

CONSTITUTION AND BY-LAWS OF
THE BIRCHWOOD LAKES COLONY CLUB

(As amended Nov.1961, Nov. 1962, May 1974,
Nov. 1976, Nov. 1985, Nov. 1987, Nov. 1989,
Nov. 1990, Nov. 1998 and Nov. 2002)

ARTICLE I

Section 1: The name of the organization shall be BIRCHWOOD LAKES COLONY CLUB.

Section 2: BIRCHWOOD LAKES COLONY CLUB will be referred to in these by-laws as "The Club" and the area known as the Birchwood Lakes area shall be that area shown on plot plans filed by Timber Lakes Corporation in connection with Sections One (1) and Two (2) of Birchwood Lakes including any land owned or acquired by The Club.

ARTICLE II

Section 1: The Club is formed for the primary purpose of making the community known provide for the care and maintenance of all The Club property, including any parks, dams, beaches, lakes, waters, and streams contained therein, and to supervise all activities connected thereto or being conducted within said community.

Section 2: All applicants for membership shall agree to uphold the By-laws, principles and ideals of The Club and shall further waive claim against The Club, or any of its directors, officers, committee members and/or employees as individuals or as a group for any official act or neglect to act in connection with the business of The Club, and particularly as to its or their acts in electing or failing to elect, or disciplining him or her as a members.

ARTICLE III

Section 1: There shall be two classes of members in The Club - active and associate.

a) Regular members must be property owners in the Birchwood Lakes colony and must have been elected to regular membership by the Board of Directors upon the recommendation of the Membership Committee. Any resident of Birchwood Lakes who is not a bona-fide member of The Club shall not be permitted to use any of The Club's facilities.

b) Associate members must be bona-fide tenants within the Birchwood Lakes colony and shall be elected in the same manner prescribed above for active members.

c) Unless otherwise provided by the Board, members of the family of active or associate members living under the same roof shall be entitled to the same privileges with respect to the use of The Club property as active members.

Section 2: Each property owner who is an active member in good standing shall be entitled to one vote. Where a property is owned in joint or several names, the joint owners are still limited to one vote. Associate members shall have no voting privileges nor are they permitted to hold office in The Club.

Section 3: Membership in The Club shall automatically cease when a member ceases to be a property owner or bona-fide tenant or a member in good standing.

ARTICLE IV

Section 1: Membership in The Club is a personal privilege and is not transferable.

ARTICLE V

Section 1: The Board of Directors (trustees of this corporation) shall consist of six (6) elected directors, two (2) directors being elected at each Annual Meeting for a term of three years. In addition, all elected officers and the immediate past president shall be members of the Board, for a total of 15 members.

Section 2: The Board of Directors shall have full power to transact any business of The Club which might be transacted by the active membership, except as limited in Articles VII and X. They shall have full control of The Club's property and shall have full power and authority to make all rules and regulations governing such property, and its uses, and without limiting the above provisions, shall have all the powers and authorities commonly vested in a corporate Board of Directors. The Board of Directors shall not have the power to encumber, mortgage, or dispose of any real property unless the proposed action shall have been passed by a two-thirds majority of the members present at a General or Special meeting which meets quorum requirements. Notwithstanding the foregoing, the Board of Directors shall have the authority to make conveyances of real property to upland owners of property within the mapped bed of Birchwood Lakes in order to adjust boundary lines and avoid title defects caused by encroachments. Such Conveyances, if any, may be made after an upland owner presents facts and circumstances to the Board, and after due consideration by the Board of the benefits to The Club of achieving a resolution of the matter.

Section 3: The Board of Directors shall have full power and authority to decide any questions as to membership and shall have power to discipline any member for any infraction of the By-Laws or rules and regulations made in pursuance thereof or for the non-payment of dues and shall have power to suspend or expel any member upon conviction of any such infraction or non-payment, or to impose any less severe penalty; provided that if the offense complained of is non-payment of dues, the Board of Directors shall act only upon the filing of a report in writing by the Financial Secretary concerning such delinquency and if such disciplinary action is contemplated by reason or any other infraction of the By-Laws or rules and regulations made in pursuance thereof, the charges shall first be investigated by the Membership Committee, who shall report upon the same to the Board of Directors and the accused member shall be furnished with a copy of the charges in writing at least five days prior to a hearing before the Board of Directors, of which he shall

receive at least five days written notice and at which he shall be entitled to be heard. The decision of the Board of Directors in any such case shall be final and not subject to review.

Section 4: Should any vacancy occur among the officers or Board of Directors that vacancy may be filled by appointment for the unexpired term, which appointment shall be recommended by the President and approved by a majority of the Board.

ARTICLE VI

Section 1: The officers of The Club shall consist of a President, four Vice-Presidents, one in charge of Finance, One Property, one Lakes and one Recreation, a Financial Secretary, a Recording Secretary, and a Treasurer, all of whom shall take office upon their election and shall serve for a term of one year and until their successors shall have been elected and qualified.

Section 2: Duties of the Officers:

a) The President shall exercise the duties usually devolving upon that office. With the approval of the Board he/she shall have the power to appoint such committees that are desired including the membership thereof and shall be an ex officio member of all such committees. The President, when absence is necessary, shall designate the Vice President of Finance to preside and if the President fails to do so, the directors shall make the designation.

b) The Vice President - Finance

1. Shall prepare the annual budget after consulting with the Board, other officers and committee chairmen.

2. Shall recommend the appointment of an auditor or auditing committee to audit the books of the Treasurer at the end of the fiscal year, which date is fixed as of December 31. The audit shall be completed within six weeks of that date.

3. Shall be responsible for the financial health of the Club and keep the Board apprised of the finances on a regular and timely basis and have oversight responsibilities for the offices of the Financial Secretary and Treasurer.

4. Shall create and maintain an inventory of the property of the Club and also be responsible for the insurance coverage purchased by the Board.

c) The Vice President - Property

1. Shall keep and maintain the property of The Club in good repair.

2. Shall establish a committee to assist in this endeavor.

3. Shall oversee the use and/or rental of The Club property and the collection of any

income due from this source.

4. Shall be responsible for the security of The Club property and shall supervise those who have access thereto.

5. Shall prepare and submit the annual budget for the above purposes.

d) The Vice President - Lakes

1. Shall be responsible for the maintenance and quality of the Lakes and associated Lakefront property, i.e.; dams, locks, bulkheads, etc.

2. Shall establish a committee to assist in this endeavor.

3. Shall be responsible for the testing of the water, control of the weed growth in the lakes, regulation of lake usage by the members from a safety and health standpoint.

4. Shall be responsible for lake lowerings where deemed necessary and dredging activities.

5. Shall be acquainted with state regulations regarding the use and maintenance of the lakes and seek out professional guidance where considered necessary.

6. Shall prepare and submit an annual budget for the above purpose.

7. Shall be responsible for potable water testing of the clubhouse well annually.

e) The Vice President - Recreation

1. Shall be responsible for recreational programs to further the welfare and interest of the members of The Club.

2. Shall appoint such committees as are necessary to carry out these programs.

3. Shall be responsible for the summer beach program and attendant duties including the securing of lifeguard services.

4. Shall prepare and submit the annual budget for the above purposes.

f) The Recording Secretary

1. Shall keep the minutes and the corporate seal.

2. Shall act as clerk for the board at all directors meetings.

3. Shall be responsible for sending appropriate meeting notices for the Annual or other special meetings.

g) The Financial Secretary

1. Shall keep a list of all Club members.
2. Shall be responsible to bill and collect the dues of The Club. Such receipts should be turned over to the Treasurer' no later than the last day of each month. Bills should be sent out as directed by the Board and he/she shall report to the Vice President - Finance and to the Board of the members who are in arrears. The Board shall have sole power to determine any exception to payment of their dues, to establish the billing and due dates and to direct the Financial Secretary in the collection thereof.
3. Shall prepare and submit the annual budget for the above purposes.

h) The Treasurer

1. Shall have the custody of all funds, and shall be responsible for the funds as outlined in Section 5.
2. Shall provide regular reports to the Vice President - Finance and to the Board of Directors of the financial condition of The Club.
3. Shall prepare and submit the annual budget for the above purposes.

Section 3: No officer or director shall draw any salary or any other form of compensation.

Section 4: Membership Committee - The President shall appoint a membership committee and Chairperson. Responsibility of this Committee shall include:

1. Inviting new residents to become members of The Club.
2. To encourage the continued membership of all other residents and other membership activities as directed by the President or the Board.
3. Duties outlined in Article V Section 3.

Section 5:

FIRST - Bonding

It is required that the following positions be bonded: President, Vice President - Finance, Financial Secretary, and Treasurer. The bond shall be sufficient to cover the maximum amount of funds on hand at anyone time.

SECOND - Depository of Funds

- a) All funds of The Club shall be deposited in a financial institution that has FDIC or equivalent US Government depository insurance.
- b) The Treasurer shall be responsible for all funds of The Club and its financial records.
- c) A regular checking account shall be maintained and only the Treasurer, President and Vice President - Finance shall be authorized to sign such checks of The Club.
- d) Funds not needed for immediate payment of bills shall be deposited in an interest bearing or savings account subject to Section 5 (a) conditions. Such accounts shall require two signatures for checks or withdrawals. Those signatures shall be the President and/or Treasurer and/or Vice President - Finance.
- e) Transfer of funds from savings accounts shall require the recommendation of the President and/or the Vice President - Finance and approval of the Board.

THIRD - Receipt of Income

- a) All deposits shall be identified as to source of revenues.
- b) All monies received must be deposited in The Club's checking account.
- c) All deposits to bank accounts shall be made by the Treasurer, President or Vice President - Finance, and/or Financial Secretary.

FOURTH - Expenditures

- a) No checks shall be written to the order of cash.
- b) Treasurer shall not originate vouchers nor recognize any vouchers not approved by the Vice President of Finance or the President.
- c) All operating bills of the Club shall be received by the Vice President - Finance and vouchers, promptly issued to the Treasurer.
- d) All other expenditures shall be submitted to the Vice President of Finance or the President with vouchers signed by originating person.
- e) Vouchers not supported by bills or statements shall be originated by Recording Secretary after approval by the Board of Directors and so marked.

FIFTH - Reports to the Board

- a) A Treasurer's Report shall be submitted at all regular Board of Directors meetings by the Vice President of Finance or the Treasurer. It shall be a comprehensive report of all financial activity for the period since the last report.
- b) Financial reports of all functions of The Club shall be submitted in writing at the next monthly meeting and inserted into the minutes.
- c) A periodic report by the Vice President - Finance assessing the current financial status of The Club. Such reports should include budgetary comparisons and anticipated receipts and expenditures for the balance of the year. The outgoing Recording Secretary shall notify the appropriate financial institutions of the appointment of the incoming President, Vice President of Finance and Treasurer via a resolution of the Board of Directors accompanied by the appropriate signature cards.

ARTICLE VII

Section 1: The annual dues and initiation fees will be reviewed and recommendation made by the Board of directors at each Annual meeting. Notice of any changes in said dues or initiation fees shall be given to the active members at least two weeks prior to said Annual meeting and any changes recommended must be approved by the membership constituting a quorum at such meeting.

Section 2: Any interim change in said dues or initiation fees can only be made at a special meeting called in accordance with Article VIII, Section 2 of the By-Laws and such changes can be recommended by:

- a. The Board of Directors,
- b. Written request as provided in Article VIII, Section 2.

Section 3: Assessments may be levied, if ever required, but only with the consent of a majority of the active members present at the Annual Meeting or a special meeting which shall be called as hereinafter provided.

Section 4: Failure to pay dues or assessments within thirty days after bills have been mailed shall render the member liable to disciplinary action by the Board.

Section 5: Annual dues shall be due on January 1st. New members shall pay pro-rata dues from the date of application to December 31st.

Section 6: Effective January 1, 1999 all property owner dues will be increased to Three Hundred (\$300) Dollars annually with the \$100 increase going directly into a lake and dam maintenance and restoration fund. Social security recipients are entitled to a One Hundred (\$100) Dollar reduction in annual dues.

Section 7: Effective January 1, 2002, names of property owners and tenants who are not paid members of The Club as of December 31 shall be recorded each year by the Financial Secretary. Property owners or tenants who wish to become members in subsequent years shall be subject to an initiation fee equivalent to the present annual dues multiplied by the number of years recorded as a non-member.
New tenants are eligible for Associate Membership in their first year of occupancy with no penalty.

ARTICLE VIII

Section 1: The Annual Meeting of the Club shall be held on the third Friday in November.

Section 2: The Board of Directors may call a special meeting of the Club, at any time, when in its opinion The Club's interests may require such action, or, the President shall call a special meeting of The Club within thirty days after a written request for such meeting stating the purpose for which the meeting is to held, signed by at least twenty-five of the active members in good standing is received by him or her .

Section 3: Notice of the Annual Meeting and any special meeting shall be delivered by U S Mail to the last known post office address of each member at least two weeks in advance of the date fixed for the meeting, and in the case of a special meeting, the notice shall state the nature of the business to be considered at such special meeting.

Section 4: Regular monthly meetings of the Board of Directors will be held to conduct normal business of The Club. These meetings will be open and any member may attend. Adequate notice of meetings shall be publicized.

Section 5: In the conduct of all meetings, Robert's Rules of Order shall govern.

Section 6: At all annual or special meetings of the Club, twenty-five or more of the active members in good standing shall constitute a quorum. When less than a quorum is present, the meeting may be adjourned by those present until such time as may be desirable.

ARTICLE IX

Section 1: Nominating Committee -The nominating committee shall be appointed by the President sixty (60) days in advance of the Annual Meeting. Such committee shall report to the Board within thirty (30) days of the Annual Meeting with a slate of candidates for the eight officer positions and the directors to be elected each year, plus any director positions that may be vacant. Upon the approval of the Board these nominations shall be publicized to the membership at large in the Annual Meeting Notice.

Section 2: Election of officers and directors will take place in person at the Annual Meeting. Proxy votes will not be permitted. Nominations will be accepted from the floor at that time in addition to those nominated by the Board. Following the election, which will be by majority rule, the elected officers and directors will immediately take office.

ARTICLE X

Section 1: These by-laws can be amended, altered, or repealed by the active members in good standing at a properly called Annual or Special meeting by either of the following methods:

a) Proposed amendments shall be submitted in writing to and approved by the Board of Directors, or,

b) If such proposed amendment be disapproved by the Board of Directors, it may be placed before the members at the Annual Meeting provided that at least twenty-five of the active members in good standing shall file a written request therefore with the President at least 30 days before the said Annual meeting. Notice of the meeting in either of the foregoing methods shall state the amendment to be proposed.

ARTICLE XI

Section 1: Since the purpose of this Club is essentially charitable, its individual members shall have no individual right of property in the assets of this corporation, whether before or after dissolution. Should the corporation be dissolved in accordance with the laws of the State of New Jersey, its members may, by majority vote of those present at the meeting which authorizes such dissolution, authorize the transfer of The Club's assets to any other existing organization whose purpose is essentially similar to that of The Club, and if no such transfer shall be so authorized, then, upon the dissolution of The Club and the payment of all its outstanding obligations, the assets remaining in the hands of its Board of Directors shall pass to and become the property of the municipality in which The Club property is located at the time of its dissolution.