

HEART LAKE ASSOCIATION, INC.
A Not For Profit Pennsylvania Corporation
Chartered May 31, 2003

The purpose of the Heart Lake Association is to promote and maintain a private, residential community for lake front property owners that is environmentally and recreationally safe.

BYLAWS

Article I

Offices

Section 1. Principal Address

The principal address of the corporation shall be in the borough of Montrose, Susquehanna County at P.O. Box 176, Montrose, Pennsylvania 18801.

Section 2. Other Offices

The corporation may also have offices in other places that the Board of Directors may from time to time determine or the business of the corporation may require.

Article II

Stockholders

Section 1. Annual Meeting

The annual meeting of the stockholders of the corporation shall be at the clubhouse of the corporation at Heart Lake, Susquehanna County, Pennsylvania on a Saturday or Sunday during a three week period preceding Labor Day in each and every year for the purpose of electing directors and officers and of transacting such other business as may properly be brought before the meeting. If circumstances mandate, the meeting may be held online or via teleconference with mail in proxies.

Section 2. Special Meetings

Special meetings of the stockholders may be held at any of the offices of the corporation upon call of the Board of Directors, the President, or the holders of record of a majority of the shares of the stock of the corporation outstanding and entitled to vote, at such time as may be fixed by the Board of Directors, the President or such stockholders, and as may be stated in the call and notice.

Section 3. Notice of Meetings

Written notice of the time, place and purpose or purposes of every meeting of stockholders, signed by the President, Vice President or the Secretary, shall be delivered either personally, by mail or e-mail not less than ten nor more than forty days before the meeting to each stockholder of record entitled to vote at such meeting. To facilitate notification, any change of address for such notice should be filed with the Treasurer by the stockholder.

Section 4. Quorum

At every meeting of the stockholders, the holders of record of 40 per cent of the shares of the stock outstanding and who are entitled to vote at the meeting, present in person or by proxy, shall, except as otherwise provided by law, constitute a quorum for the transaction of business. If at any meeting there shall be no quorum, the holders of a majority of the shares so present or represented may adjourn the meeting from time to time without notice other than announcement at the meeting. When such quorum shall have been obtained, business may then be transacted which might have been completed at the meeting as first convened had there been a quorum.

Section 5. Chairperson and Secretary

At every meeting of the stockholders the President, and in his/her absence the Vice-President, and in the absence of the President and the Vice President a chairperson appointed by the stockholders present, shall preside at such meeting. The Secretary shall act as secretary at every meeting of the stockholders but if the Secretary is not present the presiding officer may appoint another person to act as Secretary of such meeting.

Section 6. Record of Stockholders

At each meeting of the stockholders, full, true and complete lists in alphabetical order of all stockholders entitled to vote at such meeting and certified by the Secretary or the Treasurer shall be furnished. Each property owner with lake frontage is vested with one share of stock in the Heart Lake Association, Inc. for each property owned. Each stockholder is entitled to one vote upon purchase of a share of stock and payment of annual dues.

Section 7. Inspectors of Election

At all elections of directors/officers the presiding officer shall appoint two inspectors of election. The inspectors will take charge of the polls and after the balloting shall make a recording of the result of the vote. No director or candidate for the office of director shall be appointed as an inspector.

Section 8. Voting

At all meetings of the stockholders every dues-paying stockholder shall have one vote and may so vote either in person or by proxy. Where a property is deeded with two or more names, only one person representing that property may vote either in person or by proxy. The proxy shall be completed, signed and delivered by the stockholder or by his/her authorized designee. Any changes related to the authorized designee must be made in writing to the Treasurer prior to any vote. A proxy should be specific to each vote unless the stockholder executing it shall have specified therein a longer time during which it is to continue in force.

Article III

Board of Directors

Section 1. Number of Directors

The Board of Directors shall consist of nine individuals.

Section 2. Election of Directors

Written notice of the time and place for the election of directors shall be delivered either personally, by mail or e-mail not less than ten nor more than forty days before the meeting to each stockholder of record entitled to vote at such meeting. The nominations for the directors to be elected shall be included in the notice of the annual meeting. The directors of this corporation shall be elected by ballot for a term of three years, with three new directors being elected each year at the annual meeting of stockholders, except as hereinafter provided for filling vacancies. The directors shall be chosen by majority of the votes cast at such election. Any stockholder or a member of the stockholder's family over twenty-one years of age is qualified to stand for election as a director. Each share of stock may be represented by only one person as a director.

Section 3. Vacancies

Vacancies in the Board of Directors, occurring during the year, shall be filled for the unexpired term by a majority vote of the remaining directors at a board meeting or a special meeting called for that purpose.

Section 4. Procedure if Entire Board Resigns

In case the entire Board of Directors shall die or resign, any stockholder may call a special meeting in the same manner that the President may call such meetings. Directors for the unexpired term may be elected at a special meeting in the manner provided for their election at annual meetings.

Section 5. Rules and Regulations

The Board of Directors may adopt such rules and regulations for the conduct of their meetings and the management of the affairs of the corporation, including the leasing, occupancy and use of the properties of the corporation and the regulations of the use of Heart Lake, which must be consistent with the laws of the State of Pennsylvania and these bylaws.

Section 6. Offices and Places of Meeting

The directors may hold their meetings and have an office or offices and keep the books of the corporation (except as is or may otherwise be provided by law) in such place as the Board may from time to time determine.

Section 7. Meeting of the Board

The Board of Directors shall meet whenever called together by the President, or in the President's absence by the Vice President or any of the directors for the time being in office, upon due notice given to each director. Directors will receive notice of meetings at least two days in advance. The notice will include time, place and purpose(s) of the meeting. Directors may vote in person or by proxy. A proxy will also indicate the issuer's presence for the declared purpose as it pertains to the quorum. In the event a director cannot be notified through normal channels, the meeting may be held and business lawfully transacted if a quorum is present.

Section 8. Quorum

A majority of the Board of Directors shall constitute a quorum for the transaction of business. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting.

Section 9. Order of Business

At meetings of the Board of Directors business may be transacted in such order as the Board may determine. At all meetings of the Board of Directors, the President, or in the President's absence, the Vice President shall preside. In the absence of the President and the Vice President, the Treasurer shall preside.

Section 10. Managers, Agents, Salaries and Wages

The Board of Directors may establish such positions and appoint such managers, superintendents, foremen and agents with such position and duties, as to them, may seem proper. The Board shall fix the compensation of managers, superintendents, foremen, and agents. Compensation and wages of all other employees shall be fixed in such manner as the Board may direct.

Article IV

Officers

Section 1. Election of Officers and Terms of Office

The officers of the corporation shall be a President, a Vice President, a Secretary and a Treasurer.

They shall be elected for a one-year term by a majority of the stockholders (or their designees) at the annual meeting of the association. Written notice of the time and place for election of officers shall be delivered either personally, by mail or e-mail not less than ten nor more than forty days before the meeting to each stockholder of record entitled to vote as such meeting. The nominations for the directors to be elected shall be included in the notice of the annual meeting. Each officer may be elected for a maximum of five (5) terms and may run again for any office after one year out of office. The Board of Directors shall fill vacancies by death or resignation with such appointees serving until the next annual election.

A member of a stockholder's family over twenty-one years of age is qualified to stand for election as an Officer. Each share of stock may be represented by only person as an officer.

Section 2. Duties of President

The President shall be the chief executive officer of the corporation and shall preside at all meetings of the Board of Directors and the stockholders. Unless authority be given to other officers, the President (1) shall execute all contracts and agreements authorized either generally or specifically by the Board, (2) shall see that all orders and resolutions of the Board of Directors are carried into effect, (3) shall have the general powers and duties of supervision usually vested in the office of the President of a corporation including appointment of committee chairpersons and approval of committee membership, (4) shall appoint committees as required and (5) shall perform such other duties as from time to time may be assigned to him/her by the Board of Directors.

Sections. Duties of Vice President

The Vice President shall, in the absence or disability of the President, perform duties and exercise the powers of the President, and shall perform such other duties as shall from time to time be imposed by the Board of Directors.

Section 4. Duties of Secretary

The Secretary (1) shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the stockholders (2) shall attend to the giving and serving of all notices of the corporation (3) shall sign with the President, or with the Vice President in the name of the corporation, all contracts authorized by the Board of Directors, and (4) shall in general perform all of the duties incident to the office of Secretary, subject to the control of the Board of Directors.

Section 5. Duties of the Treasurer

The Treasurer (1) shall have custody of all the funds and securities of the corporation that may come into his/her hands; (2) shall endorse on behalf of the corporation all checks, notes or other obligations and shall deposit the same to the credit of the corporation in such banks or depositories as the Board of Directors may designate; (3) shall sign checks, drafts, bills and orders for the payment of money and shall pay out and dispose of the same under the direction of the Board of Directors; (4) shall sign the notes of the corporation in conjunction with the President or the Vice President or such other officer as may be designated by the Board of Directors; (5) shall render a statement of accounts whenever required by the Board of Directors and such statement shall be available at the annual stockholders meeting; (6) shall enter regularly in the books of the corporation which are kept for that purpose, full and accurate accounts of all monies received and paid on account of the corporation; (7) shall exhibit, at all reasonable times, the books and accounts to any officer or director of the corporation upon application which needs to be approved by the officers and the Board of Directors; (8) shall prepare and present the entire accounting system to be audited annually by an accountant or an accounting firm to be approved by the Board of Directors; (9) shall affix the seal of the corporation to any documents when so ordered by the Board of Directors; (10) shall purchase, sell and issue stock as required and (11) shall perform all acts incident to the position of Treasurer subject to the control of the Board of Directors.

Section 6. Duties Subject to Control The Board of Directors

may extend or restrict the powers or duties of any officers.

Article V Standing

Committees

The President shall appoint standing committees and their chairs to cover these areas: finance, legal, nominating, water quality, sewer, buildings and grounds, boating safety and publicity.

Article VI

Execution of Checks, Notes, Vouchers and Contracts,

Section 1. Checks

All checks, drafts and orders for payment of money shall be signed by the Treasurer or by such other officers or persons as the Board of Directors may from time to time designate for that purpose; except for accounts over five hundred dollars, in which case signature of the Treasurer and one other officer shall be required.

Section 2. Notes

All promissory notes, acceptances and bills of exchange shall be signed by the President or by the Vice President *and by* the Treasurer, or such other officer of the corporation as the Board of Directors may from time to time designate for that purpose.

Section 3. Vouchers

Vouchers and receipts for payment made to the corporation shall be signed by the Treasurer, or by such other officers or persons as the Board of Directors may from time to time designate for that purpose.

Section 4. Contracts

Contracts for the purchase of merchandise and supplies in the ordinary course of business, and contracts involving less than five hundred dollars be signed by any officer of the corporation or by such other person or persons as the Board of Directors may from time to time designate for that purpose. Two officers of the corporation shall sign all other contracts.

Article VII

Certificates of Stock

Section 1. Form and Execution

Stock shall be offered for one hundred dollars by the Heart Lake Association, Inc. to any property owner with lake frontage on Heart Lake. The certificates of shares of stock of the corporation shall be in such form as shall be approved by the Board of Directors and shall be numbered. Every certificate shall be signed by the President and the Treasurer, and stamped with the seal of the corporation.

Upon the sale of any of the above-mentioned property, the corporation Treasurer, if offered, shall purchase the stock, for one hundred dollars. If said share of stock is not offered for purchase within 60 days of the sale of the property, the share of stock shall become null and void.

Section 2. Lost Certificate

The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the share certificate to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative to advertise the same in such manner as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

Section 3. Regulations

The Corporation, specifically the Treasurer, will be responsible for any sale or redemption of stock. The Board of Directors may also make such rules and regulations, as it may deem expedient concerning the issue, transfer and registration of certificates of stock of the corporation.

Article VIII

Seal

The Board of Directors shall provide a suitable seal having inscribed thereon the name of the corporation (Heart Lake Association Pennsylvania) and the year of the creation (2003). The corporate seal shall be in the charge of the President and the Treasurer to be used as directed by the Board.

Article IX

Amendments

The Board of Directors shall have the power to review and recommend action on all proposed changes of the Bylaws.

The Bylaws shall be subject to amendment, alteration and repeal by the stockholders at any annual meeting or at any special meeting called for that purpose, provided notice of such proposed alteration or repeal be included in the notice of meeting.

The approval by vote of the majority of the outstanding shares of stock shall be required to pass such changes.

Article X

Sale of Assets

In order to authorize the sale of any assets valued in excess of \$500 and owned by the Heart Lake Association, Inc., a supermajority (65 percent) of stockholders entitled to vote is needed to approve such a sale.

Any approved sale of the assets of the Heart Lake Association, Inc. should be done under the guidance of the Association's attorney who would be chosen by the board of directors.

Article XI Dissolution of the

Corporation

In order to authorize the dissolution of the corporation, a vote of 90% of the stockholders of the corporation is needed to approve such dissolution.

Any such approved dissolution should be done under the guidance of the Association's attorney who would be chosen by the board of directors.

With the authority vested in the Board of Directors of the Heart Lake Association, Inc., a not for profit Pennsylvania corporation, chartered May 31, 2003, we hereby approve and adopt these bylaws for said corporation at the Board of Directors meeting on October 12, 2003.

Article X amended on August 19, 2017 by Stockholders

Article II, Section I amended on August 22, 2020 by Stockholders