

BYLAWS OF THE TREASURE LAKE PROPERTY OWNERS ASSOCIATION, INC.

Approved by the General Membership: July 2, 2005

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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 to a lot or lots 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" shall require that specific member names appear as owners on a recorded or recordable deed describing and establishing such ownership within the Treasure Lake Subdivision. Whenever a partnership or corporation owns a lot or parcel of real estate any general partner having responsibilities and obligations with regard to the lot shall be included within the term "partnership"; and traditional officers of a corporation (i.e., president, vice president, secretary, and treasurer) shall be eligible with corporate ownership.

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 an interest in a lot or lots situated within the Treasure Lake Subdivision, Sandy Township, Clearfield County, Pennsylvania shall include, Cayman Landing, Silverwoods and Wolf Run Manor lot or units. All ownership must be demonstrated with a recorded or recordable Deed.

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, and the applicable laws and regulations of the United States of America.

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 The 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 receives 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 Requirements for Affirmation. With regard to Article 4 Section 4.3.1, as it pertains to conduct of any session held in closed (Executive) Session, any action to be taken on behalf of Treasure Lake Property Owners Association shall be affirmed in an open session of the Board of Directors in accordance with the roll call voting requirements set forth in Section 1.2.2 (a) and 1.2.2 (b).

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 Sections 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. 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:

(a) 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.

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

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

(d) Payments to non-members and suppliers:

(1) Under \$500.00 - one signature required

(2) Over \$500.00 - two signatures required

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

ARTICLE VII OPERATING EXPENSE, CAPITAL EXPENSE and PROJECTS, and BUDGETS

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.

7.2.3 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.

- (a) 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.
- (b) 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.
- (c) 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).
- (d) 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. 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. 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. 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. 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 agreement 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.

End of Text

Authenticated By:

Signature of Secretary, TLPOA Board of Directors

Date

Signature of President, TLPOA Board of Directors

Date