

BY-LAWS OF THE LAKE SHORE CLUB DISTRICT ASSOCIATION

Chartered by the court of Common Pleas of Erie County, Pennsylvania, as a first-class corporation, on March 10, 1949, at No. 99 May Term, 1949, and recorded in Charter Book 11, page 507.

ARTICLE I

Section 1. The name of the association shall be LAKE SHORE CLUB DISTRICT ASSOCIATION.

Section 2. The seal shall consist of two concentric circles on a metal disc, between which shall appear the name of the association, and in the center, the words "Chartered 1949".

ARTICLE II - MEMBERSHIP

Section 1. Each owner of a lot or lots in the Lake Shore Club District shall be entitled to membership in the association, and shall be issued only one share of stock at no par value, irrespective of the number of lots owned.

Section 2. The said share of stock shall follow the ownership of the lot or lots, except where an owner of several lots sells less than all of his lots, then a new share shall be issued to the said purchaser.

Section 3. The said stock shall be endorsed and retained by the Secretary in escrow for the benefit of the said members.

ARTICLE III- DIRECTORS

Section 1. There shall be nine directors elected from members of the association, who are in good standing. The first year three shall be elected for one year, three for two years, and three for three years, and at each annual meeting thereafter, three directors shall be elected for a three year term.

Section 2. The directors shall have the usual powers inherent in such office, and if a vacancy occurs during the year, then they shall have the power to choose a successor to fill the unexpired term.

Section 3. Said directors shall have the power also to enforce the covenants and restrictions pertaining to the Lake Shore Club District, as set forth in Erie County Deed Book 303, page 787, and also printed in the schedule of covenants and restrictions heretofore issued.

ARTICLE IV - OFFICERS

Section 1. The following officers shall be chosen by the directors immediately after the annual meeting and shall consist of the following:

(a) President, who shall be chosen from the directors, and who shall have the usual power pertaining to such office;

(b) Vice-President, who shall be chosen from the directors; and who shall perform the duties of the President during absence or inability to act;

(c) Secretary, who shall be chosen from the members, and who shall keep the books of the association, including the stock certificate book and the shares of stock that are issued and shall also attend meetings of the members of the executive committee and of the directors, keeping a faithful record of said proceedings in proper book or books, and shall perform such other duties as usually evolve upon such an office;

(d) Treasurer, who shall be chosen from the members, and who shall keep accurate books of account; receive all monies paid in; render statements thereof, when requested; deposit all monies in

a bank to be approved by the directors, and draw therefrom only on checks provided for the association, and if required, shall give the necessary bond for the performance of his duties, premium for which shall be paid by the association;

(e) If desired, the office of Secretary and Treasurer may be combined in one person.

(f) Chairman of the Water Committee, who shall be chosen from the members and who shall head the water committee and serve to oversee the Association's water system, its maintenance and repair, and all other duties related to providing water for the members of the Association from the system.

(g) Assistant Secretary and Assistant Treasurer - The President of the Association, if deemed necessary, may appoint directors as an Assistant Secretary and Assistant Treasurer. These assistant positions may be established for the purpose of serving in the event the Secretary or Treasurer is unable to attend an Association meeting or otherwise perform the duties of the Secretary or Treasurer.

(h) Only those officers elected as directors have the power to vote as directors.

ARTICLE V – MEETINGS

Section 1. The members of the association in good standing shall hold the annual meeting on the first Thursday of October of each year and such other meeting(s) as may be called by the President, the Directors, or 10 of the members in good standing. Notice of the purpose of the meeting shall be ailed to each member of the association at least 15 days before said meeting, to the last know address, together with the time and place of the meeting.

Section 2. The Directors shall hold monthly meetings at such time and place as shall be designated by the President. Special meetings may be called at any time on three (3) days written notice of the time, place, and purposes thereof.

Section 3. A quorum at a meeting of members shall consist of at least fifteen (15) members in good standing, personally or by proxy.

Section 4. A quorum at a meeting of the Directors shall consist of a majority.

Section 5. The Directors shall have the power by majority vote to remove from the Board any Director who misses four monthly meetings within a year.

ARTICLE VI – COMMITTEES

(A) Standing Committees

(B)

The President, with approval of the Directors, shall appoint the following Standing Committees:

Section 1. An Executive Committee of three (3), consisting of the President, Vice-President, and Secretary, that shall have the power to transact ordinary routine business, but shall keep a record of the same, which shall be subject to approval by the Directors at their next meeting.

Section 2. A Maintenance Committee of three (3) members, who shall have oversight and charge of the streets and other real estate owned by the association, including the levy and collection of assessments that may be made by the association for its general welfare, subject to approval by the Board of Directors.

Section 3. There shall be a Membership Committee of three (3) who shall have the usual duties pertaining to such a Committee, as well as general oversight of the enforcement of restrictions, and the approval of houses and other structures.

(B) Other Committees

Section 1. The President shall appoint a Nominating Committee of three (3), and an Auditing Committee of three (3) at each March Directors' Meeting, for the purpose of performing the usual duties inherent therein, and shall also appoint such other committees as may be necessary for the proper conduct of corporate business.

Section 2. The Chairman of the Water Committee, with the approval of the directors, may appoint eight (8) members to the Water Committee who, with the Chairman, will serve to oversee the operation and maintenance of the Association's water system.

ARTICLE VII – AMENDMENTS

Section 1. These By-Laws or the attendant Covenants and Restrictions may only be amended at an annual meeting of the association, or at a special meeting called for this purpose. Notice of the proposed amendment(s) shall be mailed to each member of the association at least 15 days before said meeting, to the last known address, together with the time and place of the meeting. Amendments to these By-Laws or the attendant Covenants and Restrictions need only a simple majority vote of association members in good standing, personally or by proxy, at said meeting to pass.

ARTICLE VIII – INDEMNIFICATION

Section 1. These By-Laws or the attendant Covenants and Restrictions may only be amended at an annual meeting of the association, or at a special meeting called for this purpose. Notice of the proposed amendment(s) shall be mailed to each member of the association at least 15 days before said meeting, to the last known address, together with the time and place of the meeting. Amendments to these By-Laws or the attendant Covenants and Restrictions need only a simple majority vote of association members in good standing, personally or by proxy, at said meeting to pass.

Section 2. Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was an officer, director, employee or agent of the association, or is or was serving at the request of the Association against any liability asserted against that person and incurred by that person in any such capacity, or arising out of that person's status as such.

Section 3. Statutory Authority. This Article on indemnification shall be under and subject to the full force and effect of 15 P.S. 1410, "Indemnification of Directors, Officers or Other Persons", and Act No. 1986-145 (H.B. No. 2027), effective January 28, 1987, and entitled "Director's Liability Act".