

§ 110: Waterfront Common Area and Common Area Dock Rules and Regulations

110-1 Short Title

This section may be cited as the “Common Area Dock Rules and Regulations”

110-2 Definitions

- a. Board of Directors: Shareholders of Lakeland Colony Corporation that have been duly elected to the several directors’ positions as described in the Corporate By-Laws.
- b. LCC: Lakeland Colony Corporation
- c. Corporate: Referring to Lakeland Colony Corporation and/or its assets
- d. Common Area Lakefront Lots: Any lot wholly owned by the Corporation that fronts Lake Wallenpaupack. Common Area Lakefront Lots fall within the definition of “Community Access Area” as provided by the *PPL Lake Wallenpaupack Public Use and Shoreline Use Permitting Policy*, July 2009 Ed.
- e. Mooring: Any permanent or semi-permanent structure, including but not limited to a quay, dock or mooring buoy, to which a vessel or watercraft may be secured.
- f. Boat Dock: Any dock located on the shoreline of Lake Wallenpaupack fronting a Corporate Lakefront Lot that has one or more vessel or watercraft slips or Moorings.
- g. Swim Dock: Any dock located on the shoreline of Lake Wallenpaupack fronting a Corporate Lakefront Lot and has no provision for mooring a vessel or watercraft.
- h. Swim Float: Any floating structure located off of the shoreline of Lake Wallenpaupack fronting Corporate Property and not tethered or affixed thereto and installed for the purpose of its utilization as a swim float.
- i. Member: Any shareholder of LCC
- j. Dock Member: Any property owner and Member of Lakeland Colony Corporation who has a watercraft slip or interest in on any one of the Swim Docks, Boat Docks or Swim Floats fronting the Common Area Lots
- k. Dock Captain: A Dock Member elected or appointed by the other Dock Members of a respective Boat Dock, Swim Dock and/or Swim Float to administer, coordinate the installation, removal and maintenance of their respective dock, and to interface with the Board of Directors and PPL as necessary. The Dock Captain shall be the designated contact for their respective dock.
- l. PPL: PPL Holtwood, LLC, PPL Generation, LLC or any subsidiary of PPL Corporation that has been charged with the shoreline use and permitting of Lake Wallenpaupack by PPL Corporation and/or any government entity, including but not limited to the Federal Energy Regulatory Commission
- m. PPL Property: Any lakefront property located below the Project Line owned or controlled by PPL.
- n. PPL Licensed Property: The Licenses issued by PPL to the Corporation for the limited use of PPL Property fronting Lots #13, 29, 41, 53, 77, 78, 88, 101, 106
- o. Shoreline Policy: The *PPL Lake Wallenpaupack Public Use and Shoreline Use Permitting Policy*, as adopted and updated by PPL.
- p. PPL Licenses: Those revocable licenses issued to the Corporation by PPL for use of the PPL Licensed Property

110-3 Purpose

The property by which the Members of LCC gain access to Lake Wallenpaupack is owned by PPL (the PPL Licensed Property) and is only accessible to LCC and its Members by way of the various revocable licenses (the PPL Licenses) issued to LCC by PPL for the PPL Properties abutting the Common Area Lakefront Lots. The PPL Licenses require LCC and its Members to abide by certain conditions and policies as implemented by PPL in using the PPL Licensed Property. Failure to abide by the conditions and policies of PPL can result in revocation of the PPL Licenses and possible fines and penalties. Without the PPL licenses, LCC and its Members cannot utilize the PPL Licensed Property needed for access to the lake, the installation of Boat and Swim Docks, Swim Floats, or for launching boats. Therefore, the purpose and intent of this section is to ensure that the docks, installations and alterations to the lands located on the PPL Property fronting Common Area Lakefront Lots as licensed to the Corporation for access to the Lake and the installation of floating docks is in compliance with the PPL Licenses, Shoreline Policy and any applicable rules, regulations or policies enacted by PPL or a governing authority so as to ensure continued use of the PPL Property for the benefit of the Dock Members and Members of LCC.

110-4 Statement of Duties of the Board of Directors, Dock Captains, Dock Members and Members

It is to the benefit of LCC and its Members to ensure continued use of the PPL Licensed Property licensed to LCC pursuant to the PPL Licenses and, in turn, its Members for the purpose of providing access to Lake Wallenpaupack, the installation of Boat Docks and Swim Docks as well as the general benefit to the community. The continued use of the PPL Property is vital to LCC, its Members and the value of the properties located therein. To that end, the Board of Directors shall endeavor to make best faith efforts to ensure the use and continued use of the PPL Licensed Property.

a. Duties of the Board of Directors and Corporation:

The Board of Directors shall endeavor to ensure that all Dock Members and Members are permitted continued and uninterrupted use of both Corporate Lakefront Lots as well as the PPL Property necessary to gain access to Lake Wallenpaupack, install and maintain both Swim and Boat Docks, as well as enjoy the shoreline and wet shoreline areas fronting the Corporate Lakefront Lots. The Board of Directors shall enforce these rules and regulations as well as those policies of PPL as they relate to the PPL Property and the conditions placed upon the use of the PPL Licensed Property and protect said privileges.

b. Duties of the Members

The Members shall do nothing to inhibit, alter, or jeopardize the continued and unimpeded use of the PPL Licensed Property. Members shall not dump trash, debris, brush, firewood or any other material for the purpose of disposal at any of the Corporate Lakefront Lots or upon any of the PPL Licensed Property. Members shall not store boats, watercraft, trailers, docks or any personal property on the Corporate Lakefront Lots or the PPL Licensed Property unless permitted to do so in writing by the Board of Directors and/or PPL. No Member shall make, alter or reconfigure any facility and/or improvement to the

PPL Licensed Property that deviates from the terms of the PPL Licenses. No Member shall jeopardize or endanger any Boat Dock, Swim Dock or Swim Float located on or offshore of the PPL Licensed Property or any property, including but not limited to Dock Member's boats moored thereto and property located thereon. The Members shall further recognize that the Boat Docks, Swim Docks and Swim Floats are the private property of the Dock Members.

c. Duties of the Dock Members

Dock Members shall endeavor to protect all other Dock Members' interests in the PPL Licensed Property by assuring and maintaining compliance with the PPL Licenses. No Dock Member shall add to or alter any dock's permitted configuration, dimensions, use, and number of designated watercraft slips or deviate from the terms of the PPL Licenses in any way.

d. Appointment of A Dock Captain

A Dock Captain shall be appointed by the members of their respective dock/Common Area Lakefront Lot in a method and manner determined by the members of that particular dock. In the event that a dispute arises between Dock Members over the appointment of a Dock Captain, the matter shall be submitted to the Board of Directors and the Board of Directors shall arbitrate the dispute.

e. Duties of the Dock Captain

Dock Captains shall endeavor to protect all other Dock Members' interests in the PPL Licensed Property by assuring and maintaining compliance with the PPL Licenses and these Rules and Regulations. The Dock Captains shall report any suspected or known deviation from the PPL Licenses to the Board of Directors. Dock Captains are also responsible for interfacing with the Board of Directors on behalf of the Dock Members and vice-versa.

110-5 Dock Ownership

The Boat Docks, Swim Docks and Swim Floats are the private property of the Dock Members who paid for, created, and/or maintained the Boat Dock, Swim Dock, Swim Float and improvement and are listed on the respective rosters maintained by the Dock Captains. However, each Dock Member, as a condition of LCC obtaining and maintaining the PPL Licenses on their behalf, authorizes LCC to administer and enforce these Rules and Regulations, including making any necessary alterations, repairs and/or modifications, in accordance with these Rules and Regulations.

110-6 Licensure, Maintenance and Proposed Alterations/Additions

- a. Proof of Dock Interest: Lakeland Colony shall provide proof of a dock member's interest in any given dock by providing a revocable license agreement for each member's interest(s) in a dock or docks. It shall be in the form attached to these rules and regulations as **Exhibit C**.

- b. Maintenance: The put-in, take-out and maintenance of a Boat Dock, Swim Dock or Swim Float is the sole responsibility of the Dock Members who have an interest in said dock or float. Any fees or costs associated with the licensure, put-in, take-out and/or maintenance of a Boat Dock, Swim Dock and/or Swim Float shall be apportioned, collected, maintained, distributed and accounted for by the dock's respective Dock Captain in a manner acceptable to the Dock Members of said dock or float.
- c. Common Area Lakefront Lot Maintenance and Licensure Fees: As all Common Area Lakefront Lots are for the benefit and enjoyment of all Members of LCC, all fees and costs associated with the application for, modification of and maintenance of applicable PPL licenses for same shall be advanced by LCC and equally assessed to all Members of LCC.
- d. Boat Dock and Swim Dock/Float Licensure Fees: All fees and costs associated with the application for, modification of and maintenance of applicable PPL licenses for Boat Docks, Swim Docks or Swim Floats shall be advanced by LCC and equally assessed to all Dock Members for each respective dock.
- e. Arrears: In the event that any Dock Member fails to pay the fees or costs associated with the licensure, put-in, take-out and/or maintenance of a Boat Dock, Swim Dock or Swim Float for two (2) years, the Dock Captain shall notify the dock's Dock Members and, if the Dock Members agree by consensus, the Dock Captain shall notify the Board of Directors of the arrears and provide an accounting of the fees and costs past due. The Board of Directors shall then notify the Dock Member in arrears of the arrearages and provide the Dock Member with ninety (90) days in which to submit payment or otherwise resolve the outstanding balance in such a way that is acceptable to the other Dock Members. In the event that the arrearages are not paid or otherwise resolved, LCC shall purchase the interest of the Dock Member in arrears in the dock by paying the reasonable "buy in" amount determined by the Dock Members of said dock and shall then offer the purchased interest in the Boat Dock to the next Member listed on the Waiting List. The "buy in" amount shall not exceed the replacement value of the Dock Member's interest.

110-7 Dock Membership, Transfer of Interests, Existing, Vacant, Proposed and New Watercraft Moorings

- a. Dock Membership Generally: Membership in a Boat Dock, Swim Dock, Swim Float or Common Area Lakefront Lot is limited to those Members in good standing, who own a second-tier lot subject to the terms and conditions set forth in these Rules and Regulations.
- b. Dock Roster: Dock Captains shall maintain a roster of Dock Members. If the roster is for a Boat Dock, the roster shall identify each Dock Member's slip assignment and shall identify any vacant watercraft slip. The Rosters shall be provided to the Board of Directors annually at the annual meeting held in accordance with the By-Laws. In the event that there is any change to a Dock Roster, the Dock Captain shall promptly notify the Board of Directors by providing an updated roster.
- c. Swim Docks and Swim Float Members: All second tier Members shall be entitled to membership in a Swim Dock, Swim Float and/or Common Area Lakefront Lot, subject to their participation in the purchase and maintenance of the applicable swim

dock and/or swim float subject to the terms and conditions set forth in these Rules and Regulations.

- d. Common Area Lakefront Lots: Common Area Lake Front Lots are for the enjoyment and benefit of all Members of Lakeland Colony.
- e. Boat Docks: Membership in a Boat Dock is limited to the number of watercraft slips/Moorings that are permitted under the PPL Licenses. Boat Dock membership is assigned to the Dock Member's lot within Lakeland Colony on a first come, first served basis. Membership in a Boat Dock can be transferred with a Member's property, or independently to a Member in the following manner:
 - 1. The Dock Member desiring to sell or transfer his/her membership in a Boat Dock, if not transferring their membership with the sale or conveyance of their property, must surrender their ownership/membership in a Boat Dock to LCC in accordance with these Rules and Regulations for a reasonable fee that does not exceed the replacement value of the Dock Member's interest in the dock.
- f. Waiting List: The Board of Directors shall maintain a list of those second tier lot owners who are desirous of a position on a Boat Dock, Swim Dock or Swim Float.
- g. Boat Dock Rental: Except as expressly provided herein, the rental of any Boat Dock is prohibited. A Dock Member may rent, lease or loan his/her Boat Dock only to any other Member of LCC or their guest.
- h. New Moorings: LCC shall endeavor to obtain as many moorings as possible in order to obtain a 1:1 ratio of moorings to second tier lots.
- i. Swim Docks/Floats: LCC shall apply for and undertake any necessary steps to obtain a license for a new swim dock/float or to alter or modify any existing swim dock/float only upon request from a Member. The costs and fees associated with the effort to do so shall be paid by LCC as the swim float is for the enjoyment of all Members of LCC.
- j. Vacancies: In the event that a position on a Boat Dock becomes vacant due to non-payment of maintenance fees and costs or a Dock Member surrenders their membership in the Boat Dock the Board of Directors shall assign that position to the Member next on the Waiting List.
- k. Mooring Rental:
 - 1. *Rental of Vacant Mooring in LCC's Possession:* In the event that there are no Members on the waiting list or there is a surplus of moorings, LCC may lease or rent the dock as stated above and only to a Member in good standing, except that in the case of LCC renting a mooring to a Member who is the owner of a lakefront lot. In the event that LCC rents a surplus mooring in its possession, that rental shall be voidable upon sixty (60) days notice if a Member who owns a second tier lot that does not have a membership in a Boat Dock or mooring becomes desirous of obtaining same and makes such a request by adding their name to the Waiting List. Upon expiration of the sixty (60) days notice, LCC shall convey/transfer membership in said mooring to the next Member on the Waiting List.

2. *Rental of Member's Mooring:* A Dock Member may rent or lease its interest in a Mooring to any Member of LCC or a Member's guest. In the event that a mooring is rented or leased to a Member's guest, the Dock Member renting or leasing their Mooring shall, before the Member's guest occupies the Mooring: 1) notify the respective Dock's Dock Captain and LCC in writing of same, 2) provide a fully executed guest waiver and release form which shall be obtained from LCC, 3) shall provide LCC with a fully executed copy of the renter's indemnification and hold harmless agreement which shall be obtained from LCC. In the event that the Member renting the Mooring fails to fulfill the obligations above, their guest shall be deemed a trespasser and treated accordingly. Any fees and costs associated with the removal of a trespasser's boat or watercraft from a Mooring and/or for any claim associated with said trespasser's occupancy and use of a Mooring will be assessed against the Member who allowed said use/rental without satisfying the forgoing conditions.

110-8 Non-Compliance and Corrective Actions

In the event that LCC is notified of a condition of the PPL Licensed Property, a Boat Dock, Swim Dock and/or Swim Float that potentially deviates from the PPL Licenses, it shall investigate the potential deviation. If the Board of Directors determines that said condition does deviate from the PPL Licenses or if the Board of Directors receives notice from PPL that there is a non-conforming condition, the Board of Directors shall promptly notify the Dock Captain of the non-conforming Boat Dock, Swim Dock, Swim Float or PPL Licensed Property. The Notice shall state, in detail, the item complained of/deviation and specify the corrective action that should be taken. The Dock Captain and the Dock Members shall bring the Boat Dock, Swim Dock, Swim Float and/or PPL Licensed Property into compliance with the PPL License within fourteen (14) days of receipt of the notice. In the event that the Dock Captain and Dock Members do not bring the non-complying Boat Dock, Swim Dock, Swim Float and/or PPL Licensed Property into compliance timely, the Board of Directors shall undertake the necessary corrective efforts to bring the Boat Dock, Swim Dock, Swim Float and/or PPL Licensed Property to compliance with the PPL License and shall assess the Dock Members of the non-conforming Boat Dock, Swim Dock, Swim Float and/or PPL Licensed Property the actual costs, inclusive of legal fees and design professional fees, of the corrective work on an equal per Member basis.

110-8 Insurance and Safety

LCC shall provide liability insurance for the Common Area Lakefront Lots, Boat Docks, Swim Docks and Swim Floats. To ensure that these remain insurable, LCC shall conduct appropriate safety inspections of these docks, floats and swim floats and any issue of concern will be presented to the appropriate Dock Captain along with a request to remedy same.