

**Amendments to the By-Laws of the  
Wallenpaupack Lake Estates  
Property Owners Association**

**2010**

Various revisions and updates throughout

**2008**

Various revisions and updates throughout

**2007**

**ARTICLE I**

Section 2. “Address. The address of the corporation’s principal business office is 114 Wallenpaupack Drive, Wallenpaupack Lake Estates, Lake Ariel, PA 18436

**ARTICLE II**

Section 1(a): The following text is deleted:

“...Paupack Township, Goose Pond Road, R.D. #1, Lake Ariel...”

**2005**

**ARTICLE X**

Section 4. All off-road and all-terrain vehicles (ATVs) are prohibited from use and operation within the entire community of Wallenpaupack Lake Estates (“WLE”), including its roads and common areas, except as may otherwise be allowed by vote of the membership.”

**ARTICLE III**

Section 3. (a) (ix) Capital Improvement Fee. The assessments upon the transfers of the lots, according to such terms and conditions, and subject to such exemptions, as has been authorized by the membership. “

**2003**

**ARTICLE III**

Section 3. (a) (i) Annual Assessments Dues and Sewer & Water fees combined into one Annual Assessment for the calendar year.

**1999**

**ARTICLE V**

Section 2. (a) To restrict certain members of the same family from service as Directors at the same time.

1998

**ARTICLE V**

Section 1. (d) Defining in greater detail the authority of the Board of Directors from making capital expenditures and committing the Association to debt in certain circumstances.

**1997**

**ARTICLE IV**

Section 3. Clarification to how the number of members in good standing will be calculated.

**ARTICLE V**

Section 1. Limits to capital spending by the Board of Directors a. long term borrowing b. new capital projects in excess of \$150,000.

**1993**

**ARTICLE V**

Section 13. All elections to the Board shall be made on written mailed ballot only

**ARTICLE VIII**

Section 3. (b) Annual Dues and Sewer & Water assessments will be combined and billed in four equal payments due the first day of January, April, July and October.

**1991**

**ARTICLE VIII**

Section 3. Regarding assessments for consolidation or subdivided lots.

**ARTICLE VIII**

Section 5. Collection of legal fees for litigated matters involving property owners.

**1989**

**June**

**ARTICLE IV**

Sections 6&7 Designation of Directors in uncontested elections

**ARTICLE V**

Sections 3&4 Designations of Directors in uncontested elections

**December**

**ARTICLE II**

Sub (d) Limiting members of Association to Active Members, Tenant Members and Developer Members.

**ARTICLE III**

Clarifies powers of the Board. Clarifies the good standing required to use Common Areas. Deletes special status of F/A. Provides other clarifying amendments.

**ARTICLE V & VIII**

Limit power of the Board  
Limit power of Special assessments to general membership and to limit annual assessment increases to a maximum of 10%

**1987**

**ARTICLE IX**

Section 1-10 Indemnification Article entirely rewritten

**1986**

**ARTICLE V**

Section 1(o) To stop services who fail to pay assessments on each and every lot

**1985**

**ARTICLE II**

Section 1 Renumbering subparagraphs from numbers to letters

**ARTICLE III**

Section 2 Renumbering subparagraphs from numbers to letters

Section 4 Good standing amended to include payment of special assessments. Multiple owner designation

Section 7 Obligation of membership added

**ARTICLE IV**

Section 3 Voting at Special Meeting by Proxy

Section 6 Board of election rules and ballots preserved

**ARTICLE V**

Section 3 Board term commencement

Section 4 Vacancy director serve balance of unexpired term

Section 5 Nominations for the Board to be received by April 1<sup>st</sup>

- Section 7 Board – 2 consecutive term
- Section 8 Organization Meeting
- Section 9 Regular Meeting
- Section 10 Special Meetings
- Section 11 Waiver of Notice
- Section 12 Quorum

**ARTICLE VIII**

- Section 2 Liens not extinguished
- Section 3 Conveyances

**ARTICLE X**

- Section 3 Rules Available

**ARTICLE XI**

- Section 1 Amendment by proxy

**ARTICLE XII**

- Section 1 Savings Clause

**1984**

**ARTICLE III**

- Section 6 Only FACC may vote

**ARTICLE V**

- Section 6 Meetings by Conference Telephone added
- Section 7 No Director shall serve more than 2 consecutive terms

**ARTICLE VIII**

- Section 1 Assessments for constructing amenities, including S & W systems and roads.  
FACC added as voting on special assessments

**ARTICLE VIII**

- Section 2 Rate of interest standard added; costs added

**1982**

**ARTICLE III**

Section 2(1) Changed to “A Developer Member shall also include title for other than personal residential or recreational use...”

**ARTICLE V**

Section 5 Added “The 4<sup>th</sup> Friday in April will be the last day for receiving nominations for the Board of Directors.”

Amendments from 2/5/84 to 6/10/89 taken from Attorney Randle’s notes

**1981**

**ARTICLE III**

Section 3 Wording change to membership fees (deleting reference to \$72 per lot) and pro rating from date of purchase

**ARTICLE IV**

Section 2 Change of day of week for annual meeting

**ARTICLE VIII**

Section 1 Wording change as to assessments

**1978**

**ARTICLE III**

Sub. 1. Changed as to type of member

Sub. 2 Changed as to type of member

Sub. 3 Changed as to type of member

Section 3 Changed as to fees of developers

Section 4 Changed as to voting

**ARTICLE V**

Section 1(h) Added at end “as may be appropriate under existing PA Non-Profit Corporation Law”

Section 2 Changed as to age of Board members

Section 3 Changed as to term of Board members

**ARTICLE VIII**

Section 1 Changed to exclude developer and to include levy of special assessment

Section 2 Changed to include levy of special assessment

Section 3 Costs of collection elaborated on effect of sale on assessments owed

\*Original By-Laws not dated

**By-Laws of  
Wallenpaupack Lake Estates  
Property Owners Association  
As amended June 12, 2010**

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ARTICLE I

Section 1. Name. The name of this corporation shall be WALLENPAUPACK LAKE ESTATES PROPERTY OWNERS ASSOCIATION.

Section 2. Address. The address of the corporation's principal business office is 114 Wallenpaupack Drive, Wallenpaupack Lake Estates, Lake Ariel, PA 18436

## ARTICLE II

Section 1. Purpose. The purpose or purposes of the corporation are:

(a) To insure the present and future residential living conditions relating to the health, safety, public morals, convenience, comfort and beauty of lots in a development of lands in Paupack Township, 114 Wallenpaupack Drive, Wallenpaupack Lake Estates, Lake Ariel, PA 18436 Wayne County, Pennsylvania, known as Wallenpaupack Lake Estates WLE; to regulate, inspect, administer, approve structures and plans for the same, and obtain compliance generally with the restrictions and conditions as to the use of all community property and amenities such as, but not limited to, buildings, roads, rights-of-way, land, access areas, etc., when deeded to the association by the developer, Wallenpaupack Lake Estates, its successors or assigns, or any such property obtained by incidental and related activities so as to carry out the general purposes first herein stated, that this corporation does not contemplate pecuniary gain or profit, incidental or otherwise, to its members.

(b) The term of its existence is perpetual.

(c) That this corporation is organized upon a non-stock basis.

## ARTICLE III

Section 1. Membership. This association shall be owned and operated by the members thereof, which members shall have and enjoy qualifications, rights, and privileges as hereinafter set forth.

Section 2. Definition & Privileges. Members shall be any person, organization, or entity owning a residential lot of the WLE community. Lot ownership shall be evidenced by the current record instrument of conveyance of title to such lot of a freehold estate, or by confirmed events which operate to transfer the lot or its title to or vest ownership in another, or some official act, declaration, or court order of lot ownership or vesting of title, as authorized by law. Lot title or ownership does not include a leasehold or possessory estate or interest. Any discrepancy or dispute between record holders of multiple estates or interests in lots or multiple claimants of title, which has not been resolved as of a given time for purposes of any recognition or exercise of membership privileges, the Board or Association committee shall then determine amongst those persons claiming membership to whom the privileges will be availed. As between record owners of a present and future estate/interest, the present estate/interest shall control over the future estate/interest. In case of more than one instrument from the same grantor-owner, the earliest date of delivery of the recorded instrument shall control. Nothing herein shall preclude the Association from recognizing and treating more than one record owner or claimant for purposes of enforcing any payment or other obligations to the Association.

Generally, members in good standing shall have the privilege to attend, participate and vote at membership meetings, and elect directors and otherwise vote as members of the association, and to become and serve as an association director, officer or committee-member, and to receive association services and participate in other association affairs and events, and to use the common facilities and areas of WLE, subject to criteria, standards, limitations, restrictions, and qualifications as may be prescribed by law or the Association bylaws or established by authority of the Board.

### Section 3. Membership Fees, Annual Assessments, and Special Assessments.

(a) Definitions. The following words and phrases, when used in these By-Laws shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

- (i) "Annual Assessments". The dues, assessments, charges and fees as to each lot representing a share of the costs (current and future) of operating, maintaining, repairing, constructing and replacing the roads, clubhouses, community buildings, swimming pools, Association land and property, the beaches, access areas, water and sewer facilities/systems and other Association amenities and Common Areas, and for the supply of water and sewer service, the provision of other services, and the conduct of Association business and operations.
- (ii) "Capital Expenses". Items of expenditure for the purchase or improvement of real estate, construction, reconstruction or improvement of Association buildings and structures, and the purchase of machinery and equipment.
- (iii) "Capital Project". A proposal to purchase or construct a facility of the Association, or to improve or reconstruct Association buildings or structures.
- (iv) "Common Areas". All community property and amenities such as, but not limited to, buildings, roads, rights-of-way, land, and parking and access areas, transferred to or acquired or owned by the Association as set forth in ARTICLE II, Section 1.(a), and the clubhouses, swimming pools, beaches, water and sewer systems, and other Association amenities and common elements and areas shown on the recorded PLANS OF LOTS.
- (v) "Covenants". The SCHEDULE "A" Covenants, Conditions and Restrictions to which the lots in Wallenpaupack Lake Estates are subject.
- (vi) "Fees". The Fees charged to each Active Member, Tenant Member, or Developer Member for the use of the Association's amenities and Common Areas, or other purposes, which are in addition to the Annual Assessments for each lot.
- (vii) "Operating Expenses". All of the recurring expenses of the Association, other than the Capital Expenses or the Capital Project costs.

- (viii) "Special Assessments". Assessments in addition to Fees and Annual Assessments to meet unbudgeted Operating or Capital Expenses, for a Capital Project, or for some other purpose approved by a majority of the members entitled to vote in accordance with ARTICLE VIII.
- (ix) "Capital Improvement Fee" The assessments upon the transfers of the lots, according to such terms and conditions, and subject to such exemptions, as has been authorized by the membership.
- (x) "Good standing" in reference to members is that status, at a given point in time, achieved by Members, whose lot accounts with the Association (and all of them in the case of members with multiple lots), are fully paid and whom have paid all current outstanding Fees, Annual Assessments, and Special Assessments, and interest, late payment fees, fines, and other charges or fees assessed, charged and imposed upon or to a member or any of the members' lots, and whom otherwise have not been charged and determined responsible for violations of the Association's rules and by-laws, the Covenants, or breaches of such standards of conduct and behavior of a civil society and detrimental to the WLE community.

(b) Membership Fees and Annual Assessments shall be fixed by the Board of Directors, and the Special Assessments shall be fixed by the Association in accordance with this ARTICLE, ARTICLE V, and ARTICLE VII and may vary as to different classes of members and as to improved and unimproved lots. The single statement of assessments will be issued for each lot, each year, payable in four (4) equal or as near equal installments due on January 1, April 1, July 1 and October 1 of that year. The Board may establish discounts or incentives for full payment of the assessments earlier than due. As set forth in ARTICLE VIII, interest shall accrue on assessments if not paid within thirty (30) days of the due date.

Section 4. Voting and Common Area Use. Voting shall be restricted to the Members in good standing, whom may vote at any membership meeting in person or by proxy, unless the bylaws otherwise provide. Each Member in good standing shall have one (1) vote per lot with a maximum of two (2) votes, regardless of the number of lots owned in excess of two. In case of joint or multiple owners of a lot or lots, one owner shall be designated in writing to be the voting member by the other co-owner(s). If no designation of the voting member is made, then the first name in alphabetical order shall be the voting member. The use of Common Areas (except roads & travel rights-of-way) shall be restricted to Members in good standing, and members lacking good-standing status may be removed from the Common Areas, cited and fined and/or otherwise disciplined or sanctioned by the Association for the violation of such restriction.

Section 5. "Lots" are defined as those real properties plotted as numbered lots by the original subdivision plans or plats for WLE referred as sections 1, 2, 3, 4, 5, & 7, as amended, on record with the Recorder's office for Wayne County, Pennsylvania, as such plans/plats or plotting of lots may have been altered by the Association or recognized and expressly approved as such in writing by the Association, or which are subject to the Covenants appertaining thereto and appurtenant rights of use of the WLE roads and common areas/facilities, and are otherwise intended as residential lots (regardless whether such lots are actually improved, developed or used as such); excepting, however, any such lots owned by the Association and used, physically improved, otherwise altered, or designated or converted for use other than as a residential lot.

Section 6. Obligations. The obligation of membership shall be:

- (a) To comply at all times with the rules and regulations, policies, and By-Laws of the Association, and with the Covenants; and to be responsible for like compliance by family members, guests, tenants, and invitees.
- (b) To pay all Fees, Annual Assessments, Special Assessments, fines and other charges levied pursuant to the authority granted in these By-Laws including interest.
- (c) To be responsible for all damages attributable to the member, his or her family, his or her guests, tenants, and invitees.

#### ARTICLE IV

Section 1. Place of Meetings. Any meeting of the members of the Association shall be held in the State of Pennsylvania at such place therein as may be stated in the notice of such meeting.

Section 2. The Annual Meeting. The annual meeting of the Association shall be held on the 2nd Saturday in June, commencing with the year 1982.

Section 3. Special Meetings of the Association. Special meetings of the Association may be called by the Board of Directors at any time in the manner herein provided. A special meeting shall be called upon the written signed petition of ten (10%) percent of the members of the Association who would have the right to vote at such special meeting. For purposes of determining whether this 10% standard (ratio) has been achieved, the number of eligible petitioners shall be proportioned to (divided by) the average number of members entitled to vote as of the day of each month of the year immediately preceding the date sixty (60) days prior to receipt of the petition by the Association. Only those members (signatories to the petition) entitled to vote as of the date of the Association's receipt of the petition are eligible petitioners. Voting at a special meeting shall be in person or by proxy unless these By-Laws provide otherwise.

Section 4. Notice of Meetings of the Association. Written notice of the place, date and hour of the meeting, and, in the case of the special meeting, the person calling the meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than fifty (50) days before the date of the meeting, either personally or by mail, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Association, with postage prepaid, or such notice may be published in any newspaper published in the County in the State in which the principal office of the corporation is located, once a week for three (3) successive weeks next preceding the date of the meeting.

Section 5. Quorum. A quorum at either a special meeting or the annual meeting shall be a minimum of ten percent (10%) of the members entitled to vote at such meeting in person or by proxy. The vote of a majority of the votes entitled to be cast at any meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required hereunder or by law.

Section 6. Voting. Each unit of membership shall be entitled to vote as provided above. The Board of Directors shall promulgate rules and regulations governing conditions and

administration of the election and the graphic make up or design of the ballot. All ballots and election records shall be preserved for a period of three (3) years. If the number of qualified nominations for a term of office of the Board of Directors, qualified and received in accordance with ARTICLE V, Sections 2 and 5 of these By-Laws, is equal to or less than the number of Directors to be elected or designated to the term of office, then upon certification by the Secretary that the nominees are qualified, the Secretary, upon motion of the Board of Directors, shall designate those qualified nominees as Directors for the said term of office. In such event, said designation shall preclude ballots or an election.

#### Section 7. Order of Business.

- (a) Minutes of previous meeting.
- (b) Reports of Officers.
- (c) Reports of Committees.
- (d) Unfinished business.
- (e) Fixing number of Directors to be elected or designated.
- (f) Election or designation of Directors.
- (g) Other new business.
- (h) Adjournment.

### ARTICLE V

#### The Directors

Section 1. Powers. The affairs of the Association shall be governed and administered by the Board of Directors. 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, By-Laws and Rules. In addition to and not in limitation of the powers granted the Board of Directors by law, they shall have these powers:

- (a) To sue or defend suit in the Association name.
- (b) To have a seal, which may be altered at pleasure, and to use the same in any proper manner.
- (c) To purchase, take, receive, lease as lessee, take by gift, or bequest, or by devise, or otherwise acquire and to own, hold, use and otherwise deal with any real or personal property or any interest therein, situated in or out of this Commonwealth, which may be necessary and proper.
- (d) To borrow money, enter into long term contracts, issue its notes, bonds or other evidences of debt, for money or labor done, or money or property actually received, and to secure any of its obligations by mortgage, pledge, security agreement, or deed of Trust of any of its property franchises and income. All long term contracts, commitments or borrowings, both internal and external, of \$100,000.00 or more shall be approved by vote of the membership.

This initial cap amount, and each successive adjusted cap amount, shall be annually adjusted upward based on the Social Security "Cost of Living Adjustment" (COLA) index. In any event, the cap amount in effect for any given transaction shall not be less than \$100,000.00 commencing in 1997.

As used herein, "long term" means in excess of one year. These long term transactions shall be fulfilled or terminated by the Association within one year and cannot be rolled over annually to avoid the cap amount in effect for the transaction.

(e) To elect or appoint and remove officers and agents of the Association, and to define their duties and fix their compensation.

(f) To purchase, take by gift or bequest or otherwise acquire and to hold shares, bonds, securities or other evidences of debt of any other person or corporation and to exercise all rights and privileges of such ownership, subject to limitations imposed by laws.

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

(h) To grant allowance, pensions and death benefits to its officers, directors, or employees, as may be appropriate under existing Pennsylvania Non-Profit Corporation Law.

(i) To appoint policemen.

(j) To determine whether the conduct of any member violates any rules or By-Laws of the Association, and if so, to fix the penalty for such violation.

(k) To appoint committees and define their duties.

(l) To promulgate rules and regulations for the conduct of the affairs of the Board and of the Association and the activities and conditions within the WLE community

(m) To fix the time and place of all meetings of the membership.

(n) To establish, levy, assess and enforce rates, membership Fees, Annual Assessments, fines, and interest, for community services, including, but not limited to, water or sewage systems, and other Common Areas, and for common expenses and to enforce Special Assessments by the Association, but not for any other purpose, except upon approval of a majority of the members in good standing entitled to vote which approval to be at a meeting for which notice thereof had stated the substance of the proposed levy, assessment, rate, charge, or Special Assessment. The Board of Directors may not increase the Annual Assessments in excess of ten (10%) percent of the Annual Assessments assessed the previous year, or impose any new Fees except upon approval of a majority of the members in good standing entitled to vote at a meeting for which notice thereof had stated the substance of the proposed levy, assessment, rate, charge, or Special Assessment

(o) To stop the services to any member, including any member who owns more than one lot, who fails to pay the proper rates or the proper levy or assessment set forth in ARTICLE III, ARTICLE V, or ARTICLE VIII on each and every lot, and to suspend the membership privileges of such member.

(p) All new capital projects (excluding repair, including improvement, replacement or reconstruction of existing Association buildings, structures, machinery and equipment) in excess of \$150,000.00 in direct costs shall be approved by vote of the membership. Bids shall be solicited for such capital projects. The Board may refuse any and all bids

This initial cap amount, and each successive adjusted cap amount, shall be annually adjusted upward based on the Social Security "Cost of Living Adjustment" (COLA) index. In any event, the cap amount in effect for any given capital project shall not be less than \$150,000.00 commencing in 1997.

(q) The Board of Directors shall hire the General Manager. The Board of Directors shall not hire an outside managing agency or management agent, whatever the form, without the approval by a vote of the membership.

(r) A Finance Committee of three members shall be appointed by the Board upon qualifications as determined by the Board in its sole discretion, for a three year term commencing from the time of the committee member's appointment following the annual reorganization of the Board. The committee members shall serve until their successor is selected. The committee members' terms shall be staggered, so that only one committee member's term commences and expires in each year of the 3-year term --- the initial terms of the committee-members shall commence in 2010 as follows: one committee member shall be selected for a one-year term which expires in 2011; one committee member shall be selected for a two-year term which expires in 2012, and the other committee member shall be selected for a three-year term which expires in 2013; successive terms . The Committee shall report to and advise the Board, on such matters as is assigned within its purview by the Board. The members of this committee must be members in good standing of this Association. If a committee of qualified appointed members can not be organized, the Board may operate without a Finance Committee.

Section 2. Number and Qualification of Directors. The Board of Directors shall consist of seven (7) natural persons at least eighteen (18) years of age who are also Active Members in good standing of the Association at the time their candidacy for the said Board is announced and thereafter.

- (a) Only one family member may serve on the Board of Directors at any given time. No immediate family member is eligible for, or to serve on, or be appointed to, the Board of Directors while a family member is on the Board and/or will continue to be on the Board. Immediate family includes: spouse, father, mother, brothers, sisters, sons, daughters, spouses and domestic partners of the immediate family.
- (b) Director election nominees shall be members in good standing.
- (c) An Association member shall not qualify for more than one nomination for any election of directors, regardless of the number of lots owned.
- (d) Any member in good standing shall be limited to nominating one directorial candidate per election, regardless of the number of lots owned.
- (e) A nominating review committee composed of three members shall be established for each directorial election, which shall ascertain the candidates' acceptance of any nomination and their good-standing membership status and to otherwise examine, vet and qualify candidates for nomination. Resumes, which may consist of some educational and work and civic experience, tributes and accomplishments, and skills, of the nominees shall be presented to the nominating committee. The Board may establish applications, authorizations, rules, regulations and procedures for candidate qualification and confirmation of directorial nominations.

Section 3. The initial Board of Directors shall serve for a term of three (3) years. From and after the annual meeting of June, 1980, all elected or designated Directors shall serve for a term of three (3) years, which term shall commence immediately following the adjournment of the annual meeting at which they were elected or designated.

Section 4. Vacancies on the Board of Directors may be filled by a person elected by majority of the remaining members, though less than a quorum; and each person so elected shall serve until a successor is elected by the members at their next annual meeting or at a special meeting called for that purpose, or designated in accordance with ARTICLE IV, Section 6, and each person so elected or designated shall be a director to serve for the balance of the unexpired term.

Section 5. The 1st day of April at 4:30 p.m. shall be the last day for receiving nominations for the Board of Directors. Any member in good standing seeking nomination or being nominated shall submit a resume for their intent to seek election as a director. The resumes shall be published by the Association. If the 1st day of April falls on a Sunday or a holiday without mail delivery, then the following day of mail delivery at 4:30 p.m. shall be the last day for receiving nominations for the Board of Directors.

Section 6. Meetings by Conference Telephone. One or more directors or the entire Board of Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other.

Section 7. No Director shall serve more than two (2) consecutive three (3) year terms, however, after one (1) year two (2) years he/she may be elected and again serve two consecutive three (3) year terms.

Section 8. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a quorum of the Board shall be present. The intent is to allow newly elected members to participate in any Board meeting called immediately after election. At this meeting the Board shall elect a President and such corporate officers as provided in the By-Laws.

Section 9. Regular Meetings. Regular meetings of the Board of Directors shall be held at Wallenpaupack Lake Estates at such time as shall be determined, from time to time, by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting. There shall be kept minutes of all meetings conducted by the Board, together with record of voting at such meetings.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President or Secretary on three (3) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) Directors. If the President or

Secretary determines that immediate action is necessary, then the President or Secretary may call a special meeting in like manner and upon immediate notice.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors, shall be a waiver of notice by said Director, of the time and place thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the original meeting may be transacted without further notice. This does not waive any requirement for a quorum to be present to conduct business at any adjourned meeting.

Section 13. Election of Directors. All elections to the Board shall be made on written ballot which shall:

- (i) Be delivered so that they are received, at the Association's primary administrative office, no later than the end of the business day of the day before the Annual Meeting date, for which the members are solely responsible;
- (ii) Describe the vacancy to be filled; and
- (iii) Set forth the names of those persons who have become candidates for the office of Director.
- (iv) In the event of a tie vote amongst the candidates for the remaining undetermined seats eligible for the election, such candidates will seek to resolve the election impasse among themselves during the meeting, but the result must be that only one candidate will accede to each of the eligible elective positions. If an amicable solution between them is not attainable, there will be a run-off election of only those candidates for the eligible seats in dispute by re-vote of all members entitled to vote and present in person or by proxy, at the Annual Meeting.

Such ballots shall be issued by the Association, by mail or for delivery, to each member entitled to vote, at their address then on record with the Association.

The completed election ballots shall be returned to the Association as follows: Each ballot shall be placed in a sealed envelope marked "Ballot", but not marked in any other way. Each such "Ballot" envelope shall contain only one (1) ballot, and each voting member shall be advised that because of the verification procedures hereinafter set forth, the inclusion of more than one (1) ballot in any one "Ballot" envelope shall disqualify the return. The verification envelope shall bear on its reverse side the name of the member, the lot and section number or WLE address for which the election ballot is submitted, and such other information from the member as the Board may determine will serve to establish the members' right to cast votes presented by the ballot contained therein. The ballots shall be returned so that they are physically available to the Election Committee at the Association's primary administrative office address no later than the end of the business day of the day before the meeting date.

Upon receipt of each return, the unopened verification envelope shall be marked on the reverse thereof by a member of the Association's staff with the amounts owed, if any, by the member, a notation made as to receipt of ballot from that member on a Registration Sheet, and then immediately placed in a safe or locked place until the day fixed by the Board for the counting of such ballots. On that day, the verification envelopes containing the "Ballot" envelopes shall be turned over, unopened, to the Election Committee consisting of the Election Chairperson and his committee.

The Election Committee shall be responsible for verifying:

- (i) That the information marked on the verification envelope is accurate; and
- (ii) That members for whom a voting ballot has been submitted are in good standing.

Such procedure shall be taken in such manner that the vote of any member shall not be disclosed to anyone, including the Election Committee. The outside envelopes shall thereupon be opened and proxies, etc., tallied, without opening the ballot envelope at this time, which ballot envelope shall be put to one side, not in any order. After the opening and counting necessary of the contents of the verification envelopes, the Election Committee shall then proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one (1) ballot, all ballots contained in such envelope will be disqualified. The Election Committee shall certify the results of the count at the Annual Meeting and the terms of office of the directors so elected shall commence immediately following such Annual Meeting.

All ballots shall be retained for a period of three (3) years.

All election ballots shall be available for an independent audit, by a certified public accounting firm or otherwise, upon request of unsuccessful candidates or voting members. The results of all ballot counts and vote tallies, if available, shall be published by the Association.

Section 14. Directors shall not vote for or assent to any Association business, contracts, or transactions in which they are interested, or have a direct or indirect financial interest, or in which they have such interest or any relationship with the person or organization that is a party to or beneficiary of such business, contracts, or transactions. Directors shall fully disclose all of such interests and relationships to the Board, before Association business, contracts, or transactions are proposed for Board consideration and action. A director's non-compliance with this provision shall not operate to void, nullify, invalidate, negate, cancel, terminate, or rescind the Association business, contract, or transaction, although the Board may act to do so consistent with its power. If there is an insufficient number of disinterested directors as declared by the directors, for a quorum or action to be taken, in compliance with this bylaw and otherwise, then the Board may delegate authority to a Conflict Committee comprised of five disinterested members in good-standing of the Association to consider and approve the subject business, contract, or transaction.

## ARTICLE VI

### Duties of Officers

Section 1. The President shall be the chief executive officer; the president shall preside at all meetings of the members and Directors; the president shall have general and active management

of the business; the president shall see that all orders and resolutions of the Board of Directors are carried out; the president shall execute all bonds, mortgages, and all contracts, affixing the corporate seal thereto; the president shall have general superintendence and the direction of all other officers and see that their duties are properly performed; the president shall submit a report of the operations of the Association for the fiscal year to the Board of Directors and members at their annual meeting; and from time to time shall report to the Board of Directors all matters within his knowledge that may affect this Association; the president shall be ex officio a member of all committees and shall have the powers and duties and management usually vested in the office of President in a corporation; except for executive and other committees of the Board, the president shall establish and appoint all committees and appoint the chair of all committees, subject to the Board's assent and unless herein otherwise provided.

Section 2. The Vice-President shall be vested with all the power and shall perform all the duties of the President during the absence of the latter and shall have such other duties as may, from time to time, be determined by the Board of Directors. The Board may appoint secondary Vice-Presidents. In the event that the President shall be absent for an meeting (board or membership), or part thereof, the Vice-President and then any subordinate Vice-Presidents in the order of their designated priority, shall preside; and, in their absence then the Secretary shall preside, followed by the Treasurer, and any present director as the Board then selects.

Section 3. The Secretary shall attend all sessions of the Board of Directors and all meetings of members and act as a clerk thereof; and shall record all votes and minutes of all proceedings in a book to be kept for that purpose; shall, when required, perform a like service for all standing committees; shall send notice of all meetings to the members of Board of Directors; and shall perform such other duties as may be prescribed by the Board of Directors or the President under whose supervision he the Secretary shall be and the Secretary shall be the custodian of the corporate seal and all of the books and records of the Association, except as may be otherwise provided.

Section 4. The Treasurer, under the direction of the Board of Directors, shall have charge of the funds of this Association and shall deposit the same in the name of this Association in depositories designated by the Board of Directors; the Treasurer shall pay all the vouchers or orders properly attested by the President and Secretary; and shall make a complete and accurate report of the finances of this Association at each annual meeting of the members, or at any other time upon request, to the Board of Directors, and shall be the Chairperson of the Finance Committee

## ARTICLE VII

### Notice

Section 1. All notices to members, members of the Board of Directors or committee members, shall be mailed by regular mail, to their addresses as registered with the Association Office.

## ARTICLE VIII

### Powers and Assessments

Section 1. Power of Assessment and Amount Thereof. The Association by the Board of Directors shall adopt and promulgate Annual Assessments against the lots and the owners thereof, which assessment shall be used to defray the costs of operating, maintaining, repairing,

constructing and replacing the amenities and Common Areas, including sewer and water systems and roads, and other costs and expenses incurred by the Association including salaries; and, in achieving and furthering its purpose, the Association may, by its Board of Directors, increase the Annual Assessments, subject to the ten (10%) percent limitation of ARTICLE V, Section 1.(n).

Section 2. Special Assessments by the Association. The Board of Directors shall, by majority referendum of those Active Members in good standing entitled to vote, also be empowered to levy a special assessment for a purpose to be approved by a majority of the members voting.

Section 3. Payment of Annual Assessments and Special Assessments. The charges or assessments levied by the Association as provided herein and in ARTICLE III and ARTICLE IV shall be paid to it on or before the date fixed by resolution of the Board. Written notice of the charge or assessment and the date of payment shall be sent to the owner of each lot at the address last given by such owner to the Association. If any charge or assessment levied against any lot, or a fine, shall not be paid when due, the charge or assessment and fine shall be of record as of such due date and shall remain a lien against the lot until paid in full. The Board and the Association may bring such action as it shall determine appropriate at law or in equity, by way of foreclosure of such lien or otherwise, to collect the amount of said charge or assessment, including interest at a rate fixed by resolution of the Board which rate does not exceed 15%, costs of collection, including court and sheriff's costs, administrative costs, and reasonable attorneys' fees to be billed at current acceptable and reasonable rates, accepted by resolution of the Board. The sale or transfer of any lot either voluntarily or involuntarily, including Tax Sales or Judicial Sales, shall not extinguish any lien for charges or assessments provided for herein, except discharges of any lien pursuant to the bankruptcy laws of the United States.

No subdivision, re-subdivision, or consolidation of a lot or lots shall remove the obligation and the responsibility for the payment of any dues, assessments, fines or other charges levied by the Association or the Board of Directors, on a per lot basis. Nothing in this paragraph shall be construed to allow by implication or otherwise, the subdivision, re-subdivision, or consolidation of any lot or lots.

Section 4. Voluntary and Involuntary Conveyances.

(a) The sale or conveyance of a property between parties shall be recorded with the Association office together with a copy of the Agreement of Sale prior to conveyance and the Deed of conveyance thereafter, subject to the prior payment of all delinquent accounts, assessments and other charges up to the date of transfer.

(b) The grantor and grantee of such property in a voluntary conveyance and the previous owner and the grantee in an involuntary conveyance, including Tax Sales or Judicial Sales, shall be jointly and severally liable for all unpaid assessments and other charges pertaining to said property up to the date of conveyance, and the grantee shall be solely liable for all assessments and other charges after the date of conveyance.

Section 5. The Board and the Association may bring such action against any member or lot owner as it shall determine appropriate at law or equity to enforce any legal right or power it may have, including but not limited to, those set forth within these By-Laws and the Schedule "A" Covenants. The Board and the Association may defend any action at law or equity brought by a member or lot owner against them. Should the Board or the Association be successful in the prosecution or defense of any action set forth above, the Board or Association shall collect, and

the member or lot owner shall pay, all Court costs and reasonable attorneys' fees incurred by the Board or Association for such action.

## ARTICLE IX

### Indemnification

Section 1. Third Party Actions Indemnification. Pursuant to Title 15, Section 7741, of the Pennsylvania "Nonprofit Corporation Law of 1972", as amended, the Association shall have power to indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a representative of the Association, or is or was serving at the request of the Association as a representative of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement, actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 2. Derivative Actions Indemnification. Pursuant to Title 15 Section 7742, of the Pennsylvania "Nonprofit Corporation Law of 1972", as amended, the Association shall have power to indemnify any person who was or is a party to, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Association, or is or was serving at the request of the Association as a representative of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association unless and only to the extent that the Court of Common Pleas of Wayne County or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Common Pleas of Wayne County or such other court shall deem proper.

Section 3. Mandatory Indemnification. To the extent that a representative of this Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 or Section 2 or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 4. Standard of Care and Justifiable Reliance.

(a) Director as Fiduciary. A Director of the Association shall stand in a fiduciary relation to the Association and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Association, and with such

care, including reasonable inquiry, skill and diligence as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

- (1) One or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matters presented.
- (2) Counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such person.
- (3) A committee of the board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

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

(b) Consideration of Factors. In discharging the duties of their respective positions, the Board of Directors, committees of the board and individual Directors may, considering the best interests of the Association, consider the effects of any action upon employees, upon suppliers and customers of the Association and upon communities in which offices or other establishments of the Association are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of subsection (a).

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

#### Section 5. Personal Liability of Directors:

(a) General Rule: The Directors of the Association shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

- (1) The Director has breached or failed to perform the duties of his or her office under Section 4 hereinabove and Section 8363 (relating to director's standard of care and justifiable reliance) of the Directors' Liability Act, Title 42, Judiciary and Judiciary Procedure, of the Pennsylvania Consolidated Statutes, as amended; and
- (2) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

(b) Exception: The provisions of Section 4 of this Article shall not apply to:

- (1) the responsibility or liability of a Director pursuant to any criminal statute; or
- (2) the liability of a Director for the payment of taxes pursuant to Local, State, or Federal law.

Section 6. Procedure for Effecting Indemnification. Pursuant to Title 15, Section 7744, of the Pennsylvania "Nonprofit Corporation Law of 1972", as amended, unless ordered by a court, any indemnification under Section 1, Section 2, Section 4 and Section 5 of this ARTICLE IX shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such sections. Such determination shall be made:

(a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding;

(b) if such a quorum is not obtainable, or, even if obtainable, a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion; or

(c) by members of this Association.

Section 7. Non-exclusivity and Supplementary Coverage.

(a) General Rule. The indemnification and advancement of expenses provided by or pursuant to Section 1, Section 2, and Section 3, or any other provisions of law providing for indemnification or advancement of expenses applicable to any nonprofit corporation shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of members or Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding that office. The provisions of Title 15, Section 7728, of the Pennsylvania "Nonprofit Corporation Law of 1972", as amended, (relating to interested directors quorum) or corresponding provisions of law applicable to any nonprofit corporation shall be applicable to any by-law, contract or transaction authorized by the Directors under this section. This Association may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this section or otherwise.

(b) When Indemnification is not to be made. Indemnification pursuant to subsection (a) shall not be made in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

(c) Grounds. Indemnification pursuant to subsection (a) under any by-law, agreement, vote of members or Directors or otherwise, may be granted for any action taken or any failure to take any action and may be made whether or not the Association would have the power to indemnify the person under any other provision of law except as provided in this section and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Association.

Section 8. Payment of Expenses. Expenses incurred by an Officer, Director, employee or agent in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Association.

Section 9. Rights to Indemnification. The indemnification and advancement of expenses provided by, or granted pursuant to, this ARTICLE IX shall continue as to a person who has

ceased to be a Director, Officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 10. Power to Purchase Insurance. Pursuant to Title 15, Section 7747, of the Pennsylvania "Nonprofit Corporation Law of 1972", as amended, the Association shall have power to purchase and maintain insurance on behalf of any person who is or was a representative of the Association, or is or was serving at the request of the Association as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the provisions of the said Indemnification subchapter.

## ARTICLE X

### Miscellaneous

Section 1. A member may not be privileged to resign or transfer his membership, so long as he continues to own or control property in the community development.

Section 2. All rules and regulations of the Association shall be published and made available to the members of the Association upon request.

Section 3. All off-road and all-terrain vehicles (ATVs) are prohibited from use and operation within the entire community of Wallenpaupack Lake Estates ("WLE"), including its roads and common areas, except as may otherwise be allowed by vote of the membership.

Section 4. The Wallenpaupack Lake Estates Public Safety Department shall not be permitted to carry and/or bear firearms on Wallenpaupack Lake Estates property while in performance of their duties.

Section 5. No members, without Association approval, shall use the Association logo, name or insignia, or any duplication, facsimile or similarity thereof, for any deceptive purpose, or commercial purposes, or other purpose not in the interest of the Association's membership, any such use shall conspicuously identify its users. The Association's office addresses shall not be used deceptively or for deceptive purposes.

## ARTICLE XI

### Amendment

Section 1. These By-Laws may be amended only by majority vote of the members present or by proxy, at a regular or special meeting of the Association, provided notice of the purpose of the proposed amendment has been stated in the call of the meeting.

## ARTICLE XII

### Savings Clause

Section 1. In the event that any section or part thereof of these By-Laws shall be found by a court of competent jurisdiction to be invalid or unconstitutional, all other remaining sections shall remain in full force and effect.