ARROWHEAD LAKE COMMUNITY ASSOCIATION
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(570) 646-1771

Arrowhead Lake is a planned community located in Coolbaugh and Tobyhanna Townships, Monroe County, Pennsylvania. The Community is subject legally to provisions of the Uniform Planned Community Act, 68 Pa. C.S.A. § 5101 et seq. (the UPCA). Arrowhead Lake was in existence before the effective date of the UPCA, February 2, 1997.

BYLAWS

EFFECTIVE DATE: 04/14/2012

ARTICLE I - NAME; PRINCIPAL OFFICE; PURPOSES

Section 1: Name. The name of the corporation shall be Arrowhead Lake Community Association, a Pennsylvania nonprofit corporation.

Section 2: Principal Office: The registered office of this corporation shall be at the place designated in the Articles of Incorporation of the corporation.

Section 3: Purposes: The purposes for which the Association is formed are to own and manage the Common Facilities that have been created and may be created in the future in Arrowhead Lake, a recreational planned community located in Tobyhanna and Coolbaugh Townships, Monroe County, Pennsylvania.

ARTICLE II – POWERS

The Association shall have all rights, privileges, duties, obligations, and responsibilities of a community association under the Governing Documents and the laws of the Commonwealth of Pennsylvania, including, but not limited to, the power to:

1. operate, manage, preserve, maintain and replace, as necessary, the Common Facilities;

2. provide for perpetual governance, control and maintenance of the Community including mutual and beneficial standards, controls and restrictions on the use and improvement of each residential property in the Community, and the use of the Common Facilities;

3. hire and discharge personnel necessary to properly discharge the duties of the Association;

4. collect common expense assessments levied against and due from the Members of this Association as fixed by the Board of Directors of the Association for the operation, maintenance, and replacement of the Common

Facilities of the Community;

5. take such other actions as may be necessary to comply with regulations and other legal requirements affecting the Common Facilities as imposed by any federal, state, county or municipal authority with jurisdiction;

6. comply with building code standards and orders of code enforcement bodies;

7. enter into contracts for necessary or useful services benefiting the Association as the Association shall deem appropriate, and contracts for equipment, materials, and other supplies necessary or useful in order to operate, maintain and replace the Common Facilities of the Community;

8. establish and maintain, in the name of the Association, bank accounts or other investments for the deposit of funds paid to the Association by its Members or from any other source;

9. borrow money, to make and issue promissory notes with authority of the Board of Directors, to make and issue bills of exchange, bonds, debentures, and obligations and evidences of indebtedness of all kinds, whether secured by mortgage, pledge, or otherwise, and secure the same by mortgage, pledge or otherwise to purchase, lease or otherwise acquire all kinds of personal property, and to purchase, lease exchange, sell, hire, mortgage, or otherwise acquire or encumber any real or personal property;

10. exercise any other rights or privileges which the Association may deem necessary or desirable for the benefit of its Members;

11. do all things necessary, suitable, convenient, or proper for the achievement of any of these purposes, pursuant to authority granted by law and the Community's Governing Documents; and

12. address other matters for the benefit of its Members as may be deemed necessary or desirable by the Board of Directors of the Association or its Members, with all of the powers now or hereafter conferred by the Laws of the Commonwealth of Pennsylvania upon nonprofit corporations that act as community associations in planned communities.

ARTICLE III – DEFINITIONS

1. ASSOCIATE MEMBER shall mean a person who is a family member of the Owner, as defined in the Rules and Regulations of the Association, who has been designated, authorized, and registered by a Member in Good Standing to use the Community's Common Facilities.

2. ASSOCIATION shall mean Arrowhead Lake Community Association, a Pennsylvania nonprofit corporation, owner of the Community's Common Facilities and Arrowhead Sewer Company.

3. BOARD shall mean the Board of Directors of the Association.

4. BYLAWS shall mean this document, as amended from time to time by the Members of the Association.

5. COMMON FACILITIES shall mean all real estate within Arrowhead Lake, which is owned by the Association. This term specifically excludes the subdivided residential Lots in the Community not owned by the Association, which are intended to be conveyed in fee to individual purchasers.

6. COMMUNITY shall mean the Arrowhead Lake planned community and includes all of the real property shown on the recorded subdivision maps approved by Coolbaugh Township and Tobyhanna Township, Monroe County, Pennsylvania.

7. DECLARATION shall mean the applicable Declaration of Restrictive Covenants, etc. imposed on the Community by the Developer and Grantor, All American Realty Co., Inc., as recorded in the Office of the Recorder of Deeds, in and for Monroe County, Pennsylvania, as amended from time to time by the Lot Owners in the Community in accordance with the laws of the Commonwealth of Pennsylvania.

8. DIRECTED PROXIES shall mean official Association proxy forms mailed with the notice of a Membership meeting under the direction of the Secretary of the Association, which permit Members in Good Standing to vote on matters that may come before the Members. In accordance with the laws of the Commonwealth of Pennsylvania, an executed Directed Proxy shall constitute the presence of the Member at a meeting of the Association.

9. DIRECTORS shall mean the members of the Board of Directors of the Association.

10. GOVERNING DOCUMENTS shall mean, collectively, the Declaration for the Community, and the Articles of Incorporation, Bylaws and Rules and Regulations of the Association.

11. LOT shall mean a numbered residential Lot as shown on the recorded subdivision plans for the Community that has not been declared to be a Common Facility. This term shall have the same meaning as the word UNIT as used in the Pennsylvania Uniform Planned Community Act, 68 Pa. C.S.A. § 5101 et seq.

12. MEMBER shall mean each Owner of a Lot in the Community, who is a mandatory Member of the Association.

13. MEMBER IN GOOD STANDING shall mean a Member who is current in payments of all financial obligations due the Association and who is also currently in compliance with all other legal obligations arising under law and under the Governing Documents with respect to the Association.

14. OWNER shall mean any person or entity (a) holding deeded title to any Lot in the Community; (b) holding equitable rights under an Agreement of Sale; or (c) holding rights under a recorded lease having a term of not less than fifty (50) years, in which case the lessor under the lease shall cease to be the Owner while the lease is in effect.

15. TEMPORARY MEMBER shall mean any person specifically authorized by a Member in Good Standing to access and use the Community's Common Facilities temporarily, consistent with restrictions in the Governing Documents. Policies and procedures to authorize access for family members, guests, renters, and tenants are further defined in the Rules and Regulations.

16. VOTING MEMBER shall mean the Owner of a Lot who is also a Member in Good Standing. Where a Lot is owned by multiple Members, the Owners shall decide among themselves who shall be the Voting Member. There shall be only one Voting Member per Lot per vote.

All of the defined terms shall have the meanings stated in this Article III whenever used in the Bylaws.

ARTICLE IV – MEMBERSHIP

1. MEMBERS: All Lot Owners in the Community shall be Members of the Association.

    a. All Members shall be subject to such dues, fees, assessments, and other charges as may be determined by the Board of Directors. In cases of joint or shared ownership, each Owner is personally liable for all such obligations.

    b. The Association shall issue an annual membership card signed by the Treasurer of the Association to each Member upon payment of all assessments, dues and other fees.

    c. Membership shall end automatically when a person ceases to be an Owner.

2. MEMBERSHIP PRIVILEGES: Each Member, Associate Member, and Temporary Member shall have the conditional privilege to use and enjoy the Common Facilities so long as the Member is in Good Standing, subject in all cases to the Rules and Regulations of the Association. Upon termination of a membership, no payment whatsoever shall be due the prior Member from the Association either for any pro rata share of the assets of the Association or for any payments made to the Association.

3. MEMBERSHIP DUTIES: Each Member, as well as that Member's designated Associate Members and Temporary Members, shall abide by the Declaration, these Bylaws, and the Rules and Regulations of the Association, as amended from time to time. Members are responsible for the actions of their respective Associate Members and Temporary Members, as well as other invitees. Failure to abide by the Governing Documents will result in loss of status as a Member in Good Standing, and may implicate the enforcement provisions of Article XI.

4. TRANSFERS OF OWNERSHIP: When a Member ceases to be an Owner that person's membership, and all Associate and Temporary Memberships existing through relationships to that Owner, shall cease. A prior Owner shall remain personally liable for all financial obligations owed to the Association. In addition, any outstanding balance due the Association from a prior Owner shall become due and shall be a lien on the Owner's Lot until paid.

5. VOTING PRIVILEGES: Only Members in Good Standing shall be entitled to vote on matters that may come before meetings of the Members. The record date for determining whether Owners are Members in Good Standing and entitled to vote at any annual or at any special meeting of the Association shall be 45 days prior to the date of the meeting. Each Member eligible to vote shall have one vote for each Lot owned by the Member. Multiple Lots that have been permanently joined into one building Lot thereafter shall be counted as a single Lot for voting purposes. If a Lot is owned by more than one Member, there is still only one vote to be cast for that Lot.

6. DIRECTED PROXIES: Except for the election of Directors, all Members in Good Standing may vote either in person or by Directed Proxy. A Directed Proxy form shall be mailed under the direction of the Secretary to the address of record for each Lot, together with notice of the meeting. Directed Proxies are valid only if properly completed, submitted on the Association's official form, and returned no later than ten (10) days before the date of the meeting, in the same manner as the written ballots. Directors shall be elected by written ballot, as required in Article V of the Bylaws.

ARTICLE V - BOARD OF DIRECTORS

1. NUMBER AND QUALIFICATIONS: The affairs of the Association shall be governed by a Board of Directors consisting of nine (9) persons over the age of eighteen (18), each of whom shall be a Member in Good Standing of the Association, with ownership evidenced by a deed recorded in Monroe County, Pennsylvania. Only one Member per Lot may serve on the Board at any one time. No Board member shall be eligible to serve more than two consecutive terms on the Board. Any Board member who begins to serve a second consecutive term shall be ineligible to serve on the Board for three years after the second term expires. Service of a partial term by Board appointment, to fulfill a vacancy until the Association's next Annual Meeting per subsection (6) of this Article (Vacancies), shall not count as a term on the Board for purposes of the two-term limit.

2. POWERS AND DUTIES: In performance of its duties as the governing body of the Association and of the Community, the Board shall have all powers and duties as prescribed by law, including but not limited to the following:

   a. To operate, maintain, clean, renew, replace, care, protect, and provide surveillance of the Common Facilities and all other property, real or personal, of the Association.

   b. To adopt a balanced operating budget consistent with law. Prior to adoption, the Board shall distribute the proposed annual budget to the Members in a timely manner for their comment.

   c. To fix the common expense assessments and to assess the same against Property Owners in such fair and equitable proportions and amounts as shall from time to time be deemed necessary for the proper functioning of the Association; and to establish other reasonable charges and fees as appropriate.

   d. To use and expend any sums collected from assessments or other charges levied for the operation, maintenance, renewal, care, upkeep, surveillance and protection of the Common Facilities and all of the Association's other real and personal property; and to enter into contracts for these purposes. Any unbudgeted expenditure by the Association exceeding $5,000 shall (a) be specifically reported as an agenda item at an open Board meeting and (b) be properly recorded in the Association's monthly financial reports. The monetary limits set by this subsection shall be in the aggregate for each item purchased during any three-month period.

Except as may otherwise be provided in these Bylaws, all purchases or leasing of goods or services that are in excess of an amount established in the Association's financial policies, as adopted by the Board, shall be advertised and solicited for public bid and shall be awarded to the lowest responsible, qualified bidder as determined by the Board.

e. To adjust the amount of the common expense assessments, and to levy and collect in addition thereto special assessments in order to meet increased operation or maintenance costs or additional capital expenses, or because of emergencies, provided all such adjustments or increases are approved by a two-thirds vote of the Board.

f. To serve as Managing Agent of the Community, and to employ or retain such persons, and to purchase or arrange for such services, machinery, equipment, tools, materials, and supplies as in the opinion of the Board may from time to time be necessary for the proper operation, maintenance, and replacement of the Common Facilities. The Board may employ a Managing Agent at a compensation established by the Board to perform such duties and services as the Board shall authorize including but not limited to the duties listed in Article V, Section 2 of these Bylaws.

g. To pay any taxes and assessments levied or assessed against any property of the Association exclusive of any taxes or assessments against any property properly chargeable to the Owner(s) thereof.

h. To collect delinquent Association charges or assessments, including levies against and execution sales of any Lot and/or Owner thereof, which amounts shall include but not be limited to court costs and attorney's fees, whether by lawsuit or otherwise; to abate nuisances and enforce observance of the Governing Documents of the Association by injunction, fines, or such other legal means as the Board may deem necessary or appropriate.

i. To establish such operating accounts, escrow accounts and other accounts as the Board may deem appropriate from time to time, consistent with good accounting practices; to maintain accounting records in accordance with generally accepted accounting principles; and to engage an independent certified public accountant to conduct an audit of the accounts of the Association at the end of each fiscal year.

j. To keep the Common Facilities and all other real property, improvements, fixtures, equipment, and personal property owned by the Association protected and insured against hazards, casualties, or contingencies due to loss or damage by fire or other casualties, and such other risks as are customarily covered.

k. To maintain public liability insurance insuring the Association, its

Members, and employees against liability for any negligent act or omission attributable to the Association or any of its Members, and which occurs on or in any of the Common Facilities.

l. To adopt and publish a Code of Ethics and Rules of Conduct which shall govern the Board, Members serving on all Association Committees, and other Community volunteers.

m. To adopt and amend rules and regulations governing the use of the Common Facilities and the personal conduct thereon of the Members, Associate Members, and Temporary Members.

n. To provide necessary training to Directors, management personnel and staff.

3. TERM OF OFFICE: The members of the Board shall serve staggered three (3) year terms. At each annual meeting of the Members of the Association, three Directors shall be elected to fill the seats made vacant because of Directors' terms then expiring. Each Director so elected shall serve for a term of three (3) years and until each Director's successor is elected. Directors shall serve without compensation.

4. NOMINATIONS: A Member in Good Standing of the Association may be nominated for election to the Board by submitting to the Board a written Nominating Petition signed personally by at least 25 Members of the Association, all of whom must be in Good Standing at the time of submission of the Petition. The Nominating Petition shall include a copy of the Code of Ethics and Rules of Conduct, signed by the candidate. The Nominating Petition shall be submitted to the Election Committee according to the timetable fixed by the Board for that election, but not later than forty-five (45) days prior to the Annual Meeting of the Association.

5. ELECTIONS:

a. All votes for election to the Board shall be cast by written ballot only, which ballot shall be prepared by the Board or the Board's designee. The ballot shall list the name of each qualified candidate seeking the office of Director.

b. Judge of Elections: The Board shall appoint an outside accounting firm to serve as the Judge of Elections. The Judge of Elections shall mail the ballots, receive the completed ballots, tabulate and record the vote, and certify the result.

c. Ballots shall be mailed to Members in Good Standing, together with the Notice of the Meeting. If a Lot is owned by more than one person, only one ballot shall be issued for that Lot.

d. Ballots shall be returned to the Association at such address as the Judge of Elections designates, and no later than ten (10) days prior to the Meeting at which Directors are to be elected.

e. The candidates receiving the greatest number of votes shall be elected.

f. EXCEPTION: If the number of qualified nominees for the Board equals the number of full-term vacancies to be filled on the Board, those nominees shall be deemed elected, and no mailed ballots shall be necessary. In lieu of a ballot, the Secretary of the Association shall notify the membership, and the result shall be properly recorded in the minutes of the next meeting of the Association.

g. If more than three (3) Board vacancies are to be filled in one election, the term of each elected Director will be determined as follows. The three candidates who receive the greatest numbers of votes will serve full three (3) year terms, and the candidate who receives the next highest number of votes will serve the next longest unexpired term until all open positions are filled. Tie votes shall be broken by the toss of a coin. .

6. VACANCIES: Vacancies on the Board caused by any reason other than removal of a Director by vote of the Association shall be filled at a properly convened Board meeting, held within ninety (90) days after the vacancy occurs, by vote of a majority of the remaining Directors, and each qualified Member so elected shall serve as a Director only until a successor is elected at the Association's next Annual Meeting.

7. RESIGNATIONS: Any Director who is absent without cause from three (3) regular meetings in the course of a twelve-month period, shall be deemed to have resigned and the Board shall fill the vacancy in accordance with these Bylaws.

8. REMOVAL OF DIRECTORS: At a special meeting of the Membership duly called for such purpose, any one or more of the Directors may be removed with or without cause by a two-thirds vote of the Voting Members present and voting. Any Director whose removal has been proposed by the Members shall have an opportunity to be heard at the meeting. If a Director is removed, a successor may then be elected to fill the vacancy thus created.

9. REORGANIZATION MEETING: A Reorganization Meeting of the Board shall be held not later than twenty (20) days after the date of the Annual Meeting or Special Meeting at which new Directors are elected.

10. REGULAR MEETINGS: Regular monthly meetings of the Board shall be held during each fiscal year, beginning the month after the Reorganization Meeting. A schedule of Board Meetings for the fiscal year shall be established and communicated to the Membership no later than thirty (30) days after the Reorganization Meeting. After the Board adopts the schedule

for monthly meetings, no further notice of those meetings shall be required. All Board meetings shall be open to Association Members to observe only, except for those portions conducted in executive session, which shall be closed to the Association Members. In executive session, the Board may only discuss confidential matters, privileged matters or matters involving questions of personal privacy, such as personnel issues, legal matters, or similar subjects. Notice of any rescheduled meeting of the Board shall be given to each Director personally, or by other reasonable means, at least three days prior to the date of the meeting; and notice of the rescheduled meeting shall be communicated to the Association Members.

11. SPECIAL BOARD MEETINGS: Special Board Meetings may be called by the President of the Association on two (2) days' notice to each Director, given personally or by other reasonable means, which notice shall state the time, place, and purpose of the meeting. In addition, upon the written request of at least four Directors, the President or Secretary shall call a Special Board Meeting in like manner and on like notice. Notice of Special Meetings shall be communicated to Members in the same method as stated for rescheduled monthly meetings.

12. RECORD OF MEETINGS: The Secretary shall cause official minutes of all regular and special Board meetings to be kept, and to be made available to Members.

13. DIRECTORS' WAIVER OF NOTICE: Attendance by a Director at any Meeting of the Board shall constitute a waiver of notice of the time and place of that meeting. If all the Directors are present at any meeting of the Board, no further evidence of notice shall be required and any business may be transacted at such meeting.

14. FIDELITY BONDS: The Board shall assure that all officers and employees of the Association handling or responsible for Association funds shall be covered by adequate Fidelity Bonds or shall be insured against theft, to the extent that such products are reasonably available. The Association shall pay the premium for such Bonds or insurance.

15. AVOIDANCE OF CONFLICTS: The Directors of the Board shall avoid conflicts of interest in their service on behalf of the Association. No Director shall contract with or be employed by the Association in any capacity while the Director serves on the Board and for three (3) years after the Director no longer holds that office.

ARTICLE VI – OFFICERS

1. OFFICERS: The Officers of the Association shall be the President, Vice-President, Secretary, and Treasurer, all of whom shall be elected by and from

the Board. The Directors may also appoint an Assistant Treasurer, and an Assistant Secretary, and such other Officers as in their judgment may be necessary or appropriate.

2. ELECTION OF OFFICERS: The Board at the Reorganization Meeting of each new Board shall elect the Officers of the Association annually. All Officers shall hold office at the pleasure of the Board.

3. REMOVAL OF OFFICERS: On an affirmative vote of a majority of the Members of the Board, any Officer may be removed, either with or without cause, and the Officer's successor elected at the regular meeting of the Board at which the removal occurred.

4. PRESIDENT: The President shall be the Chief Executive Officer of the Association, and shall preside at all meetings of the Association and of the Board. The President shall have all the general powers and duties that are usually invested in the office of the President of an Association, including but not limited to the power to appoint committee members in good standing from time to time as the President may decide is appropriate to assist in the conduct of the Association affairs.

5. VICE PRESIDENT: The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board shall appoint another Officer to perform such duties as shall from time to time be determined by the Board.

6. SECRETARY: The Secretary shall cause minutes to be kept for all meetings of the Board as well as for all meetings of the Association. The Secretary shall have custody of the official books and papers as the Board may direct, and shall in general perform all the duties incident to the office of the Secretary.

7. TREASURER: The Treasurer shall be responsible for oversight of all Association funds and securities and shall be responsible for the deposit of all monies and other things of value, in the name of the Association, in such depositories as may from time to time be designated by the Board. The Board shall require that the Treasurer be bonded or insured for such amount and under such conditions that the Board may determine.

ARTICLE VII - INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify, hold harmless and defend every Director and Officer, their respective heirs, executors, and administrators, against all loss, costs and

expenses, including legal fees, reasonably incurred in connection with any action, suit, claim or other proceeding to which the Officer or Director may be made a party by reason of being or having been a Director or Officer of the Association. The Association shall have no duty, however, to indemnify, hold harmless or defend any Officer or Director, past or present, for any matter in which the Officer or Director has been found by a court or other tribunal to have acted or failed to act in a manner that constitutes recklessness, gross negligence, or intentional misconduct.

In the event of any legal settlement, the Association's duty to indemnify shall encompass only the matters resolved by the settlement, and then only if the Association is advised by its legal counsel that the Officer or Director to be indemnified did not commit any acts or omissions constituting recklessness, gross negligence or intentional misconduct in the matter. The foregoing rights shall not be exclusive of other rights to which the Director or Officer may be entitled.

All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason of, ensuing out of or in connection with the forgoing indemnification provisions shall be treated by the Association as a common expense.

Nothing in this Article shall obligate the Association to indemnify any Member of the Association as an Owner of a Lot in the Community who is or has been a Director or Officer of the Association with respect to any duties or other obligations assumed or liabilities incurred because the person is a Member of the Association.

ARTICLE VIII - MEETINGS OF MEMBERS

1. PLACE OF MEETING: All annual and special meetings of the Association shall be held at the principal office of the Association or at any other suitable, convenient place as may be determined by the Board.

2. ANNUAL MEETING: The Annual Meeting of the Association shall be held on the Sunday immediately preceding Labor Day of each year.

3. SPECIAL MEETINGS: A Special Meeting of the Association may be called (a) by a majority vote of the Board or (b) by the written petition of at least five (5) percent of all of the Voting Members. The Voting Members' petition shall state the purpose of the Special Meeting. No business shall be transacted at any Special Meeting that fails to comply with the purpose stated in the notice.

4. NOTICE OF MEETING: Written notice of the place, date, and hour of each Association Meeting shall be sent to each Member in Good Standing at least thirty (30) days before the date of the meeting. Notice of any Special Meeting shall be mailed, and shall state the purpose of the meeting. Other reasonable notice of the meeting may also be provided.

5. QUORUM: The presence in person or by proxy of at least ten percent (10%) of the Voting Members of the Association shall constitute a quorum for conducting Association business. At any meeting at which a quorum has been established, the affirmative vote of a majority of those Voting Members who are present and voting, in person or by proxy, is necessary to approve any matter under consideration, unless otherwise provided by law or the Governing Documents.

ARTICLE IX – COMMITTEES

1. COMMITTEE MEMBERSHIP: Any Member in Good Standing may volunteer for any Committee. The Board shall determine the procedures for appointing new members of each Committee. Committee members shall be appointed by the Board annually. The President shall be a non-voting member of all Committees. A Board liaison shall be appointed by the Board and shall serve as a non-voting member of each Committee. Unless otherwise provided in these Bylaws or required by the Board, the primary role of each Committee is to provide advice to the Board.

2. STANDING COMMITTEES: The Standing Committees of the Association shall be the Anglers Committee, Appeals Committee, Budget and Financial Planning Committee, Election Committee, Environmental Management and Resource Committee, Maintenance Committee, Recreation Committee, Security Committee, and Sewer Committee. Each Committee shall consist of five or more Members in Good Standing.

3. RECURRING COMMITTEES: The Recurring Committees of the Association shall be the Architectural and Building Control Committee, and the Rules and Regulations Committee. These Committees may be activated by the Board as deemed necessary.

4. AD HOC and SUB-COMMITTEES. Ad-hoc committees and sub-committees may be established, as the Board deems necessary and appropriate.

5. ROLES AND FUNCTIONS OF THE STANDING AND RECURRING COMMITTEES:

   a. ANGLERS COMMITTEE: The Anglers Committee shall prepare reports and recommendations to the Board concerning the recreational fishing resources of the Association. The Anglers Committee may coordinate activities, which highlight those recreational fishing resources.

   b. APPEALS COMMITTEE: The Appeals Committee shall decide all appeals of disciplinary actions taken against any Member for violation of the Governing Documents of the Association, in accordance with Article XI

of these Bylaws. A panel of no less than three members from the Appeals Committee shall hear any appeal.

c. ARCHITECTURAL AND BUILDING CONTROL COMMITTEE: The Architectural and Building Control Committee shall be responsible for the periodic review of Building and Construction Rules and Regulations. Those regulations shall be reviewed for consistency with the Governing Documents of the Association and the applicable Coolbaugh or Tobyhanna Township regulations.

d. BUDGET AND FINANCIAL PLANNING COMMITTEE: The Budget and Financial Planning Committee shall advise the Board on all current and strategic financial matters. The Committee shall coordinate the development of the fiscal year operating budget and capital budget, consistent with the Association's strategic plans. The Board Treasurer shall serve as liaison to this Committee.

e. ELECTION COMMITTEE: The Election Committee shall ensure that the election process is fair and consistent with the Governing Documents of the Association. The Board shall appoint the members of this Committee not less than sixty (60) days prior to the election. The Secretary shall be the liaison to this Committee and shall facilitate the Committee functions. Committee members must be free of any actual or perceived conflicts of interest relating to the current election process, including family relationships or Lot co-ownership. The Committee shall serve from the date of appointment until the conclusion of the Election Meeting. The Election Committee shall announce the results of elections at the appropriate Annual Meeting or Election Meeting.

f. ENVIRONMENTAL MANAGEMENT AND RESOURCE COMMITTEE: The Environmental Management and Resource Committee shall prepare reports and recommendations to the Board concerning the lakes, wells, septic systems, wildlife, and other environmental issues.

g. MAINTENANCE COMMITTEE: The Maintenance Committee shall prepare reports and recommendations to the Board concerning the need for maintenance and improvement of all Common Facilities and other properties of the Association.

h. RECREATION COMMITTEE: The Recreation Committee shall prepare reports and recommendations to the Board concerning Association-sponsored recreational programs. The Committee shall advise the Board regarding the types of programs, the costs, and benefits of individual events or recurring events, operation of programs and the related volunteer coordination required.

i. RULES AND REGULATIONS COMMITTEE: When constituted, the Rules and Regulations Committee shall review the Association Rules and Regulations, and recommend changes to the Board.

j. SECURITY COMMITTEE: The Security Committee shall prepare reports and recommendations to the Board concerning security resources and procedures for the Association.

k. SEWER COMMITTEE: The Sewer Committee shall prepare reports and recommendations to the Board, in the Board's capacity as the Board of Directors of Arrowhead Sewer Company, concerning the sewage collection and treatment facilities and resources of the Association.

ARTICLE X – ASSESSMENTS

1. ASSESSMENT OBLIGATIONS: The Owner(s) of a Lot shall pay the Association common expense assessments levied against that Lot (or Lots if currently joined) by the Board in compliance with the Governing Documents, laws of the Commonwealth of Pennsylvania and current Board policy. The Board may (a) eliminate the assessment on one unimproved Lot that is permanently joined with one improved Lot, and (b) reduce the assessment on a second unimproved lot that is permanently joined with one improved and one other unimproved lot, in accordance with applicable Board policy.

   Among other things, the common expense assessments shall be used to pay the cost of administration of and communication about the affairs of the Association, as well as the operation, maintenance, repair and replacement of the Common Facilities, including the expense of administration of the Association and all of its real and personal property, and other costs and expenses incurred by the Association in achieving and furthering its purposes and as provided by law.

2. PAYMENT OF ASSESSMENTS: Owners shall pay common expense assessments levied by the Association on or before the due date fixed by resolution of the Board. Written notice of the assessments and the date of payments shall be sent to the Owners of each Lot at the address of record last given by the Owners to the Association. No Owner is exempt from any share of such expenses by waiver of the use and enjoyment of the Common Facilities of the Association or by abandonment of any Lot.

3. SPECIAL ASSESSMENTS: Special assessments may be assessed by the Board against Lot Owners in the Association. Special assessments may include only (a) those expenses ordinary and necessary to related services provided by the Association or (b) other unbudgeted amounts necessary for proper functioning of the Association as determined by the Board.

4. LIMITED SPECIAL ASSESSMENTS: Special assessments may be assessed by the Board against individual Lot Owners. Special assessments against individual Owners may include only those expenses for materials and services provided by the Association to or for the benefit of that Owner that are otherwise the responsibility of that Owner.

5. UNPAID ASSESSMENTS: All charges levied against any Lot or Owner shall constitute a lien against the Lot until paid and a personal obligation of the Owner for the benefit of the Association.

6. VOLUNTARY CONVEYANCE: Upon any voluntary conveyance of a Lot, the Grantor and Grantee of the Lot shall be jointly and severally liable for all unpaid assessments pertaining to the Lot as levied by the Association.

ARTICLE XI - ENFORCEMENT OF THE ASSOCIATION'S GOVERNING DOCUMENTS

1. COMPLIANCE: Each Board Member, Member, Associate Member, Temporary Member, and all other guests and invitees shall comply strictly with these Bylaws and with the other Governing Documents of the Association, as amended from time to time. Failure to comply with any of the Governing Documents shall be grounds for a civil action to recover all sums due, for damages or injunctive relief, or both, maintainable by the Association on behalf of the Community.

2. OTHER POWERS: In addition to powers granted by the laws of the Commonwealth of Pennsylvania, the Board shall have the following powers under the Governing Documents:

    a. The Board may take or authorize disciplinary action against any Member of the Association for a violation of any of the Governing Documents by the Member or by any other person, including Associate Members and Temporary Members, for whom the Member is legally responsible.

    b. Disciplinary action may consist of any or all of the following:

        i. Suspension of voting privileges.

        ii. Suspension of the privileges of any Member, Associate Member, or Temporary Member to use any of the Community Facilities owned, operated, or managed by the Association.

        iii. A fine for each breach. Failure to pay any fine within thirty (30) days after mailing of the notice of violation shall constitute a separate offense.

3. PROCEDURES:

   a. Notice of Violation: The Association shall give the Member written notice of a) the specific nature of any violation chargeable to the Member's Lot and b) the right to appeal the violation to the Appeals Committee. The Association shall send the notice of violation by certified mail, return receipt requested, to the address of the Member shown on the records of the Association.

   b. Right to an Appeal: The Member shall be entitled to file an appeal and request a hearing before the Appeals Committee.

   c. Standing and Filing an Appeal: Only the Member shall have standing to contest a violation. A Member's notice of appeal is to be made in writing and delivered to the Association within fifteen (15) days after mailing of the notice of violation.

   d. Notice of Hearing: After an appeal has been filed, the Association shall schedule a hearing before the Appeals Committee at least five (5) days after mailing of written notice of the time and place of the hearing. The Notice of Hearing shall state the nature of the violation. The Notice shall also state that the Member shall have the right to be heard and to present evidence.

   e. Decision Procedure: A panel of a minimum of three members of the Appeals Committee shall hear the evidence and argument of the Member and shall determine, by majority vote, whether the violation shall be sustained or dismissed.

   f. Notice of Decision: Within ten (10) days after the appeal hearing, the Association shall mail the decision in writing to the Member, setting forth the Appeals Committee's determination of the disciplinary action to be imposed, if any.

ARTICLE XII - INTEGRATION OF DECLARATION OF RESTRICTIVE COVENANTS

The Declaration of Restrictive Covenants is legally superior to and should be read in conjunction with these Bylaws. The Declaration is the most senior legal document of the Community.

ARTICLE XIII – MISCELLANEOUS

1. INSPECTION OF BYLAWS: The Association shall keep in its principal office the original or a copy of these Bylaws, as amended, which shall be open to inspection by the Members at all reasonable times during regular office hours.

2. INSPECTION OF MEMBER REGISTER; RECORDS OF PROCEEDINGS: The Membership register and minutes of proceedings of the Members and Directors shall be open to inspection upon request by any Member at any reasonable time during regular office hours.

3. LIMITATIONS ON LEASING OF RESIDENCES: The Declaration may limit the leasing of private properties within the Community.

4. REFERENCE LIBRARY: The Board shall establish and maintain a Reference Library in the Association's Administration Office, where the following information is to be maintained:

    a. A list of all property owners, including Lot numbers and mailing addresses.

    b. Copies of all Committee Reports.

    c. Copies of all approved Budgets.

    d. Copies of the Minutes of the Annual Meeting of the Association, Monthly and Special Meetings of the Board, and meetings of Arrowhead Sewer Company.

    e. Auditors' Reports.

This Reference Library shall be reasonably available to the Membership during normal business hours, weekdays and on weekends. This information shall remain on the premises and should not be physically removed by anyone for any reason.

ARTICLE XIV – AMENDMENTS

These Bylaws may be amended from time to time by the affirmative vote of a majority of the Members in Good Standing who are present and vote, either in person or by directed proxy, at any Annual Membership Meeting or Special Membership Meeting called for the purpose of considering amendments to these Bylaws.