

BY-LAWS

OF

**INDIAN MOUNTAIN LAKE
CIVIC**

ASSOCIATION, INC.

Originally Adopted 5/9/77
Amended 8/04/01
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ARTICLE I.

NAME AND ADDRESS

SECTION 1. Name. The name of this corporation shall be Indian Mountain Lake Civic Association, Inc., a Pennsylvania Non-Profit Corporation.

SECTION 2. Address. The address of the corporation is 1000 INDIAN MOUNTAIN LAKE, ALBRIGHTSVILLE, PA. 18210.

ARTICLE II.

DEFINITIONS

The following terms as used in these By-Laws are defined as follows:

a) "Association" means Indian Mountain Lake Civic Association, Inc., a Pennsylvania Non-Profit Corporation.

b) The "Board of Directors" or "Board" is the group of persons elected to regulate the business and affairs of the Association pursuant to the authority granted by these By-Laws.

c) "Common Areas" shall mean any and all real or personal property and easements and any interest therein, together with the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of its members.

d) "Development" means all of the real property known generally as Indian Mountain Lake located in the Townships of Tunkhannock, Chestnut Hill and Polk, the County of Monroe, and the Township of Penn Forest, County of Carbon, both in the Commonwealth of Pennsylvania.

e) "Lot" means any lot in the Development, the title of which is derived through Indian Mountain Lake Development Corp., as shown and plotted on the original plats of Indian Mountain Lake Development Corp. recorded in the Recorder of Deeds Offices for Carbon and Monroe counties, Pennsylvania. Improved lots are premises with a single family dwelling.

f) "Lot Owners" means any natural person, firm, corporation, trust or entity who holds fee title to a lot or undivided interest in fee title to a lot.

g) "Member" means those persons having membership privileges in the Association in accordance with the provisions of these By-Laws.

h) "Dues and Assessments" whether used conjunctively or disjunctively shall mean any dues, assessments, penalties, fines, citations, late charges, interest, attorney's collection fees, costs of collection, legal costs of litigation, special assessments, fees and all other charges levied pursuant to the authority granted in these By-Laws.

i) "Lessee or Tenant" means a person or persons entering into a written or oral lease of a private home of a member.

j) "Guest" means any invitee of a member or a lessee.

k) "Declaration of Protective Covenants" means the Declaration of Protective Covenants, conditions, reservations, and restrictions running with the land, contained in deeds to lot owners granted by the developer and/or otherwise binding upon the lots within the Development as a result of a general scheme of development.

l) "Good Standing" as used herein shall be construed to mean full payment of dues and assessments as herein defined and compliance with these

By-Laws including but not limited to the obligations set forth in ARTICLE IV, SECTION 5 hereof.

m) "Single Family Dwelling" means a residential dwelling for one or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than 3 persons not so related, together with his or her domestic servants, maintaining a common household in such dwelling.

ARTICLE III.

PURPOSE

SECTION 1. Purpose. It is the intention of the lot owners of the Indian Mountain Lake to associate in corporate form for the following primary purposes:

a) To promote and assist in the establishment, care and maintenance of improvements to the common property and any facilities of any kind dedicated to the use and enjoyment of the Development which now exists or which may hereafter be installed or constructed.

b) To regulate the use, maintenance, repair, restoration, replacement and modification of common property in the Development.

c) To generally promote the welfare of members. The Association may take such action as it deems desirable and necessary to carry out such purpose or to prevent or abate such conditions as may be consistent with the By-Laws, the Declaration of Protective Covenants, and the applicable law. However, nothing herein creates any liability on the part of the Association for any act or failure to act.

d) To exercise any and all rights, privileges and authority that may be delegated to it from time to time by the members of the Association.

e) In general, to do everything necessary and proper for the accomplishment of the purposes hereinabove set forth.

ARTICLE IV.

MEMBERSHIP

SECTION 1. Classes of Membership. There shall be one class of membership.

SECTION 2. Qualifications of Membership. Every person who is the owner of a lot, as shown on the maps of Indian Mountain Lake Development Corporation for the Development and/or as it appears as an attachment to the various Exchange Agreements(s), including, reconveyance of the same, whether by contract of sale, deed, devise, intestacy, or judicial decree shall be entitled to the privileges of membership in the Association. Such person(s) shall be subject to such responsibilities and obligations as herein set forth and to such notice, franchise and other benefits of members as hereinafter provided. Where any lot is owned by more than one individual each of such owners shall collectively constitute but one membership.

SECTION 3. Membership Status. Upon payment to the Association of the dues and assessments as established by the Board of Directors, or otherwise, upon all lot owners generally, including payment of any arrearage in dues and assessments attributable to the member's lot or lots, whether or not incurred by the present owner, payment to the Association of any capital contributions generally set to affect all members upon admission, and submission to the Association of a copy of the document vesting title in the

member, the Secretary of the Association shall designate the lot owner as a member in the records of the Association; and issue to the member such indicia of membership as specified by the Board of Directors. Such indicia of membership shall be nonassignable and shall be surrendered to the Association upon termination of membership for any reason.

SECTION 4. Privileges of Membership. Members of the Association and their immediate families shall be given the privilege to use the properties and facilities of the Association's Common Areas in common with other members subject to the members compliance with the obligations of membership as herein set forth, and the regulations adopted by the Board of Directors and to the payment of such dues and assessments as the Board of Directors may set. Privileges to use Association facilities may also be extended by the Board of Directors to the guests and residential lessees of members subject to such regulations as the Board of Directors may adopt and upon payment of such dues and assessments as it may set.

SECTION 5. Obligations of membership. The duties imposed upon lot owners and members of the Association shall be as follows:

a) Payment of Association dues and assessments including without limitation all fines and payment of such other charges as the Board of Directors may set; and

b) Responsibility for all damages, dues and assessments, fines, citations, late charges, or any other charges attributable to the member, his or her family, his or her guest, lessee, tenant and invitee; and

c) Compliance by the member, his or her family, his or her guest, lessee, tenant and invitee with the By-Laws, Rules and Regulations, and Property Management Code of the Association, as amended; and

d) Conformance with the covenants, conditions and restrictions imposed upon any/or all owners/members by deed or contract with Indian Mountain Lake Development Corporation or otherwise binding upon the lots within the Development as a result of a general scheme of development.

e) Dues and Assessments as herein defined in Article II, Subsection j), are made on a per lot basis as ascertained from the lot(s) originally plotted by Indian Mountain Lake Development Corporation, unless otherwise specified.

f) Both the legal and equitable owner(s) of a lot(s) are jointly and severally liable for the obligations and sums due and arising under this Section 5.

SECTION 6. Discipline and Suspension of Members.

A member may be suspended, or otherwise disciplined as provided herein:

a) Upon the violation of a fish, game, forest, or traffic law of the Commonwealth of Pennsylvania taking place upon the property or Common Area of the Association; or

b) Upon the breach of any rules, regulations duly adopted by the Association pursuant to these By-Laws, together with breaches of these By-Laws, or the Declaration of Protective Covenants.

i. Procedure. The Arbitration Committee will be made up of not more than five (5) members from the membership, and shall be formed for the purpose of hearing arbitration cases and making findings and recommendations to the Board of Directors regarding the discipline of members. Any three members present will represent a quorum. The Board may appoint by resolution at least one, but no more than four members to serve as alternate members of the Committee. When seated as provided below, an alternate shall be entitled to participate in all proceedings and discussions of the Committee including specifically the right to cast a vote as a voting member during the proceedings. Any alternate may participate in any proceeding or discussion of the Committee, but shall not be entitled to vote as a member

of the Committee, unless designated as a voting alternate member pursuant to the following. If, by reason of absence or disqualification of a member, a quorum is not reached, the Chairman of the Committee shall designate as many alternate members of the Committee as may be needed to provide a quorum. Any alternate member of the Committee shall continue to serve on the Committee in all proceedings involving the matter or case for which the alternate was initially appointed until the Committee has made a final determination of the matter or case. Designation of an alternate pursuant to this section may be made on a case-by case basis. Notice of possible arbitration action setting forth the charges against such member, shall be transmitted to him in writing not less than ten (10) days prior to the date fixed for hearing. At such hearing, such member shall be entitled to be heard in defense and mitigation before action is taken. Wherever "Discipline Committee" is set forth in the By-Laws, it shall be conformed to read "Arbitration Committee".

ii. The Committee, after such hearing, shall make its findings and recommendations to the Board of Directors.

iii. The Board of Directors shall then review the findings and recommendation of the Arbitration Committee at its meeting and may, by an affirmative vote of the majority of its members, affirm, modify, or reject all or any part of the findings and recommendations of the committee.

iv. The Board may, by the affirmative vote of the majority of its members, impose such sanctions on the accused member such as;

1. Admit of any apology and/or reparation;

2. Violations or breaches of the Association's Rules and Regulations, or By-Laws, may cause the member to be subject to the withdrawal of his privilege to use Association common areas and facilities or to be subject to suspension from membership in said Association for a period not to exceed forty (40) days or until the next regularly scheduled Board of Directors Meeting, whichever is greater.

3. Further the Board may suspend the voting privilege of any member and the license/privilege of any member to use the Common Areas for:

a. Any period during which any Association dues and/or assessment on such member's Lot remains unpaid, and/or

b. The period of any continuing violation by such member of the provisions of the By-Laws, Rules and Regulations and the Declaration of Protective Covenants, after the existence thereof shall have been declared by the Board.

4. All of the or any of the above.

c) An appeal for review of the decision of the Board may be taken to the Board of Directors by the filing of a petition, signed and sworn to by the member, delivered to the Secretary of the Association within ten (10) days after the member receives notice of the Board's decision, which petition is to be acted upon by the Board of Directors. On the appeal, the Board may limit its inquiry to a review of the regularity of the proceedings, whether they were conducted in good faith, and whether or not the accused was accorded a full fair hearing. In its sole and absolute discretion the Board may, for good cause shown on such appeal, modify the judgment of sanctions previously rendered. No appeal will be heard unless the member has presented his/her case to the Arbitration Committee first, except nothing herein limits the Board's right to remand for good cause shown.

Nonpayment of dues and assessments after the same shall be delinquent, shall result in a member not being in good standing. Nonpayment of dues and assessments for a period of thirty (30) days after the same shall be delinquent pursuant to the Resolution of the Board of Directors shall effect the suspension of a member from the Association, which suspension shall

terminate upon payment of all arrearage to the date of payment.

Suspension shall not relieve such member of any obligation arising before such suspension, including the continued obligation to pay Association dues and assessments.

SECTION 7. Termination of Membership. Membership shall automatically terminate upon death, legal disability by reason of an adjudication of incompetency or termination of a member's ownership of property within the Association area. Each member shall promptly notify the Association of any change in his ownership of property within the Development.

SECTION 8. Maintenance of Lots. Each Lot, whether improved or unimproved, and all buildings and improvements shall at all times be maintained in good and clean condition; grass shall be mowed; rubbish and debris removed; and weeds controlled. The Board is hereby empowered to promulgate such rules and regulations to effect the administration of this section including but not limited to: (i) the cutting and removal of grass, weeds, vegetation, trees, scrubs and plants; (ii) prescribing fines, penalties, suspension of membership privileges, interest and costs relating to violations; and (iii) while not obliged, undertaking any remedial action.

The Board may initiate any and all legal or equitable actions as it deems appropriate to enforce obligations hereunder including recovery and collection of fines, fees, charges, interest, administration costs, also all other expense of any nature or kind as well as attorneys' fees, court costs, sheriff's fees and all other sums, the payment of which shall be the joint and several responsibility of the member(s) and such other persons deemed responsible.

ARTICLE V.

MEETINGS OF MEMBERS

SECTION 1. Annual Meetings. Annual meetings of the members for the election of Directors and for other business, shall be held on the first Saturday in August of each year at a time so designated by the Board of Directors.

SECTION 2. Special Meetings. Special meetings of the Association may be called by the President and the Board of Directors by resolution of the Board. A Special Meeting may be called upon the written petition of ten (10%) percent of the members of the Association who would have the right to vote at such Special Meeting. Such petition shall set forth the purpose of the Special Meeting. Upon receipt of the petition it shall be the duty of the Secretary to verify the signatures to the petition, and if satisfied as to the authenticity of the signatures the Secretary shall fix a weekend date for such meeting no sooner than thirty (30) days and not more than sixty (60) days after receipt of the request.

SECTION 3. Place of Meeting. The Annual Meeting of the members shall be held at the Recreation Hall at Indian Mountain Lake or at such other place as the Board of Directors shall provide in a notice. Special Meetings shall be held at the Development at the place designated in the Notice of Meeting.

SECTION 4. Notice of Meetings. Written notice of the date, time, place and general nature of the business to be transacted at all meetings of the members shall be delivered either personally or by mail, to each member entitled to vote at such meeting at least thirty (30) days prior to the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. Mail, addressed to the member at his address as it appears on the records of the Association, with postage prepaid.

SECTION 5. Adjournments. Adjournments of any regular or special meeting may be taken, but any meeting at which directors are to be elected shall be adjourned only from day to day, or for such longer period not exceeding fifteen (15) days each, as the members present entitled to cast at least a majority of the votes which all members present and voting are entitled to cast shall direct, until such directors have been elected.

ARTICLE VI.

VOTING RIGHTS

SECTION 1. Voting Rights. Every member in good standing shall have the right to one (1) vote for each unimproved lot and two (2) votes for each lot improved by a dwelling. The Board of Directors shall decide whether a lot is improved or unimproved and its decision shall be final. In the event any such lot is owned jointly, the joint owners shall be entitled collectively to one (1) vote for each unimproved lot and two (2) votes for each improved lot, which may be cast by any one of such holders, unless objection is made by another of such holders before the vote is cast, in which case one owner must be shown to be the designated voting member by a writing signed by the other co-owner(s). If the co-owner(s) of the property cannot agree on the designated voting member, or if no signed writing exists designating the voting member, then the person whose name last appears on the Association Membership records as the person authorized to cast the vote for all co-owner(s), and if same is undeterminable, then the first name in alphabetical order shall be the voting member.

SECTION 2. Members of Record. Persons designated as members in good standing on the membership book on the sixtieth (60) day prior to any meeting of the members shall be entitled to vote at any meeting or adjournment thereof.

SECTION 3. Voting. Every member or designated voting member, if the lot is owned jointly, in good standing is entitled to vote either in person or by proxy, but all voting shall be by ballot, as provided herein. The Board of Directors shall promulgate rules and regulations governing the conditions and administration of the election or vote, and the graphic design of the ballot. All ballots and election records shall be preserved for a period of one (1) year.

SECTION 4. Quorum. The presence, in person or by proxy, of ten (10%) percent of the members in good standing entitled to vote, shall constitute a quorum. However, no proxy shall constitute the presence of members for the purpose of establishing a quorum at that portion of a meeting of members, when there is before the members, the matter of the removal of the Board of Directors or any individual Director. The 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 portion is required by these By-Laws or by law. The members present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. If a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided in this article, adjourn the meeting to such time and place as they may determine.

a) In the case of any meeting called for the election of Directors, those who attend the second of such adjourned meetings although less than a quorum, shall nevertheless constitute a quorum for the purpose of election of Directors.

b) In case of any meeting called for any other purpose, those who attended the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of acting upon any resolution or other matter set forth in the notice of the meeting, if written notice of such second adjourned meeting, stating that those members who attend shall constitute a quorum for the purpose of acting upon such resolution or other matter, is given to each member of record entitled to vote at such adjourned meeting at least ten (10) days prior to the day named for the second adjourned meeting.

SECTION 5. Proxies. At any meeting of members, a member entitled to vote may do so by proxy executed in writing by the member or by his duly authorized attorney-in-fact and filed with the Secretary of the Association.

Voting by proxy shall not be permitted on any vote for the removal of the Board of Directors, or any individual Director. A proxy shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until notice thereof has been given to the Secretary of the Corporation. A proxy shall not be revoked by the death or incapacity of the maker, unless before the vote is counted or the authority it exercises, written notice of such death or incapacity is given to the Secretary of the Corporation. Proxies are valid only for the purpose for which they have been solicited. No proxy shall be valid after the expiration of eleven(11) months from the date of its execution, unless the person executing it specifies therein the length of time for which such proxy is to continue force, which in no event shall exceed three (3) years from the date of its execution.

ARTICLE VII.

BOARD OF DIRECTORS

SECTION 1. Composition. There shall be not more than nine (9) Directors, each representing one constituency, as defined below, and each having the right to one (1) vote at every Director's meeting.

SECTION 2. Constituencies For Voting Purposes. For the purpose of achieving equitable representation of the membership on the Board of Directors, said Board of Directors shall have the authority to provide for and change:

- a) the number and term of Directors; and
- b) The constituencies of Director(s), including geographical boundaries of said areas of representation; and
- c) to provide for at-large representations for the Development for the entire Board or any part thereof; and

d) to provide in any manner or combination Directors for the Board from both designated constituencies and/or at large Board members; and

e) to provide for any or all or a combination of the above as deemed advisable by the Board.

SECTION 3. Procedure. The method and procedure for implementing SECTION 2 above shall be determined by the Board of Directors by means of a resolution and vote of at least two-thirds (2/3) of the Directors then holding office; provided, however:

a) that formal announcement of any change in the representation on the Board must be made at the next annual meeting of the membership; and

b) thereafter written notice by publication or otherwise of such change must be given to the membership affected anytime prior to the calendar year in which a scheduled election is to be held under the new representation.

SECTION 4. Requirement of Board Action. Nothing in this ARTICLE shall be deemed to be a change of the composition of the Board as it presently exists without further Board action as set forth above.

SECTION 5. Powers and Duties. The Board of Directors shall have powers and duties necessary for the governing of the affairs of the Association and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. In addition thereto, the Board shall have the following powers and duties:

a) To adopt a corporate seal as the seal of the Indian Mountain Lake Civic Association;

b) To designate banking institutions as depositories for the Association's funds; and the officer or officers authorized to make withdrawals therefrom and to execute obligations on behalf of the Association;

c) To borrow money for the Association, in the aggregate amount of \$100,000.00. Any amount in excess of the above amount shall be subject to approval by the membership by a vote of the majority of the members in good standing present in person or by proxy at any annual or special meeting.

d) To assign, mortgage, pledge or encumber any Association property for such borrowing, subject, however, in certain instances, to approval by the membership as provided in subsection c) above for amount specified therein;

e) To adopt and approve an operating budget consistent with law, to fix the annual dues and assess the same against members in such fair and equitable proportions and amounts as shall from time to time be deemed necessary to the proper functioning of the Association, including use of Association property and facilities, and assure that the proposed budget shall be presented for review and comment by the members at an annual or special meeting of the Association, prior to approval of the budget, which shall be at the sole discretion of the Board.

f) To levy and/or enforce the collection of all dues, assessments, fines, and other charges of whatever nature, together with any money due the Association by any lawful manner;

g) To provide care, upkeep and surveillance of the Development and the common areas and facilities;

h) To generally supervise and/or delegate to the corporate officers or anyone of them, the power to hire and dismiss the personnel necessary for

the effective administration of the purposes of the Association;

i) To promulgate such rules and regulations necessary for the effective administration of these By-Laws;

j) To adopt reasonable rules and regulations as it may deem advisable for the use, operation, maintenance, conservation and beautification of the "Common Areas" and for the health, comfort, safety and general welfare of the members.

k) To take such action as it may deem desirable to preserve or further the corporate purposes.

SECTION 6. Qualifications. A nominee for Director shall own property in the constituency from which he is nominated and shall be a member in good standing for all lots of which the nominee is an owner of record on the date of nomination. Only members in good standing within a constituency may vote for a person nominated for Director for that constituency. Nomination or service on the Board of Directors shall be limited to one (1) record owner of a lot at any one time who shall be a member in good standing of the Association.

SECTION 7. Term of Office. Elections shall be held at the Annual Meeting of the members to fill expiring or vacant positions in the Board of Directors. The term of office shall be not more than three (3) years and it shall commence upon the adjournment of the annual meeting of the members in which said Director is elected.

SECTION 8. Vacancies. Vacancies on the Board of Directors shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, from the membership of the constituency where a vacancy exists to represent that constituency until the next annual meeting; if the vacancy occurs seventy-five (75) or fewer days prior to the next annual meeting, the Director shall serve until the following annual meeting. In no event, however shall a Director, elected by the Board of Directors, serve beyond the term fixed in ARTICLE VII, SECTION 7.

SECTION 9. Removal of Members of the Board of Directors. The Board of Directors may declare vacant the office of a Director if facts arise concerning said Director which would render him initially ineligible for membership in the Association or on the Board; or in case of fraudulent or dishonest acts or gross abuse of authority or discretion with reference to the Association or which would cause said Director as a member to be suspended as provided in the By-Laws. The Board may establish by motion, internal procedures for investigation and submittal of any findings on removal, including but not limited to an investigative committee, the composition and role of which shall rest with the Board. Said action may be taken at any regular Director's meeting, notice of which has been given to all Directors not less than twenty (20) days prior thereto, setting forth that the removal of a Director is to be considered, and setting forth the specific basis for the removal of the Director. The Board of Directors may declare vacant the office of a Director at any regular Director's meeting, notice of which has been given to all Directors not less than twenty (20) days prior thereto, setting forth that the removal of a Director is to be considered, based upon the Director's failure to attend in person two (2) consecutive meetings or a total of three (3) meetings of the Board of Directors in any twelve (12) month period; provided, that in the case of special meetings that any absence from the second or succeeding meeting in any thirty (30) day period shall not be considered a failure to attend a

consecutive meeting, nor shall any absence from a special meeting held on a day other than a Saturday, Sunday or holiday, be considered a failure to attend a consecutive meeting for purposes of removal from the Board. At any regular or special meeting of the membership of the Association duly called, any one or more of the members of the Board of Directors may be removed by a vote of at least two-thirds of the members entitled to vote, from the constituency the Director being considered for removal represents. A Director whose removal is being proposed by the membership of his constituency shall be given at least twenty (20) days notice of said proposed removal, and shall be given an opportunity to be heard at the meeting before the vote of his removal.

SECTION 10. Election of Directors.

a) Election of Directors shall be by written ballot as hereinafter provided.

b) The Nominating Committee for the selection of candidates to the Board of Directors for the next annual election shall be appointed no later than April first of each year. The Nominating Committee shall consist of five (5) members: four (4) members in good standing appointed by the President and one member appointed from the Board of Directors by the President.

c) Candidates for election to the Board of Directors shall be nominated:

i. By petition signed by ten (10) voting members in good standing within the constituency of the proposed candidate, and delivered to the Secretary of the Association no later than ten (10) weeks prior to the Annual Meeting or,

ii. The Nominating Committee shall nominate for election at least one (1) candidate to fill each of the prospective vacancies on the Board of Directors where no prior petition has been received, no later than nine (9) weeks prior to the Annual Meeting, including the names of candidate(s) proposed by petition.

iii. In the event there are no nominations as provided above in sub-paragraph i and ii, the Board of Directors shall make nominations no later than eight (8) weeks or the June Board of Directors meeting) prior to the Annual Meeting.

iv. Candidate(s) nominated by the Nominating Committee or the Board are not required to obtain a signed petition.

v. Incumbents filing for re-election are bound by Sub-section (c) i above.

d) A member in good standing, as defined under Qualifications above, may cross file for election to the Board of Directors--that is file for election both as a director in his/her geographical constituency and the director-at-large directorship. In the event the candidate wins both seats, he/she must take the position of director for his/her area(s). The runner-up candidate for the at-large seat will be declared the at-large director.

e) The qualifications and a brief biographical statement of each of the candidates nominated by the Nominating Committee and those nominated by petition or the Board must be submitted to the Association Secretary no later than eight (8) weeks prior to the Annual Meeting and may be printed and distributed at the same time or prior to the distribution of election ballots.

f) The Secretary of the Association shall certify to the validity of

such signatures on petition. Should any candidate's petition be found to have an insufficient number of valid signatures then that candidate shall not be placed on ballot.

g) All elections to the Board shall be made on written ballot which shall:

i. Describe the vacancy to be filled; and

ii. Set forth the names of those persons who have become candidates for the office of Director in the order in which they filed their statements of candidacy with the Secretary of the Association.

Such ballots shall be prepared and mailed by the Secretary to each member entitled to vote simultaneously with the mailing of the notice of the Annual Meeting of the Association.

h) Each member entitled to vote shall receive one (1) ballot for each lot for which he is a voting member.

i) The completed ballots shall be returned 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. Such "Ballot" envelope shall be placed in another sealed envelope which shall bear on its face the name and signature of the member, his lot number, and such information as the Board may determine will serve to establish his right to cast the vote or votes presented in the ballot contained therein. The Ballots shall be returned to the Secretary of the Association at such address as the Board may from time to time determine, and shall be postmarked or otherwise returned no later than ten (10) days prior to the Annual Meeting.

j) Upon receipt of each return, the Secretary shall immediately place it in a safe or locked place until the day fixed by the Board for the counting of such ballots. On that day, the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to the Judges of Elections. A representative of each candidate for the office of Director may also be present. The Judges of Election shall then adopt a procedure which shall establish:

i. That the signature of the member outside is genuine; and

ii. That such member is a member in good standing.

Such procedure shall be done in such a manner that the vote of any member shall not be disclosed to any one, including the Judges of Election.

The outside envelopes shall there upon be placed in a safe or other locked place and the Judges of Election shall 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 shall be disqualified. The Judges of Election 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.

k) All outside envelopes and ballots shall be retained by the Secretary for a period of one (1) year.

l) The results of all ballot counts shall be published in the Association's Newsletter.

m) In the event one or more qualified nominee(s) is/are unopposed for the position of Director at the end of the nominating process set forth in Subsection c hereof, no other nominations shall be accepted and subsections (g) to (k) of this Section 10 shall not apply to such nominee(s). For such uncontested elections, in lieu of subsections (g) to (k) hereof, the Chairman at the Annual

Meeting or adjournment thereof, shall call for an affirmative voice vote or other reasonable means of election. One (1) affirmative vote is all that is necessary for election of such unopposed qualified nominee(s). Abstentions or negative votes shall not be called for or tabulated. The Secretary shall memorialize the election by identifying at least one member in good standing who is present and voted for the election of such nominee(s); failure by the Secretary to do so shall not invalidate the election. The terms of office of the directors so elected shall commence immediately following the annual meeting.

SECTION 11. Judges of Election. The Board of Directors shall designate three (3) persons from the membership to serve as judges of election to conduct the elections at the Annual Meeting, in accordance with the rules and regulations established by these By-Laws. The Judges of Election shall declare the individual from a constituency obtaining the highest number of votes to be the Director to represent that constituency. Any questions as to the validity or legitimacy of a vote cast for the election of members of the Board of Directors shall be determined by the Judges of Election.

SECTION 12. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of the election. The intent is to allow newly elected members to participate in a Board Meeting and to elect a President and such corporate officers as provided in the By-Laws.

SECTION 13. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times as the Board shall designate by resolution at the organizational meeting and shall be held at least quarterly, and written notice of such meetings need not be given unless otherwise provided by the resolution. The regular meetings of the Board of Directors shall be held at the Association office at the Development.

SECTION 14. Special Meetings. Special Meetings of the Board of Directors may be called at any time:

- a) by the President upon the request of five (5) Directors; or
- b) by the President.

Notice of the time, place and purpose of special meetings shall be given to each Director at least two (2) days before such meeting.

SECTION 15. 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, of the time, place and purpose thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 16. Quorum. At all meetings of the Board of Directors, a majority of all the Directors then in office 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.

SECTION 17. Informal Action. If all of the Directors consent in

writing to any action to be taken by the Board of Directors, such action shall be the act of the Board of Directors as though it had been taken at a Board Meeting; provided, however, that the action so taken has thereafter been filed with the Secretary of the Association.

SECTION 18. Open Meetings. All meetings of the Board shall be open to all members except as otherwise provided in these By-Laws, but members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by the Board. The Board is authorized to participate in a conference which need not be open to the public which is organized and conducted for the purpose of providing information to Board Members on matters related to Association business. Further, Committees of the Board and/or Association need not be open to the public except as required by the Board, however, in all instances the Executive Committee of the Board need not be open to the public except as provided by said Committee.

SECTION 19. Executive Session. The Board may adjourn in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature.

a) Purpose. In addition to the aforesaid, the Board may hold an executive session for one or more of the following factors, or matters of similar nature for reasons deemed appropriate which shall include but are not limited to:

i. To discuss any matter involving the employment, appointment, termination of employment, terms and conditions of employment, evaluation of performance, promotion or disciplining of any specific officer or employee or current officer or employee employed or appointed by the Association or former officer or employee.

ii. To hold information, strategy and negotiation sessions related to the negotiation or arbitration of a collective bargaining agreement or, in the absence of a collective bargaining unit, relating to labor relations and arbitration.

iii. To consider the purchase or lease of real property.

iv. To consult with its attorney or other professional advisor regarding information or strategy in connection with any and all matters including litigation or with issues on which identifiable complaints are expected to be filed.

v. To review and discuss Association business which, if conducted in public would violate a lawful privilege or lead to the disclosure of information or confidentiality protected by law, including matters related to the initiation and conduct of investigations of possible or certain violations of the law and quasi-judicial deliberations.

b) Procedure. The executive session may be held during an open meeting, at the conclusion of an open meeting, or may be announced for a future time. The reason for holding the executive session must be announced at the open meeting occurring immediately prior or subsequent to the executive session.

SECTION 20. INTERESTED DIRECTORS, OFFICERS, OR MEMBERS.

a) General Rules.

(i) Directors. No director in his/her capacity as a director or officer of the Association shall vote on a contract or transaction between the Association and any other corporation, partnership, association, or other organization in which he/she has a financial interest or serves

as a director or officer.

(ii)Members. No contract or transaction between the Association and one or more of its members (who are not serving as a director of the Association, herein referred to as "non-director") or between the Association and any other corporation, partnership, association, or other organization in which one or more of its non-director members are directors or officers, or have a financial interest, shall be void or voidable solely for such reason or solely because the member is present at or participates in the meeting of the Board of Directors which authorizes the contract or transaction, if:

(1) 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 the Board in good faith authorizes the contract or transaction;

(2) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the members entitled to vote thereon, if any, and the contract or transaction is specifically approved in good faith by vote of such members; or

(3) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors or the members.

b) Quorum. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes a contract or transaction specified in subsection (a) of this SECTION.

SECTION 21. Fidelity Bonds. The Board of Directors may at its sole discretion require that all officers and employees of the Association who handle or are responsible for Association funds to furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

SECTION 22. Directors' Fiduciary Relationship to Association. Directors shall be deemed to stand in a fiduciary relation to the Association, and shall discharge the duties of their respective positions in good faith and with the diligence, care and skill which ordinary prudent persons would exercise under similar circumstances.

SECTION 23. Participation in Meeting by Conference Telephone. One or more directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Said participation shall not be deemed to be in person attendance for ARTICLE VII, SECTION 9.

ARTICLE VIII.

OFFICERS

SECTION 1. Election. At the first meeting of the Board of Directors after the Annual Meeting of the members, the Board shall elect a President, Vice President, Treasurer, and Secretary and such other officers as it deems advisable. Any two (2) or more offices may be held by the same person except the offices of the President and Secretary. Any officer may be removed from such office, but not from Directorship except in accordance

with Article VII, SECTION 9, by the majority of the Board of Directors then in office at any regular or special meeting of the Board of Directors, whenever in its judgment the best interests of the Association will be served thereby. Officers of the Association shall be members in good standing who are members of the Board of Directors.

SECTION 2. President. The President shall be the chief executive officer of the Association and shall be responsible to manage the affairs of the Association and to execute resolutions of the Board. Except as the Board may otherwise provide by resolution, he/she shall have general supervision over the affairs of the Association. He/she shall sign all legal documents and instruments issued by the Association. He/she shall preside at all meetings of the Board and of the members. He/she shall be an ex-officio member of all committees. He/she shall perform generally the duties incident to the office of President in a non-profit corporation.

SECTION 3. Vice-President. The procedure by which the powers and duties of the President shall devolve to the Vice-President and other persons in succession, shall be as follows:

a) In the case of the removal of the President from office or of his/her death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice-President. In the case of removal resignation or inability of both the President and Vice-President, the Secretary shall then act as President. In the case of removal, death, resignation or inability of the President, Vice-President, and Secretary, the Treasurer shall execute these powers, and the Board may, by resolution, provide for the case where all of the above officers are unable to serve as a result of death, resignation or inability, declaring which Board member shall then act as President, and such persons shall act accordingly, until the disability be removed, or a President be elected.

b) With regard to meetings of the Board or Executive Committee, if the President for any reason vacates the chair, or is absent from the meeting of the Board then the Vice-President shall take the chair to preside at the meeting in his stead.

c) The phrase "Inability to discharge the powers and duties of the office" shall be construed to mean that the President or any other designated Officer in succession, shall by virtue of illness, permanent injury or loss of mental facilities be unable to execute or exercise the powers or duties of President in the management of the affairs of the Association. The Board of Directors shall make all determinations with regard to this Paragraph.

d) The President may from time to time determine or assign such other duties to the Vice-President as are not in conflict with these By-Laws.

SECTION 4. Secretary. The Secretary shall oversee the preparation and keeping of membership records containing the names of members in alphabetical order or lot number or as otherwise prescribed by the Board, and suspensions, and other terminations of membership with the dates thereof. Such membership records shall also contain the number of votes to which each member is entitled. In addition, the secretary shall assure the maintenance of an Official Association Map showing the property comprising the area of Indian Mountain Lake Civic Association. The Secretary shall assure that all Meetings of the Board of Directors and all meetings of members are documented; and shall record all votes and minutes for all proceedings in a book to be kept for that purpose. The Secretary shall send all notices required in the By-Laws, and shall be the custodian of the

Corporate Seal and records, and shall perform such other duties as may be prescribed by the Board of Directors.

SECTION 5. Treasurer. The Treasurer shall have responsibility for all funds of the Association, which shall be deposited in a bank designated by the Board. He/she shall disburse such funds only in accordance with such procedures as shall be adopted by the Board with at least one officer of the corporation signing all checks. He/she shall furnish such bond as the Board may require. He/she shall perform generally the duties incident to the office of Treasurer.

SECTION 6. Officers' Fiduciary Relation to Association. Officers shall be deemed to stand in a fiduciary relation to the Association, and shall discharge the duties of their respective position in good faith and with that diligence, care and skill which ordinary prudent people would exercise under similar circumstances.

ARTICLE IX.

COMMITTEES

SECTION 1. Executive Committee. The Executive Committee shall be a standing committee of the Board and consist of the four (4) elected officers of the Board of Directors, and shall have such powers and responsibilities as may be provided by resolution of the Board.

SECTION 2. Committees and Committee Chairpersons. The Board of Directors may, by resolution adopted by a majority of the Directors in office, establish one or more committees from the membership and/or the Board, regarding association affairs. The President shall appoint committee chairpersons and may remove them at his/her discretion. A committee chairperson shall perform the duties as assigned by the President; but shall be governed by the adopted budget, as amended from time to time by the Board, the By-Laws of the Association, and any Board resolutions.

SECTION 3. Arbitration Committee. Each member of the Arbitration Committee and the chairperson shall be appointed and/or removed by majority vote of the Board of Directors.

SECTION 4. Qualifications. Committee chairpersons and committee members shall be members in good standing for all lots of which the member is an owner of record.

ARTICLE X.

DUES AND ASSESSMENTS

SECTION 1. Power to Levy Dues and Assessments. The Association shall adopt and promulgate membership dues and assessments, as herein defined including but not limited to fines and other charges against the lots and owners/members thereof, which shall be used for all general purposes including but not limited to defraying the costs of operating maintaining, repairing, constructing and replacing the amenities and common areas together with capital requirements, and other capital or operating costs and

expenses incurred by the Association in the furtherance of its corporate purposes,

including but not limited to, salaries of employees and customary service contracts, and in achieving and furthering its purpose.

The Board of Directors shall set dues and assessments as herein defined, including but not limited to, annual dues and assessments but shall exclude special assessments. Special assessments shall be construed to mean extraordinary expenditure above and beyond the annual operating and capital requirements as deemed appropriate by the Board. Said Special Assessments shall be levied by the Association by a majority vote of the members in good standing present in person or by proxy at any annual or special meeting.

SECTION 2. Enforcement of Payment. The dues and assessments and all other charges levied by the Association as provided herein shall be paid to it, on or before the date fixed by resolution of the Board. Written notice of the dues or assessments 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. The Association through its Board 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, including but not limited to penalties, fees, charges or interest at a rate fixed by resolution of the Board, costs of collection, including court and Sheriff's costs, administrative costs, and reasonable attorney's fees to be billed at current acceptable and reasonable rates, accepted by resolution of the Board. In all such cases, however, reasonable notice shall be given to members who are delinquent in the payment of their dues and assessments, and there shall be given to any such member an opportunity for reinstatement of membership privileges upon satisfactory proof that such delinquency has been paid.

SECTION 3. Voluntary and Involuntary Conveyances.

a) All voluntary transfers, sales or conveyance of 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 and same are subject to the prior payment of all delinquent dues and assessments and other charges up to the date of transfer. The grantor and grantee of such property shall be jointly and severally liable for all unpaid assessments and other charges pertaining to said property up to the date of conveyance.

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 dues and assessments and other charges pertaining to said property up to the date of conveyance, and the grantee shall be solely liable for all dues and assessments and other charges after the date of conveyance. Date of conveyance as used in the previous sentence shall be the of the sale.

ARTICLE XI.

INDEMNIFICATION

SECTION 1. Personal Liability of Directors. A Director of the Association shall not be personally liable, as such, for monetary damages for any action taken, or failure to take any action, unless (i) the Director has breached or failed to perform the duties of his or her office under Title 42 PA. Consolidated Statutes 8363, as amended from time to time,

(relating to Standard of Care and Justifiable Reliance), and (ii) the breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness. The provision of this SECTION shall not apply to the responsibility or liability of a Director, pursuant to any criminal statute, or the liability of a Director for the payment of taxes pursuant to local, state, or federal law.

Any repeal or modification of this SECTION shall be prospective only, and shall not affect, to the detriment of any Director, any limitation on the personal liability of a Director of the Association, existing at the time of such repeal or modification.

SECTION 2. Indemnification of Directors and Officers. The Association shall indemnify any Director or Officer of the Association who was, or is, a party, or is a threatened to be made a party to any threatened, pending or completed action, suit or other proceeding, if such person is (i) a Director or officer of the Association, or (ii) was serving in the capacity of Director or officer at the request of the Association. Such indemnification shall be against all expenses (including attorney's fees), monetary penalties and damages (including settlements arising from such action), unless (a) the behavior which gave rise to such action is deemed by the Board to constitute self-dealing, willful misconduct, or recklessness, or (b) applicable laws expressly prohibit such indemnification.

SECTION 3. Payment of Indemnification. A Director or Officer entitled to indemnification under these SECTIONS of the By-Laws, shall submit to the Secretary of the Corporation a written request for such indemnification within thirty (30) days of receiving notice of legal action being brought against him. A Director or Officer whom the Board deems to be entitled to indemnification under these SECTIONS, shall be indemnified within thirty (30) days of the Board's receipt of his or her written request.

SECTION 4. Proceedings Initiated by Indemnified Individuals. Unless specifically authorized by the Resolution of the Board of Directors of the Association and directed to do so, a Director or Officer who initiates legal action shall not be indemnified by the Association.

SECTION 5. Indemnification Not Exclusive. The foregoing indemnification shall not be deemed exclusive of any other right to which one indemnified may be entitled, both as to action in one's official capacity and as to action in another capacity while holding such office, and shall insure to the benefit of the heirs, executors and administrators of any such person.

ARTICLE XII.

FINANCIAL MANAGEMENT

SECTION 1. Accounting Period. The fiscal year of the Association shall commence on January 1st, and end on December 31st of each year. The fiscal year, however, shall be subject to change by a majority vote of the Board of Directors.

SECTION 2. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Officers, subject to the member's right of inspection pursuant to Article XIII herein.

ARTICLE XIII.

ASSOCIATION RECORDS, INSPECTION

SECTION 1. Required Records. The records provided for in this subsection shall be kept at either the registered office of the Association in this Commonwealth or at its principle place of business wherever situated.

a) Original or duplicate records of written minutes of the meetings of the members and the Directors and of any other body exercising powers or performing duties under these By-Laws.

b) The original or duplicate of its By-Laws, including all amendments thereto to date, certified by the Secretary of the Association; and

c) An original or a duplicate membership register in any form prescribed by the Board, giving the names and addresses of members and other details. The Association shall also keep appropriate, complete and accurate books or records of account. The records provided for in this subsection shall be kept at either the registered office of the Association in this Commonwealth or at its principle place of business wherever situated.

SECTION 2. Right of Inspection. Every member shall upon written demand under oath stating the proper purpose thereof, have a right to examine the required records of the Association, in person or by agent or attorney, during the usual hours for business, for any proper purpose as prescribed by the Pennsylvania Statutes.

SECTION 3. Proceedings for the Enforcement of Inspection. If the Association or an officer or agent thereof, refuses to permit an inspection sought by a member or attorney or other agent acting for the member pursuant to SECTION 2 of this Article, or does not reply to the demand within ten (10) business days after the demand has been made, the member may apply to the proper court for an order to compel such inspection.

ARTICLE XIV.

SAVING CLAUSE

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

SECTION 2. Previous By-Laws. These By-Laws shall replace any and all previous existing By-Laws of the Indian Mountain Lake Civic Association, Inc., and shall not impair or affect any act done, offense committed, or substantial right accruing, accrued, or acquired, or liability, duty, obligation, penalty, judgment or punishment incurred prior to the time these By-Laws or any subsequent By-Laws or amendments thereto takes effect, but the same may be enjoyed, asserted, enforced, or prosecuted as fully and to the same extent as if these By-Laws or any amendments thereto had not been enacted.

ARTICLE XV.

NUMBER AND GENDER

SECTION 1. Number and gender as used in these By-Laws shall extend to and include both singular and plural, and both genders as the context and construction requires.

ARTICLE XVI.

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 current rules and regulations of the Association shall be published and made available to the members or mailed to the members of the Association upon request.

SECTION 3. No subdivision, resubdivision or consolidation of a lot or lots shall remove the obligation and the responsibility for the payment of any "Dues and Assessments" levied pursuant to the By-Laws on a per lot basis. Nothing in this paragraph shall be construed to allow by implication or otherwise, the subdivision, resubdivision or consolidation of any lot or lots.

ARTICLE XVII.

AMENDMENT

SECTION 1. These By-Laws may be amended at any regular or special meeting of the members by a two-thirds majority of the members in attendance and voting in person or by proxy and otherwise in the manner and in accordance with the quorum and other provisions of these By-Laws, provided each proposed amendment has first either been voted upon and recommended by the Board of Directors prior to the meeting of the members, or has been proposed in writing to the Board at least forty-five (45) days prior to such meeting by members holding ten (10%) percent of the votes. Notice of any meeting of members at which an amendment of these By-Laws is to be considered shall set forth the proposed amendment or a summary thereof.

ARTICLE XVIII.

PARLIAMENTARY AUTHORITY

SECTION 1. The rules contained in the current edition of Roberts Rule of Order newly revised shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these By-Laws and any special rules of order the Board may adopt.

Revisions Adopted

8/2/97

8/04/01

8/02/03