison to the Committee.

11.2.3 Judicial Committee. The Judicial Committee shall not have members who are also members of either the Property Control or Security Committees or who are Association employees assigned to the Property Control or Security Departments. The Judicial Committee reviews the facts of cases referred to it by the Property Control Committee and/or Security Department when a defendant has

requested a hearing using established criteria for this purpose involving a citation issued by a property control officer or security officer. This may involve infractions and/or violations of the provisions of the Declaration of Restrictions, as well as the enforcement of Treasure Lake Property Control and/or Security and Safety Policies established to protect residents of the community, their property, and their welfare. The committee, under this provision, is granted the authority to act on behalf of the board to impose established penalties and costs resulting from convictions of such violations after a duly constituted hearing based on the defendants request and a plea of 'not guilty'. The cited individual or property owner(s) pleading not guilty may request a Judicial Committee hearing for purposes of adjudicating their claim.

11.2.3.1 Judicial Procedure. Each person or persons whose citation(s) has been referred for hearing to the Judicial Committee by either Property Control or Security shall have the right to appeal the decision rendered by the Judicial Committee and shall be so advised at the time of the hearing.

11.2.3.2 Appeals Process. The appeal process shall be administered by a three (3) member panel made up of three (3) board members none of whom shall be members of the Property Control, Security, or Judicial Committees. The president shall nominate the members of the 'appeals panel' and they shall be confirmed by a majority vote of the board of directors. Procedures and justification for initiating an appeal is outlined in the Judicial Appeal Process contained in the Administrative Policies. All decisions of the panel are final and shall not be subject to further appeal.

11.2.4 Safety and Security. The Safety and Security Committee shall monitor and make recommendations to ensure that policies and procedures address the maintenance and enforcement of safety and security activities throughout the community.

11.2.5 Recreation. The Recreation Committee shall plan and make recommendations to the board for the implementation and operation of recreational programs for the Treasure Lake community.

11.2.6 Cayman Landing. The Cayman Landing Committee shall review and monitor the operation of the campground and make recommendations to the board to enhance its use, maintenance, and overall recreational and campground atmosphere.

11.2.7 House. The House Committee shall monitor the physical appearance and general operations of the food and beverage establishments within Treasure Lake and make recommendations for improvement and enhancements.

11.2.8 Golf. The Golf Committee shall review the operation of the Silver and Gold golf courses and make recommendations to the board for the enhancement, use, and maintenance of these courses and their peripheral facilities.

11.2.9 Infrastructure and Maintenance Committee. The Infrastructure and Maintenance Committee is responsible for advising the board of directors on matters relating to the preservation and construction of structures, roads, and amenities.

11.2.10 Nominating and Elections Committee. The Nominating and Elections Committee is responsible to ensure that the Association's bylaws and policies are complied with in regard to verifying that prospective candidates for election to the board of directors meet established requirements and that voting procedures for the casting of ballots by association members for the election of candidates to the board of directors are adhered to.

11.2.11 Appeals Panel. The Appeals Panel is responsible for administering the appeals process with regard to cases appealed to it by a defendant based on a decision reached by the Judicial committee. Decisions of the panel are final and not subject to further appeal.

Section 11.3 SPECIAL COMMITTEES. Special committees may be established by majority vote of the board of directors from time to time; as it deems necessary. The duties, authority, and membership of such committees shall accordingly be defined by the board, in keeping with Article II, Section 2.4. However, in no event shall such committees be delegated authority to participate in the management of the Association. Upon fulfillment of its assigned objectives each committee shall cease to exist unless it is dissolved earlier by a majority vote of the board.

ARTICLE XII GENERAL MANAGER

Section 12.1 GENERAL MANAGER. The board of directors may hire a general manager and delegate to that employee authority to perform day-to-day management of the Association as set forth in Section 3.1.3. The general manager (hereinafter referred to as "manager") may hire those employees within established budgetary limits to perform those functions necessary to operate the Association on behalf of its members.

12.1.1 Chief Operating and Administrative Officer. The manager shall function as the chief operating and administrative officer of the Association and shall be responsible to the board of directors for the execution of the policies and decisions of the board of directors. The manager shall not be a member of the board of directors.

Section 12.2 EMPLOYMENT AGREEMENT. The manager's employment contract shall specify the term, salary, severance and other pertinent considerations and shall be reviewed by the Association's legal counsel and all board members shall be given a copy of his written response prior to the execution of the agreement.

12.2.1 Search Committee. When a vacancy occurs the president with the approval of a majority vote of the board shall appoint a Search committee to identify candidates for the open general manager's position. The board shall provide the Search committee with the necessary information to conduct the search including a job description, salary range, benefit package, and other pertinent information required to identify suitable candidates. The board shall also establish an interview process for the initial contact by the Search committee and any subsequent interviews by the board.

Section 12.3 ILLNESS OR ABSENCE. The manager, with the president's approval, may designate a qualified administrative employee of the Association to perform the manager's duties during a temporary absence or disability. In the event of failure to make such designation, or if the absence or disability continues more than thirty (30) days, the president may appoint an employee of the Association to perform the duties of the manager during such absence or disability until the manager's return or the disability ceases.

Section 12.4 SPECIFIC DUTIES. The manager shall:

- 12.4.1 Administration.** Ensure consistency in the oversight and application of rules, regulations, and policies promulgated by the board of directors and outlined in these bylaws and the Declaration of Restrictions.
- 12.4.2 Association Employees.** Appoint and/or remove subordinate employees under procedures established by the board.
- 12.4.3 Contracts.** Negotiate contracts and agreements for the delivery of supplies or services for the community, subject to the approval of the board, and make recommendations concerning the nature and location of community improvements and ensure the delivery and/or operation of community improvements as set forth by the board.
- 12.4.4 Enforcement.** Ensure that all policies, terms, and conditions imposed in favor of the Association or its inhabitants in any statute, public utility franchise, or other contract are faithfully kept and performed and, upon knowledge of any violation, call the same to the attention of the board.
- 12.4.5 Board Meetings.** Assist the board secretary in the preparation of meeting agendas for and attend all meetings of the board, with the right to take part in the discussions, but without the right to vote.
- 12.4.6 Policy Formulation.** Make such recommendations to the board concerning policy formulation as deemed necessary and keep the board and the Association membership informed as to the conduct of Association affairs.
- 12.4.7 Budgets.** Prepare and submit the annual operating and capital budgets to the board, with explanatory comments and administer the board approved budget.
- 12.4.8 Other Duties.** Perform such other duties as may be required of the manager by resolution of the board.

APPENDIX 'A'
GLOSSARY OF TERMS

Affiliated Organization. An organization whose membership is comprised of Treasure Lake property owners whose purpose, structure, and requirements for membership have been determined by the board to be consistent with the well-being and best interests of the Treasure Lake community.

Amenities: Properties owned, leased, or otherwise acquired by the Treasure Lake Property Owner's Association for recreational and other purposes.

Annual Assessment. A charge or charges imposed annually upon all Treasure Lake property owners by the Association.

Asset: Anything on the Association's books considered to have a positive monetary value.

Association Policies. A set of rules, in some cases ordinances, established by the board under Section 3.2.2 of these bylaws for the conduct of Association members and guests to Treasure Lake

Common Property. Real property owned by the Association and which lands are maintained by the Association for the benefit of Association members

Day. Unless stated otherwise, reference to days means calendar days.

Deed of Trust. A legal document recognized by the County of Clearfield as well as the State of Pennsylvania as an instrument evidencing the conveyance of ownership of real property and attendant property rights from one individual to another.

Default. The failure of a property owner to meet monetary obligations imposed by the Association, such as annual assessments, fines, and other monetary penalties, as well as failure to adhere to Association legal documents, such as the Declaration of Restrictions, Bylaws, and Association policies.

Disclosure. The full revelation to the Association of any financial and/or business interest in any companies, businesses, or parties, which are known to be transacting business with the Treasure Lake Property Owners Association.

Elected Board Member. Means the nine (9) directors specified in these bylaws as constituting the membership of the board of directors whether elected by the general membership or selected to fill a directorship as the result of a board vacancy.

Executive Meetings. Meetings from which the public, i.e., general membership, is excluded although the Association may invite or admit those persons necessary to carry out the purposes for which the meetings are called.

Majority vote. A roll call vote in the affirmative of a majority of the directors present when there is a quorum for business to be conducted. The president, for the purposes cited herein may vote, however; they shall vote last. A roll call is not required for purposes of voting to adjourn a meeting or work session.

Term of Office. That period of time for which a director is elected or appointed to serve.

Two-thirds (2/3rd) vote. A roll call vote in the affirmative of the elected directors when there are not less than 6 directors present for that particular business to be conducted. The president, for the purposes cited herein may vote, however; they shall vote last.

Approved by the General Membership July 2, 2005; Revisions Approved by the General Membership July 7, 2007