

**BY-LAWS OF
LAKESIDE OUTING CLUB, INC.,
Route 492, RR #2,
Box 89, New Milford, Pa. 18834**

ARTICLE I - GENERAL

1. OFFICES.

The name of this corporation is the Lakeside Outing Club, Inc., with its principal office located in Lakeside, New Milford Township, Susquehanna County, Pennsylvania and its post office address is RR #2, Box 89, New Milford, Pa. 18834.

2. PURPOSE.

The purpose of this corporation is to preserve for it and its shareholders use, a body of water in New Milford Township known as Page Lake and to:

- A. Provide, maintain and preserve Page Lake for the safe recreational activities of all of its shareholders.
- B. Promote and maintain the natural beauty of the physical environment of Page Lake.
- C. Prevent harm to the environment of Page Lake.
- D. To enact and enforce rules and regulations for the use of Page Lake in a safe and reasonable manner and promote the general health, safety and welfare of its shareholders.
- E. Co-ordinate the efforts of all shareholders within the club toward the common good.

ARTICLE II – SHAREHOLDERS

1) PLACE OF MEETINGS

Meetings of shareholders shall be held at the principal office of the corporation or at such place within or without the Commonwealth of Pennsylvania as the board of directors (Board) shall authorize.

2) ANNUAL MEETING

The annual meeting of the shareholders shall be held on the Saturday of the 4th of July weekend at 8:00 p.m. in each year; or as shall be determined by the board of directors. The shareholders shall elect a board of directors and transact such other business as may properly come before the meeting upon due notice to its shareholders.

3) SPECIAL MEETINGS

Special meetings of the shareholders may be called by the board of directors or by the president and shall be called by the president or the secretary at the request in writing of a majority of the board of directors or at the request in writing by shareholders owning a majority in amount of the shares issued and outstanding. Such request shall state the purpose of the proposed meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

4) FIXING RECORD DATE

For the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the board shall fix, in advance, a date as the record date for any such determination of shareholders. Such date shall not be more than fifty nor less than ten days before the date of such meeting, nor more than fifty days prior to any other action. If no record date is fixed it shall be determined in accordance with the provisions of law.

5) NOTICE OF MEETINGS OF SHAREHOLDERS

Written notice of each meeting of shareholders shall state the purpose or purposes for which the meeting is called, the place, date and hour of the meeting and unless it is the annual meeting, shall indicate that it is being issued by or at the direction of the person or persons calling the meeting. Notice shall be given either personally or by mail to each shareholder entitled to vote at such meeting, not less than ten nor more than fifty days before the date of the meeting. If action is proposed to be taken that might entitle shareholders to payment for their shares, the notice shall include a statement of that purpose and to that effect. If mailed, the notice is given when deposited in the United States mail, with postage thereon prepaid, directed to the shareholder at his address as it appears on the record of shareholders, or, if he shall have filed with the secretary a written request that notices to him be mailed to some other address, then directed to him at such other address.

6) WAIVERS

Notice of meeting need not be given to any shareholder who signs a waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any shareholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him.

7) QUORUM OF SHAREHOLDERS

The record owners of twenty-five per cent (25%) of the shares entitled to vote thereat shall constitute a quorum at a meeting of shareholders for the transaction of any business.

When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholder.

The shareholders present may adjourn the meeting despite the absence of a quorum.

8) PROXIES

Every shareholder entitled to vote at a meeting of shareholders or to express consent or dissent without a meeting may authorize another person or persons to act for him by proxy.

Every proxy must be in writing, signed and dated by the shareholder or his attorney-in-fact. No proxy shall be valid after expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it, except as otherwise provided by law.

9) QUALIFICATION OF VOTERS

Every shareholder of record shall be entitled, at every meeting of shareholders, to one vote for every share standing in his name on the records of the corporation providing shareholder is in good standing with all dues and assessments paid.

10) VOTE OF SHAREHOLDERS

Except as otherwise required by statute or by the certificate of incorporation

- A. Directors shall be elected by a plurality of the votes cast at a meeting of shareholders by the holders of shares entitled to vote in the election;
- B. All other corporate action, except a change in the By-Laws, shall be authorized by majority of the votes cast.
- C. A change in the By-Laws requires a two-thirds (2/3) vote of all the shareholders entitled to vote at a shareholders meeting.

11) ISSUANCE OF STOCK

The corporation shall issue shares of stock to eligible property owners as defined in these By-Laws which stock shall be fully paid before it shall be issued and shall be assessable and transferable only on the books of this corporation by the secretary or his duly designated agent in accordance with the By-Laws herein.

ARTICLE III - DIRECTORS

1) BOARD OF DIRECTORS

The business of the corporation shall be managed by its board of directors, each of whom shall be at least 18 years of age and shall be shareholders.

2) NUMBER OF DIRECTORS

The number of directors shall be eight (8). one each to represent each section of the lake as previously defined and enacted by corporate resolution.

Each director in order to act must be a fully paid shareholder and member in good standing in order to act on any corporation business.

3) ELECTION AND TERM OF DIRECTORS

At each annual meeting of shareholders, the shareholders shall elect four (4) directors to hold office for a term of two (2) years. Each director shall hold office until the expiration of the term for which he is elected and until his successor has been elected and qualified, or until his prior resignation or removal.

4) DIRECTOR VACANCIES

Vacancies occurring by reason of the removal of directors without cause shall be filled by vote of the shareholders. A director elected to fill a vacancy caused by resignation; death or removal shall be elected to hold office for the unexpired term of his predecessor.

5) REMOVAL OF DIRECTORS

Any or all, of the directors may be removed for cause by majority vote of the shareholders or by a two-thirds (2/3) vote of the board. Directors may be removed without cause only by majority vote of the shareholders.

6) RESIGNATION

A director may resign at any time by giving written notice to the board, the president or the secretary of the corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

7) QUORUM OF DIRECTORS

The four officers, president, vice-president, treasurer and secretary shall be considered directors for voting and quorum purposes. A majority of the entire board shall constitute a quorum for the transaction of business or of any specified item of business.

8) ACTION OF THE BOARD

Unless otherwise required by law, the vote of a majority of the directors present at the time of the vote, if a quorum is present at such time, shall be the act of the board. Each director shall have one vote regardless of the number of shares which he may hold.

9) PLACE AND TIME OF BOARD MEETINGS

The board may hold its meetings at the office of the corporation or at such other places, either within or without the Commonwealth of Pennsylvania as it may from time to time determine.

10) REGULAR ANNUAL MEETING

A regular annual meeting of the board shall be held immediately following the annual meeting of the shareholders at the place of such annual meeting of shareholders.

11) NOTICE OF MEETING OF THE BOARD; ADJOURNMENT

- A. Regular meetings of the board may be held without notice at such time and place as it shall from time to time determine. Special meetings of the board shall be held upon notice to the directors and may be called by the president upon three days notice to each director either personally or by mail or by wire; special meetings shall be called by the president or by the secretary in a like manner on written request of two directors. Notice of a meeting need not be given to any director who submits a waiver of notice whether before or after the meeting or who attends the meeting without protesting prior thereto or at its commencement, the lack of notice to him.
- B. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the adjournment shall be given all directors who were absent at the time of the adjournment and, unless such time and place are announced at the meeting, to the other directors.

12) CHAIRMAN

At all meetings of the board, the president, or in his absence. a chairman chosen by the board shall preside.

13) EXECUTIVE AND OTHER COMMITTEE

The board, by resolution adopted by a majority of the entire board, may designate from among its shareholders, an executive committee and other committees, each consisting of one or more directors. Each such committee shall serve at the pleasure of the board.

14) COMPENSATION.

No compensation shall be paid to directors, as such, for their services.

ARTICLE IV - OFFICERS

1) OFFICERS, ELECTION, TERM.

- A. Unless otherwise provided for in the certificate of incorporation, the shareholders may elect or appoint a president, one or more vice-presidents, a secretary and a treasurer, and such other officers as they may determine, who shall have such duties, powers and functions as hereafter provided.
- B. All officers shall be elected to hold office for a term of one year at the annual meeting of shareholders commencing from that date.
- C. Each officer shall hold office for the term for which he is elected or appointed and qualified.

2) REMOVAL, RESIGNATION

- A. Any officer elected by the shareholders may be removed by the shareholders with or without cause.
- B. In the event of the death, resignation or removal of an officer, the board of directors in its discretion may elect or appoint a successor to fill the unexpired term.
- C. Any two or more offices may be held by the same person except the offices of president and secretary.
- D. No salaries shall be paid to the officers of the corporation unless otherwise authorized by the shareholders.
- E. The directors may require any officer to give security for the faithful performance of his duties.

3) PRESIDENT

The president shall be the chief executive officer of the corporation; he shall preside at all meetings of the shareholders and of the board; he shall have the management of the business of the corporation and shall see that all orders and resolutions of the board are carried into effect.

4) VICE-PRESIDENTS

During the absence or disability of the president, the vice- president, or if there are more than one, the executive vice-president shall have all the powers and functions of the president. Each vice-president shall perform such other duties as the board shall prescribe.

5) SECRETARY

The secretary shall:

- A. Attend all meetings of the board and of the shareholders;
- B. Record all votes and minutes of all proceedings in a book to be kept for that purpose;
- C. Give or cause to be given notice of all meetings of shareholders and of special meetings of the board;
- D. Keep in safe custody the seal of the corporation and affix it to any instrument when authorized by the board;
- E. Prepare or cause to be prepared and available at all times and at each meeting of shareholders a certified list in alphabetical order of the names of shareholders entitled to vote thereat, together with a designation of the land and real property of which such shareholder is owner entitling him to become a shareholder as hereinafter set forth;
- F. Keep all the documents and records of the corporation as required by law or otherwise in a proper and safe manner;
- G. Perform such other duties as may be prescribed by the board.

6) TREASURER

The treasurer shall:

- A. Have the custody of the corporate funds and securities;
- B. Keep full and accurate accounts of receipts and disbursements in the corporate books;
- C. Deposit all money and other valuables in the name and to the credit of the corporation in such depositories as may be designated by the board;
- D. Disburse the funds of the corporation as may be ordered or authorized by the board and preserve proper vouchers for such disbursements;
- E. Render to the president and board at the regular meeting of the board, or whenever they require it, an account of all his transactions as treasurer and of the financial condition of the corporation;
- F. Render a full financial report at the annual meeting of the shareholders if so requested;
- G. Be furnished by all corporate officers and agents at his request, with such reports and statements as he may require as to all financial transactions of the corporation;
- H. Perform such other duties as are given to him by these By-Laws or as from time to time are assigned to him by the board or the president.

7) SURETIES AND BONDS

In case the board shall so require, any officer or agent of the corporation shall execute to the corporation a bond in such sum and with such surety or sureties as the board may direct, conditioned upon the faithful performance of his duties to the corporation and including responsibility for negligence and for the accounting for all property, funds or securities of the corporation which may come into his hands.

ARTICLE V - CERTIFICATES FOR SHARES

1) CERTIFICATES

The shares of the corporation shall be represented by certificates. They shall be numbered and entered in the books of the corporation as they are issued. They shall exhibit the owner's name and the number of shares and shall be signed by the president or a vice-president and the treasurer or the secretary and shall bear the corporate seal.

2) LOST OR DESTROYED CERTIFICATES

The board 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 certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the board 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 shall require and/or give the corporation a bond in such sum and with such surety or sureties 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.

3) ISSUANCE OF SHARES

- A. New shares of stock shall be issued only upon written application of a prospective shareholder in such form as prescribed by the board of directors which shall include but not be limited to proof of such prospective shareholder owning in fee, at least fifty (50') feet of lake front frontage on Page Lake which proof shall include a copy of the recorded deed to the property showing the date of recordation and the book and page number of said deed recorded in the Susquehanna County Prothonotary's Office and a statement that such proposed shareholder is still the owner of said property on the date of the application and will continue to be such shareholder on the date of issuance of said shares.
- B. No more than one (1) share of stock shall be issued for each fifty (50') foot of lake front frontage.
- C. The application shall be accompanied by a valid check payable to Lakeside Outing Club, Inc., in the amount of the applicable fee as set by the shareholders or board of directors. Each share of stock shall entitle the shareholder and his family and duly authorized non-commercial guests to use the waters of Page Lake, however only boats and other watercraft owned by a shareholder shall be permitted on the waters of Page Lake which use and operation thereof shall be in accordance with the rules and regulations duly adopted by the shareholders and/or directors. A commercial guest is defined as a person who directly or indirectly pays for the use of the lake and water privileges.
- D. Any willful and persistent violation of the rules and regulations above mentioned shall result in the loss of water privileges to the shareholder, his family and guests which may be enforced by trespass laws of the Commonwealth of Pennsylvania, injunction and any and all other remedies available pursuant to applicable law.
- E. The board of directors of the Lakeside Outing Club, Inc. shall consider each application presented to it and conduct a reasonable investigation of each applicant as it may deem necessary. And no stock shall be issued to any applicant except upon approval by a majority of the board of directors.

4) SHAREHOLDERS PRIVILEGES, DUTIES AND PENALTIES

- A. No lake privileges shall inure or become effective to any person who is not a shareholder of Lakeside Outing Club, Inc., and any violations of the rules and regulations of the Lakeside Outing Club, Inc., which are in effect may result in suspension or termination of lake rights and water privileges.
- B. All shareholders voting and water rights and privileges on Page Lake, including lake usage, shall terminate automatically whenever the record owner through whom membership rights were derived ceases to own the required real property on Page Lake as herein-before defined and shall be surrendered to the secretary or his designee with or without reasonable compensation as determined by the board of directors.

- C. Any shareholders rights and privileges can be terminated or suspended at the discretion of the board of directors for willful violations of the rules and regulations or persistent violation thereof after investigation by the board of directors and/or its designees. Such shareholder shall be notified in writing of such violations and shall have a right to a hearing if so requested in writing, which hearing shall be held by the board of directors to investigate and determine whether or not shareholder ownership and lake rights shall be suspended or terminated with the right to call witnesses and present any evidence which may be applicable to either party.
- D. The following are reasons for termination of shareholders rights and water privileges on Page Lake which are representative but not exclusive:
 - 1. Nonpayment of assessments or charges as provided for in these By-Laws and subsequently adopted resolutions including but not limited to assessments;
 - 2. Continued failure to comply with the rules and regulations of the Lakeside Outing Club, Inc.;
 - 3. Conduct or activity by the shareholder or shareholder's guests, for which he is responsible, which is seriously disruptive to the peace, safety and enjoyment of other shareholders and their guests, or seriously damaging to the club facilities, grounds or waters of Page Lake or which poses an unreasonable safety or health risk to other shareholders, users and landowners on Page Lake.
- E. Upon suspension or termination of the shareholder's rights and/or water privileges, all of the shareholder's family or guests forfeit all rights and privileges accorded to them previously as a member in good standing including use of the lake; any violation by said shareholder, his family or guests shall be considered a violation and may be enforced by such action as the board of directors deem appropriate including termination of all lake and water rights, temporary suspension or revocation of the privilege of using the lake, and/or such legal action as may be appropriate and permitted under the laws of the Commonwealth of Pennsylvania including but not limited to arrest for trespass, injunction and such other relief as may be appropriate or permitted under law.
- F. Any shareholder who has his shareholder's rights and/or water privileges terminated or revoked shall be permitted to reapply for re-issuance of a share of stock after the period of one year from the date of said revocation and said re-application shall be upon the same terms and conditions as provided herein for the issuance of a new share of stock, including, but not limited to, proof of ownership of at least fifty (50') feet of lake front frontage as well as the payment of a new application fee. Such application shall be reviewed by the board of directors who, may by majority vote agree to issue a new share of stock to the applicant within their discretion, upon all of the facts as may appear at the time of such application and by a majority vote of said board of directors at a regular or special meeting thereof.
- G. Only non-commercial guests visiting a shareholder's facility shall be allowed to use the club's facilities, grounds and waters of Page Lake to the same extent and within the same limitation as that enjoyed by shareholders and are subject to all of the same rules, regulations, penalties, responsibilities and prohibitions.

5) TRANSFER OF SHARES

- A. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto in accordance with these By-Laws and the laws of the Commonwealth of Pennsylvania, and cancel the old certificate; every such transfer shall be entered on the transfer book of the corporation which shall be kept at its principal office. No transfer shall be made within ten days

next preceding the annual meeting of shareholders.

- B. The corporation shall be entitled to treat the owner of record of any share as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, except as expressly provided by the laws of the Commonwealth of Pennsylvania.
- C. In order to effectuate the intent and purpose of these By-Laws, any owner or holder of any shares of stock in Lakeside Outing Club, Inc. on the date of the enactment of these By-Laws who is not current in his assessments and dues shall have sixty (60) days in which to surrender his share or shares of stock to the secretary and receive a refund in the amount of the applicable fee paid therefore. Any such share or shares of stock not voluntarily returned to the secretary as hereinabove set forth, shall cease to have any rights or privileges of a shareholder including voting rights at any meetings or elections and water or lake privileges on Page Lake. That notice of this By-Law shall be sent by the secretary to the record owner or holder of such share of stock by certified mail, return receipt requested, and upon the return of such notice, as undeliverable, or "refused" such share of stock shall be listed on the corporate records book as "lost", "misplaced" or "not able to locate" and such stock certificates and all rights pertaining thereto shall be cancelled and terminated after such sixty (60) day notice has been given and such stock shall be determined to be treasury stock of the Lakeside Outing Club, Inc.

6) CLOSING TRANSFER BOOKS

The board shall have the power to close the share transfer books of the corporation for a period of not more than ten days during the thirty-day period immediately preceding (1) any shareholder's meeting, (2) any date upon which such shareholders shall be called upon to or have a right to take action without a meeting, or (3) any date fixed for the payment of a dividend or any other form of distribution, and only those shareholders of record at the time the transfer books are closed, shall be recognized as such for the purpose of (1) receiving notice of or voting at such meeting, (2) allowing them to take appropriate action, or (3) entitling them to receive any dividend or other form of distribution.

ARTICLE VI - DIVIDENDS

Subject to the provisions of the certificate of incorporation and to applicable law, dividends on the outstanding shares of the corporation may be declared in such amounts and at such time or times as the board may determine. Before payment of any dividend, there may be set aside out of the net profits of the corporation available for dividends, such sum or sums as the board from time to time in its absolute discretion deems proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the board shall think conducive to the interests of the corporation, and the board may modify or abolish any such reserve.

ARTICLE VII - CORPORATE SEAL

The seal of the corporation shall be circular in form and bear the name of the corporation, the year of its organization and the words "Corporate Seal, Pennsylvania." The seal may be used by causing it to be impressed directly on the instrument or writing to be sealed, or upon adhesive substance affixed thereto. The seal on the certificate for shares or on any corporate obligation for the payment of money may be a facsimile, engraved or printed.

ARTICLE VIII - EXECUTION OF INSTRUMENTS

All corporate instruments and documents shall be signed or countersigned, executed, verified or acknowledged by such officer or officers or other person or persons as the board may from time to time designate.

ARTICLE IX - FISCAL YEAR

The fiscal year shall begin the first day in each year.

ARTICLE X - REFERENCES TO CERTIFICATE OF INCORPORATION

Reference to the certificate of incorporation in these By-Laws shall include all amendments thereto or changes thereof unless specifically excepted.

ARTICLE XI - SAVINGS AND SEVERABILITY CLAUSE

That in the event any of the provisions of these By-Laws are determined to be illegal or invalid, then and in that event, only such provision or By-Law or such portion thereof as a court may deem to be illegal or invalid shall be stricken and of no force and effect, and the remainder of the other provisions of these By-Laws shall be in full force and effect.

ARTICLE XII - RATIFICATION

That all previous provisions and resolutions of this corporation that are not in conflict with the Certificate of Incorporation or these Resolutions are hereby ratified and affirmed and will continue to be in full force and effect.