

Lakeland Colony Corporation

1422 Lakeland Drive
Lake Ariel, PA 18436

BY-LAWS OF THE LAKELAND COLONY CORPORATION

As Amended July 5, 2005 (supersedes Revision Dated July 10, 1999)

ARTICLE I -NAME SECTION 1: This Corporation shall be named, known and styled as:

LAKELAND COLONY CORPORATION.

ARTICLE II -MEMBERSHIP

SECTION 1: The membership shall consist of the owners of shares of Lakeland Colony Corporation. Any person shall be eligible for membership regardless of race, creed color or national origin, so long as such person shall be and continues to be owner or co-owner of a lot in the Lakeland development, excluding that area known as Lakeland North, in the Township of Paupack, County of Wayne, and Commonwealth of Pennsylvania. Person shall include an individual, trust, or similar entity formed for the primary purpose of estate planning.

SECTION2: No person who is the owner or co-owner of an unimproved lot in the Lakeland development, excluding that area known as Lakeland North, in the Township, County and State aforementioned, shall be eligible for membership unless he shall subscribe for or acquire a minimum of twenty (20) shares of Common Stock in this Corporation at eleven and no/100 dollars (\$11.00) per share and unless he shall agree to subscribe for or acquire an additional eighty (80) shares of common stock in this Corporation at eleven and no/100 dollars (\$11.00) per share upon the erection of a dwelling on such lot.

SECTION 3: No person who is the owner or co-owner of an improved lot in the Lakeland development, excluding that area known as Lakeland North, in the Township, County and State aforementioned, shall be eligible for membership unless he shall subscribe for a minimum of one hundred (100) shares of common stock in this Corporation at eleven and no/100 dollars (\$11.00) per share.

SECTION 4: The number of shares of this Corporation which any member may own is 100 shares for each improved lot and 20 shares for each unimproved lot, with the exception of lots 9, 10, 11 and 12, which may have 125 shares for an improved lot.

SECTION 5: Shares in the Corporation may be transferred by member-shareholders only to grantees of lots in Lakeland Colony at the time of the transfer of the ownership of the lot from the member-shareholder. If shares have not been transferred with notice to the Corporation within one year of the transfer of the title to the lot, and the member-shareholder has become ineligible for membership in the Corporation, by operation of this Article such shares shall become void and shall be cancelled by the Secretary of the Corporation without liability upon written notice to the last registered address of the holder.

ARTICLE III - ASSESSMENTS

SECTION 1: The Board of Directors shall have authority to levy assessments against the lots in Lakeland Colony at such times and in such amounts as the Board of Directors may establish by resolution. Assessments may be levied for operation, maintenance, repair, upgrade, improvement or replacement of common use facilities including, but not limited to, the roads and stormwater runoff facilities, potable water system, access areas, and provision for services including, but not limited to, security, sanitation, enforcement of Restrictions, Rules and Regulations, administration, professional services, insurance, snow plowing/removal, donations to fire companies, and for payment of taxes. Assessments may also be levied by the Board of Directors, for Capital item upgrade/improvement/replacement or new Capital items, and for the buildup of funds for same to ensure their availability when needed.

SECTION 2: The Board of Directors may by resolution determine the definition of improved versus unimproved lots as well as the assessment apportionment between developed and undeveloped lots.

SECTION 3: The Board of Directors may, as it sees fit, authorize the Treasurer to permit different payment options, including, but not limited to, discounts for early payment and/or staggered payment schedules and/or penalties for late payment.

SECTION 4: The Treasurer may, as he deems appropriate, establish procedures for the collection of assessments and shall have authority to place a lien on property of members delinquent in payment for one year or more or to otherwise enforce collection through legal process as he sees fit.

SECTION 5: In accordance with Article XIV, Section 2, any member who is in arrears for assessments or fines, or any part thereof, shall not be considered a member in good standing.

ARTICLE IV - LOCATION

SECTION 1: The principal office of this Corporation shall be located in the Township of Paupack, County of Wayne and Commonwealth of Pennsylvania. The mailing address of this Corporation shall be: ONE LAKELAND COLONY, LAKE ARIEL PA 18436.

ARTICLE V - MEETINGS

SECTION 1: A general membership meeting shall be held annually on the second Saturday of July of each and every year. Every owner or co-owner of a lot within the Lakeland development, excluding that area known as Lakeland North, within the Township, County and State aforementioned shall be entitled to attend such meeting and to address such assemblage, regardless of membership status.

SECTION 2: Special meetings of the general membership may be called by the President at such times as he may deem necessary; or upon the written request by three members of the Board of Directors; or upon the written request signed by one-third of the shareholders of this Corporation.

SECTION 3: Special meetings of the Board of Directors shall be called by the President whenever he shall deem necessary; or at the written request signed by three members of the Board of Directors.

ARTICLE VI - NOTICES

SECTION 1: Notices of all meetings, regular or special, shall be in writing and sent through the United States Mails by U.S. Mail first class, postage pre-paid to each member or non-member owner or Director, as the case may be at his latest address recorded on the books of the Corporation. Such notice shall give full disclosure as to the purpose of the meeting. Also, the notice of the regular annual meeting shall include the names of the proposed nominees recommended by the nominating committee.

SECTION 2: Each member shall be entitled to twenty (20) days notice from the date of the postmark of any special membership meeting and each Director shall receive one week's notice of a regular or special meeting of the Board of Directors. The annual membership meeting will require thirty (30) days notice.

ARTICLE VII - WAIVER OF NOTICE

SECTION 1: Unless otherwise provided by law, whenever any notice is required to be given by the provisions of the By-Laws a waiver thereof in writing, signed by the person or persons entitled to such notices, whether before or after the time stated therein, shall be equivalent thereto.

ARTICLE VIII - OFFICERS

SECTION 1: The officers of the Corporation shall be the President, one Vice President, one Secretary and one Treasurer.

SECTION 2: All officers must be members of the Board of Directors.

ARTICLE IX - DUTIES OF OFFICERS

SECTION 1: The Presidents shall be the chief executive officer of this Corporation; shall be elected by and remain under the jurisdiction of the Board of Directors; shall preside at all meetings of the members and Directors; shall have authority for the general and active management of the day-to-day business of this Corporation; shall have authority to take such actions as required to implement all orders and resolutions of the Board of Directors are carried out; shall execute all bonds, mortgages, and all contracts of this Corporation, affixing the corporate seal thereto, shall have general superintendence and direction of all other officers of this Corporation and see that their duties are properly performed; shall submit a written report of the operations of the Corporation for the fiscal year to the Board of Directors and the members at the annual meeting. The disposition of the resolutions passed since the preceding annual or special meeting shall be included in the President's report. From time to time, he shall report to the Board of Directors all matters within his knowledge which may affect this Corporation; he shall be ex-officio member of all standing committees and shall have the power and duties and management usually vested in the office of President in a corporation: he shall appoint all committees except as herein otherwise provided.

SECTION 2: The Vice-President shall be vested with all the powers of and shall perform all duties of the President in his absence and shall have other such duties as may, from time to time, be determined by the Board of Directors. In the event that the President shall be absent from any meeting, the Vice-president shall preside.

SECTION 3: The Secretary shall attend all sessions of the Board of Directors and all meetings of members and shall act as clerk thereof; shall record all votes and minutes of all proceedings in a book to be kept for that purpose; shall, when required, perform a like service for all standing committees; shall send notices of all meetings to all the directors; shall perform such other duties as may be prescribed by the Board of Directors or the President under whose supervision he shall be; and he shall be the custodian of the corporate seal and all of the books and records of this Corporation except as may be otherwise provided. The secretary shall, within thirty (30) days following any regular or special meeting of the members, mail or otherwise distribute to all of the members and non-member owners, copies of the minutes of such meeting and shall include in the minutes of the annual meeting, as an addendum, the names and addresses of all the property owners in the Lakeland development, excluding the area known as Lakeland North, indicating thereon the lot numbers owned by each and also indicating, by some recognizable method, which property owners are members of the Corporation and which are not members of the Corporation. The Secretary shall, upon being notified by the Treasurer, promptly issue to any shareholder, who has completed payment for his full number of shares, a stock certificate for the required number of shares.

SECTION 4: The Treasurer, under the direction of the Board of Directors, shall have the charge of the funds of this Corporation and shall deposit the same in the name of this Corporation in depositories designated by the Board of Directors; shall pay all vouchers, invoices or orders properly attested by the President and the Secretary; and at any regular or special meeting of the shareholders, shall have available for inspection by any shareholder who so requests an up-to-date list of all members setting forth the name of each member, each lot number(s) owned by the member and the date of purchase of the number of shares subscribed for, the date of the subscription, the number of shares paid for to date and the amount of interest paid to date. The Treasurer shall make a complete and accurate report of the finances of this Corporation at each annual meeting of the members, or at any other time upon request, to the Board of Directors. The Treasurer's annual report shall include the receipts and disbursements for the past fiscal year ending June 30th in reasonable detail, the total amount of cash on deposit and the amount of undeposited cash on hand, the amount of accounts payable and the amount of accounts receivable.

The Treasurer shall also submit a tentative budget for the next fiscal year showing a comparison with the previous year's calculated expenditures and the percentage change. Any anticipated capital improvements should also be shown a footnote on this report. The Treasurer, within forty five (45) days following the date of the annual meeting shall deposit with the Corporation's Auditor all books and records necessary for the preparation of the audit. Upon receipt of the audit, the Treasurer upon the request of any shareholder in good standing shall make available, on a loan basis not to exceed a period of more than ten (10) business days, a copy of the Auditor's Report.

Upon receiving payment in full for shares subscribed for by any shareholder, the Treasurer shall immediately notify the Secretary of the payment in full of such shares so that the Secretary may issue a stock certificate promptly to the shareholder.

ARTICLE X - BOARD OF DIRECTORS

SECTION 1: The Board of Directors shall consist of all of the officers of this Corporation as set forth in Article VIII, Section 1, and three other members elected by the membership by a majority of the qualified fully paid voting shares of members in good standing represented in person or by proxy at the meeting. The retiring President shall be an ex-officio member of the Board and shall be entitled to attend all Board meetings until the next retiring President takes his place.

ARTICLE XI - DUTIES AND POWERS OF THE BOARD OF DIRECTORS

SECTION 1: The property and business of this Corporation shall be managed by the Board of Directors.

SECTION 2: In addition to the general powers of the Board of Directors by virtue of their office, the powers and authority expressly given by law, by terms of the Charter of this Corporation, and elsewhere in these By-Laws, the following powers are expressly conferred on the Board of Directors:

To purchase or otherwise acquire for the Corporation any property, service, right or privilege which it is authorized to acquire at such price or consideration, and upon such terms as deemed appropriate; to establish by resolution such fines as shall be necessary for the enforcement of the Corporation's Codes, Restrictions, Rules and Regulations; to appoint, to remove or suspend subordinate agents or servants, to determine their duties and affix their salaries; to confer by resolution upon any officer or agent of this Corporation the power of permanently removing or suspending any subordinate officer or servants; to determine who shall be authorized, on behalf of this Corporation, to sign bills, notices, receipts, acceptances, endorsements, checks, releases, contracts and any other instrument; to delegate any of the powers of the Board to any standing committee, special committee, or to any officer or agent of the Corporation, with such powers as the Board may see fit to grant; generally to do all such lawful acts and things as are not by law, or Charter, or these By-Laws directed or required to be done by the members as required to implement the powers granted to the Board.

SECTION 3: Any action which may be taken by the Board of Directors may be taken without a meeting, if consent in writing setting forth the action so to be taken is agreed to in writing by all Directors and be filed with the Secretary of the Corporation.

SECTION 4: The Board is to manage and regulate for proper use the Corporate community property which, among other acreage, comprises Lots 29, 41, 88 and 101 for swimming only, and Lots adjacent 15, adjacent 52, adjacent 79 and 106 for boating and swimming.

SECTION 5: The Board of Directors shall be limited to an annual expenditure of seven thousand five hundred dollars (\$7,500) for capital improvements without receiving the express approval of the majority of the members in good standing. This limit is above and beyond the general yearly budgeted maintenance figure.

SECTION 6: The Board of Directors shall have the authority to enforce all Restrictions, Rules and Regulations, and to determine penalties to be imposed for violation of same.

ARTICLE XII - FISCAL YEAR, NOMINATIONS, ELECTIONS AND TERMS OF OFFICE

SECTION 1: The fiscal year of this Corporation shall be July 1 to June 30, inclusive.

SECTION 2: The general membership of the Corporation shall elect the members of the Board of Directors at the annual meeting of the members to be held on the second Saturday in July of each and even year, as prescribed in Article V, Section 1. A majority vote, as defined in Article XIV, Section 1, shall be required to elect members of the Board of Directors. only if there are no opposing candidates seeking election, Directors shall be elected by a simple majority as defined in Section 1 of Article XIV. The ballot for election of members of the Board of Directors shall be a closed written ballot only if there are opposing candidates seeking election.

SECTION 3: The Board of Directors shall elect by simple majority the officers of this Corporation at a meeting to be held immediately following the Annual Meeting of the general membership of the Corporation.

SECTION 4: The term of office of each Director and of each Officer shall be approximately one year from the date of his election until the next succeeding Annual Meeting of the general membership. In no event, however, shall any Director or Officer serve for more than three consecutive one-year terms. This provision, however, does not preclude any former Director or Officer from becoming eligible for reelection, subject to the same limitations set forth above, after he has been out of office for at least one year.

SECTION 5: In the event that the office of an Officer or member of the Board of Directors shall become vacant, the remaining members of the Board of Directors shall immediately fill such vacancy for the unexpired term.

SECTION 6: Any member (or its designee if the member is a trust or similar entity formed for the primary purpose or estate planning) in good standing shall be eligible for election to the Board of Directors and any Director shall be eligible for election by the Board of Directors to any office in the Corporation.

ARTICLE XIII - QUORUM

SECTION 1: The presence of forty percent (40%) of the qualified fully-paid voting shares of members in good standing (as defined in Article XIV, Section 2) of this Corporation as represented in person or by proxy shall constitute a quorum for the purpose of holding any regular or special meeting of the general membership.

SECTION 2: A quorum for the purpose of holding any meeting of the Board of Directors shall be a simple majority of the members of the Board of Directors.

ARTICLE XIV -MAJORITY VOTES

SECTION 1: A simple majority shall mean a per-capita majority of the members in good standing represented in person or by proxy, with joint owners having but one vote. A majority vote shall mean a majority of the qualified fully-paid voting shares of members in good standing of this Corporation (as defined in Section 2 of this Article) represented in person or by proxy at any regular or special meeting of the members. A two-thirds majority shall mean two thirds of the qualified fully paid voting shares of members in good standing of this Corporation represented in person and or by proxy at any regular or special meeting of the members.

A simple majority of the Board of Directors shall suffice to pass any motion presented to the Board of Directors unless otherwise provided.

A simple majority of the members in good standing of the Corporation shall suffice to pass routine motions presented to the membership at any regular or special meeting. Any member in good standing, who believes that there is any substantial opposition to any motion on the floor, shall have the right to demand a majority vote.

SECTION 2: For the purposes of these By-Laws, a qualified fully-paid voting share is a share owned by a property owner member in good standing in the Lakeland development, excluding Lakeland North, who has subscribed to and purchased shares in the Corporation and is paid up for annual subscription installments, fees, dues, assessments. Any member in arrears on principal or interest payments on any share of stock subscriptions, dues, fees, assessments or fines for thirty (30) days or more, or any shareholder who no longer owns property in the Lakeland development, excluding Lakeland North, shall not be considered a member in good standing, and shall not have the right to vote nor to hold office. Any owner or co-owner of a lot in the Lakeland development, excluding Lakeland North who has not purchased and paid for shares of stock in this Corporation as outlined in Article III shall not be eligible to vote nor to hold office.

SECTION 3: Any member in good standing may cast votes at any meeting and on any question equal to the number of qualified fully paid shares held by said member and, as he sees fit, may distribute or accumulate his vote. Any member in good standing may designate one or alternate individuals as his proxy to vote his shares at any regular or special meeting of the membership.

ARTICLE XV - RIGHTS AND OBLIGATIONS
OF MEMBERS

SECTION 1: Every member in good standing as defined in Article XIV. Section 2, shall have the right to vote at any membership meeting and to hold office.

SECTION 2: Any member in good standing shall be allowed inspection of the Corporations records which shall be made available in a reasonable length of time but no longer than twenty-one (21) days after request.

SECTION 3A: No real estate owned by the Corporation may be sold, conveyed or leased without the approval of seventy-five percent (75%) of the votes of the qualified fully paid voting shares of members in good standing of this Corporation represented in person and or by proxy at any regular or special meeting. This Section 3A of Article XV may not be altered, amended or suspended or annulled without the approval of seventy-five percent (75%) of the qualified fully paid voting shares of members in good standing of this Corporation represented in person or by proxy at any regular or special meeting.

SECTION 3B: No real estate owned by the Corporation shall be mortgaged, borrowed against or otherwise encumbered without the approval of two-thirds of the votes of the qualified fully paid voting shares of members in good standing of this Corporation represented in person or by proxy at any regular or special meeting. This Section 3B of Article XV may not be altered, amended or suspended or annulled without the approval of two-thirds of the qualified fully paid voting shares of members in good standing of this Corporation represented in person or by proxy at any regular or special meeting.

SECTION 4: The Corporation shall have the right of first refusal to purchase the shares of any member provided, however, the Corporation shall not be obligated to purchase any such shares. Any member, upon the receipt of any bona fide offer for the purchase of his shares, which he desires to accept, shall communicate with the Corporation informing it of the proposed selling price for said shares. The Corporation shall have the right of equaling said bona fide offer and shall within thirty (30) days after the receipt of said notice purchase said shares at said price. In the event that the Corporation fails to purchase such shares within thirty (30) days aforesaid any member shall be at liberty to proceed to sell said shares subject to the provisions of Sections 1 and 4 of Article II without liability to the Corporation. For the purposes of this Section 4, written notice either delivered to the Corporation or mailed by ordinary mail to its last known address shall be deemed sufficient.

SECTION 5: The term "member" shall be construed to include the singular and/or plural, masculine and/or feminine, or neuter, and in no event shall shares be issued to any member in any manner inconsistent with the manner in which the title to said member's lot or lots appears of record.

SECTION 6: Members are required to adhere to such Codes as are adopted by Resolution of the Board of Directors and to obey such Restrictions, Rules and Regulations as are adopted by the Corporation.

ARTICLE XVI - STANDING COMMITTEES

SECTION 1: There shall be such standing committees as from time to time shall be determined by the Board of Directors.

ARTICLE XVII - CORPORATE SEAL

SECTION 1: The Corporation shall have a seal. upon which shall be inscribed the name of the Corporation, the year of its creation, and the words "Incorporated Commonwealth of Pennsylvania".

ARTICLE XVIII - AMENDMENTS

SECTION 1: Except as provided by Section 3 of Article XV, the members in good standing of this Corporation may, by a majority vote, alter, amend, suspend or annul these By-Laws at any regular or special meeting, provided at least twenty (20) days advance notice of the proposed changes has been given to all members.

ARTICLE XIX - INDEMNIFICATION

SECTION 1: Under the terms of the Act of Pennsylvania Legislature 145 of 1986, the Directors of the Corporation shall not be personally liable for monetary damages for any action taken or failure to take action with respect to their duties as Directors.