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HINKEL ESTATES PROPERTY OWNERS ASSOCIATION, et al.,	:	IN THE COURT OF COMMON PLEAS OF PIKE COUNTY
	:	
Plaintiff	:	
	:	
vs.	:	
WALKER LAKE SHORES LANDOWNERS ASSOCIATION,	:	
Defendants	:	NO. 1288 EQUITY 2011

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NOTICE

TO: GENERAL MEMBERSHIP OF HINKEL ESTATES PROPERTY OWNERS ASSOCIATION AND WALKER LAKE SHORES LANDOWNERS ASSOCIATION

ATTACHED PLEASE FIND A COPY OF THE SETTLEMENT AGREEMENT WHICH HAS BEEN AGREED TO BY THE PARTIES IN THE ABOVE REFERENCED LITIGATION AND THE RESPECTIVE BOARDS OF DIRECTORS OF HINKEL ESTATES PROPERTY OWNERS ASSOCIATION AND WALKER LAKE SHORES LANDOWNERS ASSOCIATION. AS PER PARAGRAPH 12 OF THE SETTLEMENT AGREEMENT, ANY MEMBER WHO HAS ANY OBJECTION TO THE SETTLEMENT SHALL SUBMIT SAID OBJECTION, IN WRITING, TO THE COURT, AT 410 BROAD STREET, MILFORD, PENNSYLVANIA 18337, WITHIN THIRTY (30) DAYS OF THE MAILING OF THIS NOTICE.

DATE OF MAILING: MAY 6, 2016



3. WLLA and HEPOA agree that Hinkel Estates is a separate community under the Pennsylvania Planned Community Act, and not a subdivision or section of Walker Lake. The separate subdivisions in the Walker Lake area are: Pennsylvania Lakeshores, Inc.; Walker Lake, Inc.; and Maple Park.

4. The Constitution of WLLA shall be amended as follows:

a. Article VI of the Constitution shall be amended as follows (new language is underlined):

2. The Directors shall consist of the last Past-president, the incumbent vice-president, and 15 elected Directors. Of the 15 elected Directors, fourteen (14) shall be designated At-Large Directors, and elected in accordance with the procedure set forth in Article VIII. One (1) landowner in Hinkel Estates shall be designated by HEPOA to represent it on the WLLA Board of Directors as the Hinkel Estates Director.

b. Article VIII of the Constitution shall be amended as follows (new language is underlined, deleted language is [bracketed]):

1. Officers and At-Large Directors shall be elected at the Meeting of the Membership. Terms of office shall become effective at the September Board of Directors and Membership meetings.

2. [Normally five] At-Large Directors shall be elected [each year] for a three-year term, the number elected each year being determined by the number of vacancies caused by terms expiring. Additional At-Large Directors may be elected to fill vacancies caused by resignations.

(6)

c. Paragraphs 4 and 6 of Article VIII of the Constitution shall be amended to change "Directors" to "At-Large Directors".

5. There shall be an annual independent audit of the finances of WLLA performed by a Certified Public Accountant [Independent Auditor]. The parties have agreed to and engaged Raymond G. Zavada as the Independent Auditor for the year 2016. For subsequent years, the Independent Auditor shall be annually selected by agreement of the respective accountants then used by WLLA and HEPOA. If there is no agreement, a judge of the Court of Common Pleas of Pike County shall select and designate the Independent Auditor. A copy of the annual report of the Independent Auditor shall be published on the WLLA website and disseminated to the designated representative of each subdivision.

6. WLLA shall prepare a monthly financial statement each month. The form and substance of the financial matters to be included in the monthly financial statements shall be as set forth the form which has been agreed upon by Gregory Myer, CPA, accountant for WLLA, and William Owens, CPA, accountant for HEPOA. A Copy of said form is attached hereto, marked Exhibit "A", and made part hereof. A copy of the monthly financial statement shall be published on the WLLA website and disseminated to the designated representative of each subdivision and the Hinkel Estates Director.

7. The parties acknowledge that certain rights and obligations regarding use of common facilities within WLLA devolved to property owners of HEPOA by virtue of agreements between Walker Lake, Inc. and Hinkle Estates, Inc., and the property owners' respective deeds. The parties further acknowledge that HEPOA has recorded a Declaration of Amendments of Restrictive Covenants which modify the rights and obligations created by the aforesaid agreements and deeds,

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and that there is currently pending litigation in the Court of Common Pleas of Pike County at No. 948 EQUITY 2013 regarding the propriety of the aforementioned Declaration of Amendments of Restrictive Covenants. The parties acknowledge that some property owners at HEPOA may want the option of deciding to pay or not pay the membership and lake fees on a year to year basis in accordance with HEPOA's amended covenant. As a means of resolving the issues regarding the Declaration of Amendments of Restrictive Covenants, and as part of the overall settlement of the above captioned matter and the litigation currently pending in the Court of Common Pleas of Pike County at No. 948 EQUITY 2013, the Board of Directors of WLLA agree to accept the Declaration of Amendments of Restrictive Covenants.

8. The parties agree that the categories of financial obligations of the landowners of the respective subdivisions to WLLA are as set forth in the written statement of the categories attached hereto, marked Exhibit "B", and made part hereof. A copy of the written statement of the categories of financial obligations shall be published on the WLLA website and disseminated to the designated representative of each subdivision and the Hinkel Estates Director.

9. The parties have had Gregory Myer, CPA and William Owens, CPA create a budget form to be used by WLLA going forward. A copy of said budget form is attached hereto, marked Exhibit "C", and made part hereof. The parties agree that the QuickBooks accounting program presently used by WLLA shall continue to be used to record and retain the required financial data. Gregory Myer, CPA and William Owens, CPA have confirmed that the QuickBooks accounting program contains all required categories, including the source of all monies received, the nature of all expenses, and all monies expended.

10. The parties have respectively had Gregory Myer, CPA and William Owens, CPA,

review all WLLA financial data from 2004 to the present, in order to accurately identify the sources of all monies received, the nature and category of all monies expended, and the amount of money which is and/or should be in the Lake Reserve account at this time. The findings of Gregory Myer, CPA and William Owens, CPA have been provided to the parties.

11. In order to avoid further lengthy litigation and possible appeals, the parties have agreed to resolve any disagreements either may have with the findings of the accountants by agreeing as follows:

- a. Any dues or assessments that have been billed to residents of Hinkel Estates for all years prior to 2016, and which presently are unpaid, shall be zeroed out so that the monies are no longer owed to WLLA.
- b. WLLA shall discontinue all lawsuits presently pending against any resident of Hinkel Estates for dues and assessments for all years prior to 2016, including the legal proceedings currently pending in the Court of Common Pleas of Pike County, filed to No. 948-2013 Civil, including all claims and counterclaims asserted therein, with prejudice.
- c. For the years 2016 through 2020 [a five (5) year period], all members of HEPOA shall be entitled to Lake Rights at no charge of any dues or assessments for the same. Any HEPOA member who has already paid any dues or assessments for the year 2016 shall be given credit against any future payment requirement.
- d. For the years 2021 and thereafter, any member of HEPOA who, in a given year, wants to utilize Lake Rights shall be entitled to do so, provided that HEPOA member pays the applicable lake assessment for that year.



e. WLLA shall reimburse to the Lake Fund the sum of One Hundred Thousand (\$100,000.00) Dollars. The monies shall be reimbursed monthly over a sixty (60) month period, at the rate of One Thousand Six Hundred Sixty-six and Sixty-six One Hundredths ( \$1,666.66) Dollars per month, without interest. The parties agree that any monies reimbursed to the Lake Fund, as aforesaid, shall come from the Road Fund.

12. The Boards of Directors of both WLLA and HEPOA agree that the general membership of their respective organizations shall be notified, in writing, of this settlement [hereinafter referred to as the "Notice"], and advised in the Notice that any member who has any objection to the settlement shall submit said objection, in writing, to the Court within thirty (30) days of the mailing of the Notice. If any objection is received, the parties shall attempt to resolve the said objection. In the event there are no objections received or, if any objections are received, after all objections are resolved, the Settlement Agreement shall be submitted to the Court for approval in accordance with Paragraph 14 hereinafter. In the event that objections are received, but not resolved, the Court shall hear said objections and make such ruling as the Court may deem appropriate to resolve same. If either party objects to said ruling by the Court, the Settlement Agreement shall be considered null and void.

13. The parties agree that WLLA, through its insurance carrier, shall pay to HEPOA the sum of Forty-Five Thousand (\$45,000.00) Dollars as liquidated damages. It is understood and agreed that no monies will be paid or required to be paid until the Settlement Agreement receives final approval by the Court, and HEPOA executes a General Release, in the form attached hereto,



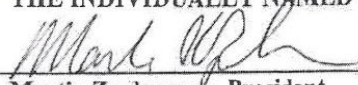
marked Exhibit "D", and made part hereof, indicating therein that it has authority to do so on behalf of all Plaintiffs, and this lawsuit is terminated and discontinued of record, with prejudice.

14. The parties agree that this Settlement Agreement, and the matters set forth therein, shall be submitted to the Court to be incorporated into an Order approving the same. Said Order to indicate therein that the Settlement Agreement is approved, and the lawsuit terminated of record, with prejudice, with the right of any aggrieved party to petition the court for enforcement of the terms of the Settlement Agreement should it become necessary to do so.

**HINKEL ESTATES PROPERTY OWNERS ASSOCIATION,  
and**

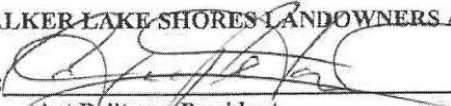
**THE INDIVIDUALLY NAMED PLAINTIFFS**

BY:

  
\_\_\_\_\_  
Martin Zuckerman, President

**WALKER LAKE SHORES LANDOWNERS ASSOCIATION**

BY:

  
\_\_\_\_\_  
Art Politano, President

Ⓞ B



# Exhibit A

HEPOA-WLLA Settlement Agreement - 008

RM

**EXHIBIT A**

Page 1 of 2

ACTUAL BUDGET  
YTD Cash Basis  
20 20

Originally Income/expense	ACTUAL YTD 20				BUDGET Cash Basis 20							
	TOTAL	MEMBER	LAKE	ROAD	TOTAL	MEMBER	LAKE	ROAD	MEMBER %	LAKE %	ROAD %	
Income												
4444 - Bad Debt/Write-Off												
45000 - Investments												
45030 - Interest-Savings Short-term CD												
Total 45000 - Investments												
46400 - Other Types of Income												
46401 - Clubhouse Usage Fees												
46403 - Social Income												
46450 - Resale Certificate												
45460 - Capital Improvement Fees												
45470 - Interest Checking & CD												
46480 - Court Filing Fees												
45400 - Other Types of Income - Other												
Total 46400 - Other Types of Income												
47200 - W/LA Assessment Income												
472033 - 4% Discount												
47230 - Lake Assessment Income												
47231 - Assessment Income												
47232 - Road Assessment Income												
47235 - Membership Income												
47240 - Balance prior to 2011 Income												
47250 - Finance Charges												
47200 - W/LA Assessment Income - Other												
Total 47200 - W/LA Assessment Income												
47300 - Lot Sales												
Total Income												
Expense												
62100 - Professional Services												
62110 - Accounting Fees												
62140 - Legal Fees												
62200 - Computer Consultants												
Total 62100 - Professional Services												

EXHIBIT A	Page 2 of 2	ACTUAL		BUDGET		MEMBER	LAKE	ROAD	MEMBER	LAKE	ROAD
		YTD	TOTAL	Cash Basis	TOTAL						
Expense											
65000 - Operations											
	65001 - Misc. Expense										
	65010 - Books, Subscriptions, References										
	65020 - Postage, Mailing Service										
	65040 - Supplies										
	65045 - Office										
	65050 - Telephone, Telecommunications										
	65060 - Social										
	65070 - Utilities										
	65080 - Security										
	65085 - Repairs										
	65300 - Road										
	65310 - Snow Blowing										
	65312 - Snow Blowing Materials										
	65321 - Road Repair										
	65330 - Road - Other										
	Total 65300 - Road										
	65400 - Lake Expense										
	65410 - Lake Consultant										
	65420 - Water Testing										
	65440 - Lake Stacking										
	65450 - Misc. Lake Expense										
	65480 - Dam										
	65490 - Lake Expense - Other										
	Total 65400 - Lake Expense										
	65500 - Beach & Common Grounds										
	65600 - Clubhouse Expense										
	Total 65000 - Operations										
	65900 - Interest Expense										
	65900 - Other Types of Expenses										
	60900 - Taxes										
	60900 - Insurance - Liability, D and O										
	65121 - State Workers Insurance Fund										
	65160 - Other Costs										
	65100 - Other Types of Expenses - Other										
	Total 65100 - Other Types of Expenses										
	66000 - Payroll Expenses										
	Total Expenses										
	Inter-Fund Transfers										
	NET INCOME before Inter-Fund Transfers										
	NET INCOME/LOSS										

*Handwritten initials/signature*

# Exhibit B

HEPOA-WLLA Settlement Agreement - 011



EXHIBIT B

**2016 Financial Obligation of Walker Lake Landowners**

	PA Lakeshores	Walker Lake	Hinkel Estates	Maple Park
<b><u>ROAD ASSESSMENT</u></b>				
Under 1 acre:	\$320.00	\$320.00	N/A	N/A
1- 2.2 acres:	\$376.00	\$376.00	N/A	N/A
Over 2.2 acres:	\$600.00	\$600.00	N/A	N/A
No developed road:	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

**LAKE ASSESSMENT**                      \$325.00 Across the Board

**MEMBERSHIP FEE**                      \$50.00 Across the Board (Opt-out Option)

<b><u>TOTAL ROAD &amp; LAKE ASSESSMENT</u></b>				
Under 1 acre:	\$640.00	\$645.00	\$325.00	\$325.00
2- 2.2 acres:	\$701.00	\$701.00	\$325.00	\$325.00
Over 2.2 acres:	\$925.00	\$925.00	\$325.00	\$325.00
No developed road:	\$325.00	\$325.00	\$325.00	\$325.00

Property Owners can opt-out of WLLA Membership, declaring this by deducting the \$50.00 Membership fee from their individual invoices.

The exception to this are the property owners in Hinkel Estates because they are obligated to pay the Membership fee.



# Exhibit C

HEPOA-WLLA Settlement Agreement - 013



**EXHIBIT C**

Page 1 of 2

**BUDGET**  
Cash Basis

Income	TOTAL	MEMBER	LAKE	ROAD	MEMBER %	LAKE %	ROAD %
4444 - Bad Debt/Write-Off							
45000 - Investments							
45030 - Interest-Savings, Short-term CD							
Total 45000 - Investments							
46400 - Other Types of Income							
46401 - Clubhouse Usage Fees							
46403 - Social Income							
46450 - Resale Certificate							
46460 - Capital Improvement Fees							
46470 - Interest Checking & CD							
46480 - Court Filing Fees							
46490 - Other Types of Income - Other							
Total 46400 - Other Types of Income	0.00	0.00	0.00	0.00			
47200 - WLLA Assessment Income							
472033 - 4% Discount							
47230 - Lake Assessment Income							
47231 - Assessment Income							
47232 - Road Assessment Income							
47235 - Membership Income							
47240 - Balance prior to 2011 Income							
47250 - Finance Charges							
47200 - WLLA Assessment Income - Other							
Total 47200 - WLLA Assessment Income							
47300 - Lot Sales							
Total Income	0.00	0.00	0.00	0.00			
Expense							
62100 - Professional Services							
62110 - Accounting Fees							
62140 - Legal Fees							
62200 - Computer Consultants							
Total 62100 - Professional Services							

EXHIBIT C

BUDGET  
Cash Basis

Expense	TOTAL	MEMBER	LAKE	ROAD	MEMBER	LAKE	ROAD
		20			%	%	%
65000 - Operations							
65001 - Misc. Expense							
65010 - Books, Subscriptions, Reference							
65020 - Postage, Mailing Service							
65040 - Supplies							
65045 - Office							
65050 - Telephone, Telecommunications							
65060 - Social							
65070 - Utilities							
65080 - Security							
65085 - Repairs							
65300 - Road							
65310 - Snow Plowing							
65312 - Snow Plowing Materials							
65321 - Road Repair							
65330 - Road - Other							
Total 65300 - Road							
65400 - Lake Expense							
65410 - Lake Consultant							
65420 - Water Testing							
65440 - Lake Stocking							
65450 - Misc. Lake Expense							
65460 - Dam							
65400 - Lake Expense - Other							
Total 65400 - Lake Expense							
65500 - Beach & Common Grounds							
65500 - Clubhouse Expense							
Total 65000 - Operations	0.00	0.00	0.00	0.00			
65002 - Interest Expense							
65100 - Other Types of Expenses							
60300 - Taxes							
65120 - Insurance - Liability, D and O							
65121 - State Workers Insurance Fund							
65160 - Other Costs							
65100 - Other Types of Expenses - Other							
Total 65100 - Other Types of Expenses	0.00	0.00	0.00	0.00			
65000 - Payroll Expenses							
Inter Fund Transfer	0.00	0.00	0.00	0.00			
Total Expense	0.00	0.00	0.00	0.00			
Net Income before Inter-Fund Transfer	0.00	0.00	0.00	0.00			
Inter-Fund Transfer	0.00	0.00	0.00	0.00			
Net Income/Loss	0.00	0.00	0.00	0.00			

RS



# Exhibit D


HEPOA-WLLA Settlement Agreement - 016

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GENERAL RELEASE

KNOW ALL MEN BY THESE PRESENTS, THAT WE, HINKEL ESTATES PROPERTY OWNERS ASSOCIATION; J.E. SLETNER AND BARBARA A. SLETNER, HIS WIFE; RICHARD WOOLSEY AND SANDRA J. WOOLSEY, HIS WIFE; THOMAS BURKE AND MAUREEN BURKE, HIS WIFE; MICHAEL MROZINSKI AND LINDA G. MROZINSKI, HIS WIFE; MARTIN ZUCKERMAN AND ANGELIKA, HIS WIFE; JOHN DEANS AND JACQUELINE DEANS, HIS WIFE; NORMAN DECARTERET, HIS WIFE; RICHARD WOOLSEY, SR. AND KATHERINE WOOLSEY, HIS WIFE; WAYNE HOLCOMB AND ANGELINA FERREIRA; EDWARD C. MUNSCH, CHRISTOPHER GUENEVERE, EDWARD GALLEY, DAVID BUZALSKI, KATHERINE KELLY, JOHN HASBROUCK AND TAMI HASBROUCK, HIS WIFE; JOHN GROSSMAN AND CARMEN GROSSMAN, HIS WIFE, MARK KUEHNE AND DEBORAH J. KUEHNE, HIS WIFE; DAWN MOLNAR, RONALD COLUCCIO AND LISA M. COLUCCIO, HIS WIFE; MICHAEL CALVARIO AND RENA E CALVARIO, HIS WIFE, RONALD KLENTZIN AND MAUREEN KLENTZIN, HIS WIFE; HAROLD SAYDAH, III AND DIANE SAYDAH, HIS WIFE; JOSEPH CAPORUSSO AND NANCY B. CAPORUSSO, HIS WIFE; VINCENT TOTO AND THERESA TOTO, HIS WIFE; PETER KEAY AND JOANNA KEAY, HIS WIFE; and NICOLAS LEONESSA AND GERALDINE LEONESSA, HIS WIFE, (hereinafter referred to as "Releasers"), for and in consideration of the sum of FORTY-FIVE THOUSAND (\$45,000.00) DOLLARS this day had and received from WALKER LAKE SHORES LANDOWNERS ASSOCIATION, BY AND THROUGH ITS INSURER, WESTERN WORLD INSURANCE COMPANY, their respective insurance companies, parent corporations, subsidiaries, divisions, affiliates, related entities, shareholders, directors, officers, agents, partners, representatives, employees, servants, predecessors, successors, heirs, executors and assigns (hereinafter individually and collectively referred to as "Releasees"), at and before the ensembling and delivery hereof, the receipt whereof is hereby acknowledged, in full satisfaction of all sum or sums of money or all articles of personal property, both tangible and intangible, and real property, owing, payable or belonging to us, hereby remise, release, quit-claim and forever discharge the said Releasees of and from all, and all manner of, action and actions, cause and causes of action and actions, suits, debts, dues, duties, sum and sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, agreements, promises, variances, damages, judgments, extents, executions, claims, and demands whatsoever, in law or equity, or otherwise howsoever, which against the said Releasees we ever had, now have, or which we hereafter can, shall or may have, both known and unknown, in any way arising out of or related to those matters which are the subject of legal proceedings instituted and currently pending in the Court of Common Pleas of Pike County to No. 1288 Equity 2011.

It is further understood and agreed that this Release, and the payment of the monies set forth herein, shall not be construed as an admission of any liability. This Release shall be governed by

  
\_\_\_\_\_  
Martin Zuckerman

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HEPOA-WLLA Settlement Agreement - 017



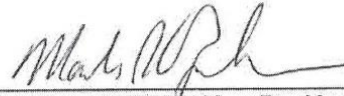


the laws of the Commonwealth of Pennsylvania.

It is further understood and agreed, and Martin Zuckerman, President of Hinkel Estates Property Owners Association, does hereby represent and warrant, that he is authorized to execute this General Release on behalf of Hinkel Estates Property Owners Association and all individually named Plaintiffs.

IN WITNESS WHEREOF, and intending to be legally bound hereby, Martin Zuckerman has hereunto set his hand and seal this 8 day of April, 2016.

**SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:**

  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
**MARTIN ZUCKERMAN, as President of and on  
behalf of Hinkel Estates Property Owners  
Association, and on behalf of all the above  
individually named Plaintiffs**

**AFFIDAVIT**

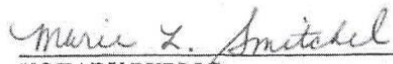
**COMMONWEALTH OF PENNSYLVANIA**

**:SS**

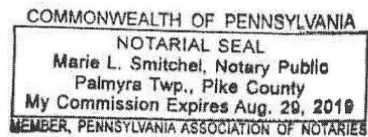
**COUNTY OF PIKE**

ON THIS, the 8<sup>th</sup> day of April, 2016, before me, a Notary Public, the undersigned Officer, personally appeared **MARTIN ZUCKERMAN**, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

  
\_\_\_\_\_  
**NOTARY PUBLIC**  
My Commission Expires

2



HEPOA-WLLA Settlement Agreement - 018

