

By-Laws
of the
PACKANACK LAKE
COMMUNITY
ASSOCIATION



As Amended through October 2016

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ARTICLE I DESCRIPTION

Section 1

The Club shall be known as Packanack Lake Country Club and Community Association. The Club is a corporation of the State of New Jersey (incorporated in 1928).

Section 2

Qualifications for membership are as follows:

- a) Ownership or occupation of a dwelling ("qualifying property") within the boundaries of the Packanack Lake Section of Wayne Township, Passaic County, New Jersey, as described in Section 3;
- b) The qualifying property must have been either Class A membership property if qualifying for membership prior to 1984 or the subject of the payment of a one-time capital contribution or "lot-fee" to the corporation if qualifying for membership after 1983; and
- c) After April 1, 1999 an applicant will not be eligible for membership unless the owner of the qualifying property has at all times since January 1999 been a member in good standing claiming eligibility through the same qualifying property or unless the applicant pays the Club concurrent with the application a sum equal to the Class A dues of the Club and all assessments effective against the membership during the period or periods after January 1999 during which the owner or owners of the qualifying property were not members in good standing and for which dues and any other financial obligation due to the Club were not paid. Calculation of the amount due shall include penalties and interest as described in Article XI Section 5, and any applicable adjustment for Senior Citizen status as described in Article X Section 9. The total amount of unpaid membership dues that can accrue against a delinquent property shall not exceed the amount that would be charged at that point in time for a new lot initiation fee.
- d) A membership application signed by the member must have been completed, accepted and placed on file by the corporation as part of which the member shall have acknowledged receipt of a copy of these By-Laws as then amended, and have agreed to abide by them during his membership.
- e) (OMITTED)

Section 3

The Packanack Lake Section of Wayne Township, Passaic County, New Jersey shall be defined as those lands originally owned and defined by Packanack Lake, Inc., a corporation of the State of New Jersey, and certain other lands subsequently included by resolution of the general membership of the Packanack Lake Country Club and Community Association, all as shown on the official map of the Packanack Lake Section, displayed at the Club Office.

Section 4

Copies of these By-Laws shall be available to all members and a copy shall be given to each new member at the time his or her application for membership is submitted.

ARTICLE II PURPOSE

The purposes for which the Club exist are: to acquire, hold, own and provide for the care, maintenance, control and policing of Club owned roads, parks, dams, beaches, lakes, waters and streams connected there, docks, piers, pavilions, clubhouse(s), buildings and other structures, tennis courts, ball fields, golf courses and other grounds used for recreation and sports, boating, bathing and fishing in the Packanack Lake Section of Wayne Township as herein defined; to formulate rules and regulations for the use of the properties enumerated above; to perpetuate the standard and tone of the community; to promote sociability and good fellowship among the members; to protect health and morals; to further recreation, indoor and outdoor sports and entertainments; to guard against discord, annoyance, disorder, interloping disturbances and trespassing, and to furnish the membership of the Club with facilities for the enjoyment of the properties enumerated above and to provide and maintain adequate systems of administration for the accomplishment of the foregoing.

ARTICLE III MEMBERSHIP

Section 1

There shall be two principal categories of membership: Class A Members and Associate Members (falling into Classes B through F). Members are only those who are not in default in payment of any dues, fees and assessments due the Club as described in Article X, Section 2. A list of all Members as of March 1 in each year will be posted each March and distributed to all sponsored organizations to allow them to initiate their membership billings.

ACTIVE MEMBERS:

Class A members are those persons who own or who are under contract to purchase, in their own names, qualifying property as defined in Article I and who have satisfied the other qualifications for membership. Only one of two or more joint owners is eligible for Class A membership.

Class B members Senior Citizen Deduction

Class C members shall consist of those who rent property in the Packanack Lake Section and whose application for Class C membership shall have been approved by the Membership Committee of the Club. All renters of property shall be required to join the Club for the period of rental.

Class D Non Resident Member

Class E Members shall consist of all persons, 18 years of age or over as of January 1, who reside within the immediate household of resident Class A, B or C members in good standing, including joint owners of property with Class A members in good standing.

Class F Members shall consist of all persons, who as of January 1 have reached their fifth birthday and reside in the immediate household of Class A, B or C members in good standing.

Class H Honorary Member

Class L Non Member who has not paid the lot fee

Class N Non Member

Class P Permanent Hardship Member

Class S Suspended Member

Class T Temporary Hardship Member

Class Y Family member age 0-5 living in household

All persons, who as of January 1 have reached their fifth birthday, who reside for a period of more than three weeks within the immediate households of Class A or Class C members in good standing must apply for membership as guest privileges are limited to a period of three weeks in any calendar year.

All persons residing in the households of Class A, B or C members must become members of the Club, and the Class A, B or C member shall be responsible for the payment of all membership fees and expenses of all such persons residing in their households.

Section 2

GUEST PRIVILEGES:

Class A, B, C and E members are entitled to obtain guest privileges for non-residents, provided the member is in good standing and the prescribed guest fees, where applicable are paid. Suspended members and non-member residents of the Packanack Lake Section as herein defined are not allowed to use the Club facilities. Guests are not permitted to use the facilities or engage in the activities of the Club except when accompanied by a member in good standing.

Section 3

APPLICATION FOR MEMBERSHIP:

Persons desiring to become a member of the Club shall personally sign such completely filled out forms of application for membership as shall be required by the Club and furnish such information and references as may be required and no person shall be admitted to membership without having signed such completed application and submitting such references and paid the stipulated fees, dues and assessments (including any non-current amounts as described in Article I Section 3), and personally signed the membership contract.

Former members of the Club re-applying for membership are required to fill and sign a new application for membership in the same manner as other prospective members as described herein above and pay any dues, fees and assessments, (including any non-current amounts as described in Article I Section 2).

Section 4

Except upon special dispensation by the Board of Directors, membership in the Club may be retained only during the time the member is an owner or tenant of property in the Packanack Lake Section and upon termination of ownership or tenancy membership shall cease.

Section 5

Membership in the club is not transferable. A request for change in class of membership by a member may be made through a new application for membership in accordance with the procedure specified in Section 3 of this Article.

**ARTICLE IV
SUSPENSION OR TERMINATION OF MEMBERSHIP**

Section 1

If any member shall be charged in writing, addressed to the Board of Governors, with the conduct injurious or detrimental to the morals, health, order, peace, interest or welfare of the Club or at variance with its rules or regulations, the Board of Governors shall inform said member thereof in writing, furnishing him with a copy of such charge and giving him at least five days' notice to appear before the Board of Governors to answer thereto. If upon inquiry and hearing, the Board of Governors shall be satisfied with truth of the charge, they may recommend to the Board of Directors censure, suspension or termination of the individual's membership.

Section 2

Only such charges as are presented in writing and signed by a member in good standing shall be given any consideration.

Section 3

Membership and its privileges are automatically suspended for non-payment of dues, fees or assessments due the Club in connection with the membership, as provided in Article XI, Section 2. Membership of a suspended member shall be automatically terminated on the anniversary of suspension of membership if the suspended member has not become reinstated within such period by payment of all accounts as provided in Article IV, Section 7.

In addition, the Board of Directors after a hearing may censure, suspend, or terminate membership of a member who may violate any of the rules of the Club or shall be guilty of misconduct, which judgement of the Board as to what constitutes misconduct shall be final. False statements on the membership applications shall be just cause for suspension or termination of membership.

Section 4

Immediately upon termination of membership in the Club for any reason, all rights and privileges appertaining to such membership shall cease.

Section 5

Should any Class C member have his or her membership in the Club terminated, the owners of the properties they occupy shall be notified in writing and their membership be subject to revocation until their tenants vacate.

Section 6

The obligation of a member to pay dues will continue during any period of suspension.

Section 7

A member suspended for non-payment of dues, fees or assessments as described in Article XI, Section 2, shall be automatically reinstated to membership and full privileges when all the member's accounts are brought current by payment.

The Board of Directors may, at its discretion, reinstate any member whose privileges have been suspended or terminated, other than for non-payment provided that all unpaid dues, fees and assessments of such member must be first paid in full.

Section 8

A member who has resigned or whose membership has been terminated may reapply for membership. Action on the application shall proceed as described in Article III, Section 3.

Section 9

An individual whose privilege of using the Club's facilities has been suspended or terminated pursuant to this Article IV and who persists in such unauthorized use contrary to the provisions of Article III, Section 2 may, after appropriate warning, be the subject of a trespassing complaint in the Wayne Municipal Court.

Section 10

Class A and B members in good standing desiring to discontinue their membership in the Club, shall submit to the Club their written request for termination of membership at least thirty (30) days prior to their requested date of termination. Such termination shall not become effective unless and until all past and current dues, fees and assessments, and other obligations for which the member is responsible, have been paid in full. No such request for termination of membership shall be effective unless it includes the termination of membership of all persons residing in the household of the member making such request. As of the effective date of such termination, all rights and privileges appertaining to such memberships shall cease, and said former members shall not thereafter be guests of members of the Club at any Club functions, or otherwise use or enjoy any of the Club premises and facilities.

ARTICLE V
MEMBERSHIP MEETINGS

Section 1

There shall be two regularly scheduled yearly meetings of the Class A and B membership of the Club. One shall be known as the Annual Meeting and shall be held in September or October of each year. The other shall be known as the Semi-Annual Meeting and shall be held in March or April of each year. There shall be such other special meetings as the Board of Directors or the Board of Governors or the Class A or B members, as herein provided, shall call.

Section 2

At the discretion of the Board of Governors or the Board of Directors, the right to attend any meeting of the Club may be limited to Class A and B members in good standing except as provided in Section 4 of this article. Non-members shall not be permitted to attend any meeting of the Club unless specifically invited by either Board.

Section 3

No person not a Class A or B member in good standing shall be allowed to vote at any meeting of the Class A membership of the Club except as provided in Section 4 of this Article.

Section 4

The Class A or B member may delegate to the wife, husband or co-owner the right to attend meetings and to vote providing the delegate presents the Class A membership card. No other voting or attendance by proxy shall be allowed.

Section 5

A special meeting of the Club may be called by the Board of Directors or the Board of Governors or on written request addressed to the Board of Governors and signed by ten percent of the Class A or B members in good standing.

Section 6

Written notification stating the purpose of all meetings, not declared emergency meetings by the Board of Directors, must be mailed to all Class A and B members at least ten days prior to the meeting.

Section 7

Printed ballots shall be distributed at the meetings at which questions requiring written ballots are to be decided. Ballots must be cast at the meeting.

Section 8

A quorum shall consist of not less than 75 Class A and B members. No business may be transacted unless a quorum is present.

ARTICLE VI BOARD OF DIRECTORS

Section 1

The Board of Directors shall consist of five qualified Class A, B or E co-owner members. To be eligible for election to the Board of Directors, the candidate must be a Class A or B member or Class E co-owner member in good standing as defined in Article III, Section 1 for the past six years and have served at least three full years on the Board of Governors, provided only one member from any household shall hold office at a given time. No member of the Board of Directors shall serve more than two consecutive terms.

Section 2

The Board of Directors shall consist of four regularly elected qualified members and the President of the Club as the fifth member.

Section 3

The term of office of the elected Board of Directors shall be for three years commencing on the first of the month following the Semi-Annual meeting. One such member shall be elected by ballot at each Semi-Annual Meeting of the membership. Except that, starting in the year 2000 and each third year thereafter, two such members shall be elected by ballot at each Semi-Annual Meeting of the Membership. The term of office of the President of the Club as director shall be coincident with his term as President.

Section 4

In the event of the death, resignation or disqualification of a member of the Board of Directors, the remaining members of that Board shall appoint a qualified Class A or B member of the Club to fill the unexpired term. The member so appointed shall hold office until the completion of the term, at which point a regularly elected candidate shall fill the position consistent with these By-Laws.

Section 5

The Board of Directors shall hold four meetings a year. In addition, they shall hold a special meeting within two weeks when required by the President or the Board of Governors, or by a written request signed by ten percent of the Class A or B members. Three members of the Board of Directors shall constitute a quorum and no business shall be conducted unless a quorum is present.

Section 6

The Board of Directors shall elect a Chairman and Vice Chairman for a term of one year at a meeting to be held within thirty days following the Semi-Annual Meeting of the Club. The President of the Club shall not be eligible for either office.

**ARTICLE VII
BOARD OF GOVERNORS**

Section 1

The business of the Club shall be conducted by a Board of Governors consisting of nine qualified members elected as herein provided. To be eligible for election to the Board of Governors, the candidate must have been a Class A or B member or a Class E co-owner member in good standing, as defined in Article III, Sections 1 and 2, for the past thirty-six months, providing only one such member from any household shall hold office at a given time.

Section 2

The term of office of the members of the Board of Governors shall be for three years commencing on the first of the month following the Annual Meeting. No member of the Board of Governors shall serve more than two full elected consecutive 3 year terms, but in no case more than 8 consecutive years. Three members of the Board of Governors shall be elected by written ballot each year at the Annual Meeting.

Section 3

In the event of the death, resignation or disqualification of a member of the Board of Governors, the Board of Governors shall select and submit to the Board of Directors for approval the name of a qualified Class A or B member of the Club to fill the unexpired term. The member so appointed shall hold office until the completion of the term, at which point a regularly elected candidate shall fill the position consistent with these By-Laws.

Section 4

The Board of Governors shall hold a regular meeting once a month and such other special meetings as may be called by the President or by a majority of the Board members. Five members shall constitute a quorum and no business shall be conducted unless a quorum is present.

Section 5

The Board of Governors, by a two-thirds majority vote, shall recommend to the Board of Directors the removal of any member of the Board of Governors for cause.

Section 6 (OMITTED)

Section 7

The President may appoint a tenth Board of Governor for a period of up to one year. It is intended that this appointment be used to supplement the existing Board with certain required expertise or skills. Such appointment must be approved by a majority of the Board of Governors and the Board of Directors.

Section 8

The approval of certain motions shall require a super majority approval by both the Board of Governors and Board of Directors. A super majority approval shall be required for the following matters:

- All unbudgeted and non-emergency expenditures by the PLCA.
- The transfer of approved budgeted funds equal to or greater than \$1,000.00 between standing Committee line items. Committee shall be defined in accordance with Article IV, Section 1.C of the PLCA Rules and Procedures: House, Grounds, Water Quality, PLAA, Communications, Planning (hereinafter referred to as “Long Range Planning”), Membership and Beach.
- The approval of a deficit annual budget. The goal and intent of the PLCA Board of Governors shall be to operate under a balanced annual budget. Should a deficit budget be proposed for a given year, approval of the budget shall require a super majority vote of the Board of Governors. The deficit budget must then also be endorsed by a super majority vote of the Board of Directors.

Any motion that requires a super majority for approval shall first be brought for a vote by the Board of Governors. A super majority of the Board of Governors shall be defined as:

- A vote in favor of the motion by a minimum of six Governors participating at a regularly scheduled meeting.
- A vote in favor of the motion by a minimum of seven Governors during periods when an additional Governor has been appointed to the Board of Governors in accordance with Article XII, Section Seven of the PLCA By-Laws.

Upon approval of the motion by a super majority of the Board of Governors, the motion will be presented to the Board of Directors and shall require a super majority vote for final approval. The President of the Board of Governors shall vote either as a member of the Board of Governors or the Board of Directors. A super majority of the Board of Directors shall be defined as:

- A vote in favor of the motion by a minimum of four Directors.

ARTICLE VIII

Election of Board of Directors and Board of Governors

Section 1

The Nominating Committee shall consist of five members; three Class A, B or Class E co-owner members in good standing elected by the membership for a term of three years, one chosen from the Board of Governors, and one from the Board of Directors. The Nominating Committee shall select its chairman.

Section 2

Candidates for election to the Board of Directors shall be nominated (a) by the Nominating Committee, or (b) by petition by 30 Class A or B members and delivered to the Club Manager no later than one month prior to the date of the Semi-Annual Meeting. Nominees of the Nominating Committee shall be identified by publication in the Pack-A-News two months in advance of the Semi-Annual Meeting. No floor nominations shall be accepted.

Section 3

Candidates for election to the Board of Governors shall be nominated (a) by the Nominating Committee or (b) by petition signed by 30 Class A or B members and delivered to the Club Manager no later than one month prior to the date of the Annual Meeting. Nominees of the Nomination Committee shall be identified by publication in the Pack-A-News two months in advance of the Annual Meeting. No floor nominations shall be accepted.

Section 4

The Nominating Committee shall nominate for election: (a) At least the number of candidates necessary to fill the prospective vacancies on the Board of Directors and (b) At least the number of candidates necessary to fill the prospective vacancies on the Board of Governors. The Nominating Committee may include the names of candidates nominated by petition to fill these quotas if they choose to give their approval.

Section 5

The qualifications of all candidates proposed for election under the provisions of Section 2 or 3 shall be printed and distributed to all members and posted on the Clubhouse bulletin board at least one week prior to the meeting at which they will stand for election.

ARTICLE IX OFFICERS OF THE CLUB

Section 1

The officers of the Club shall consist of a President, Vice-President, Secretary and Treasurer.

Section 2

The officers of the Club shall be elected by the incoming Board of Governors at a meeting which is to be held between the Annual Meeting of the Club and the first day of the following month. To be eligible for election as an officer, the candidate must be a member of the Board of Governors. To be eligible for election as President, the candidate must have served as a member of the Board of Governors for at least twelve

months preceding taking office. The newly elected officers shall be subject to approval by the Board of Directors before taking office.

Section 3

The term of office of the officers of the Club shall be one year.

Section 4

The President shall preside at all meetings of the Club and the Board of Governors, and shall enforce all the rules and regulations of the Club. The President shall, with the Secretary, sign all written contracts and obligations of the Club.

The Treasurer shall keep all the financial records of the Club, prepare financial statements required by the Board of Directors or the Board of Governors and prepare the yearly budget of the Club.

The Secretary shall maintain the minutes of all meetings of the Club, and its committees, the Board of Governors and the Board of Directors. The Secretary shall prepare and send out all official reports, letters and other communications of the Club and perform such other duties as the Board of Governors may assign.

The Secretary shall prepare and maintain at all times in the Club office an up-to-date copy of these By-Laws and of the Rules of Procedure. The Secretary shall further provide an up-to-date copy of these By-Laws and of the Rules of Procedure for each newly elected member of the Board of Directors and Board of Governors.

Section 5

In the absence or incapacity of the President, the Vice President shall perform his duties. In the absence of the President and the Vice President, the Secretary shall perform the duties of President. In the absence of the Secretary, the President or the Vice President shall appoint a temporary substitute.

ARTICLE X DUES, FEES AND ASSESSMENTS

Section 1

In order that the objectives of this Club may be fulfilled and the expense of maintaining the same equitably distributed among the members, the amount which shall be paid by all members in each class shall be as set forth in the fees and dues schedule adopted and approved at a regular or special meeting of the General Membership.

Section 2

The initiation fee and the first year's dues and assessments shall be due at the time of making application for membership as provided for in the Rules of Procedure. Thereafter, all dues and assessments shall become due and payable January 1st in full.

If the said dues, fees and assessments above set forth are not paid on or before the first of March each year, the member shall be considered delinquent and all privileges shall be denied. Other special fees and assessments shall be paid as prescribed and, if not paid within 30 days of the specified date, the member shall be considered delinquent and all privileges shall be denied.

Section 3

In year of application, a new member shall only be responsible for partial dues based upon the date of receipt of his or her application, provided all payments due as a result of gaps in membership for the qualifying property under Article I Section 2C are first paid. The schedule for partial payments is:

Date Application Received	% of Dues Payable
Jan.-Feb.28	100
Mar.1-May31	80
June 1-August 31	75
Sept.1-Nov.1	25
Nov.2-Dec.31	10
	0 - if following year's dues are paid in full with the application

All fees and special assessments are required to be paid in full regardless of the date of application for membership.

Section 4

All members in good standing will be furnished membership cards identified with applicable membership class. These membership cards must be produced for examination at the request of any person authorized by the Board of Governors.

Section 5

Special dues, fees or assessments must be recommended by the Board of Directors and can be levied only by written ballot of the majority of the Class A or B members voting in a regular or special meeting. Yearly dues can be changed only by a written ballot of the majority of Class A or B members voting at a regular or special meeting. Notice of regular or special meetings at which proposed changes in dues, fees or assessments are to be voted upon, must be mailed to all Class A or B members not less than ten days prior to such a meeting.

Section 6

In addition to the payments of initiation fees, dues, fees and assessments herein provided, the member shall pay such government tax or taxes as may be imposed on, or by reason of, the said initiation fees, dues, fees or assessments.

Section 7

There will be no refund of dues, fees or assessments upon resignation or termination from the Club.

Section 8

Any Class A, B or C member, having a person in immediate household who is permanently incapacitated or otherwise unable to physically participate in a Club function, may apply in writing to the Board of Governors for waiving of dues of this person.

Section 9

Any Class A member, who has been a member in good standing for 25 or more years, and who has applied and qualified for the Senior Citizen Deduction of the Township of Wayne, or any other municipal government of the State of New Jersey, with reference to real estate taxes, shall thereafter be required to pay only one-half of the amount of dues, special fees and assessments levied upon his membership during the fiscal year.

Section 10

Any Class A or B member in good standing who moves to another “qualifying” property must submit an application for membership for the new qualifying property. The A member need not pay a second initiation fee, or additional membership dues for the year of the move (so as to avoid duplication). The Member is required to make the new house current in accordance with Article I Section 2.

ARTICLE XI NON-PAYMENT OF DUES, FEES AND ASSESSMENTS

Section 1

On the non-payment of the amounts herein specified, the Board of Governors shall take such steps as necessary for the collection thereof, and all the rights and privileges of the delinquent member, and of the members of the household shall be suspended and forfeited as long as the amounts herein provided to be paid remain unpaid. Class A and B members shall be responsible to the Club for dues and membership obligations of all persons residing in their household, and of the Class C, E and F members who are their tenants.

Section 2

The membership privileges of any Class C, E and F members are subject to withdrawal if the property owner becomes delinquent in dues as a Class A member. No refund in dues shall be made to a tenant so affected.

Section 3

All unpaid initiation fees, dues, fees or assessments shall constitute a debt owing by the delinquent member to the Club, and the Club shall have the right to sue at law for the recovery of said debt.

Section 4

The suspension of a delinquent member shall not release said Class A member from the obligation of paying all dues, fees and assessments, but said dues, fees and assessments shall continue as an obligation of the delinquent member during the period of suspension. The suspension of a delinquent member shall not deprive the Club of its right to sue at law for the unpaid dues, fees and assessments.

Section 5

Dues, fees and assessments remaining unpaid two months after they become due will be subject to a penalty of eight (8%) percent of the unpaid amount and, in addition shall continue to bear interest of eight (8%) percent per annum until paid. Collection of the penalty and interest shall be mandatory. In the case of dues which become due on January 1, the penalty shall be assessed on such dues on March 1 if unpaid and shall continue to be assessed at eight (8%) percent per annum until paid.

ARTICLE XII CLUB FUNDS

Section 1

All funds received by the Club shall be used for the purpose of the Packanack Lake Country Club and Community Association. No member of the Board of Directors or Board of Governors shall receive any remuneration.

Section 2

The Club funds shall be used for the objects and purposes of the Club in such manner as the Board of Governors, with the approval of the Board of Directors, may determine. The Officers of the Club shall be bonded and the expense of such bond borne by the Club.

Section 3

The Board of Governors shall prepare, submit to the Board of Directors, for approval, and publish: a yearly financial statement and a yearly budget showing (1) the expenditures for the immediate past calendar year (2) the current status of the Club funds and (3) the proposed expenditures for the forthcoming year.

All disbursements of the Club exceeding five hundred dollars shall be made by checks signed by the President and Treasurer or, in the case of absence of illness, by any two officers or by any officer and the Club Manager.

Club funds shall be deposited at the recommendation of the Treasurer and approved by both the Board of Governors and Directors as follows:

- a) In bank deposits which are guaranteed by the Federal Deposit Insurance Corporation.
- b) Saving and Loan Association whose deposits are insured by the Federal Savings and Loan Association Corporation, Washington, D.C.
- c) Club funds may be invested in obligations of the United States Government subject to the approval of the Finance Committee.

Section 4

The books of the Club shall be subject to a yearly audit. The auditors shall be selected by the Board of Directors.

**ARTICLE XIII
CLUB PROPERTY**

Section 1

The property of the Club shall be held in the name of The Packanack Lake Country Club and Community Association. Any conveyance of Club property shall be in the name of the Club President and attested by the Secretary or, in the absence of these officers, by those delegated to perform their duties as herein provided. No purchase or disposal of land or buildings owned by the Club may be made except on a two-thirds majority vote of the Board of Governors and endorsed by a two-thirds majority vote of the Board of Directors. No purchase or disposal of land owned by the Club may be made except with approval of two-thirds majority vote cast written ballots of the Class A members in good standing voting at a regular or special meeting.

**ARTICLE XIV
OPERATING PROCEDURE**

Section 1

The Board of Governors shall be responsible for the actual operation and maintenance of all Club properties, collection of dues, fees and assessments, issuance of membership cards, maintenance of an accurate record of the names and addresses of all classes of membership, supervisory control of all subsidiary organizations operating within and under the jurisdiction of the Club, custody of Club funds and records, supervision of Club employees, and the performance of any other functions of the Club as required by these By-Laws.

Section 2

Details of the operating procedure in connection with the performance of their duties as covered in Section 1, which are not specifically covered in these By-Laws shall be separately incorporated, by the Board of Governors under the title of Rules of Procedure which are, to all intent and purposes, to be considered as part of these By-Laws but, for the sake of flexibility, are not subject to the same regulations and restrictions concerning changes and amendments as these By-Laws of the Club. The Rules of Procedure are not to conflict with or take precedence over these By-Laws.

Section 3

The Rules of Procedure may be modified, amended or changed by a majority vote of the Class A or B members at a regular or special meeting or by a two-thirds majority vote of the Board of Governors and approved by the Board of Directors.

Section 4

An up-to-date copy of the Rules of Procedure will be maintained in the Club office for inspection by any Club member in good standing.

Section 5

The Board of Governors shall submit to the Board of Directors for approval (a) all matters involving a question of Club Policy (b) recommendations concerning censure, suspension or termination of membership for cause (c) all written contracts (d) the annual budgets (e) any use of Club funds in excess of twenty five hundred dollars not provided in the budget (f) purchase, sale or rental of Club property (g) names of the elected officers of the Club (h) names of replacements for any vacancy on the Board of Governors to fill out that part of an unexpired term until the next Annual Meeting (i) changes, supplements, amendments or deletions of any of these By-laws or of the Rules of Procedure (j) questions involving legal action in the name of the Club.

Section 6

The Board of Directors shall act within thirty days, after receipt of written notice, on all matters submitted to them by the Board of Governors and include with their reply any conditions attached to approval or reasons for disapproval. Failure of the Board of Directors to reply to the Board of Governors within thirty days shall constitute approval.

Section 7

A two-thirds majority vote by written ballot of all Class A or B members shall be required to override the disapproval of the Board of Directors.

**ARTICLE XV
COMMITTEES**

The President shall appoint such committees as are necessary to carry out the purpose for which the Club exists (Article II Purpose). One member of the Board of Governors will be appointed Chairman of each Committee. A member of the Board of Directors will be appointed to each committee.

**ARTICLE XVI
AMENDMENTS TO THE BY-LAWS**

The By-Laws shall be passed, supplemented, changed or amended by a two-thirds majority of votes cast by written ballot the Class A or B members in good standing voting at a regular or special meeting, provided such changes, supplements or amendments have been approved by the Board of Directors and provided, further, that a notice of the day and time of the meeting and a copy of the proposed change, supplement or amendment be mailed to each Class A or B member at least ten days prior to the meeting.

ARTICLE XVII INDEMNIFICATION OF AGENTS

It shall be the policy of the Club that no corporate agent, including Directors, Governors, Executive Employees and other employees and volunteers serving the various committees, clubs, sports teams and other functions of the Club, shall be personally liable to the Club or any of its members for breach of any duty owed by such agent to the Club or its members and that the Governors of the Club shall take all appropriate action to indemnify such corporate agents. This policy shall apply to the fullest extent permitted by the New Jersey Non Profit Corporation Act and shall be limited by the provisions of that statute and any amendments to it.