



The Lake Mohawk Country Club
21 The Boardwalk
Sparta, New Jersey 07871

1/1/2024

LAKE MOHAWK COUNTRY CLUB BY-LAWS

ARTICLE I

Name, Location, Principal Office and Definitions

SECTION 1 NAME

The name of the Club shall be the Lake Mohawk Country Club, hereinafter sometimes called the "Club".

SECTION 2 LOCATION

The Club shall conduct its activities in the area known as the Lake Mohawk Reservation consisting of approximately 2,500 acres in the Townships of Andover, Byram, and Sparta, Sussex County, as described in an agreement between the Lake Mohawk Country Club and the Arthur D. Crane Company, dated May 29, 1939, and recorded in Book 371 of Deeds for Sussex County at pages 105, etc., as modified by an agreement between the same parties dated May 29, 1948, and recorded in Book 442 of Deeds for Sussex County, at pages 53, etc. The Club may also conduct its activities on any other properties it owns, leases or otherwise controls.

SECTION 3 PRINCIPAL OFFICE

The registered agent and the location of the principal office shall be designated by resolution of the Board of Trustees.

SECTION 4 DEFINITIONS

Amenity: A feature or service provided by the Club benefiting the entire membership or a subgroup of the membership for the purpose of contributing to their enjoyment, convenience, or safety.

Dues Paying Property: Any property in private ownership and shall include any contiguous lot or lots used as a side yard for any dwelling, any contiguous or noncontiguous lot or lots used to garage or store an automobile or a boat of the

Clubmember or any other noncontiguous lot located within fifty feet of the primary property determined to be an extension of the use of the primary property.

Restricted Fund: A Restricted Fund consists of monies set aside for a specific purpose as proposed by the Board of Trustees and approved by LMCC membership. Revenue sources for Restricted Funds include but are not limited to LMCC Member assessments. The Restricted Fund monies shall be expended only for the specific purpose for which each fund was established until the fund obligation is completely satisfied. Each Restricted Fund may include monies accumulated over more than one (1) fiscal year.

ARTICLE II

Purposes

SECTION 1 PURPOSES

The purposes of the Club are:

- a. To provide for the acquisition, disposition, care, protection, and maintenance of all properties now or hereafter owned or otherwise controlled, including public facilities, rights of way, roads, boardwalk, parks, dams, beaches, lakes, docks, and buildings, or any other property used in common by Clubmembers or others within the Lake Mohawk Reservation or other property owned, leased or otherwise controlled by the Club.
- b. To provide recreational, cultural, and educational opportunities for the members of the Club and their guests.
- c. To provide for the general welfare of the Lake Mohawk Reservation and in that connection to represent the residents of the Lake Mohawk Reservation in connection with matters of general civic, educational, or cultural interest.
- d. To provide for the maintenance, care and disposition of all equipment now or hereafter owned or otherwise acquired, such as motor vehicles, trucks, motors, snowplows, spreaders, boats, barges, tools and supplies, office equipment, or any other equipment or material used in conducting the Club's affairs.
- e. To provide rules and regulations with respect to the use of such facilities as are owned by the Club and in general to manage the affairs of the Lake Mohawk Reservation and Lake Mohawk Country Club in all respects and to the extent legally possible in the manner which a governing body might do to the extent permitted by law.
- f. To provide and maintain an adequate system of administration, to formulate

rules and regulations, and provide for the enforcement thereof, in connection with the construction of buildings, roads, driveways, or other improvements within the Reservation and for the use of all Club properties and facilities now or hereafter acquired.

ARTICLE III Membership

SECTION I CLASSES

Membership of the Lake Mohawk Country Club shall be extended to all persons who qualify as members under one of the following four classes of membership of the Lake Mohawk Country Club.

SECTION 2 REGULAR MEMBERS

Regular Members shall consist of persons who own one or more dues paying properties within the Lake Mohawk Reservation and persons who have contracted to purchase property therein under a written contract, so long as any said contract purchaser acquires title within two years from the date of contract, and pays all registration fees and Club Charges as prescribed for a Regular Member as provided herein.

SECTION 3 ASSOCIATE MEMBERS

Associate Members shall be such persons who permanently reside in the household of a Regular Member - or as may be determined by the Board of Trustees.

SECTION 4 TENANT MEMBERS

- a. Tenant Members are persons who reside in premises within the Lake Mohawk Reservation, owned by and rented from a Regular Member in good standing; their membership shall be limited to the period of their occupancy; and they shall have no voting privileges.
- b. All Tenant Members who wish to receive the privileges of the Club shall register with the Club, and pay such fees as are prescribed by a resolution of the Board of Trustees. Absent such registration and payment of fees, no tenant shall avail himself of the privileges or amenities of the Club.

SECTION 5 HONORARY MEMBERS

Honorary Members shall be persons who by unanimous vote of the Board of Trustees shall be deemed to have rendered unusual service or benefit to the community at Lake

Mohawk or who are recognized as prominent in some walk of life. Honorary membership shall be limited to twelve months from the time of election as such, and there shall not be more than three Honorary Members at any one time. Honorary Members may be exempted by the Board of Trustees from the obligation of paying Club Charges and shall enjoy all the rights and privileges of the Club.

SECTION 6 REGISTRATIONS

All persons who seek to be Regular or Tenant Members after the adoption of these By-Laws shall submit a registration form as prescribed by the Board of Trustees to the Club Secretary, which registration shall contain an agreement to abide by the rules and regulations of the Club and to pay the Club Charges prescribed by these By Laws. Tenant Members who seek to convert their membership to a Regular Membership shall submit a new registration form for such membership.

SECTION 7 GROUP OR CORPORATE OWNERSHIP

If two or more persons, or a corporation or partnership, are the owners of, or have contracted to purchase property within the Lake Mohawk Reservation, only one person shall be eligible for membership as a Regular Member in the Lake Mohawk Country Club on terms which may be prescribed by the Board of Trustees.

SECTION 8 EXPIRATION

When any Regular Member ceases to be the owner of real property within the Lake Mohawk Reservation or when the right of occupancy of a Tenant Member ceases, his membership shall terminate automatically.

SECTION 9 GOOD STANDING

- a. For purposes of these By-Laws, a member shall be considered to be in good standing with respect to eligibility to vote for Board of Trustees elections, vote to amend By-Laws, and nominate or be a candidate for a position on the Board of Trustees when the member:
 - i. Is current in the payment of Club Charges, including common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed;
 - ii. Is in compliance with a judgement for Club Charges, including common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed;
 - iii. Is in full compliance with a settlement agreement with respect to the payments of Club Charges, including assessments, legal fees, or other

- charges lawfully assessed; or
- iv. Has requested or is participating in Alternative Dispute Resolution (ADR) or in a court proceeding for a dispute over a matter that affects the member's good standing.
- b. A minimum of 30 days prior to the Board of Trustees election, the Club shall notify members who are not in good standing. Such notice shall state the reason why the member is not in good standing. The notice shall state that members have the right to contest the Club's determination by requesting Alternative Dispute Resolution. Members shall be allowed to rectify their standing up until five (5) business days prior to the election date.

SECTION 10 ACCESS TO FINANCIAL RECORDS

Regular Members shall have the right of access to inspect the records of the Club's receipts and expenditures, as well as payment records for individual properties, in accordance with a policy approved by the Board of Trustees.

SECTION 11 ALTERNATIVE DISPUTE RESOLUTION

Regular Members shall have the right to seek to resolve disputes related to alleged violations of the By-Laws, deed restrictions, or rules and regulations of the Club in accordance with an alternative dispute resolution (ADR) policy approved by the Board of Trustees.

ARTICLE IV

Suspension of Membership Privileges

SECTION 1 VIOLATIONS

Membership privileges in the Lake Mohawk Country Club shall be suspended for failure to pay Club Charges within 60 days of the time that such obligations are due. Membership privileges may be suspended by a majority vote of the Board of Trustees, for violation of the established rules and regulations of the Club or the By-Laws of the Club, or of the deed restrictions and covenants as provided in the property deed and recorded in the Office of the County Clerk, or for any acts or omissions deemed to be in violation of general safety, health, and welfare. Suspended membership privileges shall be reinstated at the end of the stipulated period of suspension provided that the conditions of the suspension have been fulfilled.

SECTION 2 HEARING

- a. Suspension of membership privileges except for nonpayment of Club Charges shall only be imposed after notice and hearing in Executive Session before a quorum of the Board of Trustees.
- b. The notice shall be prepared by Club Counsel at the request of the General Manager based on credible evidence and shall: provide details of the alleged violation; specify the rule, regulation, By-Law or Club Plan Agreement provision or the acts or omissions deemed to be in violation of general safety, health, and welfare; describe the credible evidence; include copies of any writings related to the alleged violation; and the names of all witnesses that the Board of Trustees may call at the hearing.
- c. The hearing shall be held at a convenient time and place no sooner than seven (7) days and no later than twenty-one (21) days after the receipt of the notice by the affected member. Both parties shall be permitted to present witnesses and to question and challenge the other party's witnesses.
- d. After the hearing concludes, the Board shall only consider evidence presented during the hearing in reaching a decision. If the Board determines that a suspension of membership privileges is warranted, it shall inform the affected member of its decision in writing, including its rationale and a summary of the evidence upon which the Board based the decision. The suspension shall not take effect for seven (7) days after the affected member receives the written decision to allow the affected member to appeal the decision in accordance with Section 3.

SECTION 3 APPEAL

A decision by the Board of Trustees to suspend a member's privileges may be challenged by the affected member in accordance with the Club's Alternative Dispute Resolution (ADR) policy and the proposed suspension of privileges shall be held in abeyance until the conclusion of the ADR process affirms, rejects or modifies the Board of Trustees' decision. The affected member must request an ADR proceeding within seven (7) days of receipt of the Board's written decision. The ADR provider may call witnesses and examine other evidence presented during the hearing and may independently assess and weigh such evidence. If a hearing witness does not respond to the ADR provider's request to testify in the ADR proceeding, the ADR provider may give less weight to or reject entirely the testimony provided during the hearing before the Board of Trustees.

ARTICLE V
Fiscal Management

SECTION 1 DEFINITION

Club Charges shall be defined as all dues, fees, and assessments for each dues paying property as fixed and determined by the Board of Trustees and as approved by a majority vote of the membership. For purposes of these By-Laws, “dues paying property” shall mean any property in private ownership and shall include any contiguous lot or lots used as a side yard for any dwelling, any contiguous or noncontiguous lot or lots used to garage or store an automobile or a boat of the Clubmember or any other noncontiguous lot located within fifty feet of the primary property determined to be an extension of the use of the primary property. In order to avoid a separate Club Charge for any noncontiguous lot or lots used to garage or store an automobile or a boat of a Clubmember, such lot or lots must have a recorded, perpetual deed restriction prohibiting construction of a residence on such lot or lots.

SECTION 2 IMPROVED PROPERTY

Where a residence or commercial building is erected on two or more lots, only one of such lots shall be charged for as a lot and building.

SECTION 3 MULTIPLE OWNERSHIP

Any Clubmember owning more than one dues paying property within the Reservation shall pay a separate Club Charge for each dues paying property owned by that Clubmember.

SECTION 4 MEMBERSHIP CLUBS

Unless otherwise provided by the Board of Trustees, membership clubs owning or leasing property within the Reservation, whose membership consists of members of the Lake Mohawk Country Club, shall pay charges based upon the ownership of one dues paying property.

SECTION 5 EXEMPTIONS

Township, County, State or Federal Agencies, Fire and Police Departments, Utilities, and Churches, whether owning or leasing property within the Lake Mohawk Reservation, may be exempted from the payment of any or all charges by resolution of the Board of Trustees.

SECTION 6 NEW CHARGES

Additional charges against owners of dues paying property may be authorized by resolution of the Board of Trustees adopted before the Annual Meeting, or before a Special Meeting called to consider such resolution, provided that notice of the consideration of the resolution is included in the notice of said meeting, and the charges are approved by a majority vote of the members who are entitled to vote upon and who do vote upon said resolution. Additional charges may also be authorized by the Board of Trustees, subject to approval by the membership as provided herein.

SECTION 7 REGISTRATION FEE

The Board of Trustees may fix a registration fee for any person who purchases property within the Lake Mohawk Reservation. An additional registration fee shall be required for any person who is a Regular or Associate Member of the Club and who purchases additional property within the Lake Mohawk Reservation, which would constitute "multiple ownership" as defined in Article V, Section 3. This additional registration fee shall not apply, however, when a member sells his principal residence and purchases a different dwelling for his principal residence within the Reservation.

SECTION 8 COLLECTIONS

The Board of Trustees shall determine the dates and manner in which Club Charges are billed and payable. In the event payments are not made when due, the owner shall be liable for interest at the highest legal rate applicable from the due date. In the event an account is turned over to an attorney for collection, an additional 25% of the unpaid amount, to cover attorney's fees, shall also be paid.

SECTION 9 DEFAULTS

Upon default in payment of the charges made pursuant to these By-Laws, the Board of Trustees may take such action as it deems necessary for the collection thereof, including but not limited to the publication of the names and addresses of the defaulting owners, the suspension of Club privileges, and the imposition of interest and collection charges as provided for herein. The Board of Trustees has the right to compromise, adjust, and settle payment of the charges provided for herein where deemed advisable.

SECTION 10 PRIOR CHARGES

Membership privileges in the Club will not be granted on resale or other transfer of ownership of any property within the Lake Mohawk Reservation until all unpaid Club

Charges, assessments and registration fees are paid in full, including arrears attributable to prior owners of the property. Any member who intends to transfer ownership of a property shall advise the Club at least thirty (30) days prior to the proposed closing date. The member shall provide the Club with the full name(s) and address(es) of the prospective owner(s). The member shall also provide the prospective owner(s) with the address and telephone number of the Club to obtain a statement of Club Charges and assessments to be paid at the closing.

SECTION 11 FISCAL YEAR

The fiscal year of the Club shall be from January 1 through December 31 of each year unless a proposal adopted by the Board of Trustees to change the dates of the fiscal year is approved by a majority of Clubmembers eligible to vote and voting at an Annual or Special Meeting.

SECTION 12 RESTRICTED FUNDS

a. Establishment

If the Board of Trustees deems it necessary to establish a Restricted Fund, the purpose of the fund, payment plan and duration of the fund shall be proposed to the LMCC Membership. Authorization of this proposed action requires approval by a simple majority vote of the LMCC Membership entitled to vote and voting at an Annual or Special Meeting. If the purpose of a Restricted Fund is for an amenity intended to benefit a defined subgroup of the LMCC Membership, then the assessment would only be paid by members of that subgroup and only members of that subgroup would be entitled to vote.

b. Dissolution

Once the purpose of a Restricted Fund has been fully satisfied and the funding source is no longer required, any remaining monies in the fund shall be transferred to the Capital Reserve Fund.

c. Transfer of Monies

If the Board of Trustees determines there is a need to utilize monies from a Restricted Fund for a purpose other than originally established, it is necessary for the Board to propose a transfer of these monies including a repayment plan of the transferred monies. Authorization of this proposed action requires approval by a two-thirds vote of the LMCC Membership entitled to vote and voting at an Annual or Special Meeting. If the Restricted Fund is for an amenity benefiting a subgroup of the LMCC Membership, then only that subgroup would be entitled to

vote on the proposed transfer of funds.

d. Accounting and Reporting

Separate monthly accounting and reporting shall be maintained for each Restricted Fund.

ARTICLE VI
Privileges

SECTION 1 FACILITIES

It shall be the duty of the Trustees within the limits of available funds to make available to Clubmembers in good standing and their immediate families the general facilities of the Club. Such facilities include the use of Lake Mohawk, Upper Lake Mohawk, the Boardwalk, Lower Boardwalk, docking privileges on Lower Boardwalk, beaches, roads owned by the Club, Clubhouse, parks, or other property used in common by Clubmembers.

SECTION 2 CONDITIONS

The Trustees shall establish the conditions, rules, and regulations under which Club facilities may be used, and the violation of such conditions, rules, or regulations shall make the use of Club facilities by a member nonpermissible. The Trustees, may, for good cause, withdraw the privilege of the use of any or all Club property from any member.

SECTION 3 CURTAILMENT

The Trustees shall have the right to curtail or withdraw the privilege to use any of the facilities of the Club from Clubmembers if it be deemed necessary for the general safety, health and welfare.

SECTION 4 VOTING

- a. Regular and Honorary Members, in good standing, shall be entitled to one vote for each dues paying property owned by them.
- b. All votes shall be cast in person (and not by proxy), by electronic voting, or by absentee ballot in accordance with such means as the Board of Trustees shall designate. In the absence of a Regular Member entitled to vote, an Associate Member of the same household may vote in place of the absent Regular Member.

SECTION 5 TERMINATION

Upon termination of membership in the Club, all privileges therein and all rights to use property belonging to the Club shall terminate. Termination of membership shall not release any right or lien the Club may have against the former member or the property owned by him for Club Charges or his obligation to pay Club Charges.

SECTION 6 ENFORCEMENT

Every member, as a condition of the privileges of membership, authorizes the Club the right to enforce the restrictions contained in his contract of purchase and in his deed including the right to start suit for such purpose in his name.

ARTICLE VII

Board of Trustees

SECTION 1 NUMBER

- a. The Board of Trustees shall consist of nine Regular or Associate Members who shall be elected by the Regular Members.
- b. Members who own commercial property in the Lake Mohawk Reservation shall not constitute a majority of the Board.

SECTION 2 TERM

Each Trustee shall be elected for a term of three years and may serve for no more than two (2) consecutive full terms. He/she shall not be eligible to run for Trustee for a period of one (1) year (twelve months) after the end of his or her second full term.

SECTION 3 QUALIFICATIONS FOR ELECTION

At each Annual Meeting the Regular Members shall elect three Trustees from the Regular and Associate Members. To be qualified to stand for election each prospective candidate must be a Member of the Club in good standing. Any Member, including incumbent Trustees, wishing to nominate him/herself or another Member in good standing to stand for election must advise the Nominating Committee (or the Secretary of the Club if a Nominating Committee has not been formed) of his/her wish to be a candidate or nominate another Member to be a candidate at least sixty (60) calendar days prior to the Annual Meeting and the call for nominations shall be made to the Members at least fourteen (14) days before the deadline.

SECTION 4 NOMINATIONS

Trustees shall be nominated by the Nominating Committee, as hereafter set forth, but may also be nominated from the floor.

SECTION 5 VACANCIES

- a. The Board of Trustees may declare a vacancy in the event that a Trustee fails to attend three consecutive duly called meetings of the Board without being excused by a majority of the members of the Board, or if a Trustee misses 25 percent of duly called meetings within any twelve month period, or if a Trustee is no longer a member in good standing. In the case of any vacancy in the Board of Trustees, due to any cause, the remaining Trustees shall elect a successor to hold office until the next Annual Meeting when his/her successor shall be nominated and elected to fill the unexpired term. If no candidate runs for the position of an outgoing Trustee, including one whose second full term is expiring, at the Reorganization Meeting, the Board shall elect a new Trustee to fill the vacant position, or elect the outgoing Trustee to return to the Board to serve until the next Annual Meeting, at which time the 12 month ineligibility period will commence.
- b. The Board shall not remove an elected Trustee for disagreeing with the majority.
- c. The Board shall not remove an elected Trustee for violating a confidentiality agreement without affording the Trustee Alternative Dispute Resolution in which the ADR provider concludes from substantial credible evidence that there was a breach that adversely affected the interests of the Club membership as opposed to that of the Board of Trustees.
- d. Clubmembers may initiate removal of an elected Trustee by submitting to the Board a petition signed by fifty-one (51) percent of the Clubmembers in good standing for removal of that Trustee. A special election meeting shall be held within sixty (60) days of receipt of the petition by the Board. When the Annual Meeting is scheduled to occur within sixty (60) days of the submission of the petition, then the election shall be held at the Annual Meeting. Notice of the special election meeting shall be provided to all Clubmembers at least fourteen (14) days prior to the date of the Special Meeting.

SECTION 6 MEETINGS

- a. Every Trustee shall be provided with equal opportunity to participate in any meeting of the Board of Trustees.
- b. OPEN MEETINGS: Meetings of the Board of Trustees where a binding vote of the Board is to be taken shall be open to attendance by all Clubmembers. A binding vote is a vote made with a quorum of the Board present. The Board shall provide a brief explanation of the basis for and cost entailed in the matter that is the subject of any binding vote and include the explanation in the minutes for the meeting. A policy for Clubmember comments during meetings may be adopted and applied uniformly.
 - i. Within seven (7) days following the Annual Meeting, the Board of Trustees shall post, and maintain posted throughout the year, an open meeting schedule of the Board of Trustees' meetings. The meeting schedule shall contain the time, date and locations of such meetings. Adequate notice of at least seven (7) days prior to any such meeting shall be given to all Clubmembers. Any changes to the posted meeting schedule shall be made at least seven (7) days prior to the scheduled date, posted and maintained in the same manner as the original schedule.
 - ii. Notice of meetings shall be prominently posted in at least one place in the Reservation that is accessible to all Clubmembers at all times. The notice shall be posted on the LMCC website, included in the Papoose, and provided to each Clubmember by mail or electronic means. The notice shall be maintained by the Board of Trustees for a period of two (2) years. The notice shall contain time, date and location of the meeting, and Agenda items to the extent known, which shall include items for discussion and action, and reoccurring items such as passage of a budget. A Clubmember may provide written notice to the Board of Trustees waiving any personal delivery of meeting notices. Such Clubmember may rescind such waiver at any time by written notification to the Board. Notwithstanding the meeting notice waiver, the Clubmember shall be entitled to receive open meeting minutes.
 - iii. When the Board of Trustees has determined to cancel a scheduled open meeting, a cancellation notice shall be posted at the meeting site by the

time the meeting is scheduled to begin. If the start time is delayed, notice of the new time shall be posted at the meeting site. The Board shall promptly post the cancellation or delay notice at the location on the Reservation where notices are posted, in electronic mail to Clubmembers who have provided the Club with an electronic mail address, and on the LMCC website. The cancellation notice shall state the reason for the cancellation and when the meeting will be rescheduled.

iv. MINUTES: Minutes for the open sessions of meetings shall be taken for each meeting:

- A. The minutes shall be legible and include the names and titles of the Trustees who are present.
- B. The minutes shall include clear identification of any matters addressed in the meeting.
- C. The minutes shall include clear identification of any matters voted on at the meeting, a record of the votes, and a brief explanation of the basis for and cost entailed in the matter which is the subject of the vote.
- D. The minutes shall be made available to Clubmembers in a timely manner before the next meeting and may be identified as “draft” or “unapproved”.
- E. If a meeting is recorded electronically, a written record shall be taken of the matters addressed and the matters voted on. Clubmembers shall have access to the electronic recording, as well as the written record, including the right to make a copy of electronic or written records.

c. CLOSED MEETINGS (EXECUTIVE SESSIONS):

- i. The Board of Trustees may exclude attendance of all Clubmembers at meetings or portions of meetings for discussion of any of the following matters:
 - A. Those in which disclosure would constitute an unwarranted invasion of individual privacy.
 - B. Pending or anticipated litigation or contract negotiations.
 - C. Those involving employment, promotion, discipline, or dismissal of a specific employee or officer of the Club.

- D. Those falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his or her ethical duties as a lawyer.
 - ii. No binding vote shall be taken at a closed meeting. If the matter requires a binding vote, it shall be taken at a subsequent open meeting in a manner that does not disclose any confidences.
 - iii. If the closed meeting is to be part of an open meeting, the closed portion shall be convened either before the open portion or at the end of the open meeting portion of the agenda.
- d. EMERGENCY MEETINGS: When a Board of Trustees meeting is required to deal with matters of such urgency and importance that delay for the purpose of providing seven (7) days advance notice would be likely to result in substantial harm to the interests of the Clubmembers, and provided that the meeting is limited to discussion of, and action with respect to, such matters of urgency and importance, notice of the emergency meeting shall be deemed to be adequate if it is provided as soon as possible following the calling of the meeting by posting in accordance with subsection b.ii above. The Board shall maintain, on the record, the facts establishing the emergency and any prior knowledge of the condition. Minutes for the emergency meeting shall be taken and made available to Clubmembers in accordance with subsection b.iv.

SECTION 7 QUORUM

Five Trustees shall constitute a quorum.

SECTION 8 VOTING

Each Trustee shall have one vote. In the event of a tie vote the tie shall be broken by granting the President an extra vote by virtue of his position as President. This vote will not become effective until the tie has existed for two successive meetings of the Trustees.

SECTION 9 DUTIES

The business and property of the Club shall be managed and controlled by the Trustees. They are specifically charged with the safeguarding, budgeting, and expenditure of all Club funds, and are empowered to enact such rules and regulations to this end as they deem necessary.

SECTION 10 POWERS

The Trustees shall have the power to authorize and approve the negotiation and

execution of contracts, loans, and the purchase, sale, mortgage, pledge, or lease of Club property, both real and personal, provided that no loan in excess of \$10,000 shall be secured by mortgage, pledge, or other encumbrance of the property or income of the Club without the approval of a majority of the members entitled to vote and voting at an Annual or Special Meeting of the membership of the Club. The Trustees, however, shall have the right to borrow sums in excess of \$10,000 provided the loan is either unsecured or secured by new property, both real or personal, which is acquired with the proceeds of such borrowing, subject to a maximum of \$75,000 per transaction. The Trustees shall not have the right to authorize the expansion or contraction of the area defined as the Lake Mohawk Reservation in Article I, Section 2, nor shall they have the right to authorize any new entrances or exits from the Reservation, until such action is approved at a meeting of the members of the Club.

SECTION 11 RULES AND REGULATIONS

The Trustees may make, amend, and change such rules and regulations with respect to the use of all Club property and facilities and Club activities as they deem advisable.

SECTION 12 OFFICERS AND EMPLOYEES

Within fifteen days following the Annual Meeting, the Board of Trustees shall conduct a Reorganization Meeting where they shall elect for a term of one year, or until their successors are elected and qualified, a Vice-President, a Club Manager, a Secretary, a Treasurer, and such Assistant Secretaries, and Assistant Treasurers, as they deem necessary. The Vice-President shall be selected from among the Trustees. The other officers or employees need not be Trustees nor members of the Club. A person may be elected or appointed to more than one office.

SECTION 13 CLUB COUNSEL AND CLUB ACCOUNTANT

The Trustees shall also appoint a Club Counsel and a Club Accountant, neither of whom need be a member of the Club.

SECTION 14 COMMITTEES

The Trustees may appoint various committees for the administration of the Club. The Trustees shall appoint a Finance Committee pursuant to Article XII and may establish any other permanent or temporary committee or subcommittee they deem advisable, including any ad hoc advisory committees to investigate and report on specific projects to serve at the pleasure of the Board of Trustees. Such ad hoc committees shall automatically terminate upon completion of their assigned duties.

SECTION 15 INDEMNIFICATION

Each present and future Trustee and officer of the Club shall be indemnified by the Club against all liability incurred by such Trustee or officer by reason of any actions or omissions by him in his capacity as a Trustee or officer provided, however, that such Trustee or officer shall not be indemnified for actions or omissions pursued in bad faith whereby he becomes liable directly to the Club for or nonfeasance in office unless such indemnification is approved by the general membership.

SECTION 16 CONFLICT OF INTEREST

The Trustees shall at all times act in the best interests of the Club. Where a conflict of interest is or may be involved, the Trustee or Trustees so involved shall disqualify himself or themselves from participating in or voting on such matters. The Trustees shall be the sole judges of a conflict of interest and the Trustee or Trustees so involved shall not be eligible to vote in such determination.

ARTICLE VIII

Officers

SECTION 1 PRESIDENT

- a. The President shall be the chief executive officer of the Club and shall preside at all meetings of the Board of Trustees. Together with the Secretary, or the Assistant Secretary, the President shall sign all written contracts and all other obligations of the Club. The President shall be entitled to attend and participate in the discussions of any committee of the Club. He shall not sign checks and drafts of the Club unless authorized to do so by the Board of Trustees. The President shall serve without compensation.
- b. The President shall be elected by the Board of Trustees at the Reorganization Meeting following the Annual Meeting of the members of the Lake Mohawk Country Club. He/she shall serve for a term of one year.
- c. To be eligible for nomination as President, the candidate must be a member of the Board of Trustees and must have served at least one year on the Board of Trustees at any time prior to nomination.

SECTION 2 VICE PRESIDENT

In the absence of the President, or in the event of his inability to act, the Vice-President shall exercise all the powers and perform all the duties of the President. The Vice-President shall serve for one year and without compensation. In the absence of both President and Vice-President, a temporary Chairman shall be selected by a majority vote of the Trustees present. A majority of the Trustees shall be entitled to determine when the President of the Club is unable to act, if he fails to disqualify himself when he is apparently unable to function.

SECTION 3 SECRETARY

- a. The Secretary shall be present and keep the minutes of all meetings of the Board of Trustees, and of all Annual and Special Meetings of the members. He shall have copies of the minutes and reports of meetings of all the Standing Committees and Special Committees of the Club.
- b. The Secretary shall be appointed by the Board of Trustees and shall serve at the pleasure of the Board of Trustees.

SECTION 4 ASSISTANT SECRETARIES

- a. Assistant Secretaries may be appointed by the Board of Trustees to perform such duties of the Secretary as required.
- b. Assistant Secretaries shall serve for one year or less, and with or without compensation as determined by the Board of Trustees.

SECTION 5 TREASURER

- a. The Treasurer shall have custody of all funds and securities of the Club which may come into his hands, and shall keep the funds of the Club deposited to the credit of the Club in such place or places as the Board of Trustees may from time to time designate, and shall disburse the same on the direction of the Board of Trustees. When necessary or proper he shall endorse on behalf of the Club for collection all bills, notes, checks, and other obligations received by the Club. He shall perform the usual acts and duties incidental to the position of Treasurer, subject to the control of the Board of Trustees, and such other duties as they may require.
- b. The Treasurer, or such other person as may be appointed by the Board of Trustees, shall keep a record of all members who own or have contracted to purchase property within the Lake Mohawk Reservation, the number of lots so acquired by such members, and of the payment to be made to the Club by such

members, pursuant to these By-Laws or any Deeds or Agreements. The said records, subject to rules fixed by the Board of Trustees, shall be open to inspection by any member in good standing. The Treasurer or persons having charge of said records shall inform any person making inquiry and having a proper interest therein the amount owing by any member and the charges against any dues paying property and shall advise the person making such inquiry that no privileges of the Club will be granted unless and until all indebtedness and charges owing and affecting any dues paying property are paid in full.

- c. The Treasurer shall be appointed by the Board of Trustees and shall serve at the pleasure of the Board of Trustees.

SECTION 6 ASSISTANT TREASURER

- a. Assistant Treasurers may be appointed by the Board of Trustees to perform such duties of the Treasurer as required.
- b. Assistant Treasurers shall serve for one year or less, and without compensation as determined by the Board of Trustees.

SECTION 7 CLUB MANAGER

- a. The Board of Trustees shall appoint a Club Manager who shall be the chief operating officer of the Club with general supervision over its operations, subject to the direction and control of the Board of Trustees. He shall administer the rules and regulations of the Club in cooperation with or with the assistance of such committees as the Board of Trustees may name for the purpose.
- b. The Club Manager shall receive an annual salary as a full-time employee of the Club and shall not be engaged in any other business or employment without the written consent of the Board of Trustees.
- c. It shall be the duty of the Club Manager to supervise the preparation and publication of The Papoose and to generally prepare and supervise the social, educational, cultural, and recreational activities of the Club. It shall be his duty generally to supervise all other employees of the Club and to perform other duties assigned to him by the Board of Trustees.
- d. The Club Manager shall serve for such period as the Board of Trustees may determine.
- e. The Club Manager shall be responsible for the maintenance of an up-to-date inventory of all Club property and for the custody and control thereof. Such

inventory shall be physically and independently audited not less than once each year by the Finance Committee.

- f. The Club Manager shall have custody of all Club records, including the minutes of all committees and subcommittees appointed under the terms of these By-Laws or directions of the Board of Trustees or the President's Advisory Committee. Such records and minutes shall be available for examination by the Trustees.

SECTION 8 VACANCIES

In the event any of the positions created under the provisions of these By-Laws become vacant, the Board of Trustees may fill such vacancies either temporarily or permanently until the next Annual Meeting of the Club.

SECTION 9 BONDS

The Board of Trustees may require a bond from any officers or employees who are authorized to sign checks for the Club and may require the furnishing of a bond from any other officer or employee. The bonds shall be in such amounts as deemed advisable by the Board of Trustees and the premiums for such bonds shall be paid by the Club.

ARTICLE IX

President's Advisory Committee

SECTION 1 GENERAL

In order to provide a wider participation among members of the Lake Mohawk Country Club in the affairs of the Club, there shall be established a President's Advisory Committee, herein and hereafter referred to as "PAC." PAC by definition shall be an elected body of Representatives organized to serve as the official Lake Mohawk membership public affairs forum.

SECTION 2 FUNCTIONS

The general functions of PAC are of an advisory nature, except for the Nominating Committee (see Article IX, Section 9), and special committees with definite assignments and authority as delegated by the Board of Trustees. The recommendations of PAC shall be brought before the Board of Trustees by the Chairman of PAC or his or her representative. The Chairman or the Chairman's representative shall participate in meetings of the Board of Trustees, except that he or

she shall not have voting privileges or sit in executive sessions. Functions of PAC shall include such activities as conducting membership outreach programs to increase participation in club and beach activities, developing proposals and recommendations for continued enhancement of the Lake Mohawk community, and facilitating public service activities for members, business owners and businesses in the Lake Mohawk community.

SECTION 3 REPRESENTATIVES

PAC shall consist of six Representatives-At-Large selected by the President with the approval of the Trustees and Representatives elected as follows:

- a. During their term of office, all beach and intra-club Presidents automatically become members of the PAC with full voting rights. Each President may designate one representative to serve in his or her place on PAC during such President's term.
- b. An additional Representative from each beach and intra-club, so elected by each organization to serve as a PAC member for one year.

SECTION 4 QUALIFICATIONS

Anyone serving on the PAC must be a member of the Lake Mohawk Country Club in good standing.

SECTION 5 EX-OFFICIO MEMBERS

Former Trustees shall be ex-officio members of PAC and shall have a vote and be counted in determining a quorum. Incumbent Trustees and the Club Manager shall be ex-officio members without voting powers, but shall not be eligible to become beach or intra-club or At-Large Representatives, nor shall they be counted in determining a quorum.

SECTION 6 OFFICERS

At the PAC's organization meeting, held on the second Thursday of October each year or at such other time as determined by the Chairman, PAC shall organize and elect from their membership a Chairman, a Vice-Chairman, and a Secretary/Treasurer, who shall serve without remuneration. The Chairman shall preside at the meetings, and in his or her absence, the Vice-Chairman if present, or the Secretary/Treasurer, shall act as Chairman. If the Chairman, Vice-Chairman, and Secretary/Treasurer are absent, a temporary Chairman may be selected by a majority vote of the members present. Whenever a vacancy shall exist in the position of Chairman, Vice Chairman or Secretary/Treasurer, the PAC shall elect a successor to serve for the unexpired term of

such officer.

SECTION 7 COMMITTEES

The Chairman shall appoint Committees as specified or deemed necessary for the work of this Committee.

SECTION 8 QUORUM

A quorum shall consist of 10 members of PAC.

SECTION 9 NOMINATING COMMITTEE

- a. The PAC Secretary shall send written notice to each member of the PAC at least fifteen days before the June meeting date. It shall include a statement of the business to be transacted.
- b. At the June regular meeting of PAC there shall be elected a nominating committee of seven members to prepare nominations for Trustees for election at the Annual Meeting of the Club. Any Regular Member may serve on the Nominating Committee, whether a member of PAC or not.
- c. The Nominating Committee shall prepare a list of recommended candidates for the Trustees for presentation at the next Annual Meeting of the Club. The names and addresses of each candidate for Trustee so nominated shall be delivered to the Secretary of the Club not later than sixty (60) days prior to the Annual Meeting.
- d. The Nominating Committee shall present its report in person at the Annual Meeting.

SECTION 10 MEETINGS

PAC members shall hold regular meetings, at a minimum quarterly, at such times and places as the PAC Chairman may determine necessary for prompt action on all PAC matters. Special PAC meetings may be called by the Board of Trustees, Club President or PAC Chairman at any time, and shall be called on written request to the PAC by 5 or more PAC members. All PAC members must be given not less than five day's notice of all regular and special meetings.

ARTICLE X **Building Standards**

SECTION 1 COMPLIANCE

All construction, alteration, enlargement, or excavation for any buildings or structures,

including buildings moved into the Reservation, signs, walls, landings, boathouses, docks, fences, driveways, and grading on the land or in the lakes, and all persons including builders and owners who permit or perform such work upon property in the Lake Mohawk Reservation must comply with the requirements of the restrictions of record, State and municipal building regulations, and the architectural appearance shall be in conformity with the general plan of development of the Lake Mohawk Reservation.

SECTION 2 ARCHITECTURAL REVIEW COMMITTEE

- a. The purpose of the Architectural Review Committee shall be to protect, enhance and perpetuate the areas within the Lake Mohawk Reservation which either now or in the future are designated as Historic Landmark areas, such as the White Deer Plaza area, in order to maintain conformance with the architectural appearance and general plan of development of Lake Mohawk within such areas.
- b. No exterior changes by way of structural alterations, color of paint, or new structures on any property located within such designated Historic Landmark areas shall be allowed without the written consent of the Architectural Review Committee, which shall consist of three Trustees and two other Clubmembers in good standing selected by the Board of Trustees.

SECTION 3 ENFORCEMENT

Refusal or failure to adhere to any applicable regulations of these By-Laws shall subject the owner of premises or anyone authorizing construction and his heirs, successors, and assigns to such action concerning suspension or revocation of privileges of membership as the Board of Trustees may determine including a penalty to cover the cost of such legal actions as may be required to enforce the provisions.

ARTICLE XI Beach Committees

SECTION 1 CONTROL

- a. Each beach insofar as it is practicable shall be under the control of a Beach Committee organized by the members living within the area served by the beach or who regularly choose to patronize the beach.
- b. Each Committee has the right to organize as they choose for the purpose of

adopting regulations for the organization, equipment, use, and protection of the beach.

SECTION 2 REGULATIONS

Regulations by the individual beaches must not conflict with the rights and privileges of the members to use Club property as outlined in the By-Laws or as established by the rules and regulations of the Trustees. Among regulations which are to be adopted are the following:

- a. Restriction of the beaches to the use of members of the Club in good standing or guests of members by presentation or display of proper identification.
- b. Proper and safe conduct by those using the beach facilities.
- c. Assignment and control of docking facilities.
- d. Observance and compliance with health regulations.
- e. Control and use of picnic facilities, such as fireplaces, tables, etc.
- f. Control and use of special facilities at individual beaches.
- g. Appearance, orderliness, and cleanliness of the beaches is one of the especially important functions of the Beach Committee, which is empowered to take any and all action deemed necessary to meet the specific problems of each individual beach.

SECTION 3 INCORPORATION

Each Beach Committee shall be so organized that it can be incorporated under the Laws of the State of New Jersey. All plans for incorporation must be approved by the Board of Trustees.

SECTION 4 PURCHASES

Each Beach Committee may purchase or recommend the purchase of equipment deemed necessary from funds allotted by the Trustees or otherwise obtained by the Committee.

SECTION 5 OWNERSHIP

All permanent structures at each beach shall be owned by the Country Club or an incorporated beach club.

SECTION 6 ENFORCEMENT

The Beach Committees shall assist in the selection of a lifeguard for their beach and together with the lifeguard shall be responsible for the enforcement of rules and regulations applying to all beaches and special rules and regulations applying to one or more individual beaches.

ARTICLE XII
Finance Committee

SECTION 1 PURPOSE

The Finance Committee shall be formed in order to perform the following:

- a. Supervise the preparation of fiscal year budgets.
- b. Advise and consult with the Board of Trustees with reference to expenditures of major amounts not included in the Capital Reserve during each fiscal year.
- c. Regularly review the Club's financial performance against the budgets.
- d. Regularly review liquidity, cash and working capital requirements.
- e. Review the Club's debts, repayment schedules and the prudence of taking on any additional debt.
- f. Determine, subject to the Board's approval, how various funds should be established, restricted, maintained, utilized and managed.
- g. Determine, subject to the Board's approval, how the Club's assets and cash shall be managed and invested.
- h. Review audit results and recommend resolution of audit issues to Management and the Board of Trustees.
- i. Review risk management and advise Management and the Board of Trustees of any weaknesses and, where feasible, recommend solutions.
- j. Assist and guide the General Manager, as the Committee deems necessary, in the administration and supervision of the Club's accounts, accounting systems and controls and procedures.

SECTION 2 MEMBERSHIP

The Finance Committee shall consist of two (2) Trustees and at least three other non-Trustee Clubmembers in good standing selected by the Board of Trustees. The Treasurer of the Club shall be a nonvoting member. A majority of the voting members shall constitute a quorum.

SECTION 3 TERM OF MEMBERS

The members of this Committee shall be appointed at the Board of Trustees' annual Reorganization Meeting or at any later regular meeting of the Board and shall serve at the pleasure of the Board. The Board of Trustees shall designate one member of the Finance Committee as Chairperson.

ARTICLE XIII
Membership Meetings

SECTION 1 TIME

There shall be an Annual Meeting of the Regular and Associate Members of the Club in good standing held at the Clubhouse, or at any other place in Sparta, New Jersey, designated by the Trustees, on the last Friday in September of each year, or such other date as determined by the Trustees.

SECTION 2 SPECIAL MEETINGS

Other meetings of the members may be called by the President, and shall be called whenever directed by a majority of the Trustees. Meetings shall be called by the President whenever requested in writing by one third of the voting members of the Club.

SECTION 3 NOTICES

Notice of the time and place of the Annual Meeting and Special Meetings of the members shall be given in writing by the Secretary to each Regular Member. Such notice shall be by personal delivery, or sent by mail to the address as it appears on the books of the Club, or to the electronic mail address provided by the Member, not less than fourteen nor more than sixty (60) days prior to the day on which the meeting is to be held. The notice shall include an absentee ballot and information for electronic voting. At the same time the meeting notice shall also be posted on the Club's website and in at least one place in the Reservation that is accessible at all times to all members. Each notice shall state generally the purpose of the meeting and specifically state any proposals by the Trustees or Members.

SECTION 4 PRESIDING OFFICER

The Annual Meeting or any Special Meetings shall be presided over and conducted by a Chairperson appointed by the Board of Trustees.

SECTION 5 VOTING

Absentee ballots may be submitted by hand delivery, regular or electronic mail, or facsimile. Absentee ballots must be received by and electronic voting will conclude at 5:00 p.m. local time on the business day prior to the meeting. The candidates receiving the highest number of votes shall be elected to the Board of Trustees. All other actions at meetings of the members, except as otherwise provided with respect to amendments to the By-Laws, shall be by majority vote of those members entitled to

vote and voting. For motions made from the floor to pass at any meeting, the number of affirmative votes required is fifty percent (50%) plus one (1) of the quorum established at the opening of the meeting.

SECTION 6 QUORUM

A quorum shall be established with any number of members in excess of one hundred and twenty-five members, entitled to vote, who have registered with the Secretary at any meeting of which notice shall have been given to all members. The quorum shall remain in effect, despite the subsequent departure of one or more members from the meeting.

SECTION 7 ORDER OF BUSINESS

At each Annual Meeting the following business may be considered and acted upon by the membership.

- a. Minutes of the previous meeting.
- b. President's Report.
- c. Report of the fiscal operation of the Club for the preceding year.
- d. Reports of Standing and other Committees, including President's Advisory Committee as requested by the President.
- e. Nominations for Trustees by the Nominating Committee.
- f. Nominations from the floor for Trustees.
- g. Cast votes for Trustees.
- h. Amendments to the By-Laws pursuant to Article XIV or Assessments pursuant to Article V.
- i. Discussion and action by a majority vote for affirmation on the special matters specified in the notice calling this Annual Meeting.
- j. Discussion of matters of general interest from the floor.
- k. Adjournment.

This order can be varied by a majority vote of members present entitled to vote and voting.

SECTION 8 NOMINATIONS

In connection with the election of Trustees, nominations may be made from the floor at the Annual Meeting. These nominations shall have the same force and effect as those submitted by the Nominating Committee, provided, however that nominees must conform as to eligibility to the other provisions of these By-Laws.

SECTION 9 MOTIONS INITIATED BY MEMBERS

- a. Motions (other than Amendments to the By-Laws and those motion described in b. and c. below) may be proposed by a member in good standing through a Petition which states the motion and is signed by at least thirty-five (35) members who are in good standing. The member shall obtain the Petition Form from the Club Secretary and present the completed, signed Petition to the Club Secretary at least ninety (90) days prior to the meeting. The Club Secretary shall verify the Petition signatures are valid and all the members are in good standing. Notice shall be given to the membership regarding the member-initiated motion in accordance with Article XIII, Section 3 NOTICES. The proponent member shall be provided an opportunity to publish an explanatory statement in the Papoose and on the website, and may address the membership at the meeting for a period of time not to exceed five minutes. The Board of Trustees may address the membership at the meeting concerning the member-initiated motion. If approved by a majority vote of all the members entitled to vote and voting, said motion shall become effective according to its terms.
- b. Procedural motions involved in running the meeting may be presented from the floor at any meeting of the members of the Lake Mohawk Country Club.
- c. Motions (other than Amendments to the By-Laws and those described in a. and b. above) having a financial expense to the Club of less than four (4) times the annual club charge for a dues paying property may be presented from the floor at any meeting of the members of the Lake Mohawk Country Club. If approved by a majority vote of all the members entitled to vote and voting, said motion shall be considered by the Board of Trustees before becoming effective. Prior to such consideration by the Board of Trustees, the text of such motion shall be published in The Papoose and on the website, or all members shall be notified thereof in writing within forty-five (45) days after the Annual or Special Meeting. The Board of Trustees meeting for approval of such motion by the Board shall be held not less than thirty nor more than sixty days after such notice to the general membership is given. The motion shall become effective according to its terms if approved by at least five of the Trustees. In the event such a motion is disapproved by the Trustees, it shall be included in the notice of the next Annual or Special Meeting of the Club as a proposed motion and in the event the proposed motion is approved by a majority vote of all members entitled to vote and voting, it shall become effective notwithstanding the

disapproval of the Board of Trustees.

SECTION 10 BALLOT

- a. The ballot shall contain the names of all persons nominated and found to be in good standing as candidates for the Board of Trustees in alphabetical order by the last name.
- b. The ballot shall not indicate incumbent Trustees.
- c. The ballot shall list each candidate's name in the same font, in the same size, and in the same font color.
- d. The ballot shall include space for write-in candidates for as many seats as are up for election. In the event a write-in candidate receives sufficient votes to be elected but is not eligible, such candidate shall not be deemed to have been elected. If this results in a vacancy on the Board, the eligible candidate receiving the next highest number of votes shall be deemed to have been elected.
- e. Any depository for physical ballots shall be secured.
- f. All ballot tallying shall occur publicly, and the ballots shall be open to inspection by any Clubmember for a period of ninety (90) days from the date of the election.
- g. All ballots shall be cast in an anonymous manner.

ARTICLE XIV

Amendments to the By-Laws

SECTION 1 BY-LAWS AMENDMENT PROCESS

- a. Proposals to amend the By-Laws shall be provided to the By-Laws Committee for review, assistance in drafting, and recommendations with respect to implementation. The Committee shall have a minimum of thirty (30) days to respond with recommendations for consideration.
- b. Notice shall be given to the membership regarding the proposed amendment in accordance with Article XIII, Section 3 NOTICES. The proposed amendment shall be put on the Ballot and a presentation shall be provided to the membership at the Annual or Special Meeting. If approved by a two-thirds vote of all members entitled to vote and voting, the proposed amendment shall become effective according to its terms.
- c. Each approved amendment to the By-Laws shall be recorded in a timely manner in the Sussex County Clerk's Office where the existing By-Laws are

recorded. The Club shall maintain a record of the filing, which shall be available to any Clubmember upon request.

SECTION 2 INITIATED BY TRUSTEES

Proposals to amend the By-Laws initiated by the Board of Trustees shall follow the process in Article XIV, Section 1, provided there is affirmative vote by at least five (5) Trustees.

SECTION 3 INITIATED BY MEMBERS

Proposals to amend the By-Laws initiated by a Member shall follow the process in Article XIV, Section 1, provided the proposal is recommended by a Member in good standing through a Petition signed by at least thirty-five (35) members in good standing, and presented to the Club Secretary. The member shall obtain the Petition Form from the Club Secretary and present the completed, signed Petition to the Club Secretary at least one hundred twenty (120) days prior to the Annual or Special Meeting. The Club Secretary shall verify the signatures are valid and the members are in good standing. The proponent member shall be provided an opportunity to publish an explanatory statement in the Papoose and on the website, and may address the membership at the meeting for a period of time not to exceed five minutes. The Board of Trustees may address the membership at the meeting concerning the member-initiated amendment.

SECTION 4 AMENDMENTS TO THE BY-LAWS WITHOUT CLUB MEMBERSHIP VOTE

The Board of Trustees shall amend the By-Laws without a Club membership vote to render the By-Laws consistent with State, Federal, or local law. These amendment(s) to the By-Laws shall be approved and adopted by the Board at an open meeting.

ARTICLE XV Reserve Fund

SECTION 1. PURPOSE

The Club shall establish and maintain a Reserve Fund for the purpose of providing an assured and adequate source of significant funds to refurbish, replace, improve or otherwise care for all properties now or hereafter owned or otherwise controlled by the Club, including common areas, roads, boardwalk, parks, dams, beaches, lakes, docks,

and buildings, or any other property used in common by Club members or others within the Lake Mohawk Reservation or other property owned, leased or otherwise controlled by the Club.

SECTION 2. CAPITAL RESERVE STUDY

- a. The amount of money placed into and maintained in the Reserve Fund shall be based on the findings and recommendations of a Capital Reserve Study prepared by a professional consultant who is experienced in the preparation of such studies for homeowners' organizations similar to Lake Mohawk Country Club. The consultant shall be selected by the Board of Trustees based on a competitive bid process.
- b. The Capital Reserve Study shall be undertaken every three (3) years and the results and recommendations will be presented to the Membership at the Annual Meeting that follows the completion of the Study. The Board of Trustees shall determine whether a completely new Capital Reserve Study or the updating of the most recent Capital Reserve Study will satisfy this requirement.

SECTION 3. RESERVE FUND

- a. The Club shall establish one or more accounts at financial institutions to hold all the funds that collectively comprise the Reserve Fund. The Board of Trustees shall periodically determine how much of the Reserve Fund is to be held in a checking or similar cash-equivalent account and how much shall be held in one or more investment accounts that shall be invested in accordance with the Club's Investment Policy.
- b. The Reserve Fund shall be used exclusively to pay for Capital Expenditures and for expenses of the sort described in the Capital Reserve Study.

SECTION 4. RESERVE FUND REVIEW COMMITTEE

- a. The Board of Trustees shall appoint five members of the Club who are in good standing to be members of the Reserve Fund Review Committee for one-year terms, provided that not more than two Committee members are Trustees. The Committee members shall designate a Chairperson (who is not a Trustee) from amongst themselves who shall be responsible for calling and managing

meetings and reporting the Committee's recommendations to the Board of Trustees and General Manager at least once each calendar quarter. The Committee Chairperson shall also present a summary of the Committee's activities at each Annual Meeting.

- b. The Reserve Fund Review Committee shall:
 - i. Regularly review the expenditures proposed by the General Manager from the Reserve Fund to ensure that the Reserve Fund is being used solely for the purpose for which it is established.
 - ii. Make recommendations to the General Manager and Board of Trustees with respect to prioritization of expenditures from the Reserve Fund.
 - iii. Calculate the Reserve Fund Assessment in accordance with the Replenishment formula in Article XV, Section 5.
 - iv. Generally, oversee the operation and health of the Reserve Fund.
 - v. Advise the Board of Trustees on all matters related to the Reserve Fund.
- c. When the Board of Trustees votes to approve expenditures from the Reserve Fund, it shall first seek the opinion of the Committee unless the expenditure is for an emergency where the Board of Trustees determines that it is necessary to vote on the proposed expenditure without the Committee's recommendation.

SECTION 5. REPLENISHMENT OF THE RESERVE FUND

- a. Several income streams within the Lake Mohawk Country Club shall be solely dedicated to the Reserve Fund, including, but not limited to, any previously approved Reserve Fund Assessments, and at a minimum the first \$3,000 from each Registration Fee (Refer to Article V, Section 7) and the net income (profit) from the Food & Beverage operations.
- b. During the year-end budget process, the Reserve Fund Review Committee shall obtain the Projected Annual Contribution for the following year from the current Capital Reserve Study. The Projected Annual Contribution shall be used as the basis for determining if a Reserve Fund Assessment will be necessary for each dues paying property to adequately replenish the Reserve Fund for the following year.
- c. A Reserve Fund Assessment for the following year shall only be necessary if the dedicated income streams are not enough to meet the Projected Annual

Contribution required by the current Capital Reserve Study.

- i. The Projected Annual Contribution can be found in the current Lake Mohawk Country Club Capital Reserve Study: Calculation Tables\ Annual Funding Projection\ Fiscal Year\ 5% Threshold Funding Scenario Projection\ Projected Contribution \$ value.
- ii. The Committee shall calculate the Maximum Assessment required for the following year, using the following formula:
Maximum Assessment = Projected Annual Contribution divided by the number of dues paying properties.
- iii. The Actual Annual Contribution required for the following year shall be calculated using the Projected Annual Contribution minus the sum of all the income streams dedicated to the Reserve Fund from the current year, as outlined in Section 5a. The calculated Actual Annual Contribution may then be adjusted, using a Threshold Level between zero percent (0%) and ten percent (10%). When considering the Threshold Level, the Committee shall attempt to minimize the assessment to members while maintaining a prudent Threshold Level.
- iv. If the Actual Annual Contribution calculation is zero or negative, a Reserve Fund Assessment shall not be required for the following year.
- v. If the result of the calculation is greater than zero, the result shall be divided by the number of dues paying properties, to determine the Reserve Fund Assessment that shall be billed to each dues paying property owner as part of the following year's Club Charges.
- vi. For any given year, the Reserve Fund Assessment shall never exceed the Maximum Assessment.
- vii. The Reserve Fund Assessment shall be recommended by the Reserve Fund Review Committee to the Board of Trustees, and prior to billing, shall be reviewed and approved by the Board at a monthly Meeting open to the LMCC membership.

ARTICLE XVI
Member Initiated Request

SECTION 1 PURPOSE

A Member Initiated Request is a formal process to make a request of the Board of

Trustees for information, investigation, or action. The purpose is to require a timely response from the Board.

SECTION 2 APPLICATION

A Member Initiated Request may be submitted by a member in good standing through a Member Initiated Request Petition which states the request. The Request shall contain sufficient specificity and must include a reference to a Board meeting or correspondence with the Board where the information, investigation, or action had been previously raised by a member. The Petition shall be signed by at least thirty-five (35) members who are in good standing. The member shall obtain the Request Petition Form from the Club Secretary and present the completed, signed Request to the Club Secretary at least Fourteen (14) days prior to the next regularly scheduled Board of Trustees meeting. The Club Secretary shall verify the Petition signatures are valid and all the members are in good standing.

SECTION 3 REQUEST

The Member Initiated Request shall be added to the agenda of the first regularly scheduled Board meeting after Request submittal in accordance with the SECTION 2 Application requirements. The Board shall publicly introduce the Request and designate a responsible party, such as a Trustee, Club Manager, Club Counsel, Club staff, committee, or other expert retained by the Board.

SECTION 4 RESPONSE

The Board shall provide a written and/or electronic response to the Request at the next regularly scheduled Board meeting after the Request has been introduced. There should be sufficient supporting data provided in the response to answer the Request, including minutes of work sessions. In the event a response cannot be completed, status shall be provided with an estimated time to complete. Until the Board's response to the Request is completed, the status shall be reported at each successive Board meeting. Each Request with its status and final Board response shall be posted on the Club's website.

LMCC BY-LAWS REVISION HISTORY

- 1) Current version as of 1/1/2023
- 2) Revision dated 3/10/2023 - updated based on New Jersey Planned Real Estate Development Full Disclosure Act (PREDFDA) Public Law 2017 Ch 106, NJAC 5:26-8.1 through 5:26-8.14.
- 3) Final dated 5/22/2023 - Board of Trustees accepted Revision dated 3/10/2023 containing PREDFDA updates.
- 4) Revision dated 1/1/2024 - updated with six Amendments approved at the 11/19/2023 Annual Meeting.