

Paradise Falls Lutheran Association Constitution

ARTICLE I - TITLE AND INCORPORATION

- A. The name of this organization is Paradise Falls Lutheran Association (sometimes referred to in this Constitution as the "Association").
- B. The Association is incorporated under a Charter issued by the Court of Common Pleas of Monroe County, Pennsylvania, on April 6, 1925 and is a non-profit organization operating under the laws of the Commonwealth of Pennsylvania.

ARTICLE II - PURPOSE AND OFFICE

- A. The purpose of the Association is to provide healthful retreat and recreation under its auspices for Membership holders, their friends and guests.
- B. While membership is open to all, the Association strives to reflect its Lutheran history, heritage and values in its community life. Being based on Christian values, the Association is a community of inclusiveness, without distinction with respect to race, nationality, social status, age, sex, lifestyle, or any other characteristic which may cause discrimination among people.
- C. The principal office of the Association shall be on the grounds of the Association in Paradise Township, Monroe County, Pennsylvania.

ARTICLE III - MEMBERSHIP

- A. A 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.
- B. Application for Membership shall be made on forms provided by the Association. The applicant shall secure the written endorsement of at least three holders of different Memberships in good standing (none of whom, in the case of the sale of a Membership, shall be the seller), who are personally acquainted with the applicant and who shall certify that in their opinion the Applicant would be an appropriate member of the community. Final approval shall be by two-thirds vote of the Board of Directors.
- C. Fees for the transfer of Membership shall be determined from time to time by the Board of Directors, subject to the approval of the Association.

ARTICLE IV - VOTING MEMBERSHIP

- A. Any Membership in good standing in the Association shall be eligible to vote.

- B. Each Membership shall be entitled to one vote, and no Membership shall have more than one vote, irrespective of the number of Certificates of Membership held by the Membership.
- C. Proxy statements are acceptable for the establishment of a quorum or other issues as stated in the proxy.
- D. A Membership not in good standing shall have no vote at any Meeting of the Association. For purposes of this Constitution, a Membership not in good standing is one that is delinquent in any Association bills, charges, and/or assessment for any preceding year or years.

ARTICLE V - CERTIFICATES OF MEMBERSHIP

- A. Upon approval of an applicant to Membership, and upon the payment of the fees as approved by the Association, a Certificate of Membership, signed by the President, Secretary and Treasurer, with the corporate seal attached, shall be issued to the newly approved Membership. This Certificate of Membership shall entitle the new Membership to perpetual use, subject to the provisions of this Constitution, of a particular lot, or parcel, of the Association's grounds, for the purpose of habitation, provided, however, that the fee-simple title of all Lots, assigned to the Membership by the Certificate of Membership, shall remain at all times in the Association.
- B. All Certificates of Membership shall be numbered serially, and shall designate the Lot therein assigned, by Lot number, and Section number, in accordance with the Plan of Lots of the Association, as recorded in the Office of the Recorder of Deeds of Monroe County, Pennsylvania, and such Certificate of Membership shall contain the Name of the Membership holder or holders to whom issued.
- C. A Certificate of Membership may be issued to one or more members of a family, but not to any other group or organization. If the only individuals listed on the Certificate of Membership are married to each other, they shall be deemed to hold as tenants by the entireties. Otherwise, all individuals listed on the Certificate of Membership shall be deemed to hold as joint tenants, with right of survivorship. The definition of 'family' for this purpose shall be as provided in the Bylaws.
- D. A Certificate of Membership shall be deemed as personal property, and may be assigned by the holder or holders of the Membership at any time, or, in the event of death of the sole holder of a Membership, by the personal representative of such person's estate, provided, however, that in any case the assignee shall have qualified as a Membership holder in this Association, and, provided further, that in no case shall any assignment be valid without the approval of the Board of Directors.
- E. In the case of loss, or destruction of a Certificate of Membership, another Certificate may be substituted therefore under such conditions as shall be stipulated by the Board of Directors.
- F. In the case of a sale, under legal process in accordance with the laws of the Commonwealth of Pennsylvania, of a Certificate of Membership, or a holder's interest therein, the Board of Directors may authorize the issuance of another Certificate to the person thereto entitled, provided, however, that such person shall first qualify for Membership in the Association.

G. No assignment of a Certificate of Membership shall be approved by the Board of Directors, unless all dues, assessments, maintenance charges, or other indebtedness to the Association, or any state or local real estate taxes, have been paid in full.

H. The Secretary shall preserve, in the Archives of the Association, all cancelled or surrendered Certificates of Membership.

I. A Membership whose dues, assessments or other indebtedness to the Association is in default for a period of two years may be deprived of all rights, privileges, and benefits in the Association and its Certificate of Membership may be cancelled by a vote of the Board of Directors. If the defaulting Membership fails to surrender its cancelled Certificate of Membership upon direction of the Board of Directors, that Certificate shall be declared null and void and a differently numbered Certificate may be issued in its stead.

J. The Association shall at all times have a lien on all buildings, of any kind, erected on any Lot assigned to a Membership, for any arrearages by such Membership in dues, assessments, or indebtedness of any kind to the Association; and the Association shall have the right to enforce such lien by notice to the defaulting Membership, and upon such terms, conditions, and requirements as the Board of Directors shall from time to time stipulate.

K. When the sale of such property is completed, the amount received therefrom, over and above the amounts due to the Association, including any expense and interest incurred in the transaction, shall be returned to the defaulting Membership.

L. The Association reserves the right to charge a fee, in an amount to be determined by the Board of Directors, subject to approval by the Association, for the rental of a cottage or other buildings.

M. All buildings erected on any Lot assigned to a Membership shall be deemed personal property, and the title to such buildings shall pass, upon the assignment of a Certificate of Membership, to the assignee or assignees; provided that such assignee or assignees shall have first qualified for Membership in accordance with this Constitution.

N. No business of any kind shall be conducted on any Lot assigned to a Membership, without the annual permission and approval of the Board of Directors.

O. The Board of Directors may prescribe rules and regulations for the construction of buildings of any kind, on any Lots assigned to Memberships; and no building or structure of any kind shall be erected on such Lots without the permission and approval of the Board of Directors. In addition, all buildings shall meet the permit and zoning regulations of Paradise Township, Monroe County and the Commonwealth of Pennsylvania.

P. For conduct prejudicial to the best interests of the Association, the Board of Directors shall have the power by a two-thirds vote of all the Directors, to expel a Membership holder from this Association, provided that [i] the Membership holder has had two weeks' notice of the charges that shall be presented to the Board of Directors and [ii] the Membership holder has been informed that he or she has the privilege of being present to defend himself or herself at the Board of Directors meeting at which the vote shall be taken. The expelled Membership holder thereafter shall have the right to appeal to the Membership of the Association, at the next annual meeting. If such expelled Membership holder

is the only person on the Membership, the holder shall have the right to sell his or her Membership and any improvements on its assigned Lot in accordance with the provisions of this Constitution. If there are other holders in good standing on this Membership, sale of the Membership shall not be required.

ARTICLE VI - THE BOARD OF DIRECTORS

- A. The Board of Directors shall be responsible for the administration and care of the Association's interests and property and for the operation of each season's program, including regular Sunday worship services in the Lutheran tradition during the customary summer season.
- B. The Board of Directors shall consist of 9 to 15 persons named on different Certificates of Membership in good standing in the Association, elected by the Association.
- C. The Board of Directors shall be elected at an annual meeting of the Association, by a majority vote of the Membership entitled to vote as defined in Article IV.
- D. Candidates for election to the Board of Directors shall be nominated as provided in the By-Laws.
- E. The Board of Directors shall have regular meetings as provided in the Bylaws. All holders of a Membership that is in good standing in the Association shall have the privilege of attending. They shall have the privilege of the floor, but shall not have voting privileges. However, if the Board of Directors is considering any problem that which could give unfavorable publicity to any holder of Membership in the Association, or if consideration is being given to a breach of discipline, the Board of Directors may, by a two-thirds vote of the Directors present, request a closed session for that part of the meeting when such matters are before the Board.
- F. A Board of Directors quorum shall be such number as provided in the Bylaws.
- G. The President may call special meetings of the Board of Directors; and the President shall call such a special meeting upon written request of three or more Members of the Board.
- H. The Secretary shall give written notice to each Director of all meetings of the Board of Directors at least two weeks before the time of the meeting, except in the case of emergency.
- I. The Board of Directors shall be empowered to appoint such committees as it may deem wise for the execution of its responsibilities. Such committees shall submit a written report at all regular meetings of the Board of Directors and to the Association at its annual meeting.
- J. The Board of Directors shall have the power to make and publish Rules and Regulations for the operation, maintenance, management and control of the Association's property, equipment, and its affairs of every kind; and shall have power to prescribe and enforce all penalties for violations or infractions of the Association's Constitution and Bylaws, of resolutions adopted by the Association or by the Board of Directors, or of any rules or regulations made pursuant thereto; and shall also have the power to prescribe and enforce penalties for arrearages in dues, assessments, maintenance charges, or any other indebtedness by Memberships in the Association. Such rules and regulations shall be published to all Memberships in the Association for their guidance.

K. The Board of Directors shall have the power to incur indebtedness on behalf of the Association as provided in this Constitution and Bylaws; but no note, or obligation of any kind, authorized by the Board of Directors, shall be binding upon the Association, unless it be officially signed by the President and the Treasurer, and shall have the corporate seal attached thereto.

L. The Board of Directors shall present to the Association at its annual or at any special meetings recommendations concerning any increase in fees, maintenance charges, dues or for the levying of any special assessments.

M. 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 VII - OFFICERS

A. At the annual meeting of the Board of Directors, it shall elect from its membership a President, Vice-President, Secretary, and Treasurer.

B. All officers shall be elected for a term of one year. In the event of a vacancy of any office, the Board of Directors shall elect one of its own members to fill the unexpired term.

C. The President shall have full power to enforce the Constitution and By-Laws, Resolutions adopted by the Association or by the Board of Directors, and all rules and regulations made pursuant thereto; and the President shall exercise general supervision over all affairs of the Association.

D. The President shall preside at all meetings of the Association and at all meetings of the Board of Directors.

E. The President shall be a Member of the Executive Committee and an ex-officio member of all Association Auxiliaries and Committees.

F. The Vice-President shall exercise the powers and duties of the President in the event of the inability to serve or absence of the President.

G. The Secretary shall keep minutes of all meetings of the Association and all meetings of the Board of Directors.

H. The Secretary shall keep an accurate register of the names and addresses of persons named on Certificates of Membership in the Association; and shall be responsible for the publication annually of a Membership register.

I. The Secretary shall have custody of the Corporate Seal and shall affix it to all documents requiring same.

J. In the case of the absence or inability of the Secretary to act, the President may appoint a pro-tempore Secretary.

K. The Treasurer shall receive all funds of the Association and deposit them in an insured financial institution in the name of the Association, subject to the approval of the Board of Directors; and the

Treasurer shall make distributions therefrom in such manner as the Board of Directors or the Association shall direct; provided, however, that the Board of Directors may authorize other Officers of the Association to make distribution from said funds.

L. The Treasurer shall give a written account of all receipts and expenditures of each fund at each of the regular meetings of the Board of Directors and at the annual meeting of the Association.

ARTICLE VIII – COMMITTEES, TASK FORCES AND AUXILIARIES

A. The Association shall have the power to authorize the creation of any Committee, Task Force or Auxiliary, subjecting the same to the control of the Board of Directors and responsible to it for all of its activities. Any Committee, Task Force or Auxiliary in existence at the time of the adoption of this Constitution shall be governed by this regulation.

B. All Association Auxiliaries shall aid in the purposes of the Association, and as such are subject to the will of the Association. Each Auxiliary shall, through its President, submit a written interim report at the call of the Board of Directors and to the Association at its annual meeting.

ARTICLE IX - FINANCES

A. Finances necessary to conduct the operation of the Association shall be derived from the following sources:

1. Membership dues.
2. Maintenance and service charges.
3. Programs.
4. Service and business projects operated on the Association grounds
5. Gifts and endowments from Auxiliaries and individuals.
6. Special dues, assessments or maintenance charges.

B. No special dues or assessments shall be made until after the Association, at an annual or special meeting, has agreed to such increases by a majority vote of those Memberships present in person or by proxy.

C. All monies given to the Board of Directors from any Auxiliary or individual shall be used for such purposes as are specified by the Auxiliary or individual presenting the gift, provided the Board of Directors is in agreement with the specified purpose.

D. All Treasurers shall make expenditures from an account only as directed by the Board of Directors, the Association, or the Auxiliary that created the account.

E. No monies shall be expended by any Treasurer for any purpose other than the specific purpose for which the fund was created, except by a two-thirds vote of the Memberships present, in person or

by proxy, at an annual meeting of the Association and providing that the intent of such voting has been published to the Membership of the Association at least two weeks before the meeting.

ARTICLE X - AUDITING

A. The Board of Directors shall have the Association's Treasurer's accounts audited each year by a competent auditing firm and/or a committee of Membership holders familiar with standard auditing practices, and the audit report shall be submitted to the Board of Directors for presentation to the Association at the following annual meeting.

B. The accounts of all other Treasurers and persons handling Association funds shall be audited each year by a Finance Committee appointed by the Board of Directors.

ARTICLE XI - MEETINGS OF THE ASSOCIATION

A. The annual meeting of the Association shall be held on the grounds of the Association as provided in the Bylaws.

B. At the annual meeting of the Association, there shall be the election of holders from different Memberships to the Board of Directors.

C. The Association shall receive at its annual meeting written reports from the Officers of the Association, from all Standing Committees, and from all Association Auxiliaries.

D. Special meetings shall be called by the President upon written request of three or more Members of the Board of Directors or upon the written request of 20 or more Memberships in good standing in the Association. Such written request shall outline the specific purpose or purposes for calling the special meeting, and at such special meeting, the action of the Association shall be limited to these stated purposes.

E. It shall be the responsibility of the Secretary to ensure that notice of all annual and special meetings shall be sent to all of the Association Memberships at least two weeks before the meeting. For annual meetings, the notice shall contain the names of the nominees for the Board of Directors plus any other information the Board of Directors shall desire. For special meetings, the notice shall contain the full statement of purpose or purposes of the meeting.

F. Only the Association at an annual or special meeting shall be empowered to buy or sell real estate, to authorize the erection of new buildings, or sell buildings belonging to the Association, except as otherwise provided in this Constitution. For special projects, the Association may authorize the Board of Directors to act in its behalf.

G. A quorum shall be defined as the presence of Voting Memberships, in person or by proxy, as defined in Article IV, to the number equal to one-half the total number of Memberships, and provided those present in person represent at least one-third the total number of Memberships.

ARTICLE XII - CORPORATE SEAL

A. The Corporate Seal shall be a round disc, consisting of an outer circle bearing the words: "PARADISE FALLS LUTHERAN ASSOCIATION" within which shall appear the Coat of Arms of Martin Luther, with the numerals "1925", being the year of incorporation.

ARTICLE XIII - REAL ESTATE CONVEYANCES

A. The Board of Directors shall, upon authorization 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 shall be outstanding.

ARTICLE XIV - AMENDMENTS

A. This 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

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