

Paradise Falls Lutheran Association

Bylaws

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Article I. Names, Offices

Section 1.1 Name: The name of the Association is "Paradise Falls Lutheran Association."
(Association, PFLA)

Section 1.2 Office: The office of the Association shall be at an Association owned building on the grounds of the Association, located in Paradise Township, Monroe County, Pennsylvania.

Article II. Board of Directors: Number, Election, Meetings, Responsibilities, Limitations, Indemnification, Removal and Replacements

Section 2.1 Number: The number of Board Members (Directors) shall be no fewer than nine (9) and no more than fifteen (15) with an odd number preferable. The Board shall determine and announce the number of Directors for the coming year within six (6) months of the Annual Meeting.

Section 2.2 Terms: A Director's term is three years. There shall be three classes of Directors with the terms staggered to end sequentially. No Director shall serve for more than two (2) consecutive terms. For the purpose of this section, terms will be considered consecutive unless an interval of one year intervenes. An appointee to fill a vacancy of a Board Member who has served more than half of a term, or eighteen months (18 months), shall be considered to have served a full term.

Section 2.3 Election: Up to approximately one third of the number of Board Members of the Board of Directors shall be elected by the Membership at each Annual Meeting of the Association. Only individuals listed on a Membership in good standing are eligible for nomination. No Director whose term has ended shall be replaced by another individual from the same Membership unless a period of at least one (1) year has elapsed with the Membership having no Board Member. The nomination and election of Members to the Board of Directors shall be as follows:

1. At the Annual Meeting of the Association, the Board shall present to the Membership the names of Membership holders who the Board has nominated for election to the Board.
2. Additional nominations may be made from the floor.
3. A majority vote of ballots of Memberships presented in person or by proxy shall be required for the election of any nominee.
4. The Secretary shall keep a record of all nominations and the vote received by each.

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Officers of the Board shall be elected in the manner described in the Paradise Falls Lutheran Association Constitution, Article VII – Officers, and shall have the duties and authorities described therein.

Section 2.4 Meetings: The Annual Meeting of the Board of Directors shall be in June. At least **three (3)** other Board meetings shall be held during the year. The time and place of the Board Meetings shall be determined by the Board.

2.4.1 Special Meetings: Special Meetings shall be held as provided in the PFLA Constitution. Article VI, (G).

2.4.2 Quorum: A quorum for all meetings of the Board of Directors shall consist of more than half of the number of active Directors and shall include those present in person and participating electronically. Voting electronically shall be allowed.

Section 2.5 Responsibilities and Limitations: The duties of Paradise Falls Association will be managed by the Association’s Board of Directors for the benefit of its Members, the maintenance, administration and improvement of the common grounds, and, the continuation of the Association, and the Board shall have all responsibilities and authorities described in the PFLA Constitution, including:

2.5.1 Responsibilities: Operate, maintain, manage or provide for the management of the common areas, administer programs, and, provide financial oversight, for the ongoing benefit of the Members:

1. Make improvements of whatever kind or purpose to keep the common roads and parking areas in good condition and repair, free of any obstructions, safe for the operation of pedestrians and motor vehicles;
2. Maintain, protect and restore any waterways and riparian ways within the bounds of PFLA;
3. Maintain all buildings sited on the common areas or owned by the Association, keeping them in good repair and safe for use;
4. Acquire, provide and maintain utilities and communication services for Association owned buildings within the common area;
5. Provide for the removal of trash and garbage for the common grounds, and the Association buildings in accordance with the current Rules and Regulations, any local statues and in-force contracts;
6. Pay all property taxes and assessments for the lands or buildings which have not been assigned to a Membership;
7. Acquire and maintain in-force comprehensive general liability insurance for the common areas and Association owned buildings and improvements;
8. Levy dues, fees and assessments for Membership application, transfer, approval, use and maintenance of common areas, provision of services and benefits for

- Members, and unplanned emergencies;
9. Act as fiduciary of the assets of the Association;
 10. Enforce the PFLA Rules and Regulations, impose fines and penalties including expulsion of a Membership holder as described in the PFLA Constitution Article V, (P.), and ensure compliance with local and other governing statutes; and
 11. All other acts and actions in the best interests of the Memberships and PFLA.

2.5.2 Committees, Tasks Forces and Auxiliaries: Committees and their chairpersons shall be appointed by the President and approved by the Board of Directors as necessary for the operation of the Association. Such committees shall be responsible for planning their respective functions, managing their budgets and shall implement and oversee programs, projects, and employees where applicable, as identified in the Board Committee listing. In addition to an Executive Committee, **comprised of the Officers and one other Board Member appointed by the President,** which shall be empowered by the Board to act in its behalf to facilitate decision-making between Board meetings for **designated actions,** or in urgent or crisis circumstances, **there will be standing committees with responsibilities for:**

1. Membership
2. Property
3. Finance
4. Planning

All Auxiliaries formed by the Association shall aid in the purpose of the Association and are able to elect their own officers from their Members. Auxiliaries must submit a written report at least annually. **An Auxiliary may be disbanded by a request to the Board from the officers of the Auxiliary or by determination of the Board of Directors that the purpose for which the Auxiliary was formed is no longer needed. Upon the dissolution of an Auxiliary, all funds in the Auxiliary's accounts shall be moved to the PFLA general funds, unless those funds have a donor restriction in which case the funds shall be managed by the Association in accordance to the term(s) of the fund(s).**

2.5.3 Limitations:

1. **Indebtedness:** The Board of Directors may borrow money, but it may not borrow more than **\$100,000.00 in any calendar year or in aggregate,** except as otherwise approved by authorization of the Association at an annual or special meeting by majority vote of those present in person or by proxy.
2. **Real Estate Conveyances:** The Board of Directors may, upon approval by the Association, offer for sale any real estate owned by the Association, in which case the Deed, or other instrument of conveyance, shall be executed by the President, and attested by the Secretary, and shall have the corporate seal attached; but no

conveyance shall be made of any Lots, for which valid Certificates of Membership are outstanding.

Section 2.6 Standard of Conduct and Indemnification:

2.6.1 The Standard of Conduct: The Standard of Conduct for the Board requires that Board acts in good faith for the best interested of the Association.

2.6.2 Indemnified Representative: "Indemnified Representative" means any and all Directors and Officers of the Association and any other person designated as an indemnified representative by the Executive Committee of the Association.

2.6.3 Indemnification: The Association shall indemnify an indemnified representative against any liability incurred in connection with any proceeding in which the indemnified representative may be involved as a party or otherwise by reason of the fact that such person is or was serving in an indemnified capacity, including, without limitation, liabilities resulting from any actual or alleged breach or neglect of duty, error, misstatement or misleading statement, negligence, gross negligence or act giving rise to strict or products liability, except:

1. where such indemnification is expressly prohibited by applicable law;
2. where such action is illegal; and
3. where the conduct of the indemnified representative has been finally determined to constitute willful misconduct, recklessness or self-dealing.

To further effect, satisfy or secure the indemnification obligations provided herein or otherwise, the Association may maintain insurance, obtain a letter of credit, act as self-insurer, or create a reserve fund or other account. The indemnification provided by the Association is capped at the limits of the insurance or letter of credit currently in effect, or, the amount of funds designated by the Association to secure the indemnification obligations.

Section 2.7 Removal and Replacement of Directors: Board Members are elected to serve a three-year term and are expected to participate in all meetings of the Board. A director may leave the Board prior to the completion of a term.

2.7.1 Resignation: Any Director feeling unable to complete the current term should provide written notification the President and the Secretary. The notification may be transmitted electronically.

2.7.2 Removal: Directors may be relieved of their responsibilities and removed from the Board for the following reasons:

1. If, within ninety (90) days after notice of the individual's selection, the Director does not accept the office either in writing or by attending a

meeting of the Board, or, after a Board Member's three (3) unexcused absences from Board meetings in one year, the Board may, by a two-thirds majority vote, declare that individual's position vacant and shall notify the Director that the term has been ended.

2. By a two thirds majority vote, the Board may declare vacant the office of a director who has been judicially or medically declared of unsound mind, who has displayed willful misconduct or malfeasance, or who has been convicted of an offense punishable by imprisonment for a term of more than one (1) year.

2.7.3 Replacement: In the event of a vacancy on the Board of Directors, other than by expiration of a Director's term in office, the Board of Directors shall appoint a person named on a Membership that is in good standing in the Association to fill the unexpired term.

Article III – Membership – Definitions, Eligibility, Rights and Benefits, Requirements and Obligations, Enforcement, Penalties and Appeals.

Section 3.1, Membership Definition: Membership in the Association is comprised of the holder or holders of a Certificate of Membership for a lot on which a dwelling has been erected or on which the erection of a dwelling has been approved. All Membership holders shall be individuals who are 18 years or over, and are eligible to own property in the Commonwealth of Pennsylvania. In keeping with the PFLA Constitution Article III – Membership, a Membership is deemed to be in good standing if all current and past dues are paid in full, all taxes owed to taxing authorities are current, any and all outstanding fines and penalties have been satisfied and there are no infractions under investigation or in appeal.

Section 3.2 Eligibility: Memberships may be owned by an individual or family. For purposes of the Membership requirements set out in the PFLA Constitution, Article V, (C.), a family shall include a specified individual and spouse, any child of such individual or spouse, and the spouse of any such child. In appropriate cases the Board of Directors may permit additional individuals who are related to one or more of the foregoing and their spouses to be added to a Membership. Persons in legally recognized domestic partnerships, as well as persons who are legally married, shall be considered 'spouses' for this purpose. Current Membership holders may request the Board to grant an exemption from the family definition to add an individual with a non-sanguinary or non-spousal relationship to their Membership.

Section 3.3 Rights and Benefits: All Rights, Benefits and Privileges apply to a Membership or individuals listed on any Membership if the Membership is in good standing as described in the Bylaws or elsewhere.

1. The right of each Membership to cast a single vote for Members of the Board, either by person or in proxy at the Annual Meeting of the Association;
2. The right of each Membership to cast a single vote for any decision requiring approval of the Membership and for any amendment to the Constitution or Bylaws either by proxy or in person presented at an Annual or Special Meeting;
3. The right of each individual Member, and their guests, to enjoy the common grounds and participate in any recreational activities offered by the Association, in accordance with all guidelines described in the most current Association Rules and Regulations, and any applicable local statutes;
4. The right, upon approval by the Board, to use a portion of the common grounds or an Association building for personal use, in accordance with all guidelines described in the most current Rules and Regulations;
5. The right, upon approval by the Board to add or remove individuals to a Membership in accordance with the procedures described in the most current Bylaws and elsewhere;
6. The right, upon approval by the Board, and in accordance with all Rules and Regulations, to sell or transfer an active Membership to another owner provided the new owner has met the Membership criteria and has been approved for Membership in the Association prior to any such transfer. Current Members purchasing a Membership from another current Member must notify the Membership Committee prior to any commitment to purchase or sell is made.

Section 3.4 Requirements and Obligations: All Membership holders agree to abide by the provisions of the current PFLA Constitution and Bylaws and all rules and regulations made and published by the Board pursuant thereto from time to time (including, but not limited to, those published in the current version of the published PFLA Manual), and any additional local or jurisdictional statutes and licensing requirements; and, to pay all dues, assessments and other indebtedness to the Association and any taxing authority by the due date of the notice in order to maintain the status of a Membership in good standing. No Membership may be exempted from any dues or assessments by waiver of use of the common grounds, services or improvements.

3.4.1 Enforcement and Penalties: As described in the PFLA Constitution Article V, (P) - Certificates of Membership, and Article VI, (J) – Board of Directors, the Board has the authority and power to determine fines and penalties and enforce such fines and penalties up to an including the expulsion of a Member. Fines and penalties shall be published in the PFLA Rules and Regulations.

Reporting of infractions and violations shall be in the manner described in the Rules and Regulations' "Enforcement, Penalties and Appeals" sections of the Members Handbook.

If after being informed of an infraction or violation, a Member or Membership fails to come into compliance, the enforcement period for the infraction will begin, as defined in the Rules and Regulations. Members/Memberships will be notified in writing when the Enforcement Period begins. Such notification may be transmitted electronically. Some infractions may have escalating penalties dependent upon the duration or frequency of the infraction(s) and may also require reimbursement to the Association for its legal costs in resolving the matter.

Failure to pay dues, assessments and other indebtedness to the Association for a period of more than two years is ground for the deprivation of all rights, privileges and benefits and cancellation of the Certificate of Membership by the Board, as described in the PFLA Constitution Section V, (I.) Membership Certificates.

For conduct prejudicial to the best interested of the Association, the Board of Directors may vote to expel an individual Member from the Association under the power granted to it in the PFLA Constitution Article V, (P.).

3.4.2 Appeals: Members/Memberships have the right to appeal a fine or penalty as defined in the Rules and Regulations, or expulsion of a Member for conduct prejudicial to the interest of the Association, as defined in the PFLA Constitution – Article V, (P.).

3.4.3 Disputes between Memberships: If disputes arise between Memberships based on alleged failure to comply with any applicable provisions of the PFLA Constitution and Bylaws or applicable rules and regulations, they shall be mediated by the Board.

3.4.4 Final Determination: The Board of Directors shall be the final arbiter of all infractions, except in the case of expulsion of an individual member, for which the Constitution allows appeal to the Membership at the next annual meeting.

Section 3.5 Membership Application, Additions and Changes, Transfer by Death:

3.5.1 Applications and Additions: Individuals who are new to the Association, are being added to a Membership, or who have had a gap in Membership of more than one (1) year must apply for Membership on the forms provided by the Association and follow the procedures set forth in the PFLA Constitution Article III - Membership, and Article V – Certificates of Membership, as well as

those currently in-force in the PFLA Board Procedures and Committees Documents.

All prospective Members must meet with the Membership Committee prior to application submission for Board approval. The Membership Committee shall endeavor to acquaint prospective Members with the Association's community prior to submitting an application for Board approval.

1. Upon approval of an applicant to Membership by the Board of Directors as provided in Article III, (B.) of the Constitution the new Membership shall be required to pay to the Association a transfer of Membership fee as stipulated by the Board of Directors, in accordance with the PFLA Constitution, Article V (A). Payment shall be made prior to the issuance of a Certificate of Membership to the newly elected Membership.
2. Final settlement of a transfer of Membership in the Association including the transfer of a cottage and/or other improvements situated on the grounds of the Association, shall be conducted under the direction of or in the presence of an Officer of the Association at a place convenient to all parties and suitable to said Officer.
3. For the issuance of a new Certificate of Membership resulting from a change there shall be a nominal fee as determined by the Board of Directors. The change may be the addition of a Member, the removal of a Member from the Membership, or the removal or addition of more Lots to the Membership.

3.5.2 Transfer of Membership through Death:

If the only individuals listed on the Certificate of Membership are married to each other, they shall be deemed to hold the Membership as tenants by the entireties and full ownership shall pass to the surviving spouse who will become the sole owner.

Otherwise, all individuals listed on the Certificate of Membership shall be deemed to hold as joint tenants, with right of survivorship.

The death of a sole owner of a Membership may result in a non-Member inheriting the Membership as personal property as defined in the PFLA Constitution, Article V (D).

1. **If an individual inherits a Certificate of Membership by will or intestacy upon the death of a sole owner and the individual heir is eligible for Membership, the individual has one (1) year from the date of death (Inheritance Period) to apply for Membership or offer the Membership for sale, following the procedures stipulated in the PFLA Constitution, Bylaws and Committee documents. The heir or executor must maintain the Membership in good standing during the inheritance period. If neither action is taken, or if the Membership is not**

maintained in good standing during the inheritance period, the Board of Directors shall cancel the Certificate of Membership and the Membership shall revert to the Association one year and one day from the date of death of the sole owner.

2. If the heir is a minor, the Trustee or Guardian may offer the Membership for sale, or, maintain the Membership in good standing on behalf of the minor until the minor becomes 18 years of age at which time the one-year inheritance period begins. The Trustee or Guardian must notify the Association of the intent to sell or maintain the Membership in writing within one (1) year of the date of death and must do so annually until either the minor heir has become 18 or the Membership has been sold. Such notification may be transmitted electronically. No Trustee, Executor or minor owner has voting privileges.
3. If the heir is an organization, the organization must offer the Membership for sale to an eligible individual and maintain the Membership in good standing during the inheritance period. If transfer by sale is not undertaken, or if the Membership is not maintained in good standing during the inheritance period, the Board of Directors will cancel the Certificate of Membership and the Membership will revert to the Association one year and one day from the date of death of the sole owner. No organization has any Member privileges.
4. If no eligible heir(s) shall be identified within one year of the death of the sole owner of a Membership, the Membership Certificate shall be cancelled and the Membership shall revert to the Association

Article IV. Meetings of the Association: Annual Meeting, Special Meetings, Communications and Announcements

Section 4.1 Annual Meeting: The Annual Meeting of the Association shall commence on a Saturday during the month of June as determined by the Board of Directors.

Section 4.2 Special Meeting: Special meetings of the Association shall be held as provided in the Constitution - Article XI, D.

Section 4.3 Communications and Announcements: Official announcements shall be sent by first class mail or electronically to all Memberships of the Association. The Board of Directors also shall cause a newsletter or announcements to be published regularly during the summer. The publication(s) shall contain the dates and locations of any annual or special meetings of the Association and any meetings of the Board, Association Auxiliaries,

and Standing Committees. Urgent information, notice of programs and activities, and, changes in operations will be published as the situation warrants.

Article V. Governing Documents: Amendments to Constitution, Bylaws, Time of Operation

Section 5.1 Constitution: In keeping with the PFLA Constitution Article XIV, the Constitution may be amended by a two-thirds vote of the Memberships present, in person or by proxy, at an Annual Meeting of the Association, providing the proposed amendment has been presented in writing at the preceding annual meeting of the Association, and providing a copy of the proposed amendment has been advertised to all the Membership of the Association at least two weeks prior to the meeting.

Section 5.2 Bylaws: The Bylaws shall be reviewed no less than every five (5) years by the Board of Directors, or its designate, to ensure continued compliance with all applicable laws and statutes. During the review period, Memberships may submit suggested amendment(s) in writing to the Board for consideration. The Board will determine if a change is warranted. If no changes are recommended by the Board of Directors, the Membership will be notified of the date of the review and that no changes are recommended. No alteration to the Bylaws shall be made except as the proposed changes have been approved by the Board of Directors and have been published to the Membership of the Association, and have been adopted by the Association by a two-thirds vote of those Memberships present in person or by proxy at an Annual or special meeting.

Section 5.3 Time of Operation: Constitution and Bylaws shall become effective upon adoption by the Association. All Rules and Regulations previously in effect, and not in violation of the Constitution and Bylaws, are not affected by this adoption. All monies owed to the Association shall remain in full force unless altered by provisions of this Constitution and Bylaws.