

BYLAWS OF
CRANDON LAKES COUNTRY CLUB, INC.

(Last revised on October 27, 2012)

ARTICLE I
MEMBERSHIP

Members in good standing are persons, corporations or other legal entities holding title to real property within the LAKES who are "currently paid up" as of May 31st of any year in stock purchase, stock purchase plan, dues, assessments, fees and other financial obligations imposed by the CLUB.

Commencing May 1, 1984, by order of the Bankruptcy Court, all annual and beach club dues payable become the property of the CLUB. Hence, all such funds presently due and payable are taken into account in determining "current paid up" status. (See Notice of Settlement of Class Action issued by the Clerk of the United States Bankruptcy Court, District of New Jersey, dated June 24, 1988. Also see Bankruptcy Court Order, dated October 13, 1988.)

Only members who own property on unimproved roads are automatic voting members of the Crandon Lakes Association of Property Owners, herein referred to as CLAPO.

By court decree, all property owners shall be members of the CLUB and are required to purchase stock issued by the CLUB, as follows:

- A. Lot owners must purchase two (2) shares of One Hundred (\$100.00) Dollars each for a total of Two Hundred (\$200.00) Dollars;
- B. Home owners must purchase five (5) shares of One Hundred (\$100.00) Dollars each for a total of Five Hundred (\$500.00) Dollars;
- C.
 - 1. Owners of lots contiguous to the lot constituting the basis for stock issuance may consider such lots as one (1) for stock purchase purposes;
 - 2. If the vacant lots adjoining a lot where a home is located are in the name of children of the home owner, then the lots will be considered for this purpose as if they were in the home owner's name. However, if a home is built on any of these lots now or in the future, the home owner who owns the new home will be required to buy stock at the then home owner rate. The inclusion mentioned above only refers to vacant lots.
 - 3. Property owners, who, at a later date, purchase lots that are contiguous to the lots of their original purchase, are not obligated to purchase the usual

required stock for their later purchase. However, if such later purchase is of lots not contiguous to their original purchase, property owners are obligated then to purchase the required stock for said later purchase. (As amended as an addition on November 21, 1992.)

- D. Lots separated from each other will be considered separate lots and require a Two Hundred (\$200.00) Dollars stock purchase for each;
- E. No more than five (5) shares of stock may be voted upon at any one time by a home owner and two (2) shares by a lot owner;
- F.
 - 1. Stock ownership obligations run with the land. Once issued, the CLUB has the further obligation to repurchase stock, at cost, when properties are sold. Sellers of improved or unimproved realty shall see to it that buyers assume ownership of required stock holdings;
 - 2. In instances where the Townships of Hampton and Stillwater appropriate properties for non-payment of taxes and the like, similarly, the CLUB has no obligation to repurchase the stock previously purchased by said property owners. (As amended as an addition on November 21, 1992.)
 - 3. There will be a non-refundable, non-stock capital assessment for new members or existing members purchasing non-contiguous property. The amount is \$500.00 effective May 1, 2007. (As amended June 21, 2008) The amount is to be reviewed periodically by the Treasurer, and any recommendation for change shall be brought to the Board.
 - 4. The Board shall have the authority to increase the assessment. However, a decision to decrease the assessment shall rest with the membership only. Any rate change will be effective at the beginning of the fiscal year (currently May 1).
- G. CLUB members converting from lot ownership to home ownership are obliged to purchase additional stock to conform to home ownership requirements.

CLUB membership shall entitle all persons reasonably regarded as "immediate family" residing within the owners' household to the use and enjoyment of CLUB property and facilities to the same extent as members in good standing. This rule similarly applies to tenants' families, providing the owner (landlord or lessor) holds membership in good standing.

Membership in good standing also embraces accountability and, where

applicable, liability for the conduct of household guests and/or tenants and their guests.

By court order, annual beach club dues are initially set at One Hundred (\$100.00) Dollars per home and Sixty (\$60.00) Dollars per lot primarily for the purpose of maintaining lakes, beaches and recreational areas.

Thereafter, dues may be changed from time to time as determined by the CLUB to reflect the reasonable costs for operating, maintaining and improving the lakes, beaches and recreational areas with a view to enhancing the privileges of membership to property owners. Increases in dues require approval of the BOARD and a concurring affirmative vote of a majority of the members in good standing at any special or regular CLUB meeting. Increases so voted shall be effective on May 1st of any given year.

All dues, assessments and other fees or charges shall be due and payable on May 1st of any year. Failure to pay within thirty (30) days shall subject the property owner to collection procedures and all costs involved. Unpaid dues, assessments, fees or charges shall constitute liens against the property in question which will prevent a clear title when the property is sold or foreclosed on. (As amended on October 27, 2012)

CLUB members shall furnish to the Secretary an address to which all notices and documents prescribed by the Bylaws may be sent and the same shall be held to have been duly sent to or served upon a member when mailed to or otherwise delivered to that address.

ARTICLE II BOARD OF DIRECTORS

Management of the CLUB's affairs is entrusted to the Officers as directed by the BOARD.

It shall be the BOARD's duty to oversee the performance and responsibilities of the Officers and Committees, more particularly outlined in Article III and Article IV herein and in accordance with the purposes of the CLUB, as set forth in its Articles of Incorporation, Constitution, Bylaws and Rules and Regulations, all within budgetary limitations.

- A. The Board shall consist of the thirteen (13) nominees receiving the highest

number of votes. They may also serve as Trustees of CLAPO, but may not serve as officers of both CLCC and CLAPO simultaneously. (As amended June 21, 2008)

- B. Four (4) of these nominees may be elected by the BOARD as Officers. They shall be the President, Vice-President, Treasurer and Secretary.

In the event a Director will not or cannot serve, for whatever reason the positions of Treasurer and Secretary, the BOARD shall elect these Officer positions from any member who is a stockholder and member in good standing, by vote of a plurality of the members of the BOARD for a term of one (1) year. These persons can be re-elected as Officers provided each term of office is no longer than one (1) year and shall have voice but no vote at all Directors meetings. (As amended as an addition on July 10, 1993, and further amended on June 21, 2008)

BOARD members must be stockholders and members in good standing.

Board members shall be elected for one (1) term of three (3) years. At the annual meeting the membership shall elect necessary directors for a regular term (Approximately 4-5). Vacancies shall be filled by the President with the approval of the Board of Directors.

Initially, BOARD members have been elected for a term of one (1) year. Hereafter, terms of office for nominees shall be specified for either one (1), two (2) or three (3) years. With the completion of each of the initial one (1) and two (2) year terms, election thereafter shall be on a three (3) year term basis. The intendment is to ensure eventually election of approximately one-third (1/3) of BOARD membership each year thereafter.

A Nominating Committee, selected by the President, shall propose BOARD candidates for election. The slate of candidates is to be included in the notice of the membership meeting to be held. Nominations are **not** permitted from the floor of such meeting. (Amended 6/18/2011)

Voting for BOARD candidates shall be by secret ballot cast in person or by absentee ballot signed by members in good standing only and received at least two (2) days prior to the election. (As amended on June 21, 2008)

No more than one (1) family member of the same household can serve on the BOARD at the same time. In the event that more than one (1) family member of the same household runs for election and both are elected, one must decline the Directorship. In the event neither wishes to decline, the President's decision will be final. This will not affect the person declining from filling a subsequent BOARD vacancy, provided a family member of the same household is not serving on the BOARD at the time the vacancy occur.

The President is designated as the Chairman of the BOARD and shall preside at all BOARD meetings. When presiding, his status is non-voting, except in case of a tie.

A Quorum shall be established for the transaction of club business. The number constituting a quorum shall be (5).

The BOARD shall, subject to the provisions of the Constitution and Bylaws, have the duty and responsibility to govern the CLUB and to conduct and control all business affairs, enforce the Bylaws and Rules and Regulations, formulate general policy, implement procedure thereof, oversee collection and disbursement of all monies, provide financial planning, and, in general, adhere to all aspects of good and proper management.

Fixed obligations, such as mortgage payments, taxes, etc., have first priority in accordance with court order.

Deficit financing is prohibited. When a deficit is incurred without the approval of the stockholders, said deficit is to be provided for within two (2) fiscal years following the time the deficit was incurred. (As amended on October 19, 1991.)

Budgetary limitations are to be strictly adhered to. However, expenditures not exceeding Five Hundred (\$500.00) Dollars and considered of an emergency nature, may be authorized by the President without regard to budget limitations, provided CLUB funds are available for that particular emergency. Such expenditures are to be reported at the next official meeting of the BOARD following the date of the action.

Pending adoption of the annual budget, the BOARD is authorized to expend necessary funds based on the prior year's budget on a month to month basis. That is, without a shareholder approved budget, expenditures for the current fiscal year's month cannot exceed expenditures budgeted in the prior fiscal year's month OR the current year's fiscal month actual revenue collected, whichever is LOWER.

In keeping with the foregoing, the BOARD shall issue and enforce Rules and Regulations consistent with its powers of management of CLUB properties. These Rules and Regulations shall be an attachment to the Bylaws.

Each Director is expected to serve on one or more CLUB Committees during their term of office.

BOARD members absent from three (3) regular consecutive BOARD meetings without good cause shall be automatically terminated. (As amended on November 21, 1992.)

Officer or other BOARD vacancies which occur for any reason shall be filled for unexpired terms. Notice of vacancies will be sent out to the stockholders by the President via emails and message board asking for interested individuals to submit a brief resume to fill the vacancy. The Board of Directors will review each candidate's resume. A majority vote of the BOARD members will decide who is awarded the vacant spot. Any vacancies taking place after the April BOARD meeting will not be filled until election time at the June Shareholders Meeting. (Amended 6/18/2011)

Minutes of BOARD meetings shall be made available to members in good standing upon request. (As amended June 21, 2008).

ARTICLE III
OFFICERS

The Officers of the CLUB shall be:

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| A. President | C. Executive Secretary |
| B. Vice-President | D. Treasurer |

Officers shall be elected by vote of a plurality of the members of the BOARD for a term of two (2) years. The President and Vice-President may not succeed themselves in office for more than two (2) successive terms, i.e., may not hold the same office for more than four (4) years. All Officers are to serve without compensation except in special instances approved by the BOARD. Each is to be bonded in an amount to be determined by the BOARD. Vacancies may be filled by the BOARD on the recommendation of the President.

- A. The President shall:
1. Preside at all regular and special meetings of the CLUB and BOARD;
 2. Subject to BOARD approval, carry out all requisite management duties and also appoint standing and special committees. The President shall be an ex-officio member of all committees;
 3. Be one of four (4) authorized signators. The other signators shall be the Vice-President, the Executive Secretary and the Treasurer. On transactions of One Thousand (\$1000.00) Dollars or more, two (2) signators shall be required, otherwise one (1) signator is sufficient. All funds not needed for current operation shall be invested in liquid instruments with approval of the Finance Committee. (Amended 6/18/2011)
 4. Except as required by the conduct of usual business affairs, not enter into contractual obligations or otherwise incur debt without prior approval of the BOARD, or, where the BOARD considers appropriate, the general membership;
 5. Together with the Secretary, is authorized to sign all formal papers and documents executed in the name of the CLUB that are non-debt-incurring or otherwise financial in nature;

6. Hire counsel or outside auditor to serve at the pleasure of the BOARD at compensation approved by the BOARD;
 7. Appoint assistants to the Officers or BOARD as required.
- B. The Vice-President shall:
1. Generally assist the President in the conduct of all CLUB activities and shall function as President in the President's absence or disqualification;
 2. Where required, be one of four (4) authorized signators. (As amended on October 19, 1991.)
- C. The Executive Secretary shall:
1. Have custody and control of all CLUB records pertaining to incoming and outgoing correspondence;
 2. Generally function as administrative assistant to the President;
 3. Maintain membership lists and keep updated files on individual CLUB standing as advised by the Treasurer;
 4. Notify the CLUB membership, in writing or in person, of all regular or special CLUB meetings, such notification to set forth in sufficient detail the anticipated agenda; (As amended on October 19, 1991.)
 5. Where required, be one of four (4) authorized signators. (As amended on October 19, 1991.)
 6. A Recording Secretary shall report to the Executive Secretary, attend all general and special meetings of the CLUB and the BOARD and keep minutes thereof. Where feasible, attend and keep minutes of committee and sub-committee meetings.
- D. The Treasurer shall in addition to observing internal control procedures adopted by the BOARD, responsibly in business like fashion:
1. a. Transact the CLUB's financial business at the direction of the BOARD and/or the President;
 - b. Receive and disburse all CLUB monies in accordance with generally

accepted accounting procedures. All annual assessments, including Association dues collected, are to be paid to the CLUB acting on behalf of a Trustee appointed by the Bankruptcy Court, who shall first see to payment of mortgage obligations and the balance to the CLUB for its uses;

- c. See to it that accurate registers are maintained for receipts and disbursements in the CLUB's books of account, such accounts to be open to inspection by the BOARD or its designees at all times. In keeping such accounts, the Treasurer shall see that all monies derived from assessments or for other special purposes shall be accounted for separate and apart from general funds; (As amended on October 19, 1991.)
 - d. See to it that bills for dues, assessments or other fees to the membership are mailed on a timely basis; and accounts of individual members of monies collected and due the CLUB are maintained, which may include late charges from the date of delinquency, legal and any other costs that the CLUB may have incurred with respect to collection procedures.
2. Be one of four (4) authorized signators to any checks or withdrawals on CLUB accounts as required by the BOARD. The other signator will be either the President, Vice-President or Executive Secretary; (As amended on October 19, 1991.)
 3. Submit at all BOARD meetings detailed reports on all ongoing regular and special financial activities, as required by the BOARD.
 4. Maintain Petty Cash and bank accounts or financial investments as designated by the BOARD. The Petty Cash fund is set at Four Hundred (\$400.00) Dollars. Itemized reports of disbursements from Petty Cash, with supporting vouchers, must be submitted to the President or Vice-President for approval before replenishment from general funds; (As amended on October 19, 1991.)
 5. See that fixed obligations, as required by the court or otherwise, such as mortgages, taxes, other loans and maintenance of CLUB property, shall be paid before all other expenditures.
 6. The CLUB has a fireproof safe and keeps important documents, such as deeds and financial records, in the CLUB office.
 7. Incidental income from fees or fund-raising events shall be applied only to maintenance and operation of lawful CLUB activities.

8. All books of account are subject to annual audit to be presented to the membership.
9. Be bonded in an amount not less than the CLUB's anticipated annual gross income plus the value of the CLUB's investments other than real property, on January 1st of each year.

ARTICLE IV
COMMITTEES

There shall be the following Standing Committees and such other Special Committees as the President, with BOARD approval, deems necessary₁

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| A. Maintenance | F. Beautification |
| B. Beach | G. Finance |
| C. Recreation | H. Court |
| D. Security | I. Welcome |
| E. Bylaws | J. Lake Resource |

(As amended on October 19, 1991.)

Committee members shall be appointed by the President subject to the approval of the BOARD. In compliance with the meetings provisions of these Bylaws minutes shall be kept of all Committee meetings. Copies of such minutes shall be furnished to the President.

Committee chairpersons are responsible for notifying the President or their designee of the time, place and agenda of all Committee meetings.

The President or his designee shall review the security log on a monthly basis and report such review to the BOARD at the next ensuing meeting.

Committees shall submit reports of activities at BOARD and, where appropriate, general membership meetings. A budget, setting forth program needs for

administration of individual Committee affairs for each fiscal year, shall be presented at the annual April BOARD meeting. The Committee chairpersons are accountable for the funds approved for their use and shall report accordingly to the BOARD.

The Bylaws Committee shall interpret all Rules and Regulations governing the CLUB's affairs.

In the event of indecision by the Bylaws Committee, all questions of interpretation of the Bylaws or Rules and Regulations shall be resolved by majority vote of the BOARD.

Individual Committee duties shall be determined by the BOARD.

ARTICLE V
MEETINGS

The monthly Board of Directors meeting schedule will be established yearly at the first Board meeting following elections. The schedule will be emailed to the Stockholder's and posted at the office. The first half of the meeting will be open to the public. Once the board goes into executive session the meeting will be closed to the public. (As amended on October 27, 2012)

The Spring Stockholder's Meeting and elections for Crandon Lakes Country Club, Inc. will be held in the month_of June. The date will be determined by a vote of the Board of Directors at a monthly Board meeting. (As amended on October 27, 2012)

The Fall Stockholder's Meeting for Crandon Lakes Country Club, Inc. will be held in the month of October and shall include the presentation and approval by the eligible members present of the next fiscal year's budget. The Club's fiscal year commences May 1st and continues through the ensuing April 30th. The date will be determined by a vote of the Board of Directors at a monthly Board meeting. (As amended on October 27, 2012)

Written notice of date, time, place and, where feasible, proposed business of special interest, shall be mailed to members in good standing at date of mailing. Mailing should be at least ten (10) days before the meeting.

When authorized by the BOARD, a special meeting shall be called by the President.

Majority vote of members in good standing present at stockholders meetings and of those eligible by virtue of absentee ballot shall be deemed the act of the CLUB.

Eligible members present at meetings can continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Voting eligibility at any meeting shall be the same as for election purposes.

The order of business at BOARD, Committee and membership meetings shall generally adhere to the following format:

- A. Call to order
- B. Roll call
- C. Secretary's report of minutes of previous meeting
- D. Treasurer's report
- E. President's report
- F. Committee reports
- G. Unfinished business
- H. New business
- I. Election of Officers and/or BOARD members
- J. Adjournment

Robert's Rules of Order-Revised shall govern the conduct of all meetings where not inconsistent with the CLUB's Bylaws.

ARTICLE VI ELECTIONS

Notice of a forthcoming election (to be held annually at the June meeting) shall include a proposed slate of BOARD members. Such notice shall be sent to all members in good standing as of May 31st of the current year. The notice must be sent at least ten (10) days prior to the meeting, absentee ballot to be provided. (As amended June 21, 2008)

Absentee ballots must be received by the Secretary at least two (2) days prior to date of election. Ballots received thereafter shall be considered invalid.

Voting is by secret ballot. The highest numbers of votes cast for candidates determine election.

The President shall appoint tellers to tally ballots of all members voting. Upon closing of the polls, the tellers shall report the results to the presiding officer. No candidate for BOARD membership shall be appointed a teller.

No more than five (5) shares of stock for any home owner and any two (2) shares for any lot owner shall be voted. Owners of one or more homes and one or more non-contiguous lots may vote once for a home and once for a non-contiguous lot. Thus, the maximum number of votes for any member in good standing is seven (7). (As amended on June 21, 2008)

Candidates must be property owners and members in good standing.

Candidacy is open to any member in good standing. Anyone running for the board must have their name on the ballot to be eligible to run. No nominations will be taken from the floor to be fair to Members present as well as absentee ballots. (As amended October 27, 2012)

The Nominating Committee shall consist of members in good standing selected by the President to propose candidates for election. (Amended 6/18/2011)

Successful candidates assume their duties on the ensuing July 1st.

Voting eligibility shall be limited to members in good standing, i.e., all stock purchase requirements, dues, assessments and other fees are in current status, as confirmed by the Treasurer. Such eligibility requirements also apply to candidacy for any office.

ARTICLE VII INDEMNIFICATION

All members of the BOARD, and all Officers thereof, shall be indemnified to the fullest extent now or hereafter permitted by law in connection with any actual or threatened action or proceeding (including civil, criminal, administrative or investigative proceedings) arising out of their service to the CLUB or to another organization at the CLUB's request. Persons who are not Directors or Officers of the CLUB, but who are employees or agents thereof acting within the scope of their employment, shall be similarly indemnified in respect of such service. The provisions of this section shall be applicable to actions or proceedings commenced after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof, and also to persons who have ceased to be BOARD members, Officers or employees and shall insure to the benefit of their heirs, executors and administrators.

ARTICLE VIII GENERAL

No real property shall be sold, mortgaged or otherwise encumbered, except by affirmative concurring vote of two-thirds (2/3) of the BOARD. Personal property, valued at not more than Five Hundred (\$500.00) Dollars, may be disposed of by authority of the President and Treasurer. Disposition of the properties shall be reported to the BOARD.

Everyone using the LAKES and other CLUB facilities for any purpose does so at own risk in all respects, including but not limited to, going out on the LAKES when frozen.

Tenants are permitted access to all CLUB facilities provided the property owner has satisfied all financial obligations to the CLUB. The tenants and also property owners must adhere to the provisions of the Rules and Regulations of the CLUB.

Non-members encroaching on CLUB and/or individually owned properties without authority shall be subject to all restrictions imposed on the membership as well as civil or criminal penalties applicable to such trespass.

All Rules and Regulations prescribed by the BOARD are incorporated in these Bylaws, thereby having the same force and effect as any provision herein.

ARTICLE IX DEFINITIONS

(As amended as an addition on October 19, 1991, and again on June 21, 2008)

For the purpose of clarification of the usage of certain words and phrases within these Bylaws, the following are defined in greater detail.

Family--parents and their children, both natural and adopted; the children of the same parents; descendants of one common ancestor; spouses of said children, both natural and adopted.

Member--an individual in a society, group, etc., and, more particularly herein, a home owner or lot owner in the CRANDON LAKES COUNTRY CLUB, INC.

Family Member--incorporating the above definitions. However, if more than one family member owns separate parcels of land and are in separate households and thereby have separate voting powers, as indicated in Article VI, fifth paragraph supra, as "home owners" or "lot owners", such family members shall be considered in the

same manner as other home owners and lot owners with the same privileges and responsibilities. Family members within the same household within the same parcel of land are limited to the voting powers, as indicated in said Article VI, fifth paragraph supra, and the enjoyment of such privileges, as indicated in Article I, fourth paragraph supra, for "immediate family".

Absentee ballot--a writing sent in by mail to the CLUB as an absentee CLUB member in good standing, indicating his/her vote at elections and/or such approval or disapproval of proposed changes to the Constitution and/or Bylaws of the CLUB.

All reference to the "Court" herein denotes the United States Bankruptcy Court, District of New Jersey.