

# BY-LAWS

## THE VILLAGES OF SPRING RIDGE HOMEOWNERS ASSOCIATION, INC.

### ARTICLE I

#### Name and Location

The name of the corporation is The Villages of Spring Ridge Homeowners Association, Inc., hereinafter referred to as the Association. The principal office of the corporation shall be 1 Village Drive, Wyomissing, Berks County, Pennsylvania, 19610, or at such other place as may be designated from time to time by the Board of Directors. Meetings of Members and Directors may be held at such places as may be designated by the Board of Directors.

### ARTICLE II

#### Seal

The corporate seal of the Association shall be in circular form and shall bear the name of the Association and such other language as is required by the laws of the State of Pennsylvania.

### ARTICLE III

#### Definitions

The following words when used in these By-Laws or any supplement hereto (unless the context clearly indicates otherwise) shall have the following meanings:

1. "Association" shall mean and refer to The Villages of Spring Ridge Homeowners' Association, Inc., its successors and assigns.
2. "By-Laws" shall mean the By-Laws of the Association.
3. "Class A Members" shall mean the Owners of each of the Dwelling Units, and any future owners.
4. "Common Area" shall mean and include, in addition to Common open space, streets, rights-of-way, off-street parking areas, accessways, walkways, and utility and other servitudes and easements. The Common Area shall be separately deeded to the Association after the last residential property at The Villages of Spring Ridge has been conveyed by the Declarant. As indicated herein, the Association shall maintain the Common Area in a manner which ensures its preservation, and complies with all applicable Township, County, State and Federal laws, and retains the functional condition thereof.

5. "Common Open Space" shall mean that area of land (including the improvements thereon) to be maintained for the use and enjoyment of the residents. It shall consist of the Recreation Center shown on the Record Plan, and landscaped or natural terrain which shall be separately deeded to the Association after the last residential property at The Villages of Spring Ridge has been conveyed by the Declarant. It shall consist of landscaped or natural terrain including ponds (including all surface water collection, retention, and disposal and facilities), streams, pathways and/or active and passive recreational facilities, if any, and such buildings as are necessary to fulfill its permitted functions. The Common Open Space may be used for only those uses for which same was originally created and as limited by the Township of Spring's PRD Ordinance, as amended from time to time.

6. "Declarant" shall mean and refer to The Villages of Spring Ridge, Inc., a Pennsylvania business corporation, its successors and assigns.

7. "Declaration" shall mean and refer to the Declaration of Covenants and Easements, Conditions and Restrictions of The Villages of Spring Ridge, dated January 6, 1992 and recorded in the Recorder of Deeds Office of Berks County, Pennsylvania.

8. "Dwelling Unit" shall mean any part of a building on the Properties designated on the Record Plan as a single-family residence. Each Dwelling Unit shall include the Lot on which it is erected. Dwelling Unit ownership shall exclude ownership of any of the Common Area.

9. "Garage" shall mean the enclosed area attached to some Dwelling Units that, together with the lot thereunder, shall be part of each Dwelling Unit as indicated on the Record Plan.

10. "Individual Villages" shall mean the following seven (7) Villages of Spring Ridge: Laurel Hill, Hawthorne Hill, Hawthorne Hill North, Hickory Hill, Sycamore Hill, Linden Hill, and Spring Ridge Estates.

11. "Institutional Lender" shall mean and refer to one (1) or more commercial or savings banks, savings and loan associations, insurance companies, pension funds, business trusts, or other similar lenders, including but not limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction or improvement of real estate, or any assignee of loans made by such a lender, or any private governmental institution which has insured a loan of such a lender, or any individual who lends money for home purchase or any combination of any of the foregoing entities.

12. "Lot" shall mean and refer to the plot of land shown upon the Record Plan of the Properties, with the exception of the Common Area.

13. "Member" shall mean a member of the Association.

14. "Owner" shall mean the then record fee simple owner, whether one (1) or more persons or entities, of the fee simple title to any Dwelling Unit which is part of the Properties currently owned by the Declarant, excluding any person having an interest merely as security for the performance of an obligation, unless and until such person has acquired fee simple title pursuant to foreclosure or other legal proceedings or a deed in

lieu of foreclosure; provided, however, a mortgagee in possession shall be deemed an owner during the time of possession.

15. "Person" shall include an individual, corporation, partnership, unincorporated association or other entity.

16. "Properties" shall have the meaning set forth in the Declaration.

17. "Township" shall mean the Township of Spring, Berks County, Pennsylvania, its successors or assigns.

18. "Record Plan" shall mean the Final Plan for The Villages of Spring Ridge recorded in the Recorder of Deeds Office of Berks County, Pennsylvania, in Plan Book 183, Page 12.

**ARTICLE IV**

**Meetings of Members**

**Section 1. Annual Meetings.**

The first annual meeting of the Members was held when seventy-five percent (75%) of the Dwelling Units had been conveyed. Subsequent regular annual meetings for the Members of The Villages of Spring Ridge shall be held during the month of May or June, at a date and time to be designated by the Board of Directors.

**Section 2. Special Meetings.**

Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of one-fifth (1/5) of the Members.

Also, upon written request of one-fifth (1/5) of the Members of any Individual Village, a Special Meeting with the Members of that Individual Village and the Director representing that Individual Village shall be called.

**Section 3. Method of Voting**

Members may vote in person, by mail-in or faxed ballot, or by proxy according to procedures duly adopted by the Board of Directors for nominating elections in Individual Villages, election of Board Members and other actions requiring a vote of the Members.

**Section 4. Proxies**

All proxies shall be in writing and filed with the secretary. Each proxy shall be revocable and shall automatically cease after one (1) year.

**Section 5. Notice.**

Notice of meetings or ballot poll, where action of Members is required for meetings to amend the Declaration, By-Laws, or Articles of Incorporation, shall be provided to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting.

Notice of meetings or ballot polls shall specify the place, day, and hour. In the case of a special meeting, the Notice shall state the purpose of the meeting. In the case of the ballot poll, the Notice shall include the matter(s) to be voted upon.

Section 6. Quorum.

Except as otherwise specifically provided in the Declaration, By-Laws, or Articles of Incorporation, the presence at the meeting of Members entitled to cast votes or of proxies, mail-in or faxed ballots, representing not less than fifty-one percent (51%) of the total votes shall constitute a quorum for any action, provided all Members have received written notice of the meeting at least ten (10) days prior to the date the meeting is being held.

Section 7. Voting Rights.

Class A Members shall be entitled to cast one (1) vote per Dwelling Unit wherever such voting is provided for herein.

ARTICLE V

Board of Directors

Section 1. Number

The affairs of the Association shall be managed by a Board of Directors of seven (7) Owners residing in the Commonwealth of Pennsylvania.

Section 2. Composition and Term.

All Directors shall be elected by the Class A Members from nominees selected at the annual meetings of the Individual Villages and shall serve for two year terms, except as provided herein.

The Board of Directors shall be elected by all the Members from a list of candidates from each of the following Individual Villages: Laurel, Hawthorne, Hawthorne North, Hickory, Sycamore, Linden and Spring Ridge Estates. The Declarant will remain a Board Representative until the final settlement on all Sycamore homes. When the final settlement occurs, a representative from Sycamore will be appointed by the Board to fill the Board position vacated by the Declarant until the next scheduled election.

If no individual comes forward from an Individual Village to seek nomination as a candidate for a position on the Board of Directors, a written notice will be sent to all Members from that Individual Village to encourage someone to come forward to run for the position. If no one comes forward, the Board of Directors may appoint someone from another Individual Village until the next Election.

Directors shall serve for two-year terms, except as provided herein. In order that all Directors do not stand for re-election in the same year, the five Directors elected in the May 2002 elections will serve the following terms:

Linden Hill	One Year	Future elections to be held in odd years
Spring Ridge Estates	Two Years	Future elections to be held in even years
Laurel Hill	Two Years	Future elections to be held in even years
Hawthorne Hill	Two Years	Future elections to be held in even years
Hawthorne Hill North	One Year	Future elections to be held in odd years

The other two Directors will serve as follows:

Sycamore Hill	Two Year	Future elections to be held in odd years
Hickory Hill	(Current Director's term expires in May, 2003). Future elections to be held in odd years	

All Directors elected after that time shall serve two-year terms, except in the case of a vacancy as detailed in Section 6 below.

**Section 3. Method of Nomination.**

Each Individual Village shall hold a nominating election to select one Board candidate from a list of nominees from within that Individual Village prior to the date of the Board election.

Candidates from each Individual Village seeking nomination for election to the Board shall file a petition of candidacy, signed by not less than five (5) Members from their Individual Village, which shall be submitted prior to the preparation of ballots. The Elections Committee shall provide all Members of that Individual Village with a ballot containing the names of all bona fide candidates, which shall be provided with the notice of the annual meeting.

**Section 4. Method of Election.**

A ballot of the nominees for election to open Board positions shall be delivered to each Member following the last annual meeting of the Individual Villages. Election shall be by secret written ballot or delivered to the Chairman of the Elections Committee or his designees by mail-in or faxed ballot, or by proxy according to procedures duly adopted by the Board of Directors. Each Class A Member may cast a single vote for a the nominated candidates seeking Board positions. Whenever more than one (1) person shall be the record title holder of any Dwelling Unit, all such owners shall appoint one (1) person for the purpose of voting according to these By-Laws. Cumulative voting shall not be permitted. The seven candidates receiving the largest number of votes from the Members shall be elected.

**Section 5. Resignation and Removal.**

The unexcused absence of the Director from three (3) consecutive regular Meetings of the Board shall be deemed a resignation. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Individual Village represented by that Director.

**Section 6. Vacancies.**

In the event of death, resignation, or removal of a Director, a successor shall be selected from the Individual Village represented by that Director (subject to the applicable provisions of Section 2 above) and appointed by a majority vote of the remaining Directors to serve until the next scheduled election. The Director chosen at that next scheduled election may serve a term of either one (1) or two (2) years depending upon the schedule of terms detailed in Article V, Section 2.

**Section 7. Powers.**

The Board of Directors shall have all powers for the conduct of the affairs of the Association which are provided by law, the Declaration and the Articles of Incorporation of the Association and which are not specifically reserved to Members, the Declarant, or the Architectural Review Committee by said documents.

**Section 8. Duties**

Without limiting the generality of its Powers, it shall be the duty of the Board to:

- (a) Exercise its powers in accordance with the governing documents;
- (b) Cause to be kept a complete record of all its corporate affairs including the Book of Resolutions, make such records available for inspection by any member, his agent, or institutional lender who has an interest in the Properties, and present an annual statement thereof to the Members;
- (c) Adopt and follow procedures for adoption and publication of the Board's Resolutions to be included in the Book of Resolutions, including the provisions for hearing and notice of members for resolutions on rules, the annual budget, and other matters affecting the rights of Members;
- (d) Adopt and publish rules and regulations including fees, if any, governing the use of the Common Area and facilities, and the personal conduct of the Members and their guest thereon, together with such additional regulations as are necessary to protect and preserve the health, safety and welfare of the residents of The Villages of Spring Ridge, and to include these in the Book of Resolutions;
- (e) Establish architectural standards for the Properties in accordance with the Book of Resolutions procedures;
- (f) Supervise all officers, agents, and employees of the Association and see that their duties are properly performed;
- (g) Designate depositories for Association funds, designate those offices, agents and/or employees who shall have authority to withdraw such accounts on behalf of the Association, and cause such persons to be bonded, if deemed appropriate;
- (h) Send written notice of each assessment to every owner subject thereto in conformance with the Declaration;
- (i) Budgeting and Reserves

1. On or before the first day of December of each year, the Board of Directors shall adopt a budget for each Individual Village and the Recreation Center/Pool. Each budget shall contain an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of common elements, as well as expenses declared to be common area expenses. Such budgets shall also include such amounts as the Board considers necessary to provide a reasonable and adequate reserve for contingencies and replacements. In addition, each Individual Village shall be responsible to contribute its pro rata share (based on number of sold units) of the annual Recreation Center/Pool net operating deficit, and an estimate of such amount shall be included in the budget of each Individual Village. Collectively, all estimated costs included in the budgets shall be called Common Expenses.

2. On or before the 15<sup>th</sup> of December of each year, the Board of Directors shall send to each Member a copy of the budget for the Individual Village of that Member that sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining each Member's assessment for the Common Expenses of the Individual Village. A calculation of the quarterly assessment of the Member shall be included with the budget.

3. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of the obligation of a Member to pay their allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget, each Member shall continue to pay each quarterly installment at the rate established for the previous fiscal year until the new budget has been adopted.

(j) Appoint such committees as are prescribed in Article VII; and

(k) Exercise their powers and duties in good faith, with a view to the interest of the Association and, to this end, to adopt appropriate guidelines for action on matters where a potential conflict of interest may exist.

Section 9. Quorum.

A majority of the Directors of the Board of Directors shall constitute a quorum.

ARTICLE VI

Officers

Section 1. Enumeration of Officers.

The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board of Directors may, from time to time, by resolution create.

Section 2. Election of Officers.

The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term.

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

Section 4. Resignation and Removal.

Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time, giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such a resignation shall not be necessary to make it effective.

Section 5. Vacancies.

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

Section 6. Multiple Offices.

The offices of President and Treasurer may not be held by the same person. However, the President may serve as secretary and the Vice-President may serve as Treasurer.

Section 7. Duties.

The duties of the officers shall be as follows:

(a) President. The President shall preside at all meetings of the Board of Directors and of the Association; see that orders and resolutions of the Board are carried out; and sign all mortgages, leases, deeds, and other written instruments and cosign all promissory notes and contracts as the Board may approve from time to time.

(b) Vice-President. The Vice President shall act in the place and stead of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such duties as may be required of him by the Board.

(c) Secretary. The Secretary shall cause the minutes to be kept of all meetings and proceedings of the Board and of the members; cause the Book of Resolutions to be maintained; serve as custodian of Association files and records; keep the corporate seal of the Association and affix it on all papers requiring said seal; cause

notice to be served to Members and institutional lenders as required in the governing documents; cause a roster to be maintained of the names of all Members; and perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall cause all monies of the Association to be deposited in appropriate accounts and disbursed therefrom with the limits of the annual budget or as directed by resolution of the Board of Directors; co-sign any promissory notes and contracts; keep proper books of account; cause an annual audit of the Association books to be made by a certified public accountant at the completion of each full fiscal year; and be the chief officer responsible for the annual preparation of the budget, the income statement and the balance sheet statement to be presented to the Board and to the membership at its regular annual meeting. The financial duties of the Treasurer may be assigned to a management agent upon approval by a majority of the Board.

## ARTICLE VII

### Committees

#### Section 1. Elections Committee

The Board of Directors shall appoint an Elections Committee no later than two (2) months prior to the annual meeting date. The Committee shall consist of a Chairman, who may not be a Director, and at least four (4) members, none of whom shall be candidates for office. It shall be the duty of the Committee to provide supervision of the nomination and election of Directors in accordance with procedures adopted by the Board and placed in the Book of Resolutions.

#### Section 2. Architectural Review Committee

The Board of Directors shall appoint an Architectural Review Committee (ARC), consisting of no fewer than five (5) and no more than seven (7) members, all of who shall be Members. A member of the Board of Directors shall either serve on the ARC or be appointed as liaison to the ARC. ARC members shall serve from the date of their appointment by the Board of Directors until the first Meeting of the Board of Directors held after the May Annual Meetings.

The role of the ARC shall be to review proposed changes to Member's units and to make recommendations regarding those changes to the Board of Directors. The Board shall have final approval of any proposed changes to Units. Written recommendation of any action by all of the members of the ARC, without a meeting, shall have the same effect as though that action had been taken at a meeting of the ARC.

In the event the Board of Directors or the ARC fails to approve or disapprove a written application for a proposed change to the outside of a unit within sixty (60) days after the submission of such application to the Board or ARC, approval shall be deemed to have been denied.

**Section 3. Other Committees**

The Board shall appoint such other committees as it deems necessary or desirable for the operations of the Association.

**ARTICLE VIII**

**Meetings of the Board of Directors  
and the Architectural Review Committee**

**Section 1. Regular Meetings**

Regular meetings of the Board and Architectural Review Committee shall be held without notice at such place and hour as may be fixed from time to time by the members of the respective body.

**Section 2. Special Meetings**

Special meetings of either body shall be held when called by the President of the Association, by its Chairman or by any two (2) members of that body, after not less than three (3) days notice to each member of the appropriate body.

**Section 3. Quorum**

A majority of the members of the Architectural Review Committee shall constitute a quorum for the transaction of its respective business, except that in no event shall a quorum be less than three (3) members.

**Section 4. Executive Sessions.**

All meetings of either body shall be open to observers, except the President or Chairman may call that body into executive session on personal matters or for hearings on infractions of published rules and regulations or for discussion of any matter protected by a privilege of confidentiality. Any action taken by either body in executive session shall be recorded in the minutes of that body.

**ARTICLE IX**

**Indemnification**

Each officer and Director of the Association, and all members of the Architectural Review Committee, in consideration of their services as such, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by them in connection with the defense of any action, suit, or proceeding, civil or criminal, to which they may be a party by reason of their past or present role in the Association. The foregoing right of indemnification shall not be exclusive of any other rights to which the person may be entitled by law, or agreement, or vote of the Members or otherwise.

ARTICLE X

Fiscal Year

The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XI

Amendment

Section 1. Method

These By-Laws may be amended:

- (1) By a vote of a majority of the Directors of the Board of Directors at any meeting duly called for that purpose, providing notice of the meeting and the proposed amendments have been given to the Members at least fifteen (15) days prior to the meeting, or
- (2) At the annual meeting of the Members, by a two-thirds (2/3) vote of a quorum of Members, providing the proposed amendments have been included in the notice of the meeting. Amendments shall become effective upon adoption.

ARTICLE XII

Miscellaneous

The Association, through its Board of Directors, shall have the right to contract with a third party for the purpose of managing the property for and on behalf of the Association at a compensation to be approved by the Board of Directors.

IN WITNESS WHEREOF, we, being all the appointed Directors of The Villages of Spring Ridge Homeowners' Association, have hereunto set our hands this 25<sup>th</sup> day of

APRIL 2003

Name [Signature]

Name [Signature]

Name [Signature]

Name [Signature]

Name [Signature]

COMMONWEALTH OF PENNSYLVANIA

:SS.

COUNTY OF BERKS

On this 25<sup>th</sup> day of April, 2002, before me, the undersigned officer, personally appeared Richard Maloof, who acknowledged himself to be the President of The Villages of Spring Ridge Homeowners' Association, Inc. and that he, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

*Deborah A. Schwader*

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Notarial Seal Deborah A. Schwader, Notary Public Wyomissing Boro, Berks County My Commission Expires Nov. 7, 2005 Member, Pennsylvania Association Of Notaries
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