

BYLAWS
OF
MASTHOPE MOUNTAIN COMMUNITY
PROPERTY OWNERS COUNCIL

Lackawaxen, Pennsylvania
November 3, 2007

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**BYLAWS
OF
MASTHOPE MOUNTAIN COMMUNITY PROPERTY OWNERS COUNCIL**

ARTICLE I.

Amended and Approved November 1, 2014

Name, Membership, Applicability, and Definitions

- A. **Name.** The name of the Association shall be Masthope Mountain Community Property Owners Council (the "**Association**"), a Pennsylvania nonprofit corporation.
- B. **Membership.**
1. The Association shall have one (1) class of membership, under the general plan of servitudes established in the Covenants, Conditions, and Restrictions for Masthope Rapids and Falling Waters at Masthope (the "**Declaration**"). The terms of the Declaration are specifically incorporated in these Bylaws by this reference, as they appear in all deeds for properties located in Masthope Rapids and Falling Waters at Masthope, Pike County, Pennsylvania (the "**Community**"). Membership is automatic upon owning a Lot in the Community bound by the Declaration.
 2. A Property Owner is a recorded owner of a lot or unit in the Community, as established by being a grantee on the current deed to a lot or a unit. If the owner of record is not a natural person then the entity's Registered Agent is the natural Property Owner for the purposes of these Bylaws unless specified otherwise in writing by a notarized motion of its governing body.
 3. All Property Owners are mandated to be Members of the Association. A Member may not resign or transfer the membership as long as the Member owns a lot in the Community.
 4. A Member in Good Standing is a Property Owner who is in full compliance with the Declaration, Articles of Incorporation, Bylaws and rules and regulations of the Association, and who has, among other things, paid all dues, assessments and other charges levied by the Association.
 5. Two or more adjoining lots which have been legally merged with municipal approval into one lot shall be treated as one lot for the purpose of voting.
 6. A Lot in Good Standing is a lot for which all of its Owners are Members in Good Standing. A Voting Lot is a Lot in Good Standing.
 7. A Voting Member is a Property Owner who is a Member in good standing on all properties. For lots or units with multiple owners, the Member in good standing shall be designated by owners in writing to the Association as the person entitled to cast the vote(s) for all the owners at a meeting of the Membership. If no written designation is made, a Member who acts on behalf of the other owners at any meeting, either in person or by Directed Proxy shall be presumed for all Association purposes to have the authority to act.
- C. **Applicability.** These Bylaws shall be binding on all persons who are Members. An owner of more than one lot or unit shall hold only one (1) Membership for all purposes other than votes to be cast.

D. Definitions. The words used in these Bylaws shall have the same meaning as intended in the Declaration, unless the context shall prohibit.

1. Assessment - The annual common expense assessments of Members levied by the Association.
2. Association - The Masthope Mountain Community Property Owners Council, its successors and assigns.
3. Board - The Board of Directors of the Association.
4. Community - The planned community known as Masthope Mountain, including all of the lots, units and common facilities located in Masthope Rapids and Falling Waters at Masthope, Westcolang Park and any lands annexed thereto located in Pike County, Pennsylvania, collectively, as shown on the recorded subdivision plans for the planned community.
5. Common Facilities - All real estate within the Community owned by the Association, controlled by the Association or leased to the Association, and excluding any residential lots or units held for sale to the general public.
6. Declaration - The Declaration of Protective Covenants, Conditions and Restrictions as amended from time to time, and filed with the Pike County, Pennsylvania, Recorder of Deeds for Masthope Rapids, Falling Waters at Masthope, Westcolang Park and any other lands annexed thereto.
7. Directed Proxy – a form given to Members in good standing when they cannot attend a Meeting in person. The form shall reflect the vote of the absent Member on a specific issue(s) for use at a specific membership meeting.
8. Fiduciary - A person who acts in trust solely for the benefit of another and not for any other purpose. This would include a trustee, an executor, an attorney-in-fact, a corporate director, an employee, a member of the Board of Directors, etc.
9. Financial Terms:
 - a) Annual Budget – The Association’s fiscal year budget as adopted by the Association, including but not limited to the Operating Budget, Capital Budget and Special Assessments prepared in accordance with generally accepted accounting principles (GAAP).
 - b) Capital Budget – All annual expense and revenue items related to the acquisition, replacement and debt service of capital assets consistent with generally accepted accounting principles (GAAP).
 - c) Capital Improvement Fee – The fee levied upon the transfer or sale of units as provided by the “Uniform Planned Community Act” and subject to the Act’s requirements.
 - d) Debt Service – The total amount of money in a fiscal year required to make payments on the principal and interest on all outstanding loans, bonds or other debt instruments of the Association.
 - e) Expense – Any operating expense or capital expense of the Association classified as to type and amount in a manner approved by the Association and consistent with generally accepted accounting principles (GAAP).
 - f) Generally Accepted Accounting Principles (GAAP) – A nationally recognized collection

of commonly followed accounting rules and standards for financial accounting and reporting.

- g) Income – Any revenue item of the Association classified as to type and amount in a manner approved by the Board and consistent with generally accepted accounting principles (GAAP).
 - h) Loan Assessments – Used to fund specific outstanding loan obligations.
 - i) Major Asset Replacement Accounts (MAR) – A set of restricted capital accounts to be used exclusively for the replacement of the specified capital asset with which it is associated. At the time it is approved, any asset whose total cost is ten (10) percent or more of the previous year’s operating budget is subject to the MAR provisions of these Bylaws.
 - j) Operating Budget – All annual operating expense and revenue items included in the Annual Budget consistent with generally accepted accounting principles (GAAP).
 - k) Restricted Account – Any account whose funds can only be used for specific purposes.
 - l) Restricted Capital Account (RCA) – The fund to be used to fund the repair, replacement or acquisition of a capital asset.
 - m) Food and Beverage Capital Account (FBCA)-A reoccurring capital account used for funding the ongoing need of the food and beverage operation as it pertains to capital replacement and major repair and maintenance items.
 - n) Special Assessments – Dues items levied to deal with revenue shortfall resulting from unforeseen and unbudgeted circumstances and items. These charges are separate from the annual common expense assessment.
10. Immediate Family – The spouse, child, parent, grandparent, grandchild of a Member, and spouse of any of the named relatives.
11. Lot – is any numbered lot or unit in the Community as shown on the filed Plat Maps.
- a) Restricted lots are those containing common areas, amenities, or which have been placed into greenbelt status.
 - b) Commercial lots are those designated on the original Plat maps as approved for commercial development or which have been approved for commercial use by a Municipality.
 - c) Residential lots are single or combined lots owned by a Member or that are held for sale to the general public by the Association.
 - d) Combined lots are two or more adjoining lots which have been legally merged with municipal approval into one lot.
 - e) Improved lot is a lot on which one single-family dwelling has been constructed.
 - f) Unimproved lot is a lot on which no dwelling has been constructed.
 - g) Adjacent lot is an unimproved lot adjoining and contiguous to an improved lot both of which are owned by the same person(s) without any roadway separating the lots.
12. Majority – Those votes, owners, Members or other group as the context may indicate totaling more than fifty percent (50%) of the total group.
13. Present and voting – means those Voting Members, present either in person or by a directed proxy, who cast an affirmative or negative vote either visually or by ballot. Any person who does not cast a vote or who recuses him/herself or who cast an abstention or casts a disqualified ballot are considered as not voting. Only yea and nay votes count in tallying the votes. A Voting Member who attends a meeting in person or by proxy shall be counted for a quorum, regardless of whether the Voting Member votes.

14. Regular Association Meetings:

The Association schedules three regular meetings each year as follows:

- a) The summer “Annual” meeting held in July.
- b) The fall “State of the Community” meeting – usually held in November.
- c) The spring “Budget” meeting – held in March.

15. Rules – The body of rules and regulations for the Association and the Community adopted by the Board.

ARTICLE II.

Amended and Approved March 22, 2014

Association: Meetings, Quorum, Voting and Directed Proxy

A. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at any other suitable place convenient to the Members as may be designated by the Board of Directors either in the Community or convenient to the Community.

B. Schedule of Regular Association Meetings.

1. The Annual Meeting as required by Pennsylvania Nonprofit Corporation Law.
The date and time of the Annual meeting shall be set by the Board of Directors to occur no later than ninety (90) days after the close of the association’s fiscal year. The business of the Annual meeting shall include:
 - a) The approval of the statutory report of the Board of Directors for the preceding calendar year, a copy of which shall be mailed to the members at least thirty (30) days in advance of the meeting.
 - b) The election of Directors
 - c) The auditor’s report
 - d) The approval of the Board recommended independent auditor.
 - e) All items of business as may usually and properly come before the meeting.
2. The Fall “State of the Community” Meeting (usually held in November)
The date and time of the fall meeting shall be set by the Board of Directors to occur sometime in the fall. The business of the fall meeting shall include all items of business that may usually and properly come before the meeting.
3. The Spring “Budget” Meeting (held in March)
The date and time of the spring “Budget” meeting shall be set by the Board of Directors to occur no later than thirty (30) days prior to the beginning of the fiscal year. The business of the Budget meeting shall include a discussion and vote, if needed, on the Board proposed budget, and all other items of business that may usually and properly come before the meeting

C. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of the Board of Directors or in response to a petition signed by at least ten (10) percent of the total Voting Lots of the Association. The notice of any special meeting shall state the date, time, place

and purpose of the meeting. No business shall be transacted at a special meeting other than that stated in the notice.

- D. Notice of Meetings.** It shall be the duty of the Secretary to mail to the owner of record of a community lot (or lots) a notice of each regularly scheduled or special meeting of the association, stating the purpose of the meeting as well as the time and place and where it is to be held. If an owner wishes notice to be given at an address other than the address of record associated with his or her lot, the owner shall have designated by notice in writing to the Secretary, the alternate address. The mailing of a notice of meeting in the manner provided for in this section shall be considered service of notice. Notices shall be post-marked no later than thirty (30) days in advance of a meeting.
- E. Adjournment of Meetings.** If any meetings of the Association cannot be held because a quorum is not present, the Chair shall adjourn the meeting. A time and place for the adjourned meeting shall be established by the Board of Directors to a specific time and date not less than thirty (30) days after the originally scheduled meeting. Notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meetings. At any adjourned meeting, any business, which might have been transacted at the meeting originally called, may be transacted at the adjourned meeting if a quorum is then present.
- F. Directed Proxy.** At all meetings of Members, each Lot in Good Standing may vote in person or Directed Proxy.
- G. Quorum.** Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by Directed Proxy of ten percent (10%) of the lots in good standing shall constitute a quorum at all meetings of the Association.
- H. Conduct of Meetings.** The Board shall appoint a member in good standing, not a Director, to serve as Chairperson for each regularly scheduled or special meeting of the members of the Association (The Committee of the Whole). The Board Secretary, or his/her appointee, shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all other transactions. In the event that a member in good standing cannot be found to chair the membership meeting, the Board Chairperson shall chair the meeting.
- I. Placing an item on the agenda.** In addition to all Board agenda items, members shall have the right to add a motion to the agenda of any regularly scheduled meeting of the Association by presenting a petition containing the signatures of at least twenty-five (25) members in good standing to the Board of Directors at least sixty (60) days in advance of the meeting.

ARTICLE III.

Amended and Approved March 22, 2014

Board of Directors: Number, Power, Meetings Composition and Selection.

- A. Governing Body Composition.** The affairs of the Association shall be governed by a Board of Directors. The Directors shall be members, or spouses of members; providing, however, no person may serve on the Board at the same time as the person's spouse. All Board members must be at least 21 years of age and be a voting Member of the Association of which there is only one per Lot

in good standing.

B. Number of Directors. The number of Directors in the Association shall be eleven (11).

C. *Nominations of Directors. Nominations for election to the Board of Directors shall be facilitated by a Nominating Committee as described elsewhere in these Bylaws. The requirements for being placed on the ballot are detailed in the section describing the Nominating Committee. Nominations shall not be permitted from the floor. All candidates on the ballot shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes through the community newsletter and other association publications as determined by the Board of Directors in a uniform manner established in the Rules and Regulations.

*Note: On March 21, 2015, the former Nominating Committee was changed to an Election Committee (see art. V, sec. E).

D. Election and Term of Office. Notwithstanding any other provision contained in these Bylaws:

1. At each Annual Meeting of the membership, Directors shall be elected at large. All Voting Members of the Association shall be entitled to vote on the election of Directors.
2. The terms of the Directors shall be three years. Terms shall be staggered such that the terms of one third of the Directors, allowing for adjustments due to the number of Directors divided by three, shall expire each year. A Director shall hold office until the expiration of the term for which the Director was selected and until a successor has been selected and qualified, or until the Director's earlier death, resignation, or removal.
3. Any Board Member who fails to attend three Regularly Scheduled Board meetings within a rolling six month period, either in person or by teleconferencing, shall be deemed to have resigned. A Board Member may only attend two meetings per calendar year via teleconferencing.

E. Removal of Directors. The entire Board or individual Directors may be removed from office by a two-thirds (2/3) majority vote of all voting Members present and voting either in person or by Directed Proxy at a meeting for which notice of the intention to and reason for the recall has been given, and provided a quorum is present.

1. The Notice of the meeting must include a slate of replacement nominees at least equal in number to the number of Directors subject to removal who have been certified as eligible to run by the Nominating Committee [now called Election Committee].
2. No Director subject to removal may be a replacement nominee.
3. In the event of the removal of one or more Directors, a successor for each removed Director shall be elected immediately at that meeting by a plurality of the voting Members of the Association present and voting either in person or by Directed Proxy.
4. In the event of the removal of more than one (1) Director, the positions shall be filled by the candidates in the order of the number of votes they receive starting with the highest number and continuing with the next highest number of votes until all positions are filled.
5. The newly elected Director or Directors shall serve until the next Annual Election Meeting even if there are less than sixty-one days (61) until the Annual Meeting.

- F. Vacancy Due To Death or Resignation.** If a vacancy occurs on the Board of Directors due to the death or resignation of a member, the replacement shall be elected by the sitting Board of Directors at their next regularly scheduled meeting by a majority vote of those present provided a quorum is present. The newly elected Director shall serve until the next annual meeting at which time the membership shall elect, as part of the annual Board Election process, a new Board member to serve out the unexpired term of the predecessor. Any vacancy occurring less than sixty-one (61) days prior to the Annual Meeting shall not be filled and will remain open until filled by means of the annual election process.
- G. Voting Procedure for Directors.** The candidate receiving the greatest number of votes shall be elected to the longest available term, as shall each candidate receiving the next greatest number of votes until all Directors' positions are filled.
- H. Reorganization Meeting of the Board of Directors.** The first meeting of the Board of Directors shall be held on the same day as the Annual Meeting of the Membership following that meeting at a time and place as shall be fixed by the Board. The agenda for the reorganization meeting shall include the election of officers, the appointment of chairs of standing committees and the selection of Board meeting dates for at least the following six months.
- I. Regular Meetings of the Board of Directors.** Regular monthly meetings of the Board of Directors shall be held at a location within the community. It shall be the duty of the Secretary to mail to the each of the Directors a notice of the regular meeting date which shall specify the time and place of the meeting and the nature of any business to be considered. The notice shall be post-marked no later than thirty (30) days in advance of the meeting. It will be sent to the mailing address of record provided by each Director for meeting notification. A notice of the meeting shall be posted in two (2) consecutive weekly bulletins as notification to the Membership.
- J. Special Meetings of the Board of Directors.** Special meetings of the Board of Directors shall be held at a location within the community when called by written notice signed by any of the following:
1. The President of the Association.
 2. The Chairperson of the Board.
 3. A majority of the Directors.
- It shall be the duty of the Secretary to mail to the each of the Directors a notice of the special meeting which shall specify the date, time and place of the meeting and the nature of any special business to be considered. The notice shall be post-marked no later than ten (10) days in advance of the meeting. It will be sent to the mailing address of record provided by each Director for meeting notification. A notice of the meeting shall be posted in two (2) consecutive weekly bulletins as notification to the Membership.
- K. Waiver of Notice.** The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting all of the Directors not present sign a written waiver of notice and consent to action. The waiver of notice and consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

- L. Quorum of Board of Directors.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present and voting at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.
- M. Compensation.** No Director shall receive any salary from the Association for acting as a Director. A Director may receive expense payments and other compensation from the Association but only if authorized in strict compliance with the rules and regulations of the Association.
- N. Conduct of Meetings.** The Chairperson of the Board shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of the Board of Directors, recording all resolutions adopted by the Board of Directors and a record of all other transactions and proceedings occurring at all meetings.
- O. Open Meetings.** All regular and special meetings of the Board shall be open to all Members in good standing, but Members other than Directors may not participate in any discussion or deliberation unless expressly authorized by a vote of the majority of the Board present and voting. The Board shall also schedule a reasonable period of time on regular meeting days for Members in good standing to make comments to the Board.
- P. Executive Session.** The Board may, with approval of a vote of the majority present and voting, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved and other orders of business of a similar nature. The general nature of any and all business to be considered in executive session shall first be announced in open session.
- Q. Powers.** The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for or beneficial to the administration of the Association's affairs and, as provided by law, (including but not limited to all powers defined in Pennsylvania court decisions, the Pennsylvania Uniform Planned Community Act and the Pennsylvania Nonprofit Corporation Law), may do all acts and things as are not by the Declaration, Articles of Incorporation, or these Bylaws directed to be done and exercised exclusively by the Members. The Board President shall have the authority to act on behalf of the Board of Directors on all matters relating to the operating duties of the Managing Agent or Manager, if any, which might arise between meetings of the Board of Directors. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be later adopted, and subject to the express limitations set forth elsewhere in these Bylaws, the Board of Directors shall have the power to and be responsible for the following, in way of explanation but not limitation:
1. Proposing an annual budget, in which the Board shall establish the annual common expense assessments of owners, meaning the contribution of each lot for the Community's common expenses and for additional amounts to be set aside for Capital Replacement and Capital Projects.
 2. Establishing the means and methods of collecting the assessments, and establishing the period of the payments of the assessment.
 3. Collecting all dues, fees, assessments and other income, depositing the proceeds of same in any depository the Board shall approve, investing the proceeds and using the proceeds to operate and administer the Association.

4. Opening of bank and investment accounts on behalf of the Association and designating the signatories required.
5. Providing for the operation, care, upkeep, maintenance, and replacement of all of the Common Facilities in the Community, either directly or by means of a professional staff.
6. Making and amending rules and regulations.
7. Enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations instituting actions on behalf of or in defense of the Association.
8. Obtaining and carrying insurance for the Association and its assets, and paying the premium costs for same.
9. Paying the cost of all services rendered to the Association and not directly chargeable to owners.
10. Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. All books and records shall be kept in accordance with generally accepted accounting principles.
11. Insuring that the books shall be available for examination by the owners and mortgagees, their duly authorized agents, accountants, and attorneys, during general business hours at the time and in a manner that shall be set by the Board of Directors and documented in the Rules and Regulations for the general knowledge of the owners.
12. The Board shall maintain the Restricted Capital Account, the Major Asset Replacement Fund and the Food and Beverage Capital Account as provided for in these Bylaws.
13. The Restricted Capital Account (RCA) fund shall be:
 - a) Funded by operational surpluses and special assessments.
 - b) Structured with designated minimum and maximum levels of funding, the exact number of which is to be calculated in relationship to the previous year's operating budget.
 - (1) Minimum level of funding: 10% of previous year's operating budget.
 - (2) Maximum level of funding: 20% of previous year's operating budget.
 - c) Subject to the following: In the event that the fund level dips below the pre-determined minimum, an assessment will be required in the next year's budget to bring the funding level up to the minimum. If the fund level exceeds the pre-determined maximum level, the excess funds are to be transferred permanently to the Major Asset Replacement fund (MAR).
14. The Major Asset Replacement Fund (MAR) fund shall be:
 - a) Funded by means of:

- (1) Mandatory assessments assigned to a specific asset
 - (2) Transfer fees applied on a prorated basis to all MAR assets based upon their cost
 - (3) RCA surplus funds applied on a prorated basis to all MAR assets based upon their cost
- b) Funded primarily by mandatory long-term capital assessments, which are computed based on the projected life of the asset and the replacement cost of the item. The assessment associated with an asset is to be set as part of the motion approving the acquisition or replacement of the asset. The annual funding level of an asset shall be computed by taking the projected replacement cost of the asset, divided by the number of years remaining to replace the asset.
- (1) The funding required in a budget cycle can be a percentage of the annual funding level for that asset
 - (2) The minimum level of funding in a budget cycle must be equal to 25% of the annual funding level for that asset
- c) These funds may not be used for any purposes except that for which the funds were collected. The assessments for this fund become a mandatory commitment once they are initially approved and cannot be modified or eliminated in the future.
- d) In the event that a decision is reached, by the Board of Directors, not to replace an asset then the balance of the fund dedicated to that asset shall be distributed among the remaining assets in the MAR as follows:
- (1) Either at the meeting that removes the asset or at the next regularly scheduled meeting, the Board of Directors will present a motion suggesting how to distribute the fund balance associated with that asset among the funds of the remaining assets.
 - (2) The Voting Members will then accept the Boards' motion or modify the motion to reflect the memberships' wishes as to how to prorate the monies among the remaining assets. In keeping with the rules pertaining to Directed Proxies, if the Boards' motion is modified then the motion will be tabled until the next regularly scheduled meeting.
 - (3) The assessment associated with that asset is eliminated from future budgets.

15. The Food and Beverage Capital Account shall be funded by means of:

- a) 25% of the previous year's food and beverage operations surplus shall be allocated annually to fund capital replacement and major repair and maintenance items for the food and beverage operation.
- b) The computation proposed in #a shall in addition be subject to an annual minimum of \$25,000 and a cap of \$50,000 allocated for this fund.
- c) Unused monies shall remain in this fund from year to year until needed. However, the Board may, on its own authority, opt to return to the general fund all or a portion of any unused funds, should it deem it appropriate to do so.
- d) Any expenditures from this fund must have Board approval.

16. Insuring that the Debt Service in a fiscal year is not more than fifteen (15%) percent of the

previous year's Operating Budget. This limit on outstanding debt is based upon actual payments in a fiscal year and not upon the impact of this service on dues.

17. Maintain a Delinquency Report listing all owners who have been delinquent in paying the assessments during the preceding twelve (12) month period and who remain delinquent at the time of the report and describing the status of any action to collect the installments which remain delinquent (an assessment shall be considered to be delinquent on the fifteenth (15th) day of the months);

R. Limitation on Board Powers- Actions Requiring Prior Membership Vote. The Board shall have authority to exercise certain powers only after obtaining approval of the majority of those Voting Members voting at a membership meeting either in person or by Directed Proxy.

The restricted powers are as follows:

1. To make aggregate withdrawals within any budget cycle from the RCA fund in excess of ten percent (10%) of the balance in that fund at the start of the budget cycle. This restriction only applies when the use of these withdrawals was not previously approved in the Associations Capital Budget. These withdrawals must only be used to acquire new capital items.

This restriction shall not prevent the Board from spending the capital replacement funds necessary to address the emergency replacement of capital items where the health or welfare of the community is affected provided sufficient funds exist to do this.

2. To hire, rehire, or contract with agents, employees, or service providers for terms greater than one (1) year.

(amended and approved 11/11/2015)

S. The Annual Budget – Actions Requiring Prior Membership Vote. The Board shall have authority to exercise certain powers only after obtaining approval of the majority of those Association Members voting at a general or special membership meeting either in person or by Directed Proxy. The matters requiring membership approval are as follows:

1. To adopt an annual budget in which the increase in the amount of the property owner's dues funding operating expenses exceeds the previous year amount by the previous annual (12 months) Consumer Price Index (CPI). Should the members vote to reject the operation increase in the new operating budget, then the previous year's operating budget plus the previous annual (12 months) CPI will take effect for the new fiscal year. The Board must either revise the proposed budget so it is below this threshold or may call a special membership meeting to present a revised operating budget, if a membership vote is required.
2. The annual assessments required by the Bylaw rules for maintaining the Restricted Capital Account (RCA) and Major Asset Replacement (MAR) funds are not subject to modification.
3. All new capital projects and/or debt that are presented as part of the budget must be approved by the voting members.
4. Contributions to the Major Asset Replacement fund (MAR), equal to 2% of the total previous year's operating budget, must be part of every budget.

T. Rights of the Association.

With respect to the Common Facilities or other Association responsibilities, and in accordance with the Declaration, Articles of Incorporation and Bylaws of the Association, the Association shall have the right to contract with any person for the performance of various duties and functions.

1. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, community associations and other planned communities both within and without the Community.
2. These agreements shall require consent by a simple majority of the Voting members present and voting either in person or by Directed Proxy at a meeting for which notice to act on any of these actions has been given as provided in these Bylaws and a quorum is present.

U. Management Agent.

1. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform the duties and services as the Board of Directors shall authorize.
2. No Management contract may have a term in excess of three (3) years and it must permit termination by either party without cause and without termination fee on ninety (90) days written notice.
3. No remuneration shall be accepted by the Managing Agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes gifts, or otherwise; anything of value received shall benefit the Association only.
4. Any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

V. Accounts and Reports.

The following management standards of performance will be followed:

1. Accrual accounting, as defined by generally accepted accounting principles (GAAP), shall be employed;
2. Accounting and financial controls shall conform to established Financial Accounting Standards Board (FASB) guidelines Generally Accepted Accounting Principles (GAAP). A segregation of accounting duties should be maintained:
 - a) Except as noted within this section, disbursements by check shall require two (2) signatures, with those authorized to sign to be determined by Board motion.
 - (1) Checks written from the Food & Beverage account shall require only one signature.
 - (2) Those authorized to sign checks written from the Food & Beverage account shall include the Head Bookkeeper and those authorized by the Board to sign checks.
 - b) Funded by operational surpluses and special assessments.
 - c) Credit cards may be issued to key staff personnel, with preset limits established for each

card.

3. Cash accounts of the Association should not be commingled with any other accounts; except, however, that all excess funds may be jointly invested to maximize return to the Association so long as all books and accounts specifically delineate the specific amounts of each account so invested;
4. Annual financial statements shall be prepared for the Association containing:
 - a) An Income Statement reflecting all income and expense activity for the preceding fiscal year.
 - b) An Account Activity Statement reflecting all receipts and disbursements activity for the preceding fiscal year.
 - c) An Account Status Report reflecting the status of all accounts.
 - d) A Balance Sheet as of the last day of the Association's fiscal year and an Operating Statement for that fiscal year, which shall be distributed within ninety (90) days after the close of the a fiscal year.
 - e) A statement of changes in financial position for the fiscal year.
 - f) Any other information required to be reported under Pennsylvania or Federal law.
5. The financial statements referred to above shall be an audited report prepared by an independent certified public accountant.

W. Rights of the Association. With respect to the Common Facilities or other Association responsibilities, and in accordance with the Declaration, Articles of Incorporation and Bylaws of the Association, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, community associations and other planned communities both within and without the Community. These agreements shall require consent by a simple majority of the membership present and voting either in person or by Directed Proxy at a meeting for which notice has been given and a quorum is present.

X. Hearing Procedure. Except for any financial defaults by Members of the Association, the Board shall not impose a fine, or infringe upon any other rights of a Member or other occupant for violations of the Declaration, Bylaws or rules and regulations unless and until the following notice and hearing procedure is followed:

- 1). **Demand.** Written notice of violation, and, if appropriate, a demand to cease and desist from any continuing violation shall be served upon the alleged violator specifying:
 - a). the alleged violation;
 - b). the action required to abate any continuing violation; and
 - c). a time period, not less than ten (10) days, during which any violation may be abated or appealed without further sanction.
- 2). **Notice.** At any time within twelve (12) months of any original demand, if appealed, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall serve the violator with written notice of a hearing to be held by the Appeals Committee in executive session. The notice shall contain:
 - a). the nature of the alleged violation;

- b). the time and place of the hearing, which time shall not be less than ten (10) days from the giving of the notice;
- c). an invitation to attend the hearing and produce any statement, evidence, and witness on his or her behalf; and
- d). the proposed sanction(s) to be imposed.

3). Hearing. Notice of Committee hearing shall be forwarded by regular mail to the Member at his or her record address, and delivered to the residence on the Lot of the Member. Proof of notice shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery is entered by the officer, Director, or agent who delivered the notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The recommended action of the Covenants Committee shall be transmitted to the Board of Directors for formal action. The recommendation of the Covenants Committee may be reviewed on appeal at a regular or special Board Meeting and accepted, rejected or modified by the Board of Directors. Notice of the Board's formal action shall be sent to the violator.

4). Appeal. Following a hearing before the Appeals Committee, the violator shall have the right to appeal the decision of the Board of Directors. To perfect this right, a written notice of appeal from the violator must be received by the Manager, President, or Secretary of the Association within thirty (30) days after the mailing of the notice of the Covenants Committee's action.

ARTICLE IV.

Amended and Approved November 3, 2007

Officers and Chairperson

A. Officers. The Officers shall be a President, Vice President, Secretary and Treasurer of the Association. The Board of Directors may elect any other officers, as it shall deem desirable, which officers shall have the authority and perform the duties prescribed from time to time by the Board of Directors. No two offices may be held by the same person. All Officers shall be elected from among the members of the Board of Directors.

B. Chairperson. The Board shall elect a Chairperson to preside at Board Meetings and at General Membership Meetings. In the absence of a Chair at a General Membership Meeting, the President may designate any Member in good standing to preside at the Meeting.

C. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the reorganization meeting of the Board of Directors held subsequent to the Annual Meeting of the Members. Subject to these Bylaws, vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

D. Removal. Any Officer or Chair may be removed by two-thirds (2/3) of the entire Board of Directors whenever in its judgment the best interests of the Association will be served.

E. Powers and Duties. The officers of the Association may take any action necessary to functionally implement the policies and commitments made by the Board of Directors in accordance with the provisions of these bylaws and all other governing documents, and may exercise the powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. In addition:

(1) The President shall be the chief executive officer of the Association. The President assumes the role of Chair in the absence of the Chairperson. The President is the only Board Member who may officially communicate with any Manager and any professionals hired to serve the Association (except as indicated in item 4 below) unless the President designates that responsibility to another Board Member or to the Community Manager.

(2) The Vice President shall assume the Chair in the absence of the President.

(3) The Secretary shall be the custodian of the valuable documents of the organization and shall have primary responsibility for the recording of the official minutes of all board meetings and meetings of the association.

(4) The Treasurer shall be the custodian of the bank accounts of the organization and have primary responsibility for the preparation and regular monitoring of the budget and may delegate all or part of the preparation and notification duties to a finance committee, managing agent, or both. The Treasurer may meet with the Book Keeper and Accountant in the course of his/her duties.

(5) The Chairperson is not a member of the executive Committee. The Chair is responsible for coordinating all activities of the Board and is responsible for overseeing any electronic or telephone voting that may take place when the Board is not in formal session.

F. Resignation. Any officer may resign at any time by giving written notice to the Chairperson of the Board of Directors. Any resignation shall take effect on the date of the receipt of the notice or at any later time specified in the notice, and, unless otherwise specified in the notice, acceptance of the resignation by the Board of Directors shall not be necessary to make it effective.

G. Agreements, Contracts, Deeds, Leases, Checks, etc. Except as otherwise provide in these Bylaws, all agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by the President and any other Board Member designated by resolution of the Board of Directors. The Community Manager signs checks up to \$1000. Items in excess of \$1000 require a second signature by an Officer.

ARTICLE V.

Amended and Approved March 21, 2015

Standing Committees

General Information

Unless noted in the charge of the committee, committee chairs are appointed by and serve at the pleasure of the Board of Directors, while the members of the committee are appointed by and serve at the discretion of the committee chairperson, and subject to the approval of the Board of Directors. The position of standing committee chair is reviewed and appointed annually by the Board of Directors at the annual Board reorganization meeting.

A. Appeals Committee. The Board of Directors shall appoint all the members of an Appeals Committee, consisting of a committee Chairperson, plus six (6) Members in good standing. No special professional background or experience is required to serve on this committee. Acting in accordance with the provisions of the Declaration, these Bylaws, and any resolutions the Board may adopt, the Appeals Committee shall be the hearing tribunal of the Association. A minimum of three (3) committee members is required to hear and act on an appeal.

B. Audit Committee. The Board of Directors shall appoint a standing Audit Committee consisting of a chairperson, plus a minimum of three (3) and a maximum of seven (7) members in good standing. A financial background is preferable for members of this committee. No member of the Audit Committee can also serve as a member of the Budget Committee. The Audit Committee shall cause an annual internal audit to be completed of Audit Committee-selected financial documents of the Association. The Audit Committee shall give a written report to the membership at the Annual Meeting of the Association, and shall give quarterly reports to the Board of Directors.

C. Budget Committee. The Board of Directors shall appoint a Budget Committee, consisting of a Chairperson (**Board Treasurer or Board representative**), a representative of management, plus a minimum of three (3), **and a maximum of six (6)** members in good standing (not Board Members). . A financial background is preferable for members of this committee. No member of the Budget Committee can also serve as a member of the Audit Committee. The Budget Committee shall seek reasonable membership and staff input on the proposed budget. The Budget Committee recommended budget shall be presented to the Board of Directors no later than one week prior to the regular January Board meeting. Subsequently, the Board approved budget shall be mailed to the property owners no later than thirty (30) days in advance of the annual budget meeting.

The following shall be the timeline for the preparation and presentation of the annual budget:

- 1. By the 3rd week in January; the Budget Committee holds a ‘Budget Town Hall Meeting’ to get property owner input on the Budget Committee proposed budget.**
2. By the January Board meeting; the Budget Committee recommended budget to the Board of Directors.
3. By the special February Board Budget meeting; the annual Board budget review meeting to discuss and vote on the budget.
4. By the regular February Board meeting; the final Board vote on the budget, if necessary.
5. 30 days prior to the Annual General Membership Budget Meeting; the sending of the Board approved budget to the property owners.
6. The Property Owners shall vote on the budget, if necessary, at the Annual Budget Meeting of the members.

D. Document Review Committee. The Board of Directors shall appoint a Document Review Committee, consisting of a chairperson, (who is **preferably** a Board member, or former Board member), a **non-voting** representative of management, a representative of the ECC Committee, plus a minimum of two (2) and a maximum of four (4) members in good standing. Except as stated in this section, no other special professional background or experience is required to serve on this committee. The committee shall review, update, and submit to the Board for preliminary approval, recommendations for changes in the community's primary governing documents, including the Restrictive Covenants and Bylaws. Rules and Regulations, SOPs and other Board controlled documents shall be submitted to the Board for final approval.

E. Elections Committee. The Board shall appoint an Elections Committee consisting of a **chairperson, plus a minimum of three (3), and a maximum of six(6)** members in good standing (not Board members). The responsibility of the committee is outlined as follows:

1. Establish deadlines for the submission of petitions for candidates running for the Board.
 2. Confirm that all candidates and signers of petitions are members in good standing.
 3. Set the dates for Town Hall "Meet the Candidates" meetings.
 4. Tabulate and certify the elections votes at the annual meeting.
- The Elections Committee Chair and members shall serve as Judge of Elections and tellers of votes at all general membership meetings.

F. Executive Committee. The Executive Committee shall consist of the President, Vice President, Secretary, and Treasurer. The President may, at his/her discretion call a special meeting of the Executive Committee. The Executive Committee shall not make policy of any kind without the approval of the entire Board.

G. Ski Committee. The Board of Directors shall appoint a Ski Committee consisting of a Chairperson, plus a minimum of three (3) and maximum of seven (7) members in good standing. No special professional background or experience is required to serve on this committee. The Ski Committee shall monitor the operations of the ski mountain in cooperation with management, and make recommendations regarding it to the Board of Directors.

H. Strategic & Facility Planning Committee. The Board of Directors shall appoint a Strategic & Facilities Planning Committee, consisting of a chairperson, **a non-voting representative of management**, plus a minimum of six (6) and a maximum of ten (10) members in good standing. No special professional background or experience is required to serve on this committee. It is preferable that a cross section of the various demographic groups within the community be represented on this committee. The committee shall, on behalf of the Board, monitor and update a multi-year strategic plan. The committee shall also, when requested by the Board, review and make recommendations regarding certain facilities and or amenities within the community.

I. Other Special Committees. The Board may at its discretion appoint, from time to time, special committees to perform specified tasks and to serve for specified periods as shall be designated by Board resolution. The special committees shall perform the duties and have the powers as may be provided in the [Board] resolution. Each special committee shall be composed and shall operate in

accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE VI.

Amended & Approved March 21, 2015

Indemnification

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

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

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

D. Standard of Care and Justifiable Reliance:

1. Director as Fiduciary. A Director of the Association shall stand in a fiduciary relation to the Association and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Association, and with the care, including reasonable inquiry, skill and diligence as a person of ordinary prudence would use under similar circumstances. In performing his or

her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

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

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

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

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

E. Personal Liability of Directors:

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

- a). The Director has breached or failed to perform the duties of his or her office stated above; and
- b). The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

2. Exception. The provisions of this Section of this Article shall not apply to:

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

F. Procedure for Effecting Indemnification. Unless ordered by a court, any indemnification under this Article shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth above. That determination shall be made:

1. By the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to the action, suit or proceeding;

2. If a quorum is not obtainable, or, even if obtainable, when a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion; or
3. By the Members of this Association.

G. Non-exclusivity and Supplementary Coverage.

1. General Rule. The indemnification and advancement of expenses provided above, or by any other provisions of law providing for indemnification or advancement of expenses applicable to any nonprofit corporation, shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of Members or Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding that office. The Association may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this section or otherwise.
2. When Indemnification is not to be made. Indemnification shall not be made in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.
3. Grounds. Indemnification under any bylaw, agreement, vote of Members or Directors or otherwise, may be granted for any action taken or any failure to take any action and may be made whether or not the Association would have the power to indemnify the person under any other provision or law except as provided in this section and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Association.

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

I. Rights to Indemnification. The indemnification and advancement of expenses provided by or granted pursuant to this Article shall continue as to a person who has ceased to be a Director, Officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of that person.

J. Power to Purchase Insurance. The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a representative of the Association, or is or was serving at the request of the Association directly or as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred that capacity, or arising out of that status, whether or not the Association would have the power to indemnify him or her against that liability.

ARTICLE VII.
Amended & Approved March 21, 2015

Miscellaneous

A. Fiscal Year. The fiscal year of the Association shall end April 30 unless otherwise provided for by resolution of the Board of Directors.

B. Parliamentary Rules. Roberts Rules of Order shall govern the conduct of Association proceedings when not in conflict with Pennsylvania law, the Articles of Incorporation, the Declaration or these Bylaws. The Pennsylvania Modern Rules of Order shall govern the conduct of Board proceedings except as may be modified by the Board of Directors

C. Conflicts. If there are conflicts or inconsistencies between the provisions of Pennsylvania law, the Declaration, the Articles of Incorporation, and these Bylaws, the provisions of Pennsylvania Law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail, except that all statutory limitations on retroactivity of the Pennsylvania Uniform Planned Community Act (UPCA) will apply.

D. Collection of Charges. Any assessments or other charges which are not paid by Members when due shall be delinquent and incur a late charge(s) in amounts as the Board may determine from time to time. In the event assessments or other charges remain unpaid, the Association may thereafter begin suit or execute on its statutory liens to collect those amounts. The Association may also bring legal actions 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 and assessments as a debt and for enforcement of the owner's other legal obligations. All dues, assessments and other charges, together with interest at a rate set by the Board, late charges, costs and Association attorneys' fees for these actions and any other charges under law 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.

E. Books and Records.

1. Inspection by Members and Mortgagees. The Declaration and Bylaws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at any other place within Community as the Board shall prescribe. Requests for inspection shall be made in compliance with state law.

2. Rules for Inspection. The Board shall establish reasonable rules with respect to:

- a). notice to be given to the custodian of the records;
- b). hours and days of the week when any inspection may be made; and
- c). payment of the cost of reproducing copies of documents requested.

3. Inspection by Directors. Every Director shall, for appropriate fiduciary purposes only and so long as the Director has no material conflict of interest, have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical property owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of documents at the expense of the Association for fiduciary purposes. Directors owe fiduciary obligations to the Association as to all records of the Association, as well as to matters of its business generally, both during the term served in the office of Director and after leaving the office of Director.

F. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, first class postage prepaid:

1. If to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no address has been designated, at the address of the Lot or Lots of the owner; or
2. If to the Association, the Board of Directors, or the Managing Agent, at the principal office of the Association or the Managing Agent, if any, or at any other address as shall be designated by the Board of Directors.

ARTICLE VIII

Amended and Approved March 22, 2014

Amendment

- A. Amendment Procedure.** The Bylaws may be amended by an affirmative vote of two-thirds (2/3) of the Members present and voting, either in person or by Directed Proxy, for which notice has been given, provided a quorum is present. A minimum of ninety (90) days' notice shall be given for a meeting where there is an amendment to be proposed and voted upon. A copy of the wording of the proposed amendment must be included with the meeting notice. Bylaw amendments may be proposed by the Board of Directors or by a minimum of fifty (50) Members in good standing.

Corporate Signatures

We, the undersigned officers of the Association, do hereby certify that the Members at a meeting of the Association at which a quorum was present by a vote in compliance with state law and with the governing documents of the Association voted to adopt the Bylaws of the Association stated in this document.

IN WITNESS WHEREOF, we have executed this document this ___ day of _____, 2015.

Attest:

Masthope Mountain Community
Property Owners Council

Secretary

By: _____
President

[Corporate Seal]