

BYLAWS OF THE POCONO PINES COMMUNITY ASSOCIATION, INC

ARTICLE I – GENERAL

SECTION 1. NAME

This association is incorporated under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania as the “Pocono Pines Community Association, Inc.” located in Pocono Pines, Monroe County, Pennsylvania.

SECTION 2. PURPOSE

The Pocono Pines Community Association, Inc. is an association of property owners in Pocono Pines, Pennsylvania under the control and management of a Board of Directors whose purposes are to:

- (1) insure and preserve the present and future character and welfare of the Lake Naomi community;
- (2) maintain the character, appearance and standards of properties carrying the Lake Naomi deed restrictions;
- (3) provide its members with such services as determined by the Board of Directors;
- (4) assure compliance with and enforcement of the Lake Naomi deed restrictions;
- (5) maintain a cooperative relationship with the Lake Naomi Club and
- (6) fulfill all other purposes stated in the Corporation’s Articles of Incorporation.

SECTION 3. ADDRESS

The principal place of business of the Association shall be Pocono Pines, Pennsylvania, 18350.

SECTION 4. DEFINITIONS

The words used in these bylaws shall have the following meaning:

“Association” — Shall mean the Pocono Pines Community Association, Inc.

“Board of Directors” - Shall mean the Board of Directors of the Pocono Pines Community Association.

“Board of Trustees” — Shall mean the Board of Trustees of the Lake Naomi Club.

“Charges” — Dues, assessments, fees, fines, special assessments, application fees, Attorney’s fees, legal costs and all other financial obligations or debts of a member to the Association.

“Deed Restrictions” — The common set of covenants, conditions and restrictions in deeds which are attached to these Bylaws as Exhibit A.

“Good Standing” — In compliance with all requirements of the deed restrictions, these Bylaws and all rules and regulations of the Association and not in default or arrears with respect to any Charges.

“Lot” — A lot intended for residential use, a subdivision of which is filed on public record.

“Member” — An individual who currently satisfies the requirements of membership defined in these Bylaws.

“Record Owner” — The owner of a lot who is listed in the Association records as the person to whom communications concerning the Association should be sent. Whenever a lot is owned by more than one person, they shall designate to the Association one individual as the Record Owner, and if they fail to do so, the Board of Directors shall designate one of them.

ARTICLE II - BOARD OF DIRECTORS

SECTION 1. MANAGEMENT

The management of the Association and all its affairs shall be entrusted to a Board of Directors of seven (7) members.

SECTION 2. AUTHORITY

The affairs of the Association shall be managed and directed by the Board of Directors.

The powers of the Board of Directors shall be:

- (a) To make, alter, amend, rescind and enforce all rules and regulations as are necessary for achieving the purposes of the Association.
- (b) To elect Officers of the Association and define the authorities and duties of such officers.
- (c) To set dues and assessments as may, in its judgment, be required to meet the financial obligations of the Association.

(d) To determine those services the Association shall provide to its members and to enter into such contractual and financial arrangements as are in its judgment required to obtain those services.

(e) To establish and manage an annual budget for the Association.

(f) To create or eliminate committees and appoint or remove their chairpersons and members as it deems necessary to fulfill the purposes of the Association, and to delegate to those committees such authority and responsibility as it deems desirable.

(g) To modify and set the requirements for the classes of membership in the Association as established in Article III, Section 1 of these Bylaws.

(h) To enforce, and/or cooperate with the Lake Naomi Club to assure the enforcement of the Deed Restrictions.

(i) Any other power and authority reasonably required for the Board of Directors to carry out its duties and exercise its authority in accordance with these Bylaws.

SECTION 3. ELIGIBILITY, QUALIFICATIONS, APPOINTMENT AND REMOVAL

Any owner who is an active member of the Association is eligible to serve on the Board of Directors. In selecting Directors to serve the Association due regard shall be given to the nominee's record of demonstrated prior service to the community, professional and personal background as it may serve the interests of the Association, the need to represent all interests of the Association members and freedom from conflicting interests.

A Director shall forfeit the position if that person ceases to be an active member of the Association, or fails to attend three consecutive meetings of the Board of Directors without the approval of the President.

A Director may be recommended to the Lake Naomi Club Board of Trustees for removal from office upon a majority vote of the other Directors at the regular meeting of the Association. The Board of Trustees will be required to act on the recommendation for removal within 60 days.

SECTION 4. ELECTION TO THE BOARD OF DIRECTORS

The Board of Trustees of the Lake Naomi Club shall appoint the initial seven (7) Directors from among the eligible members. After the initial appointments, the Board of Trustees shall solicit applications from the members for candidates to fill future vacancies on the Board. The Board of Trustees shall have the authority and responsibility to fill any vacancies that occur on the Board of Directors by reason of forfeiture, removal, resignation, expiration of term of service or otherwise. If the Board of Trustees fail to fill any such vacancy within 90 days, the Board of Directors of the Pocono Pines Community Association shall have the authority and responsibility to fill the vacancy within 60 days. Appointments shall be effective as of the Board of Director's

annual meeting if they are for new terms, or shall be effective immediately if made to fill an unexpired term.

SECTION 5. TERMS OF OFFICE

The Board shall serve staggered terms set so that initial terms of two (2) Directors shall be completed in 1995, the initial term of two (2) Directors shall be completed in 1996 and the terms of three (3) Directors shall be completed in 1997. Thereafter the term of a Director shall be for three (3) years from the date of the initial appointment.

SECTION 6. MEETINGS AND ELECTION OF OFFICERS

The Board of Directors shall hold its annual organizational meeting in the Fall of each year. At the meeting new officers of the Board will be elected and any business of the Association acted upon.

The Board of Directors shall meet at other times at the request of the President or upon written request of a majority of the Board.

SECTION 7. QUORUM

A simple majority of the Board of Directors shall constitute a quorum for the transaction of business.

SECTION 8. OFFICERS

The Officers of the Board of Directors shall be the President, Vice President, Secretary and Treasurer and such other officers as the Board may establish. They shall be elected by the Board of Directors from its membership at the annual meeting. The term of office shall be one year, service is voluntary and no compensation shall be afforded any officer of this Association.

PRESIDENT: The President shall be the Executive Officer of the Board of Directors and shall preside at all meetings of the Board.

VICE PRESIDENT: The Vice President shall assist the President and in the absence of the President assume the duties of the President.

SECRETARY: The Secretary shall keep minutes of all Board of Directors' meetings and all meetings of the Association.

TREASURER: The Treasurer shall be the custodian of all the funds of the Association; shall make arrangements to collect all dues and assessments; and shall disburse funds as directed by the Board of Directors.

ARTICLE III - MEMBERSHIP

SECTION 1. ELIGIBILITY

All owners, buyers, tenants and occupiers of lots that carry the Lake Naomi deed restrictions are members of the Association.

A person shall continue to be a member of the Association during the time he/she owns, rents or occupies a lot that carries the deed restrictions. Each person who becomes the owner of a lot that carries the deed restrictions and each person who adds the deed restrictions to a lot with the consent and approval of the Lake Naomi Club Board of Trustees shall thereby become a member of the Association.

The Association shall have two classes of membership, as follows:

- a. Active - The Record Owner of a property that carries the deed restrictions.
- b. Associate — Renters or other occupiers of property that carries the deed restrictions including family members of the Record Owners.

SECTION 2. RIGHTS AND OBLIGATIONS

Members in Good Standing have the right to receive such services as the Association shall provide to its members, to have reasonable access to the records of the Association and to petition the Board of Directors with respect to the affairs of the Association.

All members have an obligation to pay all charges assessed in accordance with these Bylaws, to respect the rights of other members and to comply with these Bylaws, the deed restrictions, and the rules and regulations of the Association.

ARTICLE IV - ASSOCIATION MEETINGS

SECTION 1. MEETINGS

Meetings of the members may be called by the Board of Directors or by petition signed by two hundred (200) Record Owner Members.

SECTION 2. VOTING

On any matter on which the members of the Association are required or permitted to vote, each lot shall be entitled to two votes which shall be exercisable only by the Record Owner and the Record Owner's Spouse of that lot and only if that Record Owner is an Active Member in Good Standing.

SECTION 3. PROXY VOTING

If a vote of the members is required on any matter, then if authorized by the Board of Directors, Active Record Owner Members in Good Standing may vote by a proxy delivered to the Association secretary at least five (5) days prior to a meeting, if one is to be held, and otherwise by a date set by the Board of Directors on a proxy form approved by the Board of Directors and sent, at least one month prior to the deadline for delivery, to all Active Record Owner Members in Good Standing, and such proxy vote may be exercised as though the Member were present at the meeting.

SECTION 4. QUORUM

Active Record Owner Members in Good Standing and their spouses entitled to cast at least six hundred (600) votes in Association matters, physically present or having given their proxies as provided in Section 3, shall constitute a quorum at any Association meeting. If less than a quorum is present, the Board of Directors may, at its discretion, reschedule the Meeting or present its report to the Members present.

ARTICLE V - RULES OF ORDER

The Modern Rules of Order as published by the Pennsylvania Bar Institute (800/932-4637) shall be the parliamentary authority for all matters of procedure.

ARTICLE VI – INDEMNIFICATION

The Association may provide for the indemnification of any and all officers, employees, members of the Board of Directors and committee members to the full extent permitted by law and may purchase insurance appropriate for that purpose.

The Association shall indemnify each officer, employee, member of the Board of Directors and Committee member against all liability and legal expense arising out of that person's good faith actions on behalf of, or as a representative of, or at the request of the Association. This indemnification shall not include liability for any act of willful misconduct or breach of a fiduciary duty.

Members of the Board of Directors shall not be personally liable to the Association of its members except for acts of willful misconduct or breach of a fiduciary duty which constitutes intentional misconduct or gross negligence.

ARTICLE VII – AMENDMENTS

Amendments to these Bylaws may be proposed by the Board of Directors or by a petition signed by at least one hundred (100) Active Record Owner Members in Good Standing. Any amendment properly supported by a petition shall be available to the Members for information and comment and submitted to the Board of Directors for review.

However proposed, any amendment shall be first considered by the Board of Directors and if approved by them shall then be submitted for approval by the Members entitled to vote.

Copies of the proposed amendment shall be mailed to each Record Owner who is a Member in Good Standing at least three (3) weeks prior to any vote thereon. The amendment shall be adopted and effective if approved by at least two-thirds of the votes cast, in person and/or by proxy, by the Active Record Owner Members in Good Standing.

ARTICLE VIII - ASSESSMENTS AND LIENS

SECTION 1. Each member shall pay to the Association, for the purposes herein provided, such charges as the Board of Directors shall establish.

SECTION 2. Any Charges which remain unpaid by June 1st of each year shall be delinquent and incur late charge(s) in amounts as the Board may determine from time to time. In the event any Charges remain unpaid, the Association may thereafter begin suit to collect those amounts. The Association may also bring legal action for enforcement of other obligations of members under the community legal documents. Each owner, by acceptance of a deed, or as a party to any other type of conveyance, vests in the Association or its agents the right to bring all actions against the owner personally for the collection of dues, assessments and other Charges as a debt and for enforcement of the owner's other legal obligations. All Charges, together with interest at a rate set by the Board, late charges, costs and Association attorneys' fees for these actions shall be a charge on the land of each owner against which each Charge is made, and shall be collectable by

the Association in any legal action. All payments shall be applied first to Charges which are not dues or assessments, second to any unpaid installments of annual dues and assessments which are not the subject matter of suit in the order of their coming due, and third to any unpaid installments of annual dues or assessments which are the subject matter of suit in the order of their coming due.

The Association may file notice that it is the owner of a lien to secure payment of any unpaid assessment, plus costs and reasonable attorney's fees, which lien shall encumber the property against which the assessment has been made, and which notice shall be filed in the Office of Prothonotary of the Common Pleas Court of Monroe County. Every such lien may be foreclosed by equitable foreclosure or other appropriate writ or action pursuant to the Pennsylvania Rules of Civil Procedure at any time within three (3) years after the date on which the notice thereof shall have been filed. In addition to the remedy of lien foreclosure, the Association shall have the right to pursue any other remedy available at law or inequity for the collection of a debt for such unpaid assessments, interest, costs and reasonable attorney's fees against the delinquent in either, as on a personal obligation.

Approved December 4, 1994