

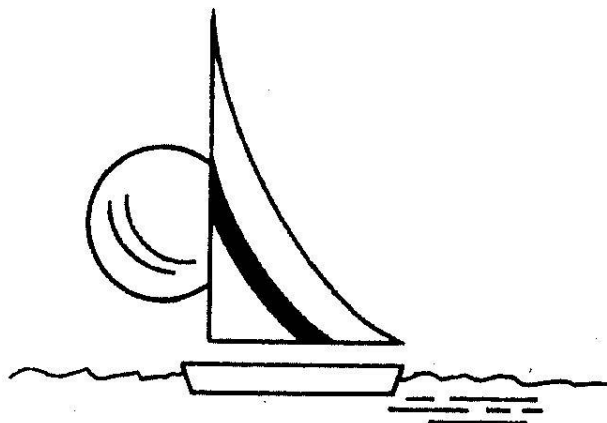


LAKE HERITAGE

PROPERTY OWNERS
ASSOCIATION, INC.

(A NON-PROFIT CORPORATION)

FORWARD
BY-LAWS



FOREWORD

Lake Heritage Property Owners Association, Inc. is a private non-profit membership association formed for the management, protection and improvement of Lake Heritage in the interest of the general membership. Every property owner is a member of the Association.

The Lake Heritage subdivision of Adams County, Pennsylvania, is a tract of over 750 acres in Mt. Joy, Mt. Pleasant and Straban Townships, containing some 1034 lots surrounding a 150-acre lake.

BY-LAWS

PREAMBLE

We are the property owners of the Lake Heritage Property Owners Association Incorporated in order to maintain an area of cleanliness and neatness and to foster natural beauty, free of pollution, for the primary and main purpose of building permanent homes for ourselves and our posterity do hereby set forth the following rules and regulations for the common good.

ARTICLE I

Offices

The principal office of the Association in the Commonwealth of Pennsylvania shall be located at Lake Heritage Subdivision, County of Adams. The Association may have such other offices, either within or without the Commonwealth of Pennsylvania, as the Board of Directors may determine or as the affairs of the Association may require from time to time.

ARTICLE II

Members

Section 1. Class of Members. The Association shall have only one (1) class of members which shall consist of those persons who own a lot or lots in Lake Heritage Subdivision, a subdivision of Adams County, Pa., recorded in the official records of the Office of the Recorder of Deeds of Adams County, Pa., and who have been approved by and elected by the Board of Directors. Only members in good standing and their families and guests shall be entitled to the use of the various community areas and other Association facilities.

Section 2. Approval of Members. Members shall be approved by the Board of Directors.

Section 3. Voting Rights. Each member in good standing shall be entitled to one (1) vote on each matter submitted to the vote of the members. Where title to a lot or lots is held by more than one person, whether jointly or as tenants with right of survivorship, only one (1) member shall be entitled to vote.

Section 4. Suspension of Membership. The Board of Directors may suspend any member who becomes ineligible for membership or who shall be in default in payment of dues or assessments or, who shall violate any rules or regulations of this Association. This suspension to be lifted when the violations have been rectified to the satisfaction of the Board of Directors.

Section 5. Rules and Regulations. Each member and his or her family shall be subject to the following rules and regulations:

- a) Each member shall be held responsible for any misconduct or violations of the rules and regulations on the part of his or her guest or guests.
 - 1) Members desiring to rent their lot must first obtain approval from the Board of Directors and shall in all events be responsible for tenants' compliance with Association rules and regulations. Tenants shall not be entitled to use the community areas or other Association facilities until tenant cards are issued to them by the Board of Directors.
- b) Any person not a member must be identified as a guest of a member in order to use the Community areas and other association facilities. Otherwise such person shall be considered a trespasser under the law of the Commonwealth of Pennsylvania.
- c) Members desiring to build on their lot(s) must first obtain a permit from the chairman of the Building Committee and abide by the restrictions set forth in Article II of the warranty deed.
- d) Members not ready to build on their lot(s) may not use said lot(s) as campsites. There shall be no overnight camping in tents, shacks, lean-tos, campers, house-trailers, or any other such paraphernalia.
- e) All members must comply with each and every restrictive covenant pertaining to Lake Heritage Subdivision as the same are recorded in the Office of the Recorder of Deeds of Adams County, Pennsylvania.
- f) The violation of any of the above rules and regulations or any rules and regulations hereinafter duly adopted by the members of the Board of Directors, shall be considered appropriate grounds for suspension of membership privileges.

Section 6. Transfer of Membership. Membership in this Association is not transferable. Each new member must be approved as stated in Section 2 above.

ARTICLE III

Meeting of Members

Section 1. Annual Meeting. An annual meeting of the membership Lake Heritage Property Owners Association shall be held within thirty days after the annual election of the Board of Directors at a place to be designated by the President of the Board. This meeting shall be held on a Friday night that is not a legal holiday at 7 PM. The purpose of the meeting shall be for the membership to meet any officers or members of the Board of Directors and to receive the President's report and the various reports of the Board, plus take up such other matters that may be brought to the attention of the membership.

Section 2. Special Meetings. Other meetings of the membership may be called by the President or by the Board of Directors or upon written request of 1/10 of the membership that is entitled to vote.

Section 3. Notice of Meetings. Written notice of all meetings shall be given by mailing a copy of such notice to the membership at least 15 days before such meeting. Such notice shall specify the place, date, and time of the meeting. It shall further set forth the purpose of the meeting and specify any particular issue or motion that is expected to be considered and/or voted upon at the meeting.

Section 4. Conduct of the Meeting. Except as specifically provided for in these by-laws, the conduct of all meetings of the Lake Heritage Property Owners Association shall be in accordance with Robert's Rules of Order.

Section 5. Quorum. The presence at the meeting of 10% of the membership entitled to cast one vote each shall constitute a quorum except at the annual meeting where it shall be left to the discretion of the President whether he thinks the attendance is sufficient enough to introduce the new officers and give his report and those of the various members of the Board. In this latter case, however, no other business before the membership could be legally transacted.

Section 6. Proxies. At all meetings, the membership entitled to vote may do so in person or by proxy. In the case of voting by proxy, only those items may be voted on that have been set forth in writing in the notice of the meeting that was mailed to the membership at least 15 days before the date of the meeting. Except as set forth above, no other proxy voting is to be allowed. All proxies shall be in writing and filed with the secretary. All proxies are revocable by the member giving the proxy.

Section 7. Voting by Mail. As in the case of election of the Board of Directors, special matters, referendums, etc., may be conducted by mail in such manner as the Board of Directors may determine.

Section 8. Changing of By-Laws. The by-laws of the Lake Heritage Property Owners Association may be changed at a meeting of the membership provided 51% or more of the entire membership entitled to cast one vote each supports such change.

ARTICLE IV Board of Directors

Section 1. General Powers. The affairs of the Association shall be managed by its Board of Directors. The officers elected by the Board shall also serve as the officers of the Association.

Section 2. Number and Tenure. The number of Directors shall consist of nine (9) active members of the Association. Each Director shall hold office for a term of three (3) years or until his successor shall have been selected.

Section 3. Vacancies. Any vacancy occurring in the Board of Directors shall be filled by appointment by the Board of Directors. A director appointed to fill a vacancy shall serve for the unexpired term of his predecessor in office.

Section 4. Regular Meetings. Regular meetings of the Board of Directors shall be held on the fourth (4th) Friday of each month whenever possible or at such times as the President or Directors may decide.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons authorized to call special meetings of the Board may fix any place within the Commonwealth of Pennsylvania as the place for holding any such special meeting.

Section 6. Notice. Notice of any special meeting of the Board of Directors shall be given at least two (2) days prior thereto by telephone or by written notice delivered personally or sent by mail or telegram to each Director at his address shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given only by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. The business to be transacted at the meeting need not be specified in the notice unless specifically required by law or by these regulations.

Section 7. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any

meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 8. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these regulations.

Section 9. Compensation. Directors shall not receive any compensation for their services; but nothing herein contained shall be construed to preclude any Director, other than the President of the Board, from serving the Association in any other capacity and receiving compensation thereof.

Section 10. Nominating Committee. The Board of Directors shall appoint at least sixty (60) days prior to the annual election of Directors, a nominating committee of five (5) Association members, a majority of which shall not be members of the current Board of the Association to solicit not less than five (5) persons to be candidates for membership on the Board of Directors; to prepare and mail ballots and voting instructions to each Association member entitled to vote; and to notify each elected Director of his election and such other related duties as the Board of Directors may direct.

Section 11. Election of Directors. The annual election of new members of the Board of Directors of this Association shall be conducted by mail. Ballots shall be mailed to all members in good standing by February fifth, to be marked, returned, and received by the Association not later than March fifteenth of the same year. Announcement of election results shall be made public through the next published newsletter and/or by announcement at the annual meeting of the Association set forth in Article III, Section 1 of this document. In the unlikely event of a tie vote there will be a run-off election conducted as soon as conveniently possible by the remaining Board of Directors.

Section 12. Removal of Director. The Board of Directors of LHPOA, Inc., may declare vacant the office of any individual Director, if:

- a) He/She is declared of unsound mind by a Court Order;
- b) convicted of a felony;
- c) He/She fails to attend meetings without authorized excuse;
- d) Participates in fraudulent or dishonest acts or grossly abuses his/her authority or discretion with reference to the Association;
- e) After notice of his/her selection as a Director, he/she does not accept such office either writing or by attending the first meeting of the Board of Directors, following his/her selection.

Written notice by certified mail or by personal service shall be given to the Director in question of the meeting of the Board of Directors when action shall be taken to show cause why his/her office should not be vacated.

Section 13. Procedure for Creating/Changing Rules and Regulations.

- a) The Board of Directors shall provide written notice to all members of any proposed rules and regulations, or changes thereto, at least sixty (60) days prior to adoption thereof. Such written notice may be in letter form, addressed to each member and posted in the U.S. mail, or by notice printed in two (2) LHPOA newsletters which are published and issued immediately prior to the date when adoption is intended.
- b) If the proposal involves a change to an existing rule or regulation, the letter notice or publication mentioned above shall be in a format such that the additions, deletions modifications from the prior rule or regulation are clearly identified.
- c) Each proposed new rule or regulation and each changed rule or regulation, in its new format, shall be separately voted upon by the Board of Directors, at the time of adoption.
- d) Where the proposed rule or regulation affects usage of, on or in, or Equal Access to, the waters of Lake Heritage, including but not limited to boating, skiing, fishing, swimming and sailing, the proposed rule or regulation must be adopted by a majority vote of votes cast by open membership referendum. "Equal Access", as used above, means that the Lake shall not be divided as to area or as to time schedules for any specific Lake activity unless described in the LHPOA rules and regulations as of January 1, 1995.

However, the Board in its own discretion may, without the exercise of a referendum, close or limit use of the Lake as to all members on a temporary basis either as to time or as to area for Regatta events, safety and emergency, or maintenance circumstances.

ARTICLE V Officers

Section 1. Officers. The Officers of the Association shall be a President, one or more Vice Presidents, (the number thereof to be determined by the Board of Directors), a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including a Secretary, one or more assistant Secretaries, and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors.

Section 2. Election, Qualification, and Term of Office. The Officers of the Association shall be elected annually by the Board of Directors prior to the regular annual meeting of the membership. If the election of officers shall not be held at such meeting such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified. Officers must be members of the Association and of the Board of Directors. The office of Secretary may be filled by election or by appointment. If filled by appointment, such person shall receive compensation for his work, said compensation to be determined by the Board of Directors. If such be the case, the secretary shall not be considered an officer of the Association nor a member of the Board of Directors.

Section 3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors may have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these regulations or by statute to some other officer or agent of the Association; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there is more than one Vice President, the Vice Presidents in order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or the Board of Directors.

Section 7. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of ARTICLE VII of these regulations: and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 8. Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with provisions of these regulations or as required by law; be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these regulations; keep a record of the post office addresses of each member which shall be furnished to the Secretary by each member, and furnish this list yearly (by May 1st) to each Board member, and in general perform all duties incident to the office of the Secretary and such other duties as from time to time be assigned to him by the President or the Board of Directors.

Section 9. Assistant Treasurers and Assistant Secretaries. The Secretary shall be considered an Assistant to the Treasurer to aid him in the duties as described in Section 7 of this Article. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties and in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries in general shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

ARTICLE VI Committees

Section 1. Committees. The President may appoint such committees as he deems necessary to carry out the purposes and business of this Association. At least one member of the Board of Directors shall be appointed to each committee to serve as chairman, other members to be members of the Association in good standing, to be appointed by the President or selected by the committee chairman.

Section 2. Authority. The authority of each committee shall be limited to that given by the President or by the Board of Directors. Written reports shall be submitted to the Board of Directors, by the committee chairman, at regular or special

meetings of the Board of Directors. Such reports shall include a record of all action taken, action contemplated, requests for funding and all recommendations requiring action by the Board of Directors on behalf of the Association.

Section 3. Term of Office. Each member of a committee shall continue as such until the next annual election of the Board of Directors - and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 4. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 5. Quorums. A majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting which a quorum is present shall be the act of the committee.

Section. 6. Rules. Each committee may adopt rules for its own government not inconsistent with these regulations or with rules adopted by the Board of Directors.

ARTICLE VII

Contracts, Checks, Deposits, Gifts

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these regulations, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instance.

Section 2. Checks, Drafts, etc. All checks, drafts, or orders for payment of money, notes, or other evidence of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents, of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Association.

Section 3. Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift bequest, or devise for the general purposes or for any special purpose of the Association.

Section 4. Fiscal Policy

(A) Operational Budget and Annual Dues and Assessments (D&A)

- (1) The Annual Dues and Assessments of the Association will be set at a level that ensures the full funding of all costs contained in the Operations Budget. Special funds collected privately for special events or purposes will not be considered as part of the Operational Budget for the purposes of determining the D&A, but these funds will be reflected for accounting purposes.
- (2) The D&A will be increased annually at a rate not less than the Pennsylvania Consumer Price Index on December 1 of the current fiscal year when developing the budget and D&A for the next year.
- (3) All revenues collected (excluding donations earmarked for special events or projects) in excess of the approved Operational Budget will be placed into the Capital Reserve no later than the completion of the fiscal year.

(B) Capital Reserve Funds – Maintenance/Replacement or Improvement

- (1) Capital Maintenance and Improvement requirements will be defined by the Capital Maintenance/Replacement Summary – a rolling 30-year plan for capital maintenance and replacement. The Capital/Maintenance/Replacement Summary will be maintained by the Manager and revised and approved annually by the Board as part of the budget process. There are two distinct components to the Capital Maintenance/Replacement Summary:
 - i. Capital Maintenance/Replacement – is defined as those replacement items or maintenance projects, costing more than \$5,000.00. Replacements or maintenance costing less than \$5,000.00 shall be included in the Operational Budget process by the appropriate Department Head.
 - ii. Capital Improvement are defined as those construction projects or purchases, not replacement items, costing more than \$5,000.00. Projects or procurements costing less than \$5,000.00 shall be included in the Operations Budget process by the appropriate Department Head.
- (2) Funds may be used for Capital Improvements when the current and reasonably anticipated Capital Maintenance requirements are met. In all cases, Capital Improvement funds must be evaluated against the Capital Maintenance requirements. Such funds may not be authorized if there is a reasonable expectation that such an approval may place the Association in a position of having to levy a special assessment or seek a loan to cover reasonably anticipated Capital Maintenance requirements.

- (3) In those years in which the anticipated Capital Maintenance and Improvement fund expenditures to fund major projects (roads, bridges, etc) will result in said fund being reduced to a level below \$100,000.00, specific actions will be taken to maintain the end of year fund above that level.
- (4) Shortfall or deficit funding will be addressed by deferring or down-sizing projects, or, if deemed necessary by the Board and when possible, only after an appropriate discussion in open meeting with prior notice of the issue being published in the Newsletter encouraging membership attendance, by obtaining short term loans, or levying a specific assessment for emergency projects only.
 - i. This \$100,000.00 level is the minimum amount required to cover unanticipated Maintenance and Replacement projects less road, bridge and dam work.
 - ii. The foregoing is not to interfere with or prohibit the Board's ability to incur debt or levy special assessment in order to correct situations involving safety or the potential for a major loss of assets necessitated by unforeseen occurrences. In these cases, the public discussion shall take place as soon as practical after the fact.
 - iii. Further, the Board may, in the case of anticipated extraordinary costs, incur debt or levy special assessments, but only after public debate as required above.
 - iv. It is intended that the fiscal operations of the Association shall not be placed at risk by improvements or purchases of new non-replacement items.

(C) Investment Policy

- (1) Financial assets are to be invested in a manner that assures maximum safety and appropriate liquidity and, secondarily, maximizes yield within such constraints. The investment objectives are, in order of priority, as follows:
 - i. Preservation and safety of principal
 - ii. Liquidity to meet expected and unexpected expenditures, and
 - iii. Maximization of yield on investment
- (2) The Board of Directors may employ the service of a qualified and bonded investment advisor (not a member of or otherwise employed by the Association) to direct a portion or all of the investment activities of the Association consistent with the guidelines set forth in this investment policy. The Board of Directors will monitor ongoing investment activities to ensure proper liquidity is being provided and that the investment strategy is consistent with the Association's objectives.
- (3) This Investment Policy specifically restricts the placement of the Association's financial assets to the following areas:
 - i. Savings, checking, money market and CD's and other accounts in banks, credit unions or other institutions to the extent that funds are insured by an agency of the Federal government.
 - ii. Securities backed by the Federal government, or
 - iii. Corporate or governmental bonds that are AAA rated by a major rating agency (S&P, Moody's or Fitch). Financial assets held in such bonds shall not exceed 30% of total the Association's capital investment accounts.
 - iv. Operational funds shall not be invested in corporate or governmental bonds and thus not considered in the computation of the 30%
- (4) The above is intended to be more restrictive than that imposed by governing statute (68 Pa.C.S.A. §5303, citing 20 PA.C.S.A. §7203, the prudent investor rule).
- (5) Not less than semi-annually, the Board of Directors shall meet to formally review the status of Lake Heritage operations to ensure compliance with this Fiscal Policy.

ARTICLE VIII

Certificate of Membership

Section 1. Certificate of Membership. The Board of Directors shall provide for the issuance of certificates evidencing membership in the Association, which shall be in such form as may be determined by the Board of Directors.

Section 2. Issuance of Certificates. When a member has been elected to membership and has paid any dues and/or assessments that may then be required, a certificate of membership shall be issued in his name and delivered to him by the Secretary.

ARTICLE IX

Books and Records

The Association shall see to the keeping of the complete and correct books and records of accounts and shall also keep minutes of the proceedings of its members, the Board of Directors and any committee having any of the authority of the Board of Directors and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time arranged for through the Board of Directors.

ARTICLE X

Fiscal Year

The fiscal year of the Association shall begin on the first day of April and end on the last day of March in each year.

ARTICLE XI

Dues

Section 1. Annual Dues. The Board of Directors may determine from time to time the amount of annual dues and assessments, if any, payable to the Association by the members. The annual dues shall be levied on each member of the Association. The annual assessment, if any, shall be levied on each and every lot, payable by the owner of such lot(s).

Section 2. Payment of Dues. Dues and assessments shall be payable in advance on the first day of April in each fiscal year.

- 1) General
 - A. When he/she is elected to membership, dues of the new member shall be due and payable for the current year of his/her election at the time of said election.
 - B. Further, the Board may offer a discount to members who pay their annual dues and assessment in full on or before the due date.
- 2) Members may elect to pay their Annual Dues and Assessments using a payment plan as defined below:
 - A. The Dues and Assessments paid by payment plan shall be subject to an annual interest that reflects the interest rate charged by local financial institutions in Adams County Pennsylvania. Said rate will be set by the Board during its monthly meeting in December annually.
 - B. There shall be three equal payments based on the dues and assessments for the year plus the interest applied.
 - C. The payment dates shall be April 1, July 1 and October 1, with no additional grace period and no further notice of the due dates by the Association. Interest shall be charges only on the outstanding balanced owed.
 - D. Should either the 2nd or 3rd payment not be received by the due date above, the entire outstanding balance shall be immediately due and owing, together with a 15% penalty on the outstanding balance of the principal. Members shall be responsible for reasonable legal fees and costs incurred in any collection action.
 - E. Members must sign a deferred payment plan agreement to take advantage of this installment payment plan; in the case of joint property ownership all owners must sign the agreement. The agreement shall contain an acknowledgment the terms and conditions stipulated above.
 - F. The amount of each of the three installments may be varied by the Association Treasurer and Lake Manager so long as all other terms and conditions remain consistent with this resolution.
 - a. The installment payment plan shall not be available to any member unless he or she delivers both the first installment and a completed deferred payment plan agreement to the Association Office at 1000 Heritage Drive Gettysburg, PA 17325 on or before April 1 of the fiscal year in question, with no grace period. Failure to deliver both, on or before April 1, shall be deemed a decision to make payment of the dues and assessments in one payment. Further, the payment plan option shall be available only to members who otherwise are in good standing with the association.

Section 3. Initiation Fees. The Board of Directors may determine from time to time the amount of an initiation fee, if any, to be paid to the Association by each new member; said fee to be paid immediately upon election to membership.

The initiation fee shall be excluded to the following parties/transfers:

- 1) Transfer to United States or Commonwealth Entity;
- 2) Transfers to local taxing authority;
- 3) Transfers between certain family members: a) husband and wife b) parents and children (including adopted and stepchildren);
- 4) Transfer by virtue of testate/intestate to spouse, parent, children (including adopted and stepchildren);
- 5) Transfer to a Trustee, if transfer would be excluded if transfer were made directly to a party person identified in this provision;
- 6) Transfer to LHPOA;
- 7) Transfers to financial institutions and/or holding companies whose sole purpose is to control between respective owners.
- 8) A former Lake Heritage property owner who acquires recorded title to a property in the Lake subdivision within thirty (30) days from the recorded date such property owner last title to a property within the Lake Heritage Subdivision.

Eligibility for membership privileges in the Property Owners Association would not be extended to all transfers set forth above, except, transfers set forth in Paragraphs 3 and 4.

Section 4. Default and Suspension of Membership. When any member shall be in default in the payment of dues and assessments, if any, for a period of three months from the beginning of the fiscal year or period of which such moneys become payable, and having received three (3) notices, his membership privileges may thereupon be suspended by the Board of Directors until such time as dues are voluntarily paid or paid or collected through legal means.

ARTICLE XII

Seal

The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words "Corporate Seal - A Corporation Not for Profit, Commonwealth of Pennsylvania."