

LAKE~IN~THE~CLOUDS PROPERTY OWNERS ASSOCIATION

BY-LAWS

By-Laws last revised on May 14, 2022

ARTICLE I Name and Address

Section 1. Name.

The name of this corporation shall be *Lake~In~The~Clouds Property Owners Association*. (“Association” or “LITC POA”)

Section 2. Address.

The address of this nonprofit corporation is 112 Lake in the Clouds Road, Canadensis, PA 18325.

ARTICLE II Purpose of the Association

The purpose of this corporation is to engage, through its elected Board of Directors, in such activities as will serve to protect, support, and enhance the general health, safety, and welfare and to maintain the common and controlled facilities of the entire LITC POA community located in Greene Township, Pike County and Barrett Township, Monroe County, Pennsylvania. (“the Community”)

These activities shall include, but not be limited to, the operation and maintenance of non-residential and non-commercial community centers, the repair and maintenance of community roads, the operation and maintenance of beaches and recreational facilities, the operation and maintenance of dams and overflows, the conservation of lakes and green spaces, the administration and enforcement of community covenants, and any other lawful purposes.

ARTICLE III Membership

Section 1. Membership.

- a. A member is a natural person or entity who is the owner of a unit within LITC POA. (hereby known as “Member”)
- b. Each Member shall pay one annual dues per each individually plotted unit.
- c. A Member cannot resign or transfer membership, so long as they are the record owner of a unit within the Community.
- d. A “Member in Good Standing” is a Member who has paid their annual dues, who has no outstanding fines or special assessments, and who is otherwise in compliance with all Association and Community Covenants, By-Laws and Rules.

Section 2. Annual Dues and Assessments.

- a. The amount of dues to cover annual expenses and any special assessments shall be determined by the Board of Directors.
- b. The Board of Directors shall present the annual budget to the Members for approval at the October Membership Meeting.
- c. Annual dues and/or assessments must be timely paid by all Members who own property (with or without a dwelling) within the Community. The due date shall be the 31st of March.
- d. The fiscal year for the Association runs from January 1 to December 31.

Section 3. Voting by Members.

- a. Only Members in Good Standing are eligible to vote.
- b. Good standing shall be determined on a record date which shall be thirty days before a membership meeting. (see Article III, Section 1. d.) If a member is not in good standing by the record date, they will not be permitted to vote, even if they come into good standing prior to the meeting.
- c. Each Member shall be entitled to two votes per ownership unit.
- d. Votes may be cast in person, or by directed proxy.
- e. A Member voting in person shall receive a ballot at the meeting.
- f. Proxy forms shall be included in the notice of meeting packet sent out by the Association.
- g. Proxies:
 - i. Shall be directed and not general.
 - ii. On each directed proxy form, the Member must designate either the Association Secretary or some other Member in Good Standing to serve as their proxy representative(s) at the meeting.
 - iii. A Member submitting a proxy shall have sole discretion on how the vote is cast. The named proxy representative(s) shall not change the Member's vote as it appears on the proxy form.
 - iv. Any Member may revoke their proxy, in writing, prior to or at the meeting in question.
- h. Proxy forms for issues other than elections must be completed and returned to the Secretary not later than 48 hours before the start of the meeting.
- i. In the case of Elections, said proxy forms should be completed and received by the designated Judge(s) of Election not later than 72 hours before the election meeting.
- j. A proxy may be cast only on official Association forms. No other forms will be accepted.

- k. In an election, a Director or Member up for election may not be designated as a proxy representative.
- l. Proxy forms will be counted toward a quorum for meetings and proxy representatives are expected to attend the meeting for which they are designated as representatives.

ARTICLE IV Membership Meetings

Section 1. Membership Meetings.

- a. Membership meetings shall be held on the first Saturday of May and on the first Saturday of October.
- b. Meetings shall be held in the Community Center of LITC POA at 1 PM.
- c. Upon notification to the Members, General or Special Membership Meetings may be held virtually. In such cases, the Board shall timely provide login information to the members.
- d. Upon the written request of Members owning at least one hundred (100) units, the officers must call a Special Meeting of the membership.
- e. The President of the Board of Directors may also call a Special Meeting.

Section 2. Notice of Meetings.

Written notice shall be postmarked to each Member by USPS mail or may be sent electronically at least 30 days prior to any regular or Special Meeting. Electronic notice may only be used if a Member has provided a signed statement directing the Association to notify the Member via email and has provided said email address on the statement.

- a. The October Annual Membership Meeting notice will contain information about the candidates, the proposed Annual Budget, as well as authorized copies of the directed proxy forms.
- b. If any motion is to be acted upon at a Membership meeting, said notice will include the full text of the proposed motion.

Section 3. Quorum.

The presence of Members owning at least fifty (50) units, in good standing present in person or by proxy, shall constitute a quorum for the transaction of business at any regular or special meeting.

ARTICLE V Board of Directors

Section 1. Number and Qualification of Director.

The Board of Directors shall consist of seven (7) persons at least 21 years of age who must be Members in Good Standing of the Association.

Section 2. Election and Terms.

- a. Directors are elected to the Board by the Membership. A full term shall be two (2) years.
- b. To provide continuity, approximately half of the Board shall be elected each year.
- c. Expiring seats on the Board of Directors shall be filled by election at the Annual Membership Meeting in October. Members shall cast ballots in person or by directed proxy.
- d. The Board of Directors will hire an outside Judge of Elections who will receive all proxy ballots. The judge(s) will attend the Annual Membership Meeting in October to count the in-person ballots and confirm the results of the election.
- e. A Director missing three (3) consecutive membership meetings or 75 percent of regular scheduled Board meetings within in a 12-month period, without just cause, will be automatically relieved of office. The Board shall provide notice to the Director and appoint a successor to serve the remainder of the terminated Director's term.
- f. Directors shall otherwise be removed in compliance with the Nonprofit Corporation Law.
- g. All Members in Good Standing are eligible to run for Board vacancies. Any Member wishing to run for a seat must:
 - i. notify the Secretary of their intention to run for election at least ten (10) days before the date that the meeting notice is to be distributed
 - ii. request a personal statement form to be completed and returned within five (5) days of receiving the form
 - iii. be available for either an in-person or a digital introduction session before the election, that will be open to all members. The session will be scheduled by the Secretary.

Section 3. Unscheduled Vacancies.

Unscheduled vacancies on the Board of Directors may be filled by a majority of the remaining members of the Board at the next Board meeting, even if less than a quorum. Such Directors shall serve the remainder of the vacated term.

Section 4. Powers.

The affairs of the Association shall be governed and administered by the Board of Directors. They shall have full power and it shall be their duty to carry out the purposes of the Association according to its Covenants, Articles of Incorporation, By-Laws, and Rules. In addition to and not in limitation of the powers granted the Board of Directors by law, the Board shall have these powers:

- a. To sue or defend suits in the Association name.
- b. To have a seal, which may be altered at pleasure, and to use the same in any proper manner.
- c. To purchase, take, receive, lease, or sub-lease, take by gift or bequest, or by devise, or otherwise acquire and to own, hold, use and otherwise deal with any real or personal property or any interest therein, situated in or out of this Commonwealth.
- d. To borrow money, enter into long-term contracts, issue notes, bonds or other evidences of debt, for money or labor done, or money or property actually received, and to secure any of its obligations by mortgage, pledge, security agreement, or deed of trust of any of its property franchise and income.
- e. To elect or appoint and remove agents and employees of the Association, and to define their duties and fix their compensation.
- f. To purchase, take by gift or bequest, or otherwise acquire and to hold shares, bonds, securities or other evidences of debt of any other person or corporation and to exercise allrights and privileges of such ownership, subject to limitations imposed by law.
- g. To make transfers, in trust, of its property and assets, make contributions and donations for the public welfare, charity, religious, scientific or educational purposes.
- h. To maintain adequate insurance coverage for all common areas and for officers of the Association.
- i. To appoint security personnel.
- j. To approve ad hoc committees in addition to those listed in Article V, Section 8 and to define their duties.
- k. To fix the time and place of all meetings of the membership other than the annual General Meetings.
- l. To establish and enforce rates for community services, to set dues and to make levies and assessments upon the Members as needed.

- m. To stop the services to any Member who fails to pay the proper rates or assessments and to revoke the privileges of membership and to levy and enter a lien against the property of any Member who fails to pay any proper dues, fees or assessments. If legal action is taken to collect back dues or assessments, said Member shall be responsible for the Association's court costs and attorneys' fees.
- n. To propose and adopt changes to the schedule of Association Rules and Regulations as they are needed for the health, safety, and peaceful enjoyment of the community, after notice to the Members.
- o. To see that Association Rules and Regulations meet, but may exceed, local, state, and federal laws and ordinances.
- p. To enforce the Association Covenants and Rules and Regulations with fines and/or penalties under the authority of the Pennsylvania Uniform Planned Community Act and in compliance with Covenant 16 of the Declaration.

Section 5. Election of Board Officers.

The Board of Directors, at a reorganization meeting held within five (5) days after the annual meeting of Members, shall elect the officers of the Association from among members of the Board of Directors. The officers shall include President, Vice-President, Secretary, Treasurer, and such assistants as may be desired. (Article VI Officers)

Section 6. Time and Place of Board Meetings.

- a. Meetings of the Board of Directors shall be scheduled for a regular time each month, to be set at the Board reorganization meeting.
- b. Directors' meetings are to be held in the community center and shall be open to Members in Good Standing.
- c. In discussion of sensitive or confidential matters, the Board may go into Executive Session.
- d. As needed, meetings of the Board of Directors may be held remotely by telephone, virtually, or electronically in compliance with Section 5708 of the Pennsylvania Nonprofit Corporation Law.
- e. The schedule of Board meetings shall be communicated to the Membership via the Association's website and on the Association's bulletin board.
- f. The membership will be notified in advance of any changes in time or place of the Directors' meetings.

Section 7. Board Quorum.

A simple majority of Directors in office shall constitute a quorum at Board meetings. Actions taken by a majority of the Directors present and voting with a quorum present shall constitute an action of the Board.

Section 8. Board Committees.

a. Executive Committee

The Board of Directors may delegate its authority to an Executive Committee consisting of at least three (3) of its members, which must be done by majority vote of the entire Board.

b. Standing Committees

The Board shall establish standing committees to be chaired by a designated director to be appointed by the President. Participation on these committees may, at the discretion of the President and the appropriate committee chair, be open to Association members in good standing. The committees will serve in an advisory capacity to the Board.

i. Finance Committee

The full Board shall act as a Finance Committee to develop and administer the Association's annual budget.

ii. Lake Ecology/Environmental Conservation

The Lake Ecology/Environmental Conservation committee is charged with appropriately managing the ecology of the lakes, along with the natural landscape and terrain around them in compliance with local and state laws. The committee shall seek to preserve the watershed and local flora and fauna within the Association's common areas.

iii. Maintenance/Facilities

The committee shall oversee the maintenance of and make improvement recommendations for all common areas, community structures and roads.

c. The Board may, at its discretion, authorize and appoint ad hoc (non-standing) Association committees. (Article VI, Section 1. President)

Section 9. Action by Unanimous Consent.

Any action which may be taken at a meeting of the Directors may be taken without a meeting if unanimous consent in writing setting forth the action so taken shall be signed by all the Directors and shall be filed with the Secretary.

ARTICLE VI Officers

Section 1. President.

The President shall be the chief executive officer; shall preside at all meetings of the members and Directors; shall have general and active management of the Association's business; shall see that all orders and resolutions of the Board of Directors are carried out; shall execute all bonds, mortgages, and all contracts affixing the corporate seal thereto; shall have general superintendence and direction of all other officers and shall see their duties are properly performed; shall submit a report of the operations of the Association for the fiscal year to the Board of Directors and members at their annual meeting; and from time to time report to the Board of Directors all known matters that may affect this Association; shall be an ex officio member of all committees and shall have the powers and duties and management usually vested in the office of President in a nonprofit corporation; in consultation with the Board shall appoint all non-standing committees, except as herein otherwise provided.

Section 2. Vice President.

The Vice President shall be vested with all the powers and shall perform all the duties of the President during the absence of the President and shall have such other duties as may, from time to time, be determined by the Board of Directors.

Section 3. Office of the Secretary.

- a. The Elected Secretary shall attend all sessions of the Board of Directors and attend all meetings of members. The Secretary shall be the custodian of the corporate seal and be responsible for taking minutes and maintaining all of the books and records of the Association, except as may be otherwise provided. The Secretary shall be responsible for seeing that notice of all meetings and meeting materials is sent to the general membership as required in Articles III and IV.
- b. A Recording Secretary may be appointed by the Board of Directors as a non-elected position. The Recording Secretary will provide administrative support for the Board; and shall assist in keeping the files of all votes and minutes of all proceedings in a book to be kept for that purpose; shall, when required, perform a like service for all standing committees; shall send notice of all board meetings to the directors; and shall perform such other duties as may be prescribed by the Board of Directors.

Section 4. Treasurer.

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

ARTICLE VII Board of Directors' Liability

The Board of Directors individually and collectively shall be held harmless for any actions taken on behalf of the Association. The Association shall intervene on behalf of the Officers and/or Directors, including all costs of defense and payment of damages, if any, unless said Officer and/or Director is convicted of exceeding his/her authority under these By-Laws, or is found guilty of an act punishable by criminal law.

Indemnification and Advancement of Expenses

- a. The Association shall indemnify each Director, Officer, staff member, volunteer, and agent of the Association for claims or actions against them, relating to their efforts as an agent of the Association. The indemnification process shall follow the process contained in the Nonprofit Corporation Law, 15 Pa. C.S. § 5101, et seq.
- b. The indemnification process shall follow the process contained in the Nonprofit Corporation Law, 15 Pa. C.S. § 5101, et seq.
- c. The Association shall defend and pay expenses in advance of a final disposition, so long as the indemnified party submits a statement agreeing to refund all sums incurred in their defense upon a court finding that the indemnified party had breached their fiduciary duty. The statement must be submitted at the time of the indemnification request.

Article VIII Conflict of Interest

Directors on the Board will provide an Annual Conflict of Interest Statement for each year they are in office.

ARTICLE IX Enforcement

Section 1. Enforcement of Community Documents.

- a. Upon discovery of a violation of any of the LITC POA community documents (Covenants, By-Laws, Rules and Regulations), the Board of Directors shall notify the violating Member, via certified and regular mail, of the following information:
 - i. The facts relating to the violation(s)
 - ii. The relevant section(s) of the community documents establishing the violation(s)
 - iii. A proposed deadline to remedy the violation(s)
 - iv. An explanation of the proposed penalty(s)

- v. The Member's right to a hearing before the Board of Directors to present any defenses concerning the Notice of Violation
 - vi. During any period that a Member is in violation of the community documents, such Member may be designated as a Member Not in Good Standing and shall not be eligible to use any of the Association Amenities nor vote on any Association matters.
- b. Upon receipt of a Notice of Violation, the violator may appeal the violation to the Board of Directors. Such appeal must be submitted in writing and be received no later than five (5) days from the date of receipt of the Notice of Violation.
 - c. Upon receipt of the request for hearing, the Board of Directors shall schedule a hearing within thirty (30) days of the request. The hearing shall be held at a reasonably agreeable time and location, and the alleged violator shall have the opportunity to have counsel present for the hearing.
 - d. The ruling of the Board of Directors shall be final. The Board of Directors must issue a written ruling within five (5) days of the hearing. Such ruling shall explain the nature of the violation and the penalty imposed. The penalties permitted for any violation are left to the discretion of the Board as the situation may dictate; however, no fine shall be less than \$50.00, nor exceed \$1,000.00 per occurrence.
 - e. Repeated violations, upon notice, shall constitute a continuing violation and shall be subsequently subject to additional fines not to be less than \$50.00, nor exceed \$1,000.00 per occurrence.
 - f. The penalty shall be imposed after the hearing or, if the violator does not request a hearing, the day after the compliance period ends. (as referred to in the Notice of Violation)
 - g. Any fines imposed per this rule shall constitute an automatically perfected statutory lien on the Member's property. Any enforcement costs, i.e., attorney's fees, filing fees, etc. incurred during the course of an enforcement proceeding under this rule, or in an assessment collection matter, shall be added to the automatic lien granted per Section 5315 of the Pennsylvania Uniform Planned Community Act. 68 Pa. C.S. § 5315.

ARTICLE X By-Laws Amendments

These By-Laws may be amended or revised by a majority vote of the members present in person or by proxy at a regular membership meeting or at a special meeting that is called for said purpose with a quorum present. All proposed amendments or revisions must be presented to the members in writing not less than thirty (30) days prior to the meeting.