

**BY-LAWS OF
THE NEWTON LAKE ASSOCIATION INC.**

1. The registered office of the Newton Lake Association shall be at a location as designated by the Board of Directors.
2. The Newton Lake Association may also have offices at such other places as the Board of Directors may from time to time appoint or the activities of the Newton Lake Association may require.

ARTICLE II - SEAL

The corporate seal shall have inscribed thereon the name of The Newton Lake Association, the year of its organization and the words "Corporate Seal Pennsylvania".

ARTICLE III - MEMBERS

1. Members shall be divided into the following classes:

A. **ACTIVE MEMBERS**-- Property owners at Newton Lake whose association dues are paid in full and are otherwise in good standing with the Newton Lake Association.

B. **ASSOCIATE MEMBERS**-- Any other person who applies for membership and whose application is approved by a majority vote of either the Board of Directors or the designee of the Board of Directors at any regular meeting for the approval of new members.

C. **HONORARY MEMBERS**-- Any member, when so considered eligible, may by a majority vote of the Board of Directors, become an Honorary member of the Newton Lake Association. Such membership may be conferred for one year upon such individuals as the Association shall desire to so distinguish.

2. MEMBERSHIP

Application shall be made for active and associate membership in the Newton Lake Association. Such membership shall be conferred upon approval of the application by a majority vote of the Board of Directors or upon approval by the designee of the Board. The Board may in its sole discretion refuse membership to any applicant.

Honorary Membership shall be conferred by a majority vote of the Directors present and voting at the regular meeting of the Board of Directors to be held immediately preceding the Annual Meeting.

Approval for membership shall be within the sole, absolute and unrestricted direction of the Board of Directors.

The Board of Directors may determine from time to time the amount of initiation fee, if any, and annual dues payable by the members.

The Board of Directors, by affirmative vote of two thirds of all Board members, may suspend or expel a member for cause after an appropriate hearing, and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of any dues or assessments. Pursuant to the aforesaid procedures, the Board may also terminate membership for violation by such member of any bylaw, rule or regulation of any agency or authority vested with the right to control activities at Newton Lake, including but not limited to: the Newton Lake Association; any state or federal governmental agency/authority; and the Pennsylvania Gas and Water Company.

Upon written request signed by a former member and filed with the Secretary, the Board of Directors may, by the affirmative vote of two-thirds of the members of the Board, reinstate such former member to membership upon such terms as the Board of Directors may deem appropriate.

Membership in this Newton Lake Association is not transferable or assignable.

ARTICLE IV. - MEETINGS OF MEMBERS

Meetings of the members shall be held at the Newton Lake Association Community Hall or at such other place or places, either within or without the Commonwealth of Pennsylvania, as may from time to time be fixed by the Board of Directors. The dates and times of such meetings shall be fixed by the Board and communicated to the membership in the spring of each year.

The annual meeting of the members shall be held on the last Saturday of July in each year if not a legal holiday, and if a legal holiday, then on the Saturday following at EIGHT o'clock P.M. when they shall elect a Board of Directors and transact such other business as may properly be brought before the meeting. If the annual meeting shall not be called and held within six weeks after the designated time, any member may call such meeting.

Regular meetings of the members shall be held on the same dates as the Board meetings and shall be called to order immediately following the same.

Special meetings of the members may be called at any time by the President, or the Board of Directors, or members entitled to cast at least ten percent (10%) of the votes which all members are entitled to cast at the particular meeting. At any time, upon written request of any person who has called a special meeting, it shall be the duty of the Secretary to fix the time of the meeting which shall be held not more than sixty days after the receipt of the request. If the Secretary shall neglect or refuse to fix the time of the meeting, the person or persons calling the meeting may do so. Business transacted at special meetings shall be confined to the objects stated in the call and matters germane thereto.

Written notice of every meeting of the members, stating the time, place and object thereof, shall be given by, or at the direction of, the Secretary to each member of record entitled to vote at the meeting, at least FIFTEEN days prior to the day named for the meeting, unless a greater period of notice is required by statute in a particular case. If the Secretary shall neglect or refuse to give notice of the meeting, the person or persons calling the meeting may do so. In the case of a special meeting, the notice shall specify the general nature of the business to be transacted.

ARTICLE V - DIRECTORS

The business and affairs of this Newton Lake Association shall be managed by its Board of Directors, twelve (12) in number, who shall be natural persons of full age and who need not be residents of this Commonwealth but who shall be members of this Newton Lake Association. They shall be elected by the members at the annual meeting of members of the Newton Lake Association, and each director shall be elected for a three (3) year term and until his successor shall be elected and shall qualify. Each year four (4) Directors will be elected for a three (3) year term.

In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of the Newton Lake Association and do all such lawful acts and things as are not by statute or by the Articles or by these By-Laws directed or required to be exercised or done by the members.

The meetings of the Board of Directors may be held at such times and at such place or places within this Commonwealth or elsewhere as a majority of the directors may from time to time appoint, or as may be designated in the notice calling the meeting.

Written or personal notice of every meeting of the Board of Directors shall be given to each director at least FIFTEEN days prior to the day named for the meeting.

A majority of the directors in office shall be necessary to constitute a quorum for the transaction of business and the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. Any action which may be taken at a meeting of the directors may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the directors in office and shall be filed with the Secretary of the Newton Lake Association.

The Board of Directors may, by resolution adopted by a majority of the directors in office, establish one or more committees to consist of one or more directors of the Newton Lake Association.

A director of the Newton Lake Association shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

(1) The director has breached or failed to perform the duties of his office under this section.

(2) The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

The provisions of this section shall not apply to:

(1) The responsibility or liability of a director pursuant to any criminal statute; or (2) The liability of a director for the payment of taxes pursuant to local, State or Federal law.

ARTICLE VI - OFFICERS

The executive officers of the Newton Lake Association shall be chosen by the Board of Directors, and shall be a President, Vice President, Secretary, Treasurer and such other officers and assistant officers as the needs of the Newton Lake Association may require. The President and Secretary shall be natural persons of full age; the Treasurer, however, may be a corporation, but if a natural person, shall be of full age. They shall hold their offices for a term of one year. There shall be no limit on the number of terms that an officer may serve. The executive officers shall have such authority and shall perform such duties as are provided by the By-Laws and as shall from time to time be prescribed by the membership. It shall not be necessary for the officers to be directors and any number of offices may be held by the same person. The Board of Directors may secure the fidelity of any or all such officers by bond or otherwise.

Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the Newton Lake Association will be served thereby.

The President shall be the chief executive officer of the Newton Lake Association; he shall preside at all meetings of the members and directors; he shall have general and active management of the affairs of the Newton Lake Association; shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the directors to delegate any specific powers, except such as may be by statute exclusively conferred on the President, to any other officer or officers of the Newton Lake Association. He shall execute bonds, mortgages and other documents requiring execution under the seal of the Newton Lake Association. He shall be EX-OFFICIO a member of all committees and shall have the general powers and duties of supervision and management usually vested in the office of President.

The Vice President shall act in all cases for and as the President in the latter's absence or incapacity, and shall perform such other duties as he may be required to do from time to time.

The Secretary shall attend all sessions of the Board and all meetings of the members and act as clerk thereof, and record all the votes of the Newton Lake Association and the minutes of all its transactions in a book to be kept for that purpose; and shall perform like duties for all committees of the Board of Directors when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. He shall keep in safe custody the corporate seal of the Newton Lake Association, and when authorized by the Board, affix the same to any instrument requiring it.

The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Newton Lake Association, and shall keep the moneys of the Newton Lake Association in a separate account to the credit of the Newton Lake Association. He shall disburse the funds of the Newton Lake Association as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Newton Lake Association.

A director of the Newton Lake Association shall stand in a fiduciary relation to the Newton Lake Association and shall perform his duties as a director, including his duties as a member of any committee of the board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Newton Lake Association, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his duties, a director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared by any of the following:

(1) One or more officers or employees of the Newton Lake Association whom the director reasonably believes to be reliable and competent in the matters presented.

(2) Counsel, public accountants or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such person.

(3) A committee of the board upon which he does not serve, duly designated in accordance with law, as to matters within its designated authority, which the director reasonably believes to merit confidence.

A director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause his reliance to be unwarranted.

In discharging the duties of their respective positions, the board of directors, committees of the board and individual directors may, in considering the best interests of the Newton Lake Association, consider the effects of any action upon employees, upon suppliers and customers of the Newton Lake Association, upon the character of Newton Lake, upon the quality of life for property owners at Newton Lake, and upon communities in which offices or other establishments of the Newton Lake Association are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of this section.

Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a director or any failure to take any action shall be presumed to be in the best interests of the Newton Lake Association.

ARTICLE XII - NOTICES

Whenever written notice is required to be given to any person, it may be given to such person, either personally or by sending a copy thereof by first class mail, postage prepaid or by telegram, charges prepaid, to his address appearing on the books of the Newton Lake Association, or, in the case of directors, supplied by him to the Newton Lake Association for the purpose of notice. If the notice is sent by mail or by telegraph, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office for transmission to such person. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by statute or these By-Laws. When a special meeting is adjourned it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

Whenever any written notice is required to be given under the provisions of the statute or the Articles or Bylaws of the Newton Lake Association, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except as otherwise required by statute, neither the business to be transacted at nor the purpose of a meeting need be specified in the waiver of notice of such meeting. In the case of a special meeting of members such waiver of notice shall specify the general nature of the business to be transacted. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE VII - VACANCIES

If the office of any officer or agent, one or more, becomes vacant for any reason, the Board of Directors may choose a successor or successors, who shall hold office for the unexpired term in respect of which such vacancy occurred.

Vacancies in the Board of Directors, including vacancies resulting from an increase in the number of directors, shall be filled by a majority of the remaining members of the Board, though less than a quorum, and each person so elected shall be a director until his successor is elected by the members, who may make such election at the next annual meeting of the members, or at any special meeting duly called for that purpose and held prior thereto.

ARTICLE VIII - BOOKS AND RECORDS

The Newton Lake Association shall keep an original or duplicate record of the proceedings of the members and the directors, the original or a copy of its By-Laws, including all amendments thereto to date, certified by the Secretary of the Newton Lake Association, and an original or a duplicate membership register, giving the names of the members, and showing their respective addresses and the class and other details of the membership of each. The Newton Lake Association shall also keep appropriate, complete and accurate books or records of account. The records provided for herein shall be kept at either the registered office of the Newton Lake Association in this Commonwealth, or at its principal place of business wherever situated.

Every member shall, upon written demand under oath stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the membership register, books and records of account, and records of the proceedings of the members and directors, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of such person who is a member. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the member. The demand under oath shall be directed to the Newton Lake Association at its registered office in this Commonwealth or at its principal place of business wherever situated.

ARTICLE IX - MEMBERSHIP CERTIFICATES

Membership in the Newton Lake Association shall be evidenced by Certificates of Membership, issued on a yearly basis. Certificates shall be in such form and style as the Board of Directors may determine. The fact that the Newton Lake Association is a nonprofit corporation shall be noted conspicuously on the face of each certificate.

ARTICLE X - TRANSACTION OF BUSINESS

The corporation shall make no purchase of real property nor sell, mortgage, lease away or otherwise dispose of its real property, unless authorized by a vote of two-thirds of the members in office of the Board of Directors, except that whenever there are twenty-one or more directors, the vote of a majority of the members in office shall be sufficient. Unless otherwise restricted in the By-Laws, no vote or consent of the members shall be required to make effective such action by the Board. If the real property is subject to a trust the conveyance away shall be free of trust and the trust shall be imposed upon the proceeds of such conveyance.

Whenever the lawful activities of the Newton Lake Association involve among other things the charging of fees or prices for its services or products it shall have the right to receive such income and, in so doing, may make an incidental profit. All such incidental profits shall be applied to the maintenance and operation of the lawful activities of the Newton Lake Association, and in no case shall be divided or distributed in any manner whatsoever among the members, directors or officers of the Newton Lake Association.

All checks or demands or money and notes of the Newton Lake Association shall be signed by such officer or officers as the Board of Directors may from time to time designate.

ARTICLE XI - ANNUAL REPORT

The Board of Directors shall present annually to the members a report, verified by the President and Treasurer or by a majority of the directors, showing in appropriate detail the following:

- (a) The assets and liabilities, including trust funds, of the Newton Lake Association as of the end of the fiscal year immediately preceding the date of the report.
- (b) The principal changes in assets and liabilities including trust funds, during the year immediately preceding the date of the report.
- (c) The revenue or receipts of the Newton Lake Association, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each fund held by or for the Newton Lake Association.
- (d) The expenses or disbursements of the Newton Lake Association, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Newton Lake Association.
- (e) The number of members of the Newton Lake Association as of the date of the report, together with a statement of increase or decrease in such number during the year immediately preceding the date of the report, and a statement of the place where the names and addresses of the current members may be found. This report shall be filed with the minutes of the meeting of members.

ARTICLE XIII - MISCELLANEOUS PROVISIONS

The fiscal year of the Newton Lake Association shall begin on the first day of January and end on the thirty first day of December.

One or more persons may participate in a meeting of the board or of the members by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

ARTICLE XIV- INDEMNIFICATION

The Newton Lake Association shall indemnify each of its directors, officers, and employees whether or not then in service as such (and his or her executor, administrator and heirs), against all reasonable expenses actually and necessarily incurred by him or her in connection with the defense of any litigation to which the individual may have been a party because he or she is or was a director, officer or employee of the Newton Lake Association. The individual shall have no right to reimbursement, however, in relation to matters as to which he or she has been adjudged liable to the Newton Lake Association for negligence or misconduct in the performance of his or her duties, or was derelict in the performance of his or her duty as director, officer or employee by reason of willful misconduct, bad faith, gross negligence or reckless disregard of the duties of his or her office or employment. The right to indemnity for expenses shall also apply to the expenses of suits which are compromised or settled if the court having Jurisdiction of the matter shall approve such settlement.

The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to that which such director, officer or employee may be entitled.

ARTICLE XV - AMENDMENTS

These By-Laws may be adopted, amended or repealed by the vote of members entitled to cast at least a majority of the votes which all members present are entitled to cast thereon at any regular or special meeting duly convened after notice to the members of that purpose.

ENACTED THIS _____ DAY OF _____, 1995.

BY THE BOARD:

**PROPOSED CHANGES TO THE BY LAWS
OF THE NEWTON LAKE ASSOCIATION**

1. ARTICLE III—MEMBERS

SECTION 2 MEMBERSHIP, PARAGRAPH 7

CURRENT LANGUAGE: Membership in the Newton Lake Association is not transferable or assignable.

Proposed changes: Membership in the Newton Lake Association is assigned to the Members property and is transferable if the property is transferred.

2. ARTICLE IV—MEETING OF MEMBERS

CURRENT LANGUAGE: Meeting of the membership shall be held at the Newton Lake Community Hall or at such other place or places, either within or without the Commonwealth of Pennsylvania, as may from time to time be fixed by the Board of Directors.

Proposed change: Strike any reference in this or any other Article that refers to Newton Lake Association Community Hall.

Language to read, Meeting of the membership shall be at a place or places, either within or without the Commonwealth of Pennsylvania, as may from time to time be fixed by the Board of Directors.

Respectfully submitted

BY Laws Committee 06/25/2005

Newton Lake Association
Founded 1926

At a meeting of the Newton Lake Association Board of Directors on March 28 2004, a proposal was made by Dan O'Rourke to charge an initiation fee for membership in the Association. The following motion was made by Jack Smedley and seconded by Jack Williams. The motion passed unanimously.

Be resolved that:

1. Beginning in 2005, any new member will pay a \$500 initiation fee plus the normal \$100 dues for the year.
 2. Any member who joined in 2000 and dropped out may become current in year 2004 without any back dues being charged. Only current year's dues will be charged.
 3. Starting in year 2005, any member who joined in 2000 and dropped out in any year between 2000 and 2005 may become current by paying \$100 for each year they failed to pay or, \$500-whichever is the lesser amount, plus \$100 for the current year.
 4. Memberships transfer with property ownership.
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**AMENDMENTS TO THE BY-LAWS OF
THE NEWTON LAKE ASSOCIATION, INC.**

The by-laws of The Newton Lake Association, Inc. are hereby amended as follows.

The first paragraph of Article IV-MEETINGS OF MEMBERS-is hereby amended to read in its entirety as follows:

Meetings of the members shall be held at a location designated by the Board of Directors, either within or without the Commonwealth of Pennsylvania, as may from time to time be fixed by the Board of Directors, and shall consist of a minimum of five (5) meetings a year including the annual meeting of the members. The dates and times of such meetings shall be fixed by the Board and communicated to the membership in the spring of each year.

The first two sentences of the seventh paragraph of Article IV-MEETINGS OF MEMBERS-is amended to read as follows:

A meeting of members duly called shall not be organized for the transaction of business unless a quorum is present. The presence in person of one-third of the members entitled to vote shall constitute a quorum at all meetings of the members for the transaction of business except as may be otherwise provided by law or by the Articles of Incorporation.

The third paragraph of Article V-DIRECTORS-is hereby amended to read as follows:

The meetings of the Board of Directors of which there shall be at least five (5) meetings annually, may be held at such times and such place or places within this Commonwealth or elsewhere as a majority of the directors may from time to time appoint, or as may be designated in the notice calling the meeting.

DRAFT

Fee Schedule For Membership In The Newton Lake Association

FIRST FIVE YEARS

Starting with the first year of ownership of the lake by the Association through the fifth year of ownership, the membership fee will be \$100.00 per year. The Associations views the first five years of ownership as a grace period for property owners to join without the obligation to pay past membership dues.

YEAR SIX THROUGH TEN

Starting with year six a new member will pay \$500.00 dollars plus \$100.00 for the current year of membership or any past year dues.

Example: A new member joins in year six the fee is \$600.00. If a new member joins in year 9 the fee is \$500.00 plus dues for year 6,7,8, and current year 9, total cost is \$900.00.

YEAR ELEVE AND BEYOND

Starting with year eleven a new member will pay \$1000.00 plus the cost of the current year membership.

Example: All new members joining after year ten will pay \$1000 plus current year dues of \$100.00 for a total of 1100.00. No back charging of dues will take place from this point on. The most any new member can pay at this point is \$1100.00 regardless of what year they join.

It is understood that the formula used is based on current membership dues of \$100.00 per year and would change if the Board of Directors increases the dues.