

BY-LAWS

of

LEISURE LANDS
COMMUNITY ASSOCIATION, INC.

100 LEISURE LANDS
EAST STROUDSBURG, PA 18301

(570) 223-1473

BY-LAWS
of

LEISURE LANDS COMMUNITY ASSOCIATION, INC.
(a Pennsylvania nonprofit corporation)

ARTICLE I
NAME

Section 1-1. Name. The name of the corporation shall be Leisure Lands Community Association, Inc.

Section 1-2. Registered Office. The principal office of the corporation is 100 Leisure Lands, East Stroudsburg, Pennsylvania 18301-9753. The corporation may also have offices at such other places as the Board of Directors may from time to time appoint or the business of the corporation may require.

Section 1-3. Definitions. Words and phrases throughout these By-Laws shall be the same as used in a document entitled: Declaration of Covenants Pertaining to Leisure Lands Community Association, Inc. of which these By-Laws have been and hereby are incorporated by reference and made a part. This corporation is defined or identified in that Declaration as Association.

Section 1-4. Statutory Authority. The Association has been formed and operates pursuant to the authority of the Pennsylvania Nonprofit Corporation Law, P.L. 1444, No. 177 approved December 21, 1988, and the Uniform Planned Community Act, Act No. 1996-79 approved December 19, 1996.

ARTICLE II
PURPOSES

Section 2-1. Purposes. The purpose of the Association are:

- (a) To provide for the creation, acquisition and maintenance of Common Property in the Development;
- (b) To regulate, inspect, administer and approve structures and plans for the structures and obtain compliance generally with the restrictions and conditions as to the use of Lots and other land areas and of related facilities, including roads, lakes, streams, pools, right-of-way, parking areas and other recreational facilities;
- (c) To promote the welfare and social recreational interests of the members by providing for the administration, maintenance and management of such lakes, streams, beach facilities, waterfront lands, recreation areas, docks, buildings and facilities in connection therewith as may come into the control and management of the association for community purposes;
- (d) To levy and assess charges, fees and dues for operation expenses of the Association and creation, acquisition, maintenance and use of Private Roads and Lakes and Recreational Facilities and other projects of the Association where deemed necessary and proper for its purposes;

(e) to engage all other activities appropriate for the harmonious development of the Leisure Lands Community Association, Inc.

Section 2-2. Term of Existence. The term of existence of the Association is perpetual or until it is dissolved in accordance with law.

Section 2-3. Non stock Basis. The Association is organized on a non stock basis and does not contemplate pecuniary gain or profit, incidental or otherwise, to its members, directors or officers.

ARTICLE III MEMBERS

Section 3-1. Membership.

The Association shall be owned, controlled and operated by its unit owners who shall be members of the Association. Any person(s) or other legal entity(ies) owning property, whether developed or undeveloped, within the community known as Leisure Lands Community Association, Inc. shall be a member of the Association and obligated to pay reasonable administrative costs and assessments to the Association by the terms of the Declaration of Covenants and Restrictions. Ownership of common property may not be the basis for voting privilege. Members who have not paid administrative costs and assessments shall have their voting privileges suspended until the arrearages are paid in full.

Section 3-2. Meetings.

A. Special Meetings. Special meetings of the membership may be called at any time by the president, or upon written request of two or more members of the Board of Directors. The notice of the meeting shall announce the place of the meeting.

B. Annual Membership Meetings. Membership meetings shall be held the third (3rd) Saturday of August, at a time and place to be set by the Board of Directors.

C. Quorum. A quorum is present throughout any meeting of the Association if persons entitled to cast 10% of the votes that may be cast are present in person or by proxy.

D. Voting. Association business requiring the vote of the membership shall be conducted by a request for aye and nay votes by a showing of hands. The majority of voting members present shall prevail. Voting is allowed by proxy as set forth in Section 5310(b) of the UPCA. If the unit owner is a corporation, joint venture, partnership or unincorporated association, the natural person who shall be entitled to vote shall be the person named in a certificate executed by that entity pursuant to its governing documents.

E. Order of Business.

- (a) Minutes of previous meeting.
- (b) Reports of officers.
- (c) Reports of committees.
- (d) Unfinished business.
- (e) Fixing number of directors to be elected.
- (f) Election of directors.
- (g) Other new business.
- (h) Adjournment.

F. Roberts Rules of Order shall govern the parliamentary procedure of the Association on all points not covered by the Articles of Incorporation and By-Laws.

G. Notice of Meetings. Not less than ten (10) nor more than sixty (60) days in advance of any meeting, the Secretary of the Association shall hand deliver, or mail with postage prepaid, a notice of the meeting to the mailing address of each unit owner, or to any other mailing address designated in writing by the unit owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws; any budget or assessment changes; and, where the declaration of bylaws require approval of unit owners, any proposal to remove a director or officer.

ARTICLE IV EXECUTIVE BOARD OF DIRECTORS

Section 4-1. Executive Board of Directors: Powers. The affairs of the Association shall be governed and administered by an Executive 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 Articles of Incorporation, By-Laws and its rules and regulations and the laws of the Commonwealth of Pennsylvania. In addition to and not in limitation of the powers granted the Board of Directors by law, they shall have these powers:

- (a) To sue and 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, receive, lease as lessee, take by gift, bequest or 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, which may be necessary and property, in the name of the Association.
- (d) To elect or appoint and remove officers and agents of the Association, and to define their duties and fix their compensation and fill vacancies in the Board of Directors.
- (e) To purchase, take by gift or bequest or otherwise acquire and hold shares, bonds, securities and other evidence of debt or any other person or corporation and to exercise all rights and privileges of such ownership, subject to limitations imposed by law.

- (f) To make transfers in trust of its property and assets, make contributions and donations for the public welfare, charity, religious, scientific or educational purposes.
- (g) To appoint policemen and other security personnel. To determine whether the conduct of any member violates any By-Laws or rules or regulations of the Association, and if so, to fix the penalty for such violations.
- (h) To appoint committees and define their duties.
- (i) To promulgate rules and regulations for the conduct of the affairs of the Executive Board and of the Association within its purposes.
- (j) To fix the time and place of all meetings of the membership.
- (k) To establish annual unit ownership assessments and membership dues based upon the costs of administration of the Association, and the repair and maintenance of the common areas and amenities; to make levies and assessments upon the members for the operation expenses of the Association and the creation, repair, acquisition and maintenance of common areas and amenities including the roads, lake, dam and other common amenities but not for any other purpose, except upon approval of the membership obtained at a meeting thereof, of which notice of the substance of the proposed levy or assessment was stated in the notice of the meeting.
- (l) To suspend the Association Member's privileges, benefits or services for failure to pay proper assessments, and to recover by Law along with all costs and reasonable attorney's fee the amount of such assessments.
- (m) To prepare, execute, certify and record a Declaration of Covenants and restrictions, or amendments such a Declaration, as authorized by the Uniform Planned Community Act, Act 180 of 1996 approved December 19, 1996.
- (n) To have all of the authority and powers as set forth in Section 5302 of the above-referenced Uniform Planned Community Act.

Section 4-2. Authority of Personnel. Duly elected officers and committee chairmen in exercising the duties of their positions as herein mentioned shall be the only persons authorized to speak or act on behalf of the Association. All other personnel must be specifically empowered to do so by the Executive Board.

Section 4-3 A. Indemnification of Directors and Officers.
 The corporation shall, to the fullest extent permitted by law, indemnify any directors, officer or employee/agent who was or is a party, or is threatened to be made a party, to any suit or proceeding whether civil, administrative or investigative by reason of the fact that the person was a director, officer or employee agent of the corporation against expenses, including legal fees, judgments, fines and amount paid in settlement actually and reasonably incurred by that person in connection with such action, suit or proceeding. Indemnification pursuant to this section shall not be made in any case where the act or failure to act giving rise to the claim or indemnification is determined by the court to have constituted willful misconduct or recklessness, or to have been in violation of a criminal statute.

B. Limitation of Liability. A director of this corporation shall not be personally liable for monetary damages as such for any action taken, or any failure to take action except if the Director has breached or failed to perform the duties of his/her office under Section 8363 of title 42 of the Pennsylvania Consolidated Statutes (the Pennsylvania Directors Liability Act - Act No. 145 of 1986) as from time to time amended, or any successor provision, and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. This provision shall not apply to the responsibility or liability of a Director pursuant to any criminal statute or the liability of a Director for payment of taxes pursuant to local, state or federal law.

Section 4-4. Acquisition, Repair and Maintenance of Common Amenities.

The Board shall be empowered to enter into an agreement to acquire the ownership of common areas and to enter into agreements and contracts to repair and maintain said common amenities, and to borrow funds to finance the acquisition, repair and maintenance of the common amenities.

Section 4-5. Board of Directors.

A Board of Directors consisting of (7) persons twenty-one (21) years of age shall be elected at the annual meeting. A member of the Board of Directors must be a member of the Association, but need not be a resident of Pennsylvania. The number of board members not to exceed nine (9) may be increased by majority vote of the membership.

Section 4-6. Election and Terms. The term of office for Directors of the Association shall be three (3) years. No Director may serve more than three (3) consecutive three year terms. A Director who has served three consecutive terms shall not be eligible for election as a Director during the year following the election of his successor.

At the first election for the Board of Directors of the Association, whether it be at annual or special meeting, the terms of office for the elected Directors shall be as follows:

- (1) the elected Director who receives the most number of votes shall serve a three (3) year term;
- (2) the elected Directors who receive the second and third largest number of votes shall serve two (2) year terms; and
- (3) the elected Directors who receive the fourth and fifth largest number of votes shall serve one (1) year terms.

Section 4-7. Elections. At least 120 days prior to each annual meeting the president shall appoint a nominating committee of not fewer than three members. It shall be the duty of the nominating committee to nominate at least one member for each vacancy including any unexpired term vacancy, for which elections are being held, and to determine that the members nominated are agreeable to the placing of their names in nomination and will accept office if elected. The nominating committee shall file its nominations with the secretary of the association at least 90 days prior to the annual meeting, and the Secretary shall notify in writing all members eligible to vote at least 75 days prior to the annual meeting that nominations for vacancies may also be made by petition signed by 20 members in good standing.

..... shall provide that the election will not be conducted by ballot and there will be no nominations from the floor when there is only one nominee for each position to be filled. A brief statement of qualifications and biographical data in such form as shall be approved by the board of directors will be included for each nominee submitted by the nominating committee with the written notice to all eligible members. Each nominee by petition shall submit a similar statement of qualifications and biographical data with the petition. The written notice shall state the closing date for receiving nominations by petition. The period for receiving nominations by petition shall, in all cases, extend at least 30 days from the date the petition requirement and the list of the nominating committee's nominees are mailed to all members. To be effective, such nominations shall be accompanied by a signed certificate from the nominee or nominees stating that they are agreeable to nomination and will serve if elected to office. Such nominations shall be filed with the secretary of the association at least 40 days prior to the annual meeting and the secretary shall cause such nominations along with those of the nominating committee to be posted in a conspicuous place around the community at least 35 days prior to the annual meeting.

All elections shall be determined by plurality vote and shall be by mail ballot except where there is only one nominee for each position to be filled. Nominations shall not be made from the floor unless sufficient nominations have not been made by the nominating committee or by petition to provide for one nominee for each position to be filled or circumstances prevent the candidacy of the one nominee for a position to be filled.

Only those positions without a nominee shall be subject to nominations from the floor. In the event nominations from the floor, when permitted herein, result in more than one nominee for a position to be filled, and when nominations have been closed, tellers shall be appointed by the president, ballots shall be distributed, the vote shall be taken and tallied by the tellers, and the results announced. When only one member is nominated for each position to be filled, the chair may take a voice vote or declare each nominee elected by general consent or acclamation at the annual meeting.

Except as provided in Section 2 of this Article, all elections shall be by mail ballot, subject to the following conditions:

- (a) The tellers of election shall be appointed by the board of directors.
- (b) Sufficient nominations having been made by the nominating committee or by petition to provide more than one nominee for any position to be filled, the secretary shall, at least 30 days prior to the annual meeting, cause printed ballots to be mailed to all members eligible to vote.
- (c) The secretary shall cause the following materials to be mailed to each eligible voter:
 - (1) The ballot, clearly identified as such, on which the names of the candidates of the board of directors shall have been printed in order as determined by the draw of lots. The name of each candidate shall be followed by a brief statement of qualifications and biographical data in such form as shall be approved by the board.

(2) One envelope clearly marked with instructions that the complete ballot shall be placed therein and the envelope sealed.

(3) One identification form to be completed so as to include the name, address, signature of the voter.

(4) One mailing envelope in which the voter, pursuant to instructions provided, shall insert the sealed ballot envelope and the identification form, pre-addressed for return to the tellers of election.

(d) It shall be the duty of the tellers of election to verify, or cause to be verified, the name of the voter appearing on the identification form; to place the verified identification form and the sealed ballot envelope together until the verification or challenge has been resolved.

(e) Ballots mailed to the tellers of election must be received by the tellers no later than midnight 5 days prior to the date of the annual meeting.

(f) Voting shall be closed at the midnight deadline specified in subsection (e) hereof and the vote shall be tallied by the tellers of election. The result shall be verified at the annual meeting and the president shall make public the result of the vote at the annual meeting.

Section 4-8. Vacancies. Vacancies in the Board of Directors may be filled by majority vote of the remaining Directors at a regular meeting or special meeting, even if the number remaining on the Board is less than a quorum. Any Director so elected shall hold office for the unexpired portion of the term to which he or she is elected.

Section 4-9. Place of Meetings. The meetings of the Board of Directors may be held at such place within or without the Commonwealth of Pennsylvania as a majority of the Directors may from time to time by resolution appoint, or as may be designated in the notice of a particular meeting.

Section 4-10. Annual Meeting. An annual meeting of the Board of Directors shall be held each year, at such time as may be specified by the Board, to review operations during the immediately preceding year and transact such other business as may properly be brought before the meeting. The annual meeting of the Board of Directors shall be held prior to the annual meeting of the membership.

Section 4-11. Regular Meetings. Regular meetings of the Board of Directors may be held at such times as the Board may by resolution determine but not less often than once each calendar quarter.

Section 4-12. Special Meetings. Special meetings of the Board of Directors may be called at any time by the President, or upon the written request of two or more of the Directors delivered to the Secretary. Any such request by Directors shall state the time and place of the proposed meetings, and upon receipt of such request it shall be the duty of the Secretary to issue the call for such meeting promptly. If the Secretary shall neglect to issue such call within five (5) business days, the Directors and/or President making the request may issue the call. Call for a special meeting shall specify the purpose or purposes of the meeting.

Section 4-13. Notice of Meetings. Written notice of every meeting shall be given to each Director, the President and Vice President at least fifteen (15) days prior to the day named for the meeting. Purpose of all meetings shall be specified in the notice of meeting. Written notice may be waived as provided by state law.

Section 4-14. Quorum. At all meetings of the Board of Directors, a majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors, except as may otherwise be specifically provided by statute, or by the Articles of Incorporation, of these By-Laws.

Section 4-15. Adjournment. Adjournment or adjournments of any regular or special meeting may be taken, and it shall not be necessary to give notice of the adjourned meeting or of the business to be transacted at the adjourned meeting. At any adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting originally called.

Section 4-16. General Powers. The government of the corporation shall be vested in the Board of Directors who shall represent and have full powers to act for the corporation in the exercise of all its rights, privileges and powers and in the general management of its business, including the power of acquire, sell, mortgage or pledge real or personal property.

Section 4-17. Executive Committee and other Committees. The Board of Directors may, by resolution adopted by a majority of the Directors in office, designate three or more of its number to constitute an executive committee, which, to the extent provided in such resolution, and except as limited by law, shall have and exercise the authority of the Board of Directors in the management of the business of the corporation. Action of the executive committee shall be ratified by the Board to the extent possible at its next regular or special meeting. Vacancies in the membership of the committee shall be filled by the Board of Directors at a regular or special meeting of the Board. The executive committee shall keep regular minutes of its proceedings and report the same to the Board at each regular meeting of the Board. The maximum budget of the executive committee shall not exceed \$500 per year. The Board of Directors, by similar resolution, may from time to time create and appoint such committees, or advisory board, and designate their function and responsibility, as it may deem appropriate and desirable. The total number of such committees shall not exceed three (3).

Section 4-18. Informal Action by Directors. Notwithstanding anything to the contrary contained in these By-Laws, any action which may be taken at a meeting of the Directors or the members of the executive committee may be taken without a meeting, if consent in writing setting forth the action so taken shall be signed by all of the Directors or the members of the executive committee, as the case may be, and shall be filed with the Secretary of the corporation.

Section 4-19. Removal of Directors.

(a) By the members.

The entire Board of Directors, or a class of the Board, where the Board is classified

removed from office without assigning any cause by the vote of members entitled to cast at least a majority of the votes which all members present would be entitled to cast at any annual or other regular election of the Directors or of such class of Directors. In case the Board or such a class of the Board or any one or more Directors are so removed, new Directors may be elected at the same meeting. If members are entitled to vote cumulatively for the Board or a class of the Board, no individual Director shall be removed unless the entire Board or class of the Board is removed in case sufficient votes are cast against the resolution for his/her removal, which if cumulatively voted at an annual or other regular election of Directors, would be sufficient to elect one or more Directors to the Board or to the class.

(b) By the Board.

The Board of Directors may declare vacant the office of a Director if he/she is declared of unsound mind by an order of court or is convicted of a felony, or if, within 60 days after notice of his/her selection, he/she does not accept such office either in writing or by attending a meeting of the Board of Directors.

(c) By the Court.

The court may, upon petition of any member or Director, remove from office any Director in case of fraudulent or dishonest acts, or gross abuse of authority or discretion with reference to the corporation, or for any other proper cause, and may bar from office any Director so removed for a period prescribed by the court. The corporation shall be made a party to such action.

Section 4-20. Salaries of Directors. No Director shall receive a salary for services rendered to the corporation or to the Leisure Lands Community Association.

Section 4-21. Limitation on Authority. The executive board may not act on behalf of the association to amend the declaration under Section 5219 (relating to amendment of declaration), to terminate the planned community under Section 5220 (relating to termination of planned community) or to elect members of the executive board or determine the qualifications, powers and duties or terms of office of executive board members under subsection (e), but the executive board may fill vacancies in its membership for the unexpired portion of any term.

The executive board shall deliver to all unit owners copies of each budget approved by the executive board and notice of any capital expenditure approved by the executive board promptly after such approval. In addition to other rights conferred by the declaration, bylaws or this subpart, the unit owners, by majority or any larger vote specified in the declaration, may reject any budget or capital expenditure approved by the executive board within 30 days after approval.

ARTICLE V OFFICERS AND EMPLOYEES

Section 5-1. Officers. The officers of the corporation shall be natural persons of full age, and shall be a President, a Vice President, a Secretary, and a Treasurer; all of whom shall be elected by the Board of Directors, for one year terms at the first meeting after the annual election of the Board of Directors by the membership.

The President and the Vice President shall be elected members of the Board of Directors. No two offices may be filled by the same person. In addition to the powers and duties prescribed by these By-Laws, the officers shall have such authority and shall perform such duties as from time to time shall be prescribed by the Board of Directors. The officers of the corporation shall hold office until their successors are chosen and have qualified, unless they are sooner removed from office as provided by these By-Laws. If the office of any officer becomes vacant, the vacancy shall be filled by the Board of Directors. The elected officer shall fill the unexpired portion of the term to which he/she is elected.

Section 5-2. Agents or Employees. The President may appoint such agents or employees as the needs of the corporation may require. The President may delegate this function to others in whole or in part.

Section 5-3. Salaries of Officers. No officer shall receive compensation for services rendered to the Leisure Lands Community Association.

Section 5-4. Removal of Officers, Agents or Employees. Any officer, agent or employee of the corporation may be removed, or his or her authority revoked, by resolution of the Board of Directors, whenever in its judgment the best interests of the corporation will be served thereby, but such removal or revocation shall be without prejudice to the rights, if any, of the person so removed, to receive compensation or other benefits in accordance with the terms of existing contracts.

Section 5-5. President: Powers and Duties. The President shall be the chief executive officer of the corporation and a member of the Board of Directors; he/she shall preside at all meetings of the members and Directors; he/she shall have general and active management of the affairs of the corporation as provided by statute. The President shall see that all orders and resolutions of the Board are carried into effect. The President may delegate such duties as he/she finds necessary to any other officer or officers of the corporation. He/she shall execute bonds, mortgages and other documents requiring a seal, under the seal of the corporation upon the approval of the Board of Directors. He/she shall be ex-officio a member of all committees and shall have the general powers and duties of supervision and management of the other offices of the corporation.

Section 5-6. Vice President: Powers and Duties. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. He/she shall be a member of the Board of Directors.

Section 5-7. Secretary: Powers and Duties. The Secretary shall attend all sessions of the Board and all meetings of the members and record all the votes and minutes thereof in books to be kept for that purpose; and shall perform like duties for the executive committee of the Board of Directors when required.

He/she shall give, or cause to be given, notice of all meetings of the Board of Directors, and all meetings of the members, and shall perform such other duties as may be prescribed by the Board or by the President. He/she shall keep in safe custody the corporate seal of the corporation, and may affix the same to any instrument requiring it when authorized by the Board.

corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall keep the moneys of the corporation in a separate account to the credit of the corporation. He/she shall disburse the funds of the corporation as may be ordered by the Board, taken proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his/her transactions as Treasurer and of the financial condition of the corporation. The Board may require bonding.

Section 5-9. Delegation of Officers Duties. In case of the absence or incapacity of any officer of the corporation, the Board of Directors may delegate or authorize the delegation of his/her powers or duties, for the time being, to any person.

ARTICLE VI BUDGETING

Section 6-1. Preparation of Budget.

(a) On or before the 1st day of August of each year the Board shall adopt an annual budget for the Association containing the estimated costs of operating the Association during the following fiscal year. Such budget shall also include such reasonable amounts as the Board considers necessary to provide working capital, a general reserve, and reserves for contingencies and replacements.

(b) On or before the next succeeding 5th day of August, the Board shall make the budget available for inspection at the Association office and shall send to each member a copy of the budget showing the amount of the estimated assessments to be levied against each lot for the following year. Subject to the provisions of Section 6.02, such budget and assessments shall automatically take effect at the beginning of the fiscal year for which the budget is adopted.

(c) The Board shall make reasonable efforts to meet the deadlines set forth above, but such deadlines shall not be conditions precedent to the effectiveness of any budget or assessment.

Section 6-2. Voting on Budget.

(a) The members of the Association, by vote of a majority of the members present at the annual meeting, shall approve any budget sent down by the Board within thirty (30) days after approval by the Board.

(b) In the event, by vote of the members, the Association disapproves a proposed budget, or the Board fails for any reason to prepare or adopt a budget for any fiscal year, the budget in effect for the then current year shall continue for the succeeding year, and the owners of lots in Leisure Lands shall continue to pay dues at the rate established for the then current year.

ARTICLE VII
DUES AND ASSESSMENTS
FIRST CLASS OF MEMBERSHIP

Section 7-1. Creation of the Lien and Personal Obligation of Assessments. Each member of the Association shall pay to the Association reasonable administrative costs and assessments for operation expenses of the Association, for the creation, acquisition and maintenance of Common Property and to provide funds for the carrying out of the other purposes of the Association. The annual assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge upon member's land (the Lot or other land area) and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the member who was the owner of such property at the time when the administrative costs or assessment fell due.

Section 7-2. Effect of Non-Payment of Assessment, the Personal Obligation of the Owner, the Lien, Remedies of the Association. If an assessment is not paid on the date when due, it shall be regarded as delinquent and together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon shall become a continuing lien on the Lot or other land area which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives (or successors) and assigns. The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from that date at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint or other documents in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee together with the costs of the action.

Section 7-3. Subordination of the Lien to Mortgages. The lien of the assessment provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

Section 7-4. Fixing of Assessments, Due Date, Notice, Certificate of Payment. The Board of Directors of the Association shall fix the annual date when administrative costs and assessments shall be due and payable to the Association.

Written notice showing the due date and the amount shall be sent to each member of the Association at least thirty (30) days prior to the due date. At the time of sending of said notices, the Board of Directors shall prepare a roster of administrative costs and assessments listing the owners and the amount of the administrative costs and

shall be open to the inspection of any owner. The Association shall, upon demand at any time, furnish to any owner liable for the administrative costs and assessment a certificate in writing signed by an officer of the Association setting forth whether said amount has been paid. Such certificate shall be conclusive proof of payment of any dues or assessment therein stated to have been paid.

Section 7-5. Dues. Annual dues for membership shall be determined by the Board of Directors after preparation of the budget, and approved by a majority vote or by the members in good standing at the annual membership meeting. Annual dues must be paid in full by December 31 of each year in order to be a member in good standing. Annual dues paid after December 31 will suspend the member's right to run for office for the balance of the year.

ARTICLE VIII ENFORCEMENT

Section 8-1. Enforcement of Deed Covenants and Restrictions. The Board of Directors shall appoint committees consisting of at least three (3) members of the Association to ensure compliance with the deed covenants and restrictions. Plans for all proposed construction must be submitted to the committee for review, and a permit obtained from the Board of Directors upon recommendation of the committee prior to construction. The plans must show that the proposed construction complies with all deed covenants and restrictions.

ARTICLE IX MISCELLANEOUS PROVISIONS

Section 9-1. Notice of Meetings of Directors: Waiver of Notice.

(a) Notice shall be deemed to have been properly given to directors and officers of the corporation, when delivered to him/her personally, or when deposited in the United States mail with first class postage prepared or in a telegraph office charges prepaid directed to his/her address appearing on the books of the corporation or supplied by him/her to the corporation for the purpose of notice; and a certificate or affidavit by the Secretary shall be prima facie evidence of any notice required by these By-Laws. If the notice is sent by mail or by telegraph, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office for transmission to such person. Such notice shall specify the purpose, place, day and hour of the meeting.

(b) Whenever any written notice is required to be given to a director of the corporation under the provisions of applicable law or by these By-Laws, a waiver thereof in writing, signed by him/her either before or after the time stated therein, and whether before or after the meeting, shall be deemed equivalent to the giving of due notice.

Neither the business to be transacted, nor the purpose of the meeting need be specified in the waiver of notice of such meeting. Attendance of any person, either in person or by proxy, at any meeting shall constitute a waiver of notice of such meeting, except where a person entitled to notice attends the meeting for the express purpose of objection to the transaction of any business because the meeting was not lawfully called or convened.

Section 9-2. Corporate Records. The corporation shall keep at its registered office records of the proceedings of the Directors and the original or a copy of its By-Laws, including all amendments and alterations thereto to date. The corporation shall keep at its registered office or at its principal place of business complete and accurate books or records or account.

Section 9-3. Right of Inspection. Every member shall, upon written demand under oath stating the purpose thereof, have a right to examine, in person or by agent or attorney during the usual hours for business for any proper purpose, the books and records of account, and records of the proceedings of the Directors and to make copies or extracts therefrom.

Section 9-4. Execution of Written Instruments. After authorization in the manner provided by law or in these By-Laws by the Board of Directors, all contracts, deeds, mortgages, obligations, documents and instruments, whether or not requiring a seal, may be executed by the President or the Vice president, and attested by the Secretary or the Treasurer. All checks, notes, drafts and orders for the payment of money shall be signed by the Treasurer and President, or more officers or agents as the Board of Directors may from time to time designate.

Section 9-5. Transactions with Directors and Officers.
No contract or transaction between the corporation and one or more of its Directors or officers, or between the corporation and any other corporation, partnership, association or other organization in which one or more of its Directors are directors, trustees or officers, or have a financial interest, or in which any director or officer has any other conflict of interest, shall be authorized or entered into unless the material facts as to his/her interest and as to the contract or transaction are disclosed or are known to the Board of Directors, and the Board in good faith authorizes the contract or transaction are disclosed or are known to the Board of Directors, and Board in good faith authorizes the contract or transaction by a vote of two-thirds (2/3) of the Directors in office other than the interested Director or Directors. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes the contract or transactions.

Section 9-6. Dissolution. In the event of dissolution or winding up of the corporation, the corporation's assets after all initiation deposits, debts and expenses have been paid or provided for shall be distributed in the manner provided in its Articles of Incorporation.

Section 9-7. Fiscal Year. The fiscal year of the Association shall run from January 1 to December 31 unless otherwise determined by the Board.

**ARTICLE X
AMENDMENTS**

Section 10-1 Amendments: These By-Laws may be amended only by a majority vote of Members. Any member in good standing, meaning that his charges, assessments and fees are paid in full, may propose an amendment to be submitted to the next regular or special meeting of the membership. The amendment must be approved by a majority of the Directors, and be in compliance with state law Uniformed Planned Community Act #1996-180

(a) Every member of the Association shall receive a copy of the By-Laws. Every member shall receive a copy of each proposed Amendment at least fourteen (14) days prior to the scheduled vote on it.

(b) Every member shall be notified by mail of the results of balloting on each Amendment.

Adopted this _____ day of _____, 1997 by
motion duly made and seconded at the special meeting of the membership on

LEISURE LANDS COMMUNITY ASSOCIATION, INC.

ATTEST: _____

BY: _____ Chairman