

Smoke Rise Club



2024

14-Day Notice

Agenda

Absentee Ballot

Candidate Profiles

2025 Proposed Budget

President's Annual Message

Treasurer's Report

Audit Committee Report

Governors' Reports

New Amended Bylaws

**NOTICE OF AMENDED BYLAWS
&
NOTICE OF 2024 ANNUAL ELECTION MEETING**

November 1, 2024

All Owners
The Smoke Rise Club, Inc.
Kinnelon, New Jersey 07405

Re: Amended Bylaws and Annual Meeting/Election

Dear Smoke Rise Owners,

The Board is pleased to report that the new Amended Bylaws of the Club passed. Only 16 owners voted to reject the enactment of the new Amended Bylaws, and therefore under the procedure employed pursuant to New Jersey law, the Bylaws have been recorded with the Morris County Clerk. Enclosed hereto are a copy of the Amended Bylaws as recorded with the Morris County Clerk.

Furthermore, The Smoke Rise Club Annual Meeting has been scheduled for November 20, 2024, at 7:30 p.m. in-person at the Village Inn of Smoke Rise, Kinnelon Borough, Morris County, New Jersey, or you may attend via Zoom Video Conference.

<https://us06web.zoom.us/j/82067106048?pwd=F0HsLgCEBCBf7cOAJgxwysS0lzqFKJ.1>

Meeting ID: 820 6710 6048
Passcode: 029290

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• +1 646 558 8656 US (New York)
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Find your local number: <https://us06web.zoom.us/u/kbACsJewON>

Pursuant to Article V of the new Amended Bylaws, there are three (3) open seats on the Board of Governors. The candidates are:

**Kristen DeLeo
Jim Kalka
Kate Dilatush McCormick
Jennifer Palermo
David Walsh**

Enclosed is the Agenda, Voting Instructions, Sample Ballot, Absentee Ballot, Candidate Profiles, Proposed 2025 Budget, Audit Committee Report, President's Annual Message, Treasurer's Report, Governors' Reports, and the New Amended Bylaws. If you would like to appoint someone to vote on your behalf, please request a proxy from Management via email: office@smokerise-nj.com.

Please read these instructions carefully. Electronic voting or absentee ballots should be used to vote for **three (3) candidates**.

Under the new Amended Bylaws, Article XIX provides that notice shall now be sufficient when sent by (a) electronic mail to the address provided by the Lot Owner; or (b) U.S. mail, regular post with postage prepaid, addressed to the Lot Owner at the address on the records of the Club at the time of such mailing. This year, a vast majority of Owners are being provided this notice by email and therefore you are encouraged to vote electronically as well. The Club's electronic voting service will send an email to all Owners so they may register and consent to vote electronically. Notice and voting by electronic means will save considerable costs to the Club.

Notwithstanding, if you are being provided this notice by electronic means and you would still like to vote by paper ballot, you may request a ballot and envelopes from the Management office. You may also vote in-person at the meeting on November 20th, 2024, as further described herein.

You are also being asked to vote upon the 2025 budget that requires a consolidated (operating and capital) assessment of \$4,483.00 for each residential property and \$2,241.50 for each vacant lot for the 12-month period, January 01, 2025 – December 31, 2025.

To be eligible to vote at the Annual Meeting, all owners must be in Good Standing by November 13, 2024.

Pursuant to N.J.A.C. 5:26-8.8(c), an Owner is deemed to be in "Good Standing" if they, "(1) are current in the payment of common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed; (2) are in compliance with a judgment for common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed; (3) are in full compliance with a settlement agreement with respect to the payments of assessments, legal fees, or other charges lawfully assessed; (4) have requested or are participating in Alternative Dispute Resolution (ADR) or in a court proceeding for a dispute over a matter that affects the owner's good standing."

Also note that under the New Jersey DCA regulations, the Club must permit the owners to view the opening and tallying of the ballots. Therefore, on **November 21, 2024, at 5:00 p.m.**, you will be provided the opportunity to watch the Club attorney open and tally ballots via Zoom:

Join Zoom Meeting

<https://beckerlawyers.zoom.us/j/86092782089>

Meeting ID: 860 9278 2089

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+1 669 444 9171 US

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+1 689 278 1000 US

+1 719 359 4580 US

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Meeting ID: 860 9278 2089

Find your local number: <https://beckerlawyers.zoom.us/u/k19naHuhw>

Sincerely,

The Smoke Rise Club, Inc.

BY: Gregg Fernstrom, Secretary



The Smoke Rise Club

9 Perimeter Road, Kinnelon, New Jersey 07405
973.838.7449 Fax: 973.838.2287

ANNUAL MEETING

NOVEMBER 20, 2024

7:30 PM Village Inn Ballroom and via Zoom

AGENDA

- I. POLLS OPEN FROM 7:30 P.M. – 9:00 P.M.
- II. ROLL CALL AND CERTIFICATION OF QUORUM: GREGG FERNSTROM
- III. PROOF OF NOTICE
- IV. APPROVAL OF NOVEMBER 13, 2023 ANNUAL MEETING MINUTES
- V. PRESIDENT'S REPORT: ROBERT SCHWARTZ
- VI. TREASURER'S REPORT: STEVE MEISINGER
- VII. GOVERNORS ANNUAL REPORTS FOR THE FULL BOARD AND MANAGER'S REPORT
- VIII. RESIDENT COMMENTS (MAY BE LIMITED TO 5 MINUTES PER PERSON AND WILL NOT EXCEED 30 MINUTES IN TOTAL)
- IX. OLD BUSINESS
- X. NEW BUSINESS
- XI. ADJOURNMENT

The Smoke Rise Club, Inc. - Annual Meeting - November 20, 2024
Voting Instructions for Owners receiving Notice Electronically

- 1) You may vote prior or after the annual meeting in one of two ways:
 - A. By transmitting the absentee ballot provided as a PDF and emailing it to David L. Dockery, Esq.: ddockery@beckerlawyers.com. This method is not anonymous, but only the Club attorney will have access how you voted and this will not be transmitted to any third party. The email address provided is the only means that may be used to electronically transmit the absentee ballot. Since the Club must confirm that no owner is voting twice and that each voter is in good standing, you must provide your name and address in the body of the email. You must then transmit the ballot (DO NOT SIGN THE BALLOT) and attach as a PDF to the email - an email simply stating your candidate choices will not be valid.
 - B. By electronic means via Vote HOA Now. Those owners who elect to vote electronically will be sent further instructions. If you need further instructions as to electronic voting, please contact the management office at 973-838-7449. Notwithstanding, if you would still like to vote by paper ballot, you may request a ballot and envelopes from the Management office. You may also vote in-person at the meeting on November 20th, 2024, as further described herein.

- 2) You may vote at the annual meeting virtually or in person:
 - A. If you are planning to vote virtually at the annual meeting, you may email the absentee ballot pursuant to the procedure set forth in item 1A above.
 - B. If you are planning to vote in person at the annual meeting, an in-person ballot will be provided.

You may cause your absentee ballot to be received by mail, ballot box, or email no later than 3:00 p.m. on November 21th, 2024. You may vote at the meeting on November 20th, 2024, from 7:30 p.m. – 9:00 p.m. by email or in person. You may also vote electronically no later than 6:00 p.m. on November 21st, 2024.

THE SMOKE RISE CLUB

STATEMENT OF CANDIDACY FOR THE BOARD OF GOVERNORS

I wish to state my candidacy for the Smoke Rise Club Board of Governors.

I declare that I am a Smoke Rise Club homeowner, that I am in compliance with all rules and guidelines of the Club, and I do not have any past due Club account balances.

1. Name: Kristen DeLeo
2. Address: 265 Long Meadow Rd
3. E-mail Address: kdeleorealtor@gmail.com
4. Number of years you have been a resident of Smoke Rise: 27
5. Should you become a member of the Board are you prepared to devote the time required to resolve issues? Yes No
6. Are you willing to sign the Smoke Rise Code of Conduct and abide by its principles? Yes No
7. Are you knowledgeable of, or have you read, the Governing Documents? (Declaration, Bylaws, Use Restrictions, and A&V Guidelines) Yes No
8. Board meetings are held on the 3rd Wednesday of each month at 7pm with occasional meetings throughout the year. Are you available to attend? Yes No
9. Candidate resume information:
 - a. Personal (family/hobbies):
Married 1997; 2 adult children
Photography; gardening; nature
Fordham University BA 1990; Graduate School of Education - 1990-93
 - b. Career/professional experience:
Realtor/Salesperson 2009-present
DeLeo Textiles - 1993-2009 - HR; Payroll; master of all trades
Fordham University Law School NYC- 1990-93 - Law School Library Circulation Manager
 - c. Community service & volunteering experience:
KVFC- Kinnelon Volunteer Fire Co - Associate Member 2023-present (fundraising)
KFresh Market (Kinnelon Farmers Market) - Founding member & head of social media 2020-present
KSHSA - President (2012-15)
Boy Scouts of America - leader & committee member Fishawack District - 2004-2013; + other stuff
 - d. Prior Board experience:
Smoke Rise Orientation committee member
Smoke Rise A&V committee member

e. Why are you seeking election to the Board of Governors?
I've lived here for 27 years and my kids are grown. I like to give back to my community & only in the past couple of years have had more time to participate in board meetings.

f. What is your long-term vision for Smoke Rise?
To keep the community as a sought after place to live which offers amenities and keeps security as a priority for our residents.

g. What are the MOST IMPORTANT goals the community should seek to reach in the next two to 5 years?
Improving upon the assets that we already have (tons of nature trails that need clean up).
The Village Inn - offering even more events that draw residents in
Continuing the level walking path near the field area
Tidying up common areas like the basketball court area/playground etc

h. Other information relative to your Candidacy?
As a local real estate agent I hear the feedback from buyers looking in our area & why they choose or pass on living here. I feel I have a valuable insight that is helpful when making decisions that can impact the value of the community as a whole.

I understand that this Statement of Candidacy will become a part of the records of the Smoke Rise Club and will be published in the Newsletter prior to the election.



Signature

9/25/2024

Date

This form must be emailed to laurac@smokerise-nj.com by September 30th to be eligible to run for a seat on the Smoke Rise Board of Governors.

THE SMOKE RISE CLUB

STATEMENT OF CANDIDACY FOR THE BOARD OF GOVERNORS

I wish to state my candidacy for the Smoke Rise Club Board of Governors.

I declare that I am a Smoke Rise Club homeowner, that I am in compliance with all rules and guidelines of the Club, and I do not have any past due Club account balances.

1. Name: Jim Kalka
2. Address: 14 Pepperidge Tree Terrace
3. E-mail Address: jkalka@optonline.net
4. Number of years you have been a resident of Smoke Rise: 30+
5. Should you become a member of the Board are you prepared to devote the time required to resolve issues? Yes No
6. Are you willing to sign the Smoke Rise Code of Conduct and abide by its principles? Yes No
7. Are you knowledgeable of, or have you read, the Governing Documents? (Declaration, Bylaws, Use Restrictions, and A&V Guidelines) Yes No
8. Board meetings are held on the 3rd Wednesday of each month at 7pm with occasional meetings throughout the year. Are you available to attend? Yes No
9. Candidate resume information:
 - a. Personal (family/hobbies):

Edna and I enjoy hiking in Smoke Rise and the preserved land that surrounds our community. Also, I am an avid skier and enjoy jogging in and around Smoke Rise.
 - b. Career/professional experience:

I am retired. My career experience was in technology, audit and risk management in various industries, such as manufacturing, banking, insurance and property management.
 - c. Community service & volunteering experience:

In Smoke Rise I am a member of the A&V, Technology, Infrastructure and the Bylaws committees.

I served on the board of the North Jersey Master running club and have been an active member in a professional auditors association, ISACA.
 - d. Prior Board experience:

In Smoke Rise, as a Board member I have had responsibility for Security, Technology and Special Projects, in addition to serving a term as the President.

e. Why are you seeking election to the Board of Governors?

We are at a transition point in the Management of Smoke Rise, as we are moving to an industry standard for HOA governance. We will be managing by using the Policy Governance method instead of hands on management. This allows the Property Management Company to manage operations effectively.

This new method is going to be challenging for all the Board members. I believe that my past experience on the Board will be valuable as we move to this preferred model.

f. What is your long-term vision for Smoke Rise?

My vision for Smoke Rise has always been to have a sense of community in a private, secure and natural environment, while allowing for multiple recreational opportunities for residents.

To accomplish this we must strive to provide the appropriate infrastructure and management of Smoke Rise.

g. What are the MOST IMPORTANT goals the community should seek to reach in the next two to 5 years?

Transition to the policy guidance model.

Over the past year we have been putting our management structure in place to facilitate moving forward to this methodology.

Also, provide a long term plan to balance our infrastructure needs, roads etc. to provide a predictable level of annual assessment.

h. Other information relative to your Candidacy?

My experience working on the Bylaws Committee will help in the transition to our new Policy Governance management of Smoke Rise.

I understand that this Statement of Candidacy will become a part of the records of the Smoke Rise Club and will be published in the Newsletter prior to the election.

Signature

Jim Kalke

September 30, 2024

Date

This form must be emailed to laurac@smokerise-nj.com by September 30th to be eligible to run for a seat on the Smoke Rise Board of Governors.

THE SMOKE RISE CLUB

STATEMENT OF CANDIDACY FOR THE BOARD OF GOVERNORS

I wish to state my candidacy for the Smoke Rise Club Board of Governors.

I declare that I am a Smoke Rise Club homeowner, that I am in compliance with all rules and guidelines of the Club, and I do not have any past due Club account balances.

1. Name: Kate Dilatush McCormick
2. Address: 3 Joanna Way Kinnelon NJ
3. E-mail Address: katemccormick79@msn.com
4. Number of years you have been a resident of Smoke Rise: 21 years
5. Should you become a member of the Board are you prepared to devote the time required to resolve issues? Yes No
6. Are you willing to sign the Smoke Rise Code of Conduct and abide by its principles? Yes No
7. Are you knowledgeable of, or have you read, the Governing Documents? (Declaration, Bylaws, Use Restrictions, and A&V Guidelines) Yes No
8. Board meetings are held on the 3rd Wednesday of each month at 7pm with occasional meetings throughout the year. Are you available to attend? Yes No
9. Candidate resume information:
 - a. Personal (family/hobbies):
 - Married, two teenage boys 18 & 16
 - Grew up in SR since 1975, my parents still live on Echo Valley Lane.
 - Sports, fishing, being outside
 - b. Career/professional experience:
 - Portfolio Manager Assistant 1998-2002 NYC
 - Financial Planner to 2005 (Fidelity Investments)
 - Health Care Industry medical sales 2005-present
 - c. Community service & volunteering experience:
 - Fundraising committee for SR Nursery School (4 years)
 - Smoke Rise Inn committee
 - Smoke Rise Recreation committee
 - Lifeguarded at SRB for 6 years from 15 yrs old to 21 yrs old. (including teaching swim lessons, Head Guard multiple years which included running the beach had no beach director a couple years.
 - Fundraising, organization of activities/events for Kinnelon High School football team (5 years)
 - d. Prior Board experience:
 - Smoke Rise Inn committee
 - Smoke Rise Recreation committee

e. Why are you seeking election to the Board of Governors?

I grew up in Smoke Rise since I was 10 months old. I have loved being a part of this special community as a child to now raising my own family here. Smoke Rise is an incredibly special place and is unique with all its history and natural beauty which I want to see continue with generations to come.

f. What is your long-term vision for Smoke Rise?

-There is no other place like Smoke Rise that offers as many clubs, childrens programs, sense of safety/security and social outlets.

-I want to maintain Smoke Rise in its historic, natural state.

g. What are the MOST IMPORTANT goals the community should seek to reach in the next two to 5 years?

-Maximize the community experience in our neighborhood and highlight Smoke Rise as a unique realestate destination in Northern NJ.

-Bring back swim lessons at the lake for the community like we had many years ago.

-Reduce costs and become more efficient.

h. Other information relative to your Candidacy?

My father Thomas Dilatush was president of Smoke Rise for 2 terms in the 1980's. They still live here and love the community. I grew up in a Smoke Rise integrity focused household. My brother lives here also raising his family. This is a result of growing up in such a unique, historic, special, wonderful place that we grew up loving.

I understand that this Statement of Candidacy will become a part of the records of the Smoke Rise Club and will be published in the Newsletter prior to the election.

Kate McCormick

Signature

9/30/2024

Date

This form must be emailed to laurac@smokerise-nj.com by September 30th to be eligible to run for a seat on the Smoke Rise Board of Governors.

THE SMOKE RISE CLUB

STATEMENT OF CANDIDACY FOR THE BOARD OF GOVERNORS

I wish to state my candidacy for the Smoke Rise Club Board of Governors.

I declare that I am a Smoke Rise Club homeowner, that I am in compliance with all rules and guidelines of the Club, and I do not have any past due Club account balances.

1. Name: _____

2. Address: _____

3. E-mail Address: _____

4. Number of years you have been a resident of Smoke Rise: _____

5. Should you become a member of the Board are you prepared to devote the time required to resolve issues? Yes No

6. Are you willing to sign the Smoke Rise Code of Conduct and abide by its principles? Yes No

7. Are you knowledgeable of, or have you read, the Governing Documents? (Declaration, Bylaws, Use Restrictions, and A&V Guidelines) Yes No

8. Board meetings are held on the 3rd Wednesday of each month at 7pm with occasional meetings throughout the year. Are you available to attend? Yes No

9. Candidate resume information:

a. Personal (family/hobbies):

b. Career/professional experience:

c. Community service & volunteering experience:

d. Prior Board experience:

e. Why are you seeking election to the Board of Governors?

f. What is your long-term vision for Smoke Rise?

g. What are the MOST IMPORTANT goals the community should seek to reach in the next two to 5 years?

h. Other information relative to your Candidacy?

I understand that this Statement of Candidacy will become a part of the records of the Smoke Rise Club and will be published in the Newsletter prior to the election.

Signature

Date

This form must be emailed to laurac@smokerise-nj.com by September 30th to be eligible to run for a seat on the Smoke Rise Board of Governors.

THE SMOKE RISE CLUB

STATEMENT OF CANDIDACY FOR THE BOARD OF GOVERNORS

I wish to state my candidacy for the Smoke Rise Club Board of Governors.
I declare that I am a Smoke Rise Club homeowner, that I am in compliance with all rules and guidelines of the Club, and I do not have any past due Club account balances.

- 1. Name: David Walsh
- 2. Address: 4 Gravel Hill Rd
- 3. E-mail Address: david@davidwalsh.net
- 4. Number of years you have been a resident of Smoke Rise: 1

- 5. Should you become a member of the Board are you prepared to devote the time required to resolve issues? Yes No
- 6. Are you willing to sign the Smoke Rise Code of Conduct and abide by its principles? Yes No
- 7. Are you knowledgeable of, or have you read, the Governing Documents? (Declaration, Bylaws, Use Restrictions, and A&V Guidelines) Yes No
- 8. Board meetings are held on the 3rd Wednesday of each month at 7pm with occasional meetings throughout the year. Are you available to attend? Yes No

9. Candidate resume information:

- a. Personal (family/hobbies):
I am married to my wife Dr. Katherine Walsh and homeowner in the community who loves technology, gardening, and reading, and as a mentor and board member for two national tech communities
- b. Career/professional experience:
I am an IT Executive with over 10 years of experience leading technology transformations and innovation, currently serving as Head of IT & Security at Barstool Sports, where I have achieved a 30% reduction in IT costs and a 25% boost in operational efficiency. I am also the founder of VendorITOps, a firm dedicated to optimizing vendor approval processes and enhancing client engagement for technology service distributors.
- c. Community service & volunteering experience:
I volunteer as a mentor for two national technology communities, offering guidance and support to emerging professionals, and also serve my local church by providing free technology services to underprivileged members of the community.
- d. Prior Board experience:
I currently serve as a board member for two nationally recognized technology communities, where I help drive strategic initiatives, mentor members, and foster community growth through collaboration and innovation.

e. Why are you seeking election to the Board of Governors?

I am seeking election to the Board of Governors to help strengthen our community by fostering greater collaboration, transparency, and innovation in our association's management. With my background in technology leadership and community service, I aim to bring fresh perspectives and practical solutions to enhance our neighborhood's growth, engagement, and overall quality of life.

f. What is your long-term vision for Smoke Rise?

My long-term vision for Smoke Rise is to build a thriving, inclusive community where all residents feel connected and engaged, supported by transparent governance and efficient management. I envision a neighborhood that embraces innovation and sustainable practices, enhances property values, and fosters a strong sense of belonging and pride among homeowners.

g. What are the MOST IMPORTANT goals the community should seek to reach in the next two to 5 years?

In the next two to five years, the most important goals for our community should include enhancing transparency and communication between the Board and residents, investing in infrastructure improvements to maintain property values, and promoting community engagement through inclusive events and activities. Additionally, we should prioritize sustainable practices and technological upgrades that streamline management processes, improve security, and foster a safer, more vibrant neighborhood for all.

h. Other information relative to your Candidacy?

As an IT Executive with experience in leadership, cybersecurity, and technology innovation, I bring a data-driven, strategic approach to fostering collaboration, improving efficiencies, and driving positive change. My background as a board member, mentor, and community volunteer positions me to enhance our community's growth, transparency, and engagement, ensuring it remains a desirable place to live.

I understand that this Statement of Candidacy will become a part of the records of the Smoke Rise Club and will be published in the Newsletter prior to the election.

David Walsh

Signature

09/17/2024

Date

This form must be emailed to laurac@smokerise-nj.com by September 30th to be eligible to run for a seat on the Smoke Rise Board of Governors.

The Smoke Rise Club

2024 Approved Budget and Projected 2024 YE Totals

2025 Proposed Budget

	2024 Actual Budget	2024 Projected YE (through August)	2025 Proposed Budget
Operating Revenue	3,266,850	3,334,819	3,408,362
Operating Expenses	3,266,850	3,232,420	3,408,362
		(102,399)	
Capital Revenue	958,800	977,488	1,188,800
Capital Expenditures	958,800	938,090	1,188,800
		39,398	
Grand Total Revenue	4,225,650	4,312,307	4,597,162
Grand total Expenditures	4,225,650	4,170,510	4,597,162
		141,797	

Annual Assessment per Residential Lot:

	2024	2025
Operating	3,435	3,552
Capital	798	931
	\$4,233	\$4,483

Annual Net Increase per Residential Lot 5.9% increase

Monthly fee	352.75		373.58
	11.00		11.00
Monthly fee with intallment fee	\$363.75		\$384.58

Operating Fund Budget

	2024 Approved Budget	2024 Projected YE (through August)	2025 Proposed Budget
Revenues			
Maintenance Fees	3,185,650	3,189,836	3,294,662
Maintenance Installment	55,000	61,527	55,000
Rental Fee Income	-		-
Late Fee Income	14,000	21,036	7,500
Legal Fees Income	11,000	43,974	6,000
Fine fees	-	200	
NSF Charges	200	467	200
Operating Interest	1,000	17,779	45,000
TOTAL REVENUE	3,266,850	3,334,819	3,408,362
Department Expenses			
Management Fees	89,000	89,000	89,000
Discount Taken	20,000	20,856	20,000
Provisions for Delinquency Reserve	20,000	46,546	40,000
Reserves	100,000	100,000	100,000
Maintenance	670,038	626,382	673,706
Security	993,370	1,007,267	986,037
Office	\$552,283	558,129	590,537
Village Inn & Community Center	248,588	238,755	309,983
Recreation	214,388	185,154	196,787
Special Events	19,200	24,010	24,200
Professional Services	96,500	125,503	113,000
Membership Communications	9,500	7,310	44,650
Lake & Environment	30,000	(649)	25,000
General & Administrative	203,983	204,157	195,462
TOTAL EXPENSES	3,266,850	3,232,420	3,408,362
NET INCOME	-	102,399	-

Capital Fund Budget

	2024 Approved Budget	2024 Projected YE (through August)	2025 Proposed Budget
REVENUE:			
Acquisition Fees	218,750	237,438	195,000
Capital Assessment	740,050	740,050	863,800
2024 Surplus Hydroraking	-	-	100,000
Reseve interest	-	-	30,000
TOTAL REVENUES	958,800	977,488	1,188,800
EXPENDITURES:			
Capital-Road Paving	650,000	650937	660,000
Capital-Security Vehicle	75,000	58019	75,000
Cap Ford F 350 for Maintenance	10,300	10350	10,300
Security - East Gate	-		13,000
Inn/Comm Ctr Equip/Renovation	52,000	64323	77,000
Inn/Comm Ctr Kitchen Equip	5,000	4449	5,000
Capital Technology	10,000	11903	10,000
Village Green Electric	-		500
Infrastructure - Chapel Tower Repair	10,000		10,000
Infrastructure - Beach Picnic	10,000	6401	10,000
Infrastructure - Firehouse	5,000		5,000
Traffic Control	-		10,000
Infrastructure- Lifeguard boat	4,000		10,000
Infrastructure - Office - mini-splits	-		20,000
Infra-Electronic Message Boards	-	2101	-
Lighting Project	5,000	16951	10,000
North gate island			50,000
Snack Stand Equipment	10,000	6985	-
Asphalt Hotbox	-		37,000
Magna Lock System	-	1399	5,000
Hydro Raking	100,000	1047	100,000
IT Company		-	60,000
Apartment Above Office	2,500	115	1,000
Library Creamery Renovation	10,000		10,000
Guard Rails		20680	-
Roofing		81130	-
Office Carpeting		1300	-
	958,800	938,090	1,188,800
Net Income/Expense	-	(39,398)	-

Office

	2024 Approved Budget	2024 Projected YE (through August)	2025 Proposed Budget
EXPENSES			
Payroll	295,000	308,865	315,000
Payroll Taxes	35,000	22,014	36,750
Supplies & Expenses	6,000	5,476	6,000
Equipment Lease	5,000	4,091	5,000
Contract Services	7,000	10,618	7,000
Electricity	2,700	2,249	2,700
Heating	3,500	5,335	3,500
IT (internet, phones)	5,000	3,119	5,000
Postage	3,000	1,203	3,000
Payroll Services	2,500	2,051	2,500
Training	500	167	500
Office Expense	3,000	5,550	3,000
HR Consultants	40,000	116,420	89,200
HR Payroll	70,000	-	35,000
Administrative Expense	2,000	2,459	2,000
Insurance	35,083	35,229	39,337
Payroll Benefits	32,000	28,304	30,050
401 (K) Retirement Plan	5,000	4,979	5,000
TOTAL EXPENSES	\$552,283	\$558,129	\$ 590,537

Maintenance

	2024 Approved Budget	2024 Projected YE (through August)	2025 Proposed Budget
REVENUES:			
Municipal Service Reimbursement	101,000	137,473	101,000
TOTAL REVENUE	101,000	137,473	101,000
EXPENSES			
Payroll	349,000	325,263	340,820
Overtime	14,000	17,733	18,000
Payroll Taxes	30,300	30,636	30,300
Training	500	167	500
Supplies & Expenses	18,000	16,521	18,000
Equipment Operating & Fuel	23,000	20,265	25,000
Equipment Repairs	27,000	45,507	30,000
Snow Removal	11,000	15,570	11,000
Road Striping	5,000	1,667	-
Street & Road Repair	17,000	13,535	17,000
Painting	750	750	750
Trash Removal	5,000	5,002	5,000
Electricity	5,500	3,995	5,700
Heating	10,500	8,264	10,800
IT (internet, phone pads)	3,500	1,988	3,500
Railroad Gate Rental	19,000	18,603	19,000
Genera Maint & Repairs	5,000	11,636	8,000
Firehouse Repairs	3,000	495	3,000
Landscape Contract	75,000	71,265	70,000
Aesthetics Trees	30,000	29,829	25,000
Tree Planting		-	5,000
Contract Services	1,200	978	1,200
Insurance	64,788	64,494	72,186
Payroll Services	7,000	9,214	7,000
Payroll Benefits	39,000	40,816	40,950
401 (K) Retirement Plan	7,000	9,662	7,000
TOTAL EXPENSES	771,038	763,855	774,706
EXPENSES	670,038	626,382	673,706

Security

<u>SECURITY</u>	2024 Approved Budget	2024 Projected YE (through August)	2025 Proposed Budget
EXPENSES:			
Payroll	667,319	663,618	657,845
Overtime	25,000	22326	25,000
Payroll Taxes	58,000	58238	56,000
Supplies & Expenses	16,000	16996	16,000
Equipment Maintenance	4,000	3759	4,000
Vehicle Maintenance	7,000	10130	7,000
Vehicle Gasoline	18,000	18006	12,000
Electricity	12,000	8594	12,000
Heating	4,000	2626	4,000
IT (internet, phone, pads)	11,000	10230	11,000
Uniforms	7,000	5283	7,000
Gate Maintenance	6,000	10115	5,000
Training	5,000	2444	5,000
Payroll Services	15,000	17997	15,000
Contract Services	9,500	13444	9,500
Insurance	58,551	57685	62,892
Payroll Benefits	46,000	57382	48,300
Dwelling Live MaintFee	14,000	16401	18,500
401(K) Retirement Plan	10,000	11993	10,000
TOTAL EXPENSES	993,370	1,007,267	986,037

The Village Inn

	2024 Approved Budget	2024 Projected YE (through August)	2025 Proposed Budget
REVENUE			
Catering - Food	436,125	410,825	427,258
Catering - Bar	120,000	119,842	124,636
Catering - Service Charge	115,000	113,039	117,561
Catering - Miscellaneous	2,500	833	866
General Operations - Food	480,375	482,973	502,292
General Operations - Bar	275,000	277,598	288,702
General Operations - Online	60,000	59,550	61,932
TOTAL REVENUE	1,489,000	1,464,660	1,523,247
EXPENSES			
Salaries - Exempt	369,495	346,784	400,800
Kitchen Staff	150,075	152,536	184,875
Ala Carte Staff	99,360	108,592	114,750
Catering Staff	74,003	61,922	76,220
Catering Commissions	8,250	9,181	8,250
Overtime Inn	20,000	23,286	25,000
Payroll Taxes	77,625	77,095	79,955
Cost of Food	388,000	387,097	365,000
Cost of Liquor	105,000	103,197	116,000
Staff Meals	5,000	5,941	5,000
Bar Comp	2,000	926	2,000
A la Carte Comp	5,000	5,743	6,500
Catering Comp	3,000	2,628	3,000
Kitchen Waste and Returns	5,000	5,267	5,000
Other Special Events Costs	3,000	5,975	3,000
Bar Supplies	4,000	4,530	4,000
Insurance	46,895	35,044	46,820
Electricity	30,000	29,775	30,000
IT (internet, phones)	11,000	10,882	11,000
Heating & A/C	45,000	44,211	45,000
Real Estate Taxes	34,100	34,100	36,100
Promotional Inn	2,000	1,659	2,000
Maintenance	22,000	21,647	23,000
Trash Removal	9,000	9,279	9,000
Painting	1,000	-	1,000
Licenses	6,000	6,393	6,000
Credit Card Charges- Inn	43,500	43,530	45,000
Contract Services	16,000	15,508	16,000
Office Supplies	5,000	4,470	5,000
Advertising	30,000	30,315	33,000
Equipment Lease	3,000	2,681	3,000
Social/Entertainment	6,000	4,343	6,000
Linens	22,000	23,170	22,500
Repairs	10,000	6,704	11,000
GS-EOD	1,000	4,695	1,000
Kitchen Supplies	35,000	37,481	35,000
Restaurant Supplies	12,500	11,892	12,500
Payroll Services	15,000	15,705	15,000
Payroll Benefits - Inn	43,470	43,076	45,645
Online Orders Door Dash Commissions	9,000	6,170	8,000
Orientation	-	-	4,000
Aesthetics	-	-	1,000
401 (K) Retirement Plan- Inn	9,315	9,001	9,315
G&A Expense Allocations	(49,000)	(49,016)	(49,000)
TOTAL EXPENSES	1,737,588	1,703,415	1,833,230
NET EXPENSES	248,588	238,755	309,983

Recreation

	2024 Approved Budget	2024 Projected YE (through August)	2025 Proposed Budget
REVENUES			
Swim lessons Income	\$ 2,000	-	2,000
Beach & Village Green fees	3,000	3,245	3,000
Swim Team Reimbursement	9,000	8,500	9,000
Snack Stand Revenue	30,000	37,961	36,000
Tennis Club Reimb to cover payroll	-	1,000	
TOTAL REVENUE	44,000	50,706	50,000
EXPENSES:			
Payroll			
Beach Directors	26,500	18,286	20,000
Swim Team Coach	9,000	8,500	9,000
Lifeguards	71,000	65,751	73,150
Beach Attendants	17,500	12,766	5,000
Overtime	1,000	-	1,000
Payroll Taxes	14,000	10,870	14,500
Supplies & Expense	15,000	18,516	17,000
Cleaning Supplies	500	450	500
Maintenance	4,000	7,088	4,000
Miscellaneous	1,000	256	1,000
Beach Badges	1,000	444	1,000
Food Stand	20,000	18,539	20,000
Food Stand Payroll	16,000	16,582	16,500
Employee Screening	200	-	200
Electricity	8,000	6,031	8,000
IT (internet)	5,500	5,742	5,500
Water Quality Testing	1,200	1,915	1,200
Summerfest	2,500	-	-
Softball, Basketball, SK	1,000	1,804	1,000
Lifeguard Uniforms	2,000	2,824	2,000
Payroll Services	4,000	2,012	4,000
Tennis Club Payroll		850	-
Trash Removal	3,750	3,156	3,750
Insurance	33,738	33,478	38,487
TOTAL EXPENSES	258,388	235,860	246,787
NET EXPENSES	214,388	185,154	196,787

Special Events

	2024 Approved Budget	2024 Projected YE (through August)	2025 Proposed Budget
REVENUE			
Smoke Rise Days	9,000	8,000	9,000
TOTAL REVENUE	9,000	8,000	9,000
EXPENSES:			
Smoke Rise Days	20,000	22,080	20,000
Special Events	6,000	7,130	6,000
Beach Event Security	2,200	2,800	2,200
Live music	-	-	5,000
TOTAL EXPENSES	28,200	32,010	33,200
NET EXPENSES	19,200	24,010	24,200

Professional Services

	2024 Approved Budget	2024 Projected YE (through August)	2025 Proposed Budget
EXPENSES			
Legal Fess - General	35,000	38,463	35,000
Legal Fees Collections	11,000	24,580	25,000
Accounting Fees	15,500	15,000	18,000
Engineering/Architect	35,000	47,460	35,000
Consulting	-	-	-
Current Year Net Income(loss)	96,500	125,503	113,000

Membership Communications

	2024 Approved Budget	2024 Projected YE (through August)	2025 Proposed Budget
INCOME:			
Merch Store	-	-	5,000
Total Income	-	-	5,000
 EXPENSES:			
Orientation	4,000	3,478	-
Social Media/Mktg Communications	4,000	2,351	4,000
Postage	500	500	300
Newsletter	1,000	981	12,500
Constant Contact / Newsletter	-	-	1,100
Resident portal	-	-	30,000
Online store	-	-	1,750
TOTAL EXPENSES	9,500	7,310	49,650
 NET EXPENSES	 9,500	 7,310	 44,650

Lake & Environmental

REVENUE:	2024 Approved Budget	2024 Projected YE (through August)	2025 Proposed Budget
Dock Fees	23,000	26,855	28,000
Canoes & Kayaks	13,000	12,130	13,000
Fishing License Fees	5,500	5,210	5,500
TOTAL INCOME:	41,500	44,195	46,500
EXPENSES:			
Maintenance	1,000	605	1,000
Supplies & Maintenance Expenses	2,600	4,783	2,600
Lake/ Hoot Owl Weed Control	42,000	22,793	42,000
Fish Stocking	7,500	7,485	7,500
Deer & Geese Control	2,400	1,200	2,400
Boat Docks & Racks	6,000	6,680	6,000
Dock Electrification	10,000	-	10,000
TOTAL EXPENSES:	71,500	43,546	71,500
NET EXPENSES	30,000	(649)	25,000

General & Administrative

	2024 Approved Budget	2024 Projected YE (through August)	2025 Proposed Budget
REVENUE:			
Rental Income			
Chapel Event Income			
TOTAL REVENUE:	0	0	
EXPENSES:			
Real Estate Taxes	78,400	81,523	82,400
Insurance Deductible	1,000	-	1,000
Transponders	500	(2,178)	500
Board Events and Election Expenses	8,500	13,611	5,000
Credit Card Charges-Office	17,000	17,702	3,000
Chapel Utilities Insurance & Expenses	4,500	5,234	4,750
Administrative Expenses	8,000	7,213	8,300
Bank Fees	2,000	1,356	2,175
Insurance	35,083	35,229	39,337
Inn Expense Allocation	49,000	44,467	49,000
			-
Total Expenses	203,983	204,157	195,462
NET EXPENSES:	203,983	204,157	195,462

2024 President Annual Report

Annual Presidential Report for the Smoke rise Club

Date: 25 October 2024

Prepared by: Robert Schwartz, Smoke Rise Board of Governors President

Dear Residents,

As we close out another year, I would like to take this opportunity to reflect on our community's accomplishments, challenges, and future goals. It has been an honor to serve as your Board of Governors president for the past two years of my six-year term on the board, and I am grateful for the support and engagement of each member.

Community Highlights

1. Updating our By-laws

- We successfully completed changes to the By-laws and as of today, they have been voted on and accepted by the residents. The last update occurred in 2005. These changes will have a substantial and lasting impact on the board, changing the board's basic character from a hybrid working board to a policy driven governance board. In compliance with the new by-laws the board will reduce the number of members to seven over the course of the next two years.
 - We have added a Human Resources department, to support Smoke rise employees (which increases to almost one hundred during the summer) has dramatically helped us improve working conditions, be compliance with the law, established correct practices for hiring, and termination of employees, provide a means of accountability, establish job descriptions and many other factors. In the audit of our operations, we discovered many deficiencies in office operations and are reorganizing the way the office operates.
 - Other departments have improved the quality of our amenities, the maintenance of all common elements. This process will continue to be improved.
 - Committees have helped Smoke Rise in these improvements. There are projects underway to improve many areas, for example The Village Green with a new playground.
 - There are many positive projects going on as we continue to improve the quality of life in Smoke Rise.
-

2. Financial Health

- Our budget remains strong, with a 5.9% increase asked for approval by the residents. This increase is much smaller than many of the surrounding communities, we maintain strong reserve funds and generally are financially healthy. We maintained expenditures within our budget, allowing for necessary repairs and improvements.

This is only a sample of what we have accomplished. I am available to discuss in detail any all aspects of Smoke Rise. I would to thank the board for all their diligent work and the residents for supporting us.

Challenges Faced

- **Office**
 - As the office goes through its reorganization, there are many areas for improvement. Automation, reduction in paperwork, payroll improvements, and efficient use of resources will continue to be pursued. The board is committed to addressing these promptly and efficiently.
- **Communication Gaps**
 - Feedback indicated some residents felt out of the loop regarding board decisions. We are working on improving our communication strategies to ensure transparency.

Future Goals

1. Enhanced Communication

- The board is exploring new platforms for communication, including a new web site and a community portal to allow us to have one database combining our accounting system, web site address book and dwelling live. This will reduce errors and allow for better communications. The resident portal will contain community calendars, text notifications, newsletter, and many other enhancements, and improve social media engagement.

2. Community Engagement

- Committees. Have continue to play a more important role in Smoke Rise events and community engagement. Your input is invaluable, and we want to hear your ideas and concerns.
-

Conclusion

Thank you for your continued support and engagement. Together, we can make Smoke Rise an even better place to live. Please feel free to reach out with any questions or suggestions.

Warm regards,

Robert Schwartz

President - Smoke Rise Board of Governors

Technology/Strategic Planning



The Smoke Rise Club
9 Perimeter Road
Kinnelon, NJ 07405

Robert Schwartz
10 Black Oak Ln
Kinnelon, NJ 07405-2180
908-804-4444

Smoke Rise Club

Treasurer's Annual Report 2024 & 2025 Budget

- *The Board's mission and goal is to sustain Smoke Rise and increase its value for all homeowners current and future*
 - *We achieve these goals by allocating scarce financial resources to appropriate and necessary expenditures*
 - *We recognize that each homeowner has a different capacity to absorb assessment increases. We have kept assessments at minimal increases with an average increase of 3.9% over the last 5 years (includes proposed 2025 budget).*
 - *The goal of any increase is to build a sustainable financial structure with reserves that can absorb significant expenditures and replacements that will continue to come, while minimizing assessment increases*
 - *The most visible assets are our roads and our amenities that are the most expensive to maintain*
 - *It is critical that the community comes out and votes their perspectives, invest for the future, or pay as you go*
-
- **The 2024 budget was an annual assessment of \$4,233 or \$352.75 monthly, an increase of \$237 per resident per year or \$19.75 per month over 2023.**
 - **The 2024 budget was passed by 29 votes out of 353 (38% of residents) votes cast (In Favor: 191 Opposed: 162)**
-

	2024 Approved Budget	2024 Projected Actuals
Total Operating Revenue	\$ 3,266,851	\$ 3,334,818
Total Operating Expense	3,266,851	3,232,419
Surplus (Deficit)	(0)	102,399
Capital Revenue	958,800	977,487
Capital Expenditures	958,800	938,090
Surplus (Deficit)	-	39,397
Grand Total Revenue (includes other income)	4,225,651	4,312,305
Grand Total Expenditure	4,225,651	4,170,509
Total Surplus (Deficit)	\$ (0)	\$ 141,796
Assessment per Residential Lot:		
	2024 Assess	2024 Assessment Per Month
Operating (only Maint. Fee)	3,435	286.25
Capital	798	66.50
	\$ 4,233	\$ 352.75

Projected results for 2024:

- Completed \$652,000 in paving and drainage work vs \$654,000 in 2023 vs \$693,000 in 2022
- Resident delinquency has decreased to \$79,200 (2023-\$111,800)
- Municipal Service Agreement - \$78k received YTD vs budget of \$101,000 (Q3 submitted for 25k)
- Updated management office and meeting room upstairs with carpet, paint, chairs, table, etc.; Inn new hardwood flooring and interior paint; new light pole bases and electric run for upgraded exterior lighting behind Inn/Maintenance/Office; major drainage project across from Inn/Maintenance; Inn flat roof replaced; Chapel, Beach Picnic area improvements; new Security electric vehicle

The Board recognizes its fiduciary responsibility to put forward a reasonable budget that reflects the reality of running the Smoke Rise Community. The 2024 results and the below proposed 2025 budget represents what is necessary to manage our community, ensure its value and the value of our homes.

This report contains the summary of the Operating and Capital Budgets proposed by the Board of Governors for the 2025 fiscal year, which begins on January 1, 2025.

- *The Annual Assessment in the proposed 2025 budget is \$4,483 or \$373.58 monthly. a 5.9% annual assessment increase of \$250 or \$20.83 monthly.*

	2024 Approved Budget	2024 Projected Actuals	2025 Proposed Budget	2024 vs 2025 Budget	% Increase
Total Operating Revenue	\$ 3,266,851	\$ 3,334,818	\$ 3,408,362	\$ 141,511	
Total Operating Expense	3,266,851	3,232,419	3,408,362	141,511	4.3%
Surplus (Deficit)	(0)	102,399	-	0	
Capital Revenue	958,800	977,487	1,088,800	130,000	
Capital Expenditures	958,800	938,090	1,088,800	130,000	13.6%
Surplus (Deficit)	-	39,397	-	-	
Grand Total Revenue (includes other income)	4,225,651	4,312,305	4,497,162	271,511	
Grand Total Expenditure	4,225,651	4,170,509	4,497,162	271,511	6.4%
Total Surplus (Deficit)	\$ (0)	\$ 141,796	\$ -	\$ 0	

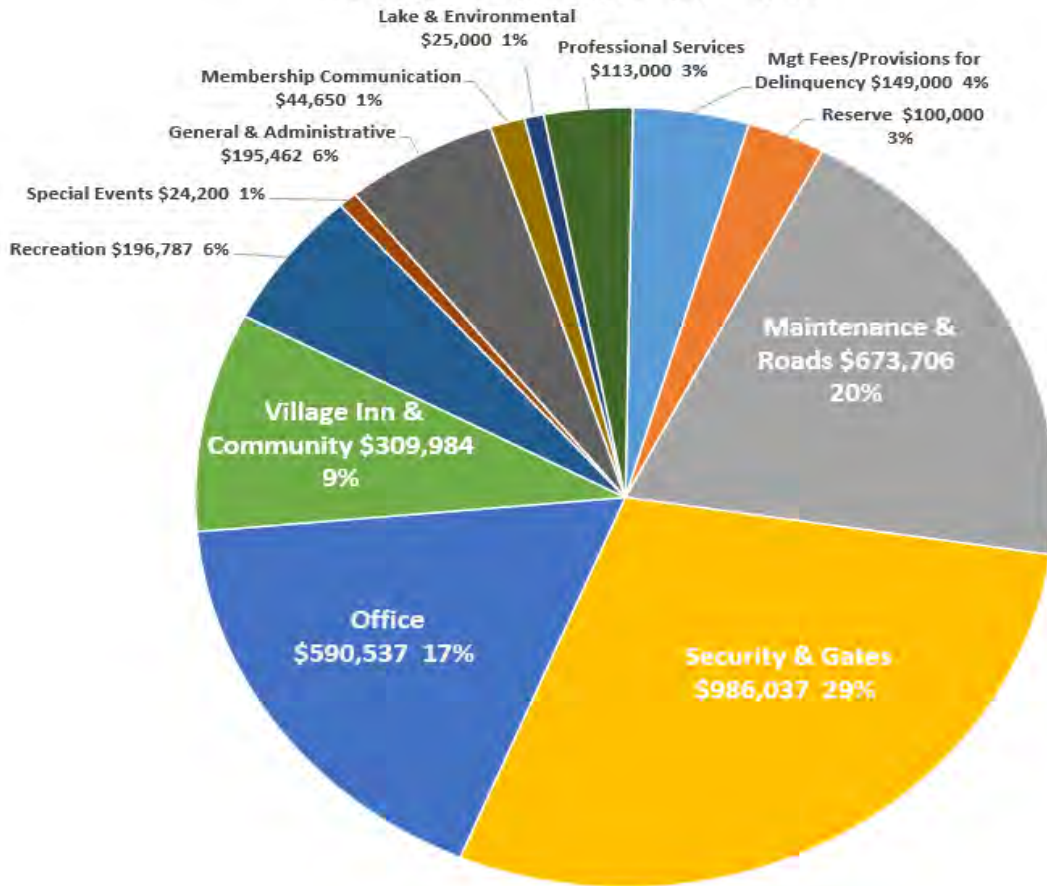
- **Where will the 2025 funding go?**
 - Operating Budget (76%) – Security-29%, Maintenance-20%, Office-17%, Inn-9%, Recreation-6%
 - Capital Budget (24%) – Road paving-70%, Hydro-raking- 11%, Maintenance Vehicle-8%
- **Operating Fund**
 - The 2025 Operating Fund is \$3,408,362, an increase of \$141,512 or 4.3% more than the 2024 budget.
 - The increases are related to the ~3% salary increases for employees and related payroll taxes, etc. and insurance premium increases, which were kept at a very reasonable 10.5%
 - Continue funding the Reserve account at \$100,000
- **Capital Fund**
 - The 2025 Capital Fund is \$1,088,800 an increase of \$130,000 or 13.6% more than the 2024 budget. The 2025 budget includes:
 - \$660,000 for road paving (includes line striping), \$77,00 for Inn improvements, \$60,000 for an IT company to handle infrastructure, \$50,000 for redoing the North Gate island
 - An additional expenditure for Hydro Raking the lake at \$100,000, which is covered by a roll forward of surplus from 2024.
 - Budget decrease in acquisition fees of \$23,750 due to projected continuance of limited housing inventory.
 - Includes \$307,000 in one-time expenses (28% of Capital budget)

- Going into 2025, we will continue to carry a resident delinquency balance of approximately \$80,000 for delinquent homeowners. The legal fees supporting persistent collections activity has reduced some delinquencies over the course of the year but continue and our delinquency reserve provisions for delinquent accounts remain properly funded.
- As it relates to the ongoing maintenance of our roads, buildings, equipment, assets, and surroundings, as part of our fiduciary responsibility the Board continues to include a \$100,000 for the Community Asset Replacement Reserve fund to build our continuing reserve. At the end of 2025, the reserve will be \$1,015,000 for future repairs and replacement of our valuable assets.
- The Reserve Study projects annual funding of \$850,257 for road paving with total funding needs averaging \$1,328,989 over the next five years.
- The funds are held in a segregated bank account and will continue to build year after year to meet the increasing demands to maintain our roads, buildings, and other assets. Through a Board Resolution and a By Law amendment the funds can only be used for the common elements defined in the Community Asset Replacement Reserve Study that has been updated in 2023. This fund and its expenditures will be a component of the annual audit to ensure all expenditures are matched to items in the Reserve Study. In 2016, we began funding the Reserve Fund from the Operating Budget instead of the Capital Fund as recommended by our external auditors. This will strengthen our fiscal health and increase the market value of our homes.
- The proposed 2025 budget includes the capital investment in the Club's road system, while providing funding to support the operations that helps make Smoke Rise life exceptional, including professional administration, security, recreation, special events, communications, the Village Inn, the beach and the lake.
- The Smoke Rise Club is in satisfactory financial condition, with effective controls in place. The outside audit has been completed for 2023 fiscal year and all tax returns filed. The Audit Finance Committee and the Treasurer reviews the Club's financials every month and provides detailed communications to the Board.
- I would like to acknowledge the Audit & Finance Committee (Richard Feld, Kathleen Alexander, Kelly O'Callaghan, and John Ruckstuhl), the Management Team and Staff for their help and advice over the last year and during this budget cycle.
- This Board of Governors and Officers have a fiduciary responsibility and commitment to a long-term vision of Smoke Rise as a preeminent community, and unanimously supports this 2025 budget proposal. The budget detail is available from the office and will be available for the annual meeting.
- We welcome your input, your questions, and your suggestions.

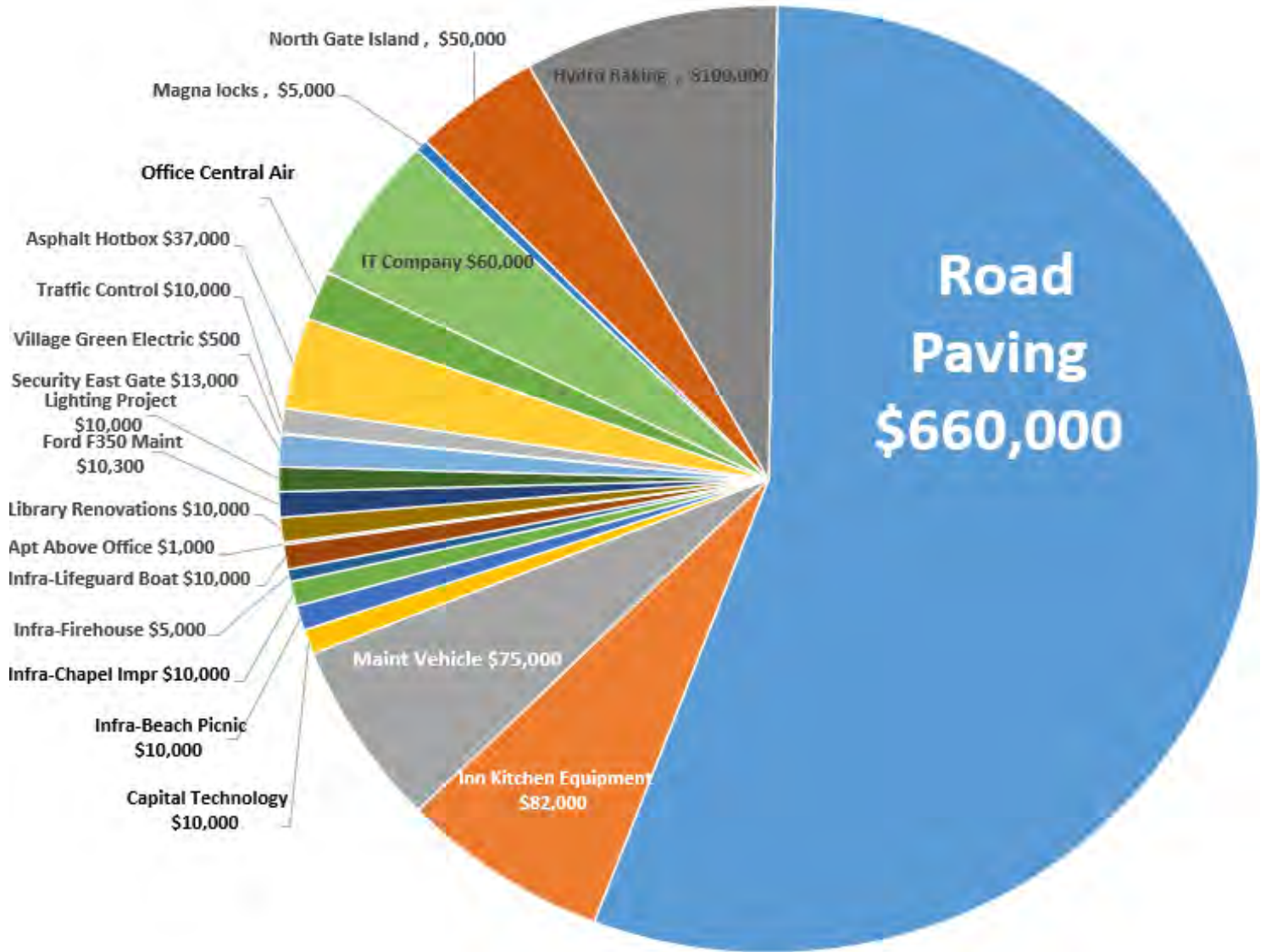
Steven Meisinger, Treasurer

October, 2024

2025 Operating Budget - \$3,408,362



2025 Capital Budget - \$1,088,800



THE AUDIT & FINANCE COMMITTEE
THE SMOKE RISE CLUB, INC.

October 23, 2024

Fellow Club Members/Residents
The Smoke Rise Club, Inc.

The governing documents as adopted on September 14, 2006, effective as of the date of recording with the Morris County Clerk on October 3, 2006, by the voting members of The Smoke Rise Club, Inc. ("Club") require the Audit & Finance Committee to "furnish a report to the Club Members for the annual meeting of its activities on the Club's financial position after it has reviewed the Club's fiscal year end audited financial statements."

We have maintained independent oversight of the Club's financial operations for the fiscal year ending December 31, 2024, and verify that expenditures are conforming to budget authorizations, budget variations are being reviewed for corrective action, accounting, appropriation and budget procedures are updated or superseded to adapt to situations not previously encountered or covered by current methods and the Board of Governors is cooperating with and responsive to observations, comments and recommendations of the Club's independent certified public accountants.

We have also reviewed the audited financial statements for the year ending December 31, 2023, met with the Club's outside auditors, President, Treasurer and appropriate personnel of Taylor Management Company at various times during the year. We have not identified any unusual items during this review.

Our review of the 2025 Budget Proposal revealed a net change in the annual assessment to \$4,483 per household. The operating budget shows an annual increase of \$117 per household and the capital budget shows an annual increase of \$133 per household. This represents an overall annual increase of 5.9% providing for adequate funding of needed expenditures. Increases and decreases are primarily due to the following:

1. The 2025 Operating Budget of \$3,408,362 reflects an increase of \$141,512 primarily due to increases in the Inn, Office, Professional Services and Communications budgets of \$61,000, \$38,000, \$17,000 and \$35,000 respectively. Other small increases and decreases in various departments and in revenue were offset by an increase in the budget for additional interest income from investing excess funds. The majority of these increases relate to payroll and other payroll related costs (taxes, benefits, etc.) and insurance. The increase in the office budget relates to the planned hiring of a human resources employee mid-year and continued use of outside human resources support until that occurs. The increase in the communications budget is primarily due to the redesign and upgrade of the resident portal and newsletter. The various department budgets have been managed to maintain modest increases in most other expenses.
2. The 2025 Capital Budget of \$1,188,800 reflects an increase of \$230,000 from the 2024 budget. Due to a projected reduction in home sales there is a decrease of \$23,750 in projected acquisition fees. By its nature the Capital Budget items change, from year to year as prior projects are completed and new projects are added. The budget continues to include \$100,000 to fund future capital needs. It is the Audit & Finance Committee's recommendation that all future operating budgets continue to include the repair and replacement reserve, and it be maintained at a level that will keep the facilities of the Club

in the appropriate condition and not allow them to fall into disrepair. At December 31, 2024, the accumulated balance in this account for future capital items is expected to be approximately \$875,000.

As noted in prior years, future surplus amounts should only be included in the budget when it is determined that actual excess funds exist to be used to pay for the budgeted items. Since it is anticipated that such excess funds will not exist at December 31, 2024, no surplus amount has been included in the 2025 Proposed Budget. However, in the Capital Fund Budget for 2024 there was an amount of \$100,000 for Hydro Raking. This amount was not used in 2024 so it has been applied towards the 2025 budget to cover the anticipated Hydro Raking expense for 2025. Should the Club experience an actual cumulative deficit that creates a cash shortfall, such amounts will be included in the following year budget to restore the appropriate cash balances. It is not anticipated that such a situation will exist at December 31, 2024 so no deficit restoration is included in the 2024 Proposed Budget.

We support the Board of Governors in their ongoing efforts to control spending while balancing the need to provide ongoing services to the Community.

We thank the President and the entire Board of Governors for their efforts. The Audit & Finance Committee reviewed the budget, asked questions and provided suggestions relative to the budget that were addressed by the Board in their deliberations and given adequate consideration and explanation.

In conclusion, after ongoing review of the Club's financial condition, the Audit & Finance Committee strongly supports the 2025 annual budget. Both the Operating and Capital Fund budget increases are reasonable in light of the ongoing needs of the Community and normal changes in the cost of living. The Capital Fund increase is necessary to pay for projects that cannot currently be paid through the repair and replacement reserve fund since it not yet fully funded. We continue to build that repair and replacement reserve fund so that future budget increases can be kept to a minimum. In order to maintain a healthy financial condition the Club needs to adequately fund its annual operations and adjust the maintenance fees accordingly. We feel the 2025 budget appropriate in meeting that requirement.

Respectfully submitted,

Richard Feld (Chairperson)
Kelly O'Callaghan
Kathleen Alexander
John Ruckstuhl

Lake & Environmental Annual Report 2024

The L&E committee serves to protect and preserve two of our most prized assets: Lake Kinnelon and our singularly beautiful environment. This is done through programs relating to and focusing on Lake Management and Environmental Management.

L&E is a predominantly self-funded committee that runs on the income generated by dock fees and fishing licenses.

Lake Management

2024 presented continued challenges in the management of Lake Kinnelon. Another mild winter resulted in minimal ice coverage which normally serves to inhibit growth of unwanted aquatic plant growth.

Beginning in the spring, Tigris - our lake management company performed lake testing every 2 weeks in season and is witnessed by a member of the L& E committee. These visits included detailed water testing in multiple sites in the lake. Common treatments are small applications to control bass weed in high traffic areas and spot algae treatments. Lily Pad treatments were utilized to contain and reduce coverage in the south coves as part of a multi-year program.

Independent of L & E, the Kinnelon Board of Health performs bacteria testing of the beach areas, which is reported directly to the SR Office. For 2024, these findings indicated no health issues.

Hydro-raking

Money was allocated in the 2024 budget to complete the three-year hydro-raking project. However, this years phase (focusing on West Shore and Pickerel Cove) is postponed until fall of 2025 to utilize new equipment. This equipment is expected to be more productive in extracting sediment from the next targeted areas.

Sediment surveys were performed by Tigris on the West Shore, near Duck Island, and in the two coves in the south end of the lake. These surveys were done to guide L&E in developing multiyear sediment and weed control programs.

The purpose of Hydro-raking in Smoke Rise is as follows:

1. Fewer treatments will be required for any area hydro-raked.
2. Esthetics will be improved in areas raked.
3. Increased depth in the areas raked.

Docks & Racks

Our current dock and rack capacity supports over 520 water crafts including: boats, kayaks, paddle boards, and canoes.

The new ramp dock was installed during the first week of May which made it easier and safer to load and unload boats when using the ramp. Also, SR Maintenance has installed additional wood barriers designed to reduce soil erosion between the boat racks and docks. In 2025, maintenance will install additional drainage on cove road to reduce soil and sand erosion at the lake.

Deer Culling/Geese Addling Program

To address the large and growing deer population in Smoke Rise the deer culling program managed by an L&E committee member was established some years ago. All bow hunters must pass an L&E archery proficiency test, be at least 18 years of age, possess a NJ State bow hunting license as well as have proper insurance and be a certified agent of Lake & Environmental. Hunting is prohibited in SR outside of the approved program.

The addling program to control the geese population this year was productive. Excessive numbers of geese represent a threat to water quality both at the beach and other areas of the lake.

The L&E committee also provides trail maintenance and hikes, Goose, Beaver and deer control programs, buffer zone protection and a rich historical knowledge of the Smoke Rise Lake and environment.

Thanks to Doug and the committee for the continued commitment to the health and safety of our lake.

L&E Committee:

Chair: Doug Bernegger

Committee: James Curreri, Eric Howell, Fran Maletsky, Carl Monesmith, Laura Olstein, Ken Smalley, Henry Talbot, John Carpenter, Sam Scarnato

Gregg Fernstrom
Governor, Lake & Environmental



2024 Annual Recreation Governor's Report

10-29-24

Hello Fellow Smoke Risers,

The year of 2024 was filled with lots of fun and enjoyment all around the community. Thank you again to all of those who acknowledged the hard work of the Recreation Committee, the board, and our MVP employees.

This year we had some exciting changes with new interim Beach Directors Kelsey & Connor Thompson and new maintenance director William "Will" Ashby. Kelsey & Connor stepped in as longtime residents to make the beach atmosphere super fun. They played games and set up some great activities for the kids and our community as well as participating in some of the classics. It was a refreshing change, and we look forward to a new and exciting summer next season. Will and his crew executed on some great improvements like the new beach lifeguard "check-in" gazebo, new firewood racks with bluestone bar tops at the fire pits, and overall general beach and community set up and maintenance. We can't do it without these guys...they are awesome. Be on the lookout for some sensational new activities this winter too.

We tried to create at least one "big event" in each month of the summer. We started in June with our second annual music Smoke Rise Summerfest at the Village Green. We had five great bands with infield seating & tailgate parking, a bouncy house for the kids, corn hole tournament, and fantastic food trucks. This year the Smoke Rise office took over the project after it was established by the Rec Committee, SR Mothers Group, and Fishing Club last year. July held not only five fun filled days in a row for Smoke Rise Days (wow on the fireworks!) but also the family campout and the start of the CCSR Kids Camp. August was a bash with the SRFC Cardboard Boat Regatta, Inflatables Day, and an open mic night at the beach. September, we wound down the season with the SRMG bike parade hose down, Labor Day Races, and live band at the beach. Sprinkled in between all these exciting events we hosted several other DJs and live music events at the beach including the Traveling Max show and the reggae classic Brother Jerome Band. We hope to have them back next season.

I collaborated often with Jim McCann and Laura Casale in the office to make these events and others successful. Jim and I worked together to purchase new tables and furniture for the beach (halfway there) and Laura was instrumental in maintaining our google events calendar and helping with both Smoke Rise Days and Summerfest.

We all know that "Recreation" is not just for the summertime though. The Rec Committee teamed up with the Village Inn on several occasions to bring live music to the Inn with Bull Shark and two shows with Country Comfort. Trivia and the Winter Cornhole league continue to be fun filled events at the Inn along with the Car Show. Be sure to enjoy the many trails in and around Smoke Rise with L&E hiking group, or on your own. We created a map of them that is available at the office or electronically.

It is still my objective to improve the Village Green Ball Field Area as a space for us to utilize for maximum enjoyment. To that end, I have been working with the SRMG and a newly formed volunteer group to expand & improve the walking path, update the playground and ultimately create a better space for more activities.

This winter we are looking to create more fun. Hoping Mother Nature can allow us more use of Hoot Owl and exploring other exciting options.

With the changes in the board of governors' operational protocol, we look for even more members of the committee to press forward in our quest for enjoyment. I will no longer be the "Rec Governor" but look forward to working with the recreation committee as one of the board members that will continue to focus on fun.

Get out there and vote for the new board of governor members, it matters.

Be cool, Be kind, and have fun!

Cheers,

A handwritten signature in black ink, appearing to read 'Tom Schneider', followed by three dots.

Tom Schneider...
Recreation Governor

973-390-4805

ANNUAL MANAGER'S REPORT 2024

I've now been with the community for one year, not only familiarizing myself with association operations thanks to the wonderful help of the office staff, Board members and department heads, but also breaking down and improving process and procedures too. Through my residential property management career, I've managed many different types and kinds of properties. I must say, it's a privilege to work at and manage Smoke Rise, such a beautiful and unique property. There has been much change my first year, and it is exciting to see and be a part of the upcoming changes and the direction the Board of Governors is taking the association.

OFFICE

Quarterly MSA payment requests to Kinnelon Borough have been processed and submitted timely in 2024. I'm pleased to report payments from the Borough have been received quickly, as compared to sometimes in the past. Q3 was submitted on the beginning of October, await payment.

Much work was put into the 2025 proposed budget, which was finalized and put into an electronic mailing and presentation form. The proposed budget was presented to membership mid-October in the ballroom at the Inn.

The office assisted in having proposed amended By-laws passed in 2024. This years-long effort by the Board of Governors and committee members is an amazing accomplishment.

The 2025 electronic election package was put together by the Association's attorney and myself, so as to comply with the 2017 Radburn law, and with the new requirements by the NJ Department of Community Affairs (DCA).

ROADS

The association had a successful paving project this year. An RFP was sent out, multiple bids were sought, and this paid off. The association selected a new vendor, Riverview Paving, who offered a reasonable cost for the work and ultimately did a great job with the paving. We were even able to roll in a sorely needed large drainage remediation project (kudos to Maintenance for lots of assistance) located across from the Inn, and stay on-budget.

BEACH / LAKE

It was a challenging start to the beach season this year. The association put two new beach directors in place, Kelsey and Connor Thompson, who stepped up and did a great job. With safety always a first priority, they held many events in order for kids to have the most fun. Shan-Shan Yam did a terrific job running the Snack Shack.

Notices went out to residents to remove all water craft from the docks and racks by November 1, with a fine deadline of November 15, so the Maintenance crew can remove the ramps from the docks.

The 2024 hydro-raking project has been put off until 2025. The association wants to take advantage of new, more effective sediment removal equipment the selected vendor is acquiring in the near future.

Tigris, the association's lake management vendor, once again did a very good job in managing the health of Lake Kinnelon this season.

MAINTENANCE

The hiring of Will Ashby as the new Director of Maintenance, in early 2024, has proved to be a very welcomed positive impact on the department. The Maintenance Governor and I have worked very closely with Will, bringing him up-to speed on the department's operating procedures, creating goals, and collaborating on projects. With a much more proactive approach, the group has stepped up taking over much of the beach maintenance, including installing a new gazebo there. Additionally, just to mention a few things, they did much roadside easement clean up this year, created a new path for the paddle tennis court, performed trenching for the new lighting behind the Inn and Maintenance, and painted the interior of both the management office and areas of the Inn.

With so many positive changes happening in the association, 2025 is shaping up to be an exciting year. I'm looking forward to it!

Jim McCann,
The Smoke Rise Club, General Manager

Security Department

2024 Annual Report

This year as in past years Security has done an excellent job of keeping Smoke Rise secure and private. Our Security staff is the first introduction to Smoke Rise for the guests of our residents. The gate houses are representative of the community. They are maintained in excellent condition and have aesthetic planting where possible. They are the front doors of our community.

This year Donald A. Del Vecchio is serving as the Security Director. He is working with our Human Resources consultant to provide an excellent work environment. Currently they are updating staff job descriptions and security processes and procedures. Also, all staff are required by the Security Officer Registration Act to take certain training every year. Staffing levels have remained constant with Don taking over as Security Director.

Security has made necessary improvements / repairs to several North Gate and East Gate windows, replaced the visitor intercom at the North Gate and purchased a Tesla patrol vehicle to reduce our fuel costs.

The gate staffs are trained to be efficient, while being courteous and respectful of residents, guests and contractors. If you haven't noticed, they will always greet you with an acknowledging wave as you enter Smoke Rise. The gate staffs have a challenging job to maintain our privacy while allowing your guests and contractors into the Community. They need to be ready to ensure that Police, Fire and ambulance are not delayed and to assist entry to an oversized construction vehicle that is almost too wide for the gate. While doing this they are juggling the phone, operating the gate and recording the guests and contractors into the visitor tracking system. This is no small task consider that they process approximately 280,000 visitor entries a year or almost 11,000 a month at both gates.

The other function of Security personnel is patrol. They drive approximately 60,000 miles a year, covering our 32 miles of roads to investigate and report on what doesn't look right. In September alone, they logged 62 incidents ranging from animal complaints to welfare checks, criminal mischief issues, vehicle accidents, downed trees and power lines. They also are responsible for helping out during the many functions and recreational events. In addition when needed, they handle traffic for Kinnelon Police, our Volunteer Fire Department and Tri-Boro Ambulance. In addition, they help residents with a wide variety of issues, such as lost pets, dead car batteries, stuck vehicles, rides home in the snow, as well as doing house checks when you are away.

The Security Department deserves our support and thanks for the work they do every day 24 hours a day no matter what the weather is or what holiday they are working.

With appreciation to Smoke Rise Club Security Department for what they do.

Jim Kalka, Governor Security and Donald A. Del Vecchio Security Director.

The Village Inn – 2024 Annual Report

The Inn saw yet another full calendar of both catered and community events in 2024. We held 93 catered events on site, including 10 weddings, and our community events included another successful corn hole season, paint and sip, partnering with recreation to bring live bands to the Inn and holiday celebrations. Our busiest catering months of the year included June, September and October. Our a la carte dining saw a slight rise in sales year over year through 9 months and the Inn produced a rotating menu of delicious seasonal dishes each quarter that came with positive feedback from patrons each time it changed. While the Inn continually navigates the challenges of rising expenses all around, the staff continues to work hard to provide quality food and service to all of their patrons in an effort to drive sales and satisfaction. Capital improvements for the Inn saw new carpet installed in the lounge, gazebo and office and new hardwood flooring in the main foyer to refresh our entrance. As we approach 2025, we already have several events on the books and look forward to another year full of fabulous food and fun!

I would like to thank my fellow Board members and the staff at the Inn as I close out my second year as Inn governor. I am grateful to have held the governorship for the Inn again this past year, have continued to work hard on operations and improvements at the Inn, and truly enjoyed continuing to grow my relationships with the staff while working closely with them. The staff has worked hard this year to produce successful events and to meet the needs of our community and the patrons outside of our community and for that, I thank them. We look forward to a strong close for 2024 and look forward to a successful 2025.

Respectfully submitted,

Ally Marzan
Inn Governor

Smoke Rise Orientation Annual Report 2024

As the Governor of Orientation it has been my pleasure to work with members of the Orientation committee in welcoming approximately thirty (30) households to Smoke Rise, this year. Membership meetings are held at least once a month, either in person or via Zoom, and include representatives from both the Orientation and A&V committees, as well as the Board of Governors. At these meetings, Smoke Rise guidelines, amenities, sub-clubs, and our community history are discussed with those wishing to join the Smoke Rise Club and move into our neighborhood.

While this year's number of residential real estate transactions represents more than 80% of our 2024 budgeted projection, Smoke Rise currently has a limited number of homes for sale, and the housing market is showing signs of slowing down. We've had only one household, per month, scheduled for Orientation during the last few months; whereas, prior to this Fall, which is traditionally a slower period for the real estate market, we were averaging three (3) transactions per month. Consideration has been given to this information by the Smoke Rise Board of Governors in our projected budget for 2025. We also raised our Acquisition fees by 4% this past July to adjust for lower revenue due to the slowdown in real estate transactions, and may need to consider doing so again in the coming year.

I look forward to continuing to work with the Orientation Committee and serve on the Board of Governors as Smoke Rise continues to evolve, while holding steadfast to its founding principles. Through my attendance at Membership meetings I have gained an awareness and appreciation for the diversity and inclusiveness of our community. Working with members of the Smoke Rise Board and our various committees I recognize and value how many highly civic minded members voluntarily serve our Club. Living in a secure neighborhood, with neighbors who enjoy socializing, engaging in athletic and competitive pursuits, preserving our natural environment, historic buildings and common property, and who endeavor to enrich the lives of others, makes serving the Smoke Rise community a truly worthwhile experience. Thank you for your ongoing support and commitment to our Club and efforts to maintain our community's prestigious standards.

Respectfully submitted,

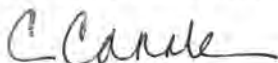
Nancy Keyes

Smoke Rise Governor of Orientation 2024

Governor Projects Annual Report 2024

My year has been defined by working on, and completing, the necessary changes to the Smoke Rise Club Bylaws. This information was disseminated to the Smoke Rise Club residents who were asked for their vote to either accept or reject the changes. As of this writing, I am hopeful that the residents understood the necessity for the changes and voted to accept. My thanks to the Committee, Nancy Keyes, Jim Kalka and Samantha Scarnato for their work on this. In addition to the Bylaws Committee, I have assisted my fellow Governors in Orientation and Architectural & Variance. Although I had hoped to complete work on the Library/Creamery Building (former Kinney Estate Piggery) across from the Club office, but the Bylaws took much of my time. Now that the Bylaws Project is complete, I am hopeful to get to work on the following set of projects: complete the transfer of filing cabinets and files from the Library/Creamery to the second-floor space above the office. Once completed, I will be able to focus on repairs and use for the Library/Creamery. Did you know that this building once housed the Library for the Borough of Kinnelon? The work needed is to weed out and shred all unnecessary paperwork, hardware and assorted "junk" prior to organizing and compiling all historical paperwork, drawings, photographs and the like in an effort to provide the Smoke Rise Club with a place to protect and view these important documents. Some cleanout has been done, but finishing this is one of my goals for the 2025 year. In addition to that, I want to focus the Board on Policy Governance by working with fellow Governors on updating and creating new policies and procedures that will align with our Bylaws. With those in place, the Board can provide our Management and Managers with the tools they need to achieve our overall goals for the Club by putting the emphasis on a strategic approach versus the Club's current focus on day-to-day activities.

Respectfully submitted,



Cheryl Canale
Governor Projects
Chair, Architectural & Variance Committee

Smoke Rise Club Annual Technology Report
Presented by: Robert Schwartz Governor of Technology
Date: 25 October 2024

1. Introduction

As we close out another year, I would like to take this opportunity to reflect on our technology accomplishments, challenges, and future goals. It has been an honor to serve as your Technology Governors for the past six years, and I am grateful for the support and engagement of each member.

This annual report highlights the technology department's progress and initiatives over the past year, aiming to improve operations, enhance communication, and increase resident satisfaction through effective technological solutions.

2. Key Accomplishments

- **Smoke Rise Campus and System Upgrades**
 - Over that past six years we have built an impressive campus wide network which ties all our buildings and departments together. This network was constructed by the members of the technology team and help from the maintenance and security departments. The network has connected the different buildings together using fiber and VPNs to have one ubiquitous network.
- **Wi-Fi Expansion in Common Areas**
 - Successfully deployed secure, high-speed Wi-Fi in most community common areas and expanding it to the Village Green, supporting resident needs and enhancing the attractiveness of shared spaces.
- **Controlled electronic access.**
 - Most common area door entry's is in the process of installation. The physical hardware is in place. Some additional wiring and configuration is required before this system is operational.
- **Website Redesign and Optimization**
 - This is under review with a solution to be available soon.
- **Security and Surveillance**
 - Upgraded community surveillance systems to high-definition cameras with enhanced night vision and wider coverage.

- Implemented centralized storage and monitoring options to better archive footage for quick access when needed.
- Regularly tested and updated system security to ensure resident safety and data protection.

3. Challenges and Resolutions

- **Cybersecurity Concerns**

- Challenge: Increased phishing attempts and cyber threats posed risks to resident and HOA data.
- Improving controlled access to server data
- Adding new hardware and software for improved monitoring of network access and protection from threats.
- Improving disaster recovery solutions.

- **Budget Constraints**

- Challenge: Balancing technology upgrades within the annual budget.
- Solution: Secured competitive pricing by negotiating with vendors and focused on open-source or cost-effective solutions for certain upgrades.

4. Future Goals

- **Mobile App Development**

- Incorporate new mobile app for residents to access all services in one place: account management, community news, payment options, and event sign-ups.

- **Green Initiatives through Technology**

- Explore sustainable technology options, such as smart lighting in common areas and digital-only communication to reduce paper usage.

- **Upgraded Cybersecurity Measures**

- Allocate resources to further bolster cybersecurity protocols, protecting against emerging threats and ensuring resident data remains secure.
- Contract with new Computer Networking company to replace current Technology Governor position.

5. Conclusion

This year's technology initiatives have provided essential upgrades to the infrastructure and improved service accessibility and resident experience. The proposed goals for the coming year are designed to continue this trajectory, focusing on enhanced resident engagement, security, and operational efficiency. With continued investment and support, we can make significant strides in serving our community through innovative technology solutions.

Submitted by: Robert Schwartz

President Smoke Rise Board of Governors
Technology/Strategic Planning



The Smoke Rise Club
9 Perimeter Road
Kinnelon, NJ 07405

Robert Schwartz
10 Black Oak Ln
Kinnelon, NJ 07405-2180

908-804-4444

2024 Annual Infrastructure Report

As Governor of Infrastructure, I am responsible for the oversight of capital improvements as they pertain to Smoke Rise capital assets. Additionally, I also serve as Board of Governors liaison to the Chapel Committee.

The Infrastructure Committee continued operating this year in advisement and oversight to the Board on the annual maintenance and long-term improvement to the Club's existing physical assets. This committee reviewed vendor service agreements, competitive bidding processes, along with the feasibility of various projects for the upcoming year, budget planning for 2025, as well as strategic planning for long term projects over the next six years in coordination with the Reserve Study as renewed in Jun 2023.

Some highlights from 2024:

- a. Implementation of a Smoke Rise Procurement Policy.
- b. Paving was provided to the community by a new contractor selected through a competitive bidding process. This resulted in a savings over previous years, reducing the total time within Smoke Rise to complete paving, as well as improvements to the application process to extend the life of the roadways.
- c. Improvements to drainage at the Village Inn Parking and Perimeter Road. This will reduce flooding of these areas and damage to the tennis courts.
- d. Renewal of the common area landscaping contract. Again, through competitive bidding.
- e. A majority of the 2024 capital budget funds continued to be attributed to road paving and repairs. As was the case for the last several years.

St. Hubert's Chapel

Major restorations are funded through donations provided to Kinnelon Conservation Heritage Society while the Smoke Rise Club maintains the Chapel building and contents as an amenity of the Smoke Rise Club.

Restorations completed this year included the installation of statues of St. Zeno, St. Germanius, a three headed dragon, and a bronze Madonna statue by Gustave Dore.

There is much interest in the Chapel from both residents and non-residents. With over 500 requests for tours and visits logged by the Chapel Committee on their dedicated email.

Events this year included:

- Two - Smoke Rise Resident open houses with 200 attendees.
- Two - public open house with 90 attendees.
- Nine - private tours including 2 private masses with 102 attendees.

This year we have benefitted greatly from the generous donation of the large Chapel Boat. This enables tours to be run efficiently, professionally, and safely.

A note of thanks this year to our very active group of 14 resident volunteers. Thanks to having so many people prepared to help out on the boats and with visitor safety. This allowed a response to almost every request for a tour.

A special thanks called out to Tom and Cori Kline. Who continue to carry almost all the burden of restoring and maintaining the Chapel. Their expertise and hundreds of volunteer hours each year without any expectation of a reward is greatly appreciated by the Chapel Committee and the Smoke Rise Club. It has been an honor for us as residents to be able to support the inspirational work they do.

The chapel is available for use by residents for special events and to those outside Smoke Rise by requests to Chapel@smokerise-nj.com .

Looking forward to 2025 we expect to:

- a. Install decorative landscape at the triangle at North Gate.
- b. Work with L&E Committee to improve to the dock areas.
- c. Develop design guidelines for a uniform appearance of common areas.
- d. St. Hubert's Chapel
 - a. Installation of final restorations that include the Tiffany Sanctuary Lamp and repairs to an Angel statue by Tantardini.
 - b. Implement a Preservation Agreement between Kinnelon Heritage Conservation Society and the Smoke Rise Club. This is to ensure the Chapel will be preserved in its present form and available for future generations.
 - c. Anticipate a new Smoke Rise website that will include a virtual tour of St. Hubert's Chapel.
 - d. Events are already scheduled for 2025.

Respectfully submitted,
John P. Hlinka
Smoke Rise Governor – Infrastructure

Morris County Recording Cover Sheet



Honorable Ann F. Grossi, Esq.
Morris County Clerk

MORRIS COUNTY, NJ
Ann F. Grossi
AMND-OR BOOK 24828 PG 1411
RECORDED 10/28/2024 08:46:19
FILE NUMBER 2024042303
RCPT # 1854358; RECD BY: NJACKSON eRecord
RECORDING FEES 740.00
INDEX FEE

Official Use Only - Realty Transfer Fee

Official Use Only - Barcode

Date of Document:
10/25/2024

Type of Document:
AMENDED TO MASTER DEED

First Party Name:
SMOKE RISE CLUB INC.

Second Party Name:
SMOKE RISE CLUB INC.

ADDITIONAL PARTIES

THE FOLLOWING SECTION IS REQUIRED FOR DEEDS ONLY

Block:	Lot:
Municipality: KINNELON BORO	
Consideration:	
Mailing Address of Grantee:	

**THE FOLLOWING SECTION IS FOR ORIGINAL MORTGAGE BOOK & PAGE INFORMATION FOR AN
ASSIGNMENT, RELEASE, OR SATISFACTION OF A MORTGAGE OR AN AGREEMENT RESPECTING A MORTGAGE**

Original Book: 20634	Original Page: 1332
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MORRIS COUNTY RECORDING COVER SHEET

Please do not detach this page from the original document as it contains important recording information and is part of the permanent record.

WARNING: Information contained on the Recording Cover Sheet must exactly match the information within the attached document or the document will be rejected and returned.

THE SMOKE RISE CLUB, INC.
(the "Club")

Resolution Memorializing the Adoption of the Amended Bylaws

P R E A M B L E

A. The Declaration for The Smoke Rise Club (the "Declaration"), was recorded in the Morris County Clerk's Office on October 3, 2006 in Deed Book 20634 at Page 1332, et seq. (as the same may have been thereafter amended) and the Bylaws of the Club (the "Bylaws"), were recorded as Exhibit "B" to the Declaration (as the same may have been thereafter amended).

B. Article I, Section 2 of the Bylaws ("Bylaws") expressly states that the purpose of the Club, as the governing body of the Property, includes: (a) the formulation of rules and regulations and enforcement thereof, (b) providing an adequate system of administration; and (c) making available protection for all Club properties.

C. Pursuant to the "Radburn Act", specifically N.J.S.A. 45:22A-46(d)(5)(b), as adopted on July 13, 2017 by the New Jersey Legislature, the Board may amend the By-Laws of the Club under the following circumstances:

“(a) to the extent necessary to render the bylaws consistent with State, federal or local law; or

(b) after providing notice to all association members of the proposed amendment, which notice shall include a ballot to reject the proposed amendment. Other than an amendment to render the bylaws consistent with State, federal, or local law, if at least 10 percent of association members vote to reject the amendment within 30 days of its mailing, the amendment shall be deemed defeated”

D. The Board feels it is in the best interest of the Club to enact an updated form of Bylaws.

E. For the benefit of the Club and of the membership, the Board now wishes to enact this Resolution memorializing the Board's adoption of the Amended Bylaws, which occurred at an open meeting of the membership.

F. This Resolution was duly introduced and thereafter adopted pursuant to the terms and conditions hereof.

NOW, THEREFORE, BE IT RESOLVED on this 25th day of October 2024 as follows:


1. Adoption of the Amended Bylaws. On September 18, 2024, the Board of Governors, at an open meeting of the membership, adopted the Amended Bylaws of the Club pursuant to N.J.S.A. 45:22A-46, attached hereto as Exhibit A.

2. Recording of the Amended Bylaws. The Amended Bylaws will be submitted for recording in the office of the Morris County Register, New Jersey.

3. Effective Date. The Amended Bylaws shall be effective upon recording in the office of the Morris County Register, New Jersey.

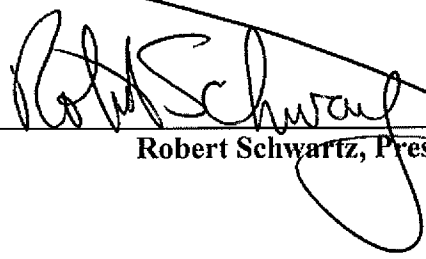
NOTICE AND RECORDING. The Club's managing agent is authorized and directed to prepare correspondence, in appropriate form and substance, and thereafter circulate same, along with a copy of this Resolution, to all Unit Owners. The Club also authorizes and directs its legal counsel to arrange for recordation of a copy of this Resolution with the Morris County Register's Office in order to provide notice of this Resolution to each purchaser of a Unit.

ATTEST:



Gregg Fernstrom, Secretary

THE SMOKE RISE CLUB, INC.

By: 

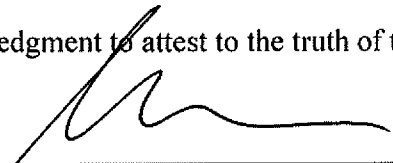
Robert Schwartz, President

STATE OF NEW JERSEY

COUNTY OF MORRIS

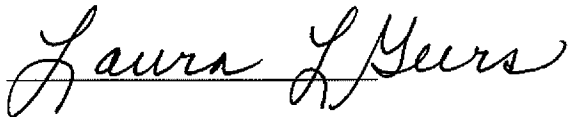
I CERTIFY that on October 25, 2024, Gregg Fernstrom personally came before me and this person acknowledged under oath, to my satisfaction, that:

- (a) this person is the Secretary of The Smoke Rise Club, Inc., a nonprofit corporation of the State of New Jersey, named in this document;
- (b) this person signed this document as attesting witness for the proper corporate officer who is Robert Schwartz, the President of the corporation;
- (c) this person knows the proper corporate seal of the corporation and the proper corporate seal was affixed;
- (d) this document was signed and delivered by the corporation as its voluntary act and deed by virtue of authority from its Board of Governors; and
- (e) this person signed this acknowledgment to attest to the truth of these facts.



 Gregg Fernstrom, Secretary

Signed and sworn to before me on October 25, 2024



Record & Return To:
 David L. Dockery, Esq.
 Becker New York, P.C.
 67 Park Place East, Suite 800
 Morristown, NJ 07960

LAURA L. GEERS
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES AUGUST 20, 2027

[Faint handwritten notes]

Exhibit A

Amended By-Laws of the Smoke Rise Club, Inc.
September 18, 2024

AMENDED BYLAWS
OF
THE SMOKE RISE CLUB, INC.
2024

25551979v.2

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ARTICLE I

Nature of Amended Bylaws

Section 1. Name. The name of the corporation The Smoke Rise Club, Inc., hereinafter referred to as the “Club,” a non-profit corporation organized under Title 15A of the New Jersey Statutes Annotated. It was established by the Certificate of Incorporation filed with the office of the New Jersey Secretary of State in 1946.

Section 2. Purpose of the Club. The purpose of the Club is defined in its Certificate of Incorporation. The Club is the governing body of the Smoke Rise Community established under the laws of the State of New Jersey. It provides for the management, administration, utilization and maintenance of the Common Property located in the Smoke Rise Community and enforces the terms of the Governing Documents. Without limiting the generality of the foregoing, or any of the powers or duties of the Board as set forth in the Governing Documents, the Club’s purposes shall include: (a) the formulation of rules and regulations and providing for the enforcement thereof, for the use of all Club properties and facilities, now owned or hereafter acquired; (b) providing an adequate system of administration; and (c) making available protection for all Club properties.

Section 3. Purpose of the Amended Bylaws. These Amended Bylaws are intended to govern the administration of The Smoke Rise Club, Inc.

Section 4. Definitions. For the purpose hereof, the following terms shall have the following meanings, unless the context in which same are utilized clearly indicate otherwise:

- (a) “**Amended Bylaws**” means these Amended Bylaws of The Smoke Rise Club, Inc.
- (b) “**Annual Assessment**” means the total revenues projected to be collected from all Lot Owners pursuant to the budget adopted by the Board as set forth in Article IX.
- (c) “**Acquisition Fees**” means those fees that are paid by all purchasers upon acquiring title to a Lot, as defined under Article IX, Section 11, of these Amended Bylaws.
- (d) “**Authorized votes**” means 952 votes, representing one vote for each Lot in Smoke Rise Community.
- (e) “**Board**” means the Board of Governors of the Club.
- (f) “**Capital Fund**” has the meaning set forth in Article IX, Section 9(b), of these Amended Bylaws.

- (g) **“Certificate of Incorporation”** means the Certificate of Incorporation for Smoke Rise Club, Inc. attached to the Declaration as Exhibit “C.”
- (h) **“Club”** means The Smoke Rise Club Inc., a New Jersey nonprofit corporation, its successors and assigns.
- (i) **“Common Property”** means the real property owned by the Club and all improvements constructed thereon, including any improvements that may be hereinafter constructed, or the replacement of any existing improvements or hereinafter constructed improvements.
- (j) **“Common Expenses”** means the expenses incurred or anticipated to be incurred by the Club for the general benefit for all Lots, including any reasonable reserve (but exclusive of capital or deferred maintenance reserves), as the Board may find necessary and appropriate pursuant to this Declaration, the Bylaws, and the Certificate of Incorporation.
- (k) **“Declaration”** means the Declaration of Covenants and Restrictions for The Smoke Rise Club, Inc. in connection with which these Amended Bylaws have been recorded as an exhibit.
- (l) **“Delinquent Lot Owner”** has the meaning set forth in Article IX, Section 13 of these Amended Bylaws.
- (m) **“Dwelling”** means a structure intended for use and occupancy as a detached residence for a single family.
- (n) **“Eligible Mortgage Holder”** means and refers to any holder of a first mortgage encumbering any Lot who has requested, in writing, by certified mail, return receipt requested, notice of certain matters from the Club. The notice to the Club must state the name of the mortgage holder and the address to which notices are to be sent and shall identify the mortgaged Lot. All notices to an Eligible Mortgage Holder shall be effective upon mailing to the address provided by the mortgage holder, unless the address is modified by written notice given to the Club in the same manner as provided above.
- (o) **“Eligible Votes”** means the number of Lots whose Owners are in good standing, as defined in Article III, Section 5 of these Amended Bylaws.
- (p) **“First Mortgagee”** means a bank, savings and loan association, credit union, insurance company, or other institutional lender who has provided monetary consideration in exchange for a recorded first priority mortgage lien containing a face amount of not more than the consideration actually advanced or to be advanced pursuant to a loan agreement.
- (q) **“Governing Documents”** means the Declaration, these Amended Bylaws, the

Certificate of Incorporation, any Rules and Regulations adopted by the Board.

- (r) **“Lot”** means an independent parcel of property upon which a Dwelling has been constructed or upon which a Dwelling may be constructed in accordance with all applicable law, or any individual parcel of property shown on a final subdivision map recorded in the Office of the Clerk of Morris County which has been conveyed to an individual owner by a Smoke Rise Developer.
- (s) **“Lot Owner”** means one or more persons or entity having fee simple title to a Lot.
- (t) **“Member”** means an Owner who has satisfied all of the prerequisites for membership in the Club as set forth in the Declaration and these Amended Bylaws.
- (u) **“Operating and Maintenance Fund”** means the operating account of the Club, established and maintained for the purposes specifically set forth in Article IX, Section 9(a), of these Amended Bylaws.
- (v) **“Property”** shall have the meaning set forth in Section 2.1 of the Declaration.
- (w) **“Quorum”** means, in connection with any membership meeting, 15 percent of the Eligible Votes unless otherwise required by the Certificate of Incorporation, the Declaration, or these Amended Bylaws.
- (x) **“Owner”** means the person or entity appearing as the grantee in a deed recorded in the Morris County Clerk’s Office.
- (y) **“Resident Spouse”** means the spouse of an owner of a Lot who has actually resided in the Club for 183 or more days during the immediately preceding 12-month period. The term “Resident Spouse” will include a domestic partner provided the State of New Jersey has statutorily recognized such relationship.
- (z) **“Rules and Regulations”** means those rules and regulations lawfully adopted by the Board in accordance with the powers granted to it under the Governing Documents or by law.
- (aa) **“Smoke Rise Community”** means (i) the Property; (ii) all improvements now or hereinafter constructed in, upon, over or through the Property, whether or not shown on any exhibit to the Declaration; (iii) all rights, roads, privileges belonging to or associated with the Property; and (iv) any and all lands, premises, roads, interests, improvements, privileges which may be added to the Smoke Rise Community.
- (bb) **“Tenant”** means any person having a possessory interest in a Dwelling. Any person not an Owner who resides in a Dwelling for more than 30 days (whether or

not the Owner is present) will be deemed a Tenant and the Owner must comply with all Use Restrictions and Rules and Regulations, if any, applying to tenancies, unless the Owner provides proof to the reasonable satisfaction of the Board that the person residing in the Dwelling is not a Tenant.

Section 5. Organizational Structure. The Club shall utilize the following organizational structure:

- (a) Board of Governors;
- (b) Officers of the Smoke Rise Club;
- (c) Standing Committees;
- (d) Other Committees; and
- (e) Sub-Clubs

Section 6. Principal Office. As of the adoption of these Amended Bylaws on September 18, 2024, the principal office of the Club is 9 Perimeter Road, Kinnelon, New Jersey 07405, County of Morris, State of New Jersey. The principal address of the Club may be amended by recorded resolution of the Board, from time to time.

ARTICLE II

Applicability

Section 1. General. These Amended Bylaws, and all other Governing Documents, will apply to all current and future Owners, occupants, Tenants or other persons or entities claiming an interest in any Lot.

Section 2. Personal Application. All present and future Owners, occupants, Tenants, future Tenants or their respective employees, or any other person that might use the facilities of the Club in any manner, are subject to the terms of these Amended Bylaws. The acquisition, use, or rental of a Lot, or use of a Common Property or easement, by any person or entity, shall mandate compliance with these Amended Bylaws.

ARTICLE III

Membership and Voting Rights

Section 1. Members. Subject to the pre-conditions that a new Owner: (a) attend a mandatory orientation session with a committee designated by the Board (Section 18.2 of the Declaration); and (b) pay the Acquisition Fees, if any (Article IX, Section 11 of these Amended Bylaws) every person, firm, Club, corporation or other legal entity who is a record owner, or co-owner of the fee simple title to any Lot shall be a Member of the Club; provided, however, that any person, firm, Club, corporation or legal entity who holds such title or interest merely as a security for the performance of an obligation (including but not limited to mortgagees or Governors under deeds of trust) shall not be a Member of the Club. Failure of a Lot Owner to qualify as a Member will not relieve the Lot Owner from payment of all fees assessed pursuant

to the Governing Documents.

Section 2. Associate Members. Every person who is entitled to possession and occupancy of a Lot as a Tenant or lessee of a Lot Owner may be an associate Member of the Club, but shall not be entitled to any vote with respect to Club matters.

Section 3. Change of Membership. Change of membership shall be accomplished by recording in the Morris County Clerk's Office a deed or other instrument establishing a record title to a Lot, and delivery to the Secretary of the Club at the principal office of the Club of a certified copy of such instrument. The membership of the prior Owner shall simultaneously terminate with the membership of a new Owner.

Section 4. Rights of Membership. Every person who is entitled to membership in the Club, pursuant to the provisions of the Certificate of Incorporation and these Amended Bylaws, shall be privileged to use and enjoy the Common Property subject to the terms and conditions of Section 16.1 of the Declaration. Further, no new Lot Owner will be entitled to the benefits of membership until the Lot Owner has participated in an orientation meeting with a committee designated by the Board as set forth in Section 18.2 of the Declaration.

Section 5. Good Standing; Suspension of Rights.

- (a) If any individual Member is not in good standing, as defined in this section, no vote may be cast with respect to any Lot in which that Member holds an ownership interest. Except in connection with being a candidate as a Governor or voting in the election of Governors, a Member is in good standing if the Member is (i) not in default, breach or violation of the terms, conditions, restrictions or covenants contained in the Governing Documents as determined following the opportunity to have a hearing before the Judicial Committee, if any, or the Board, or (ii) not more than 30 days late in the payment of any installment due for assessments made or levied against the Lot by the Club pursuant to the Declaration or these Amended Bylaws, together with all interest and/or costs, attorney's fees, penalties, fines and other expenses chargeable to the Member, or the Member's Lot.
- (b) A Member is in good standing: (i) to be a candidate for election as a Governor; (ii) to vote in the election of Governors; or (iii) to vote to amend these Bylaws if the Member is current on the payment of common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed, and which Member has not failed to satisfy a judgment for common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed. A Member is in good standing if he or she is in full compliance with a settlement agreement with respect to the payments of assessments, legal fees or other charges lawfully assessed, or the Member has a pending, unresolved dispute concerning charges assessed which dispute has been initiated: through a valid alternative to litigation pursuant to subsection c. of section 2 of N.J.S.A. 45:22A-44; or through a pertinent court action.

- (c) Any Member not in good standing five business days prior to a membership meeting, will not, in connection with any Lot in which such Member has an ownership interest, be permitted to cast any vote in connection with any matter coming before the membership, nor be permitted to run for any elected office of the Club, nor will the Lot(s) owned by such an Owner be counted towards the Eligible Votes. The Board shall also have the right to suspend (i) the easement rights of a Lot Owner who is not in good standing, as described in Paragraph 16.1(c)(ii) of the Declaration; (ii) the right of a Lot Owner to participate in any Club or sub-Club activities; (iii) the use of any Club recreational facilities; and (iv) a Lot Owner's right to utilize the Club facility known as the "Inn" in connection with any activity that is not open to the general public.
- (d) A Member's rights, as set forth in subsection (b) above, will be reinstated eight days following the restoration of the owner's good standing, provided, however, that in connection with any adjournment of a meeting in connection with which the Member was not in good standing, the Member will not have a right to vote or be counted as an Eligible Vote in connection with such adjourned meeting.

Section 6. Votes. Members shall be entitled to one vote for each Lot to which the Member holds title. When more than one person holds title, the vote for each Lot shall be exercised as the co-owners among themselves determine. Members will be allowed to cast ballots anonymously by mail, provided that a procedure will be utilized to ensure that a ballot has been cast by a Member who is in good standing. A mailed ballot will constitute a proxy for purposes of determining a quorum in connection with a vote that is required to be conducted at a meeting of the Members. Any vote may, at the election of the Board, be cast electronically provided that (a) the Club is able to verify that the vote is cast by a Member eligible to vote, and (b) the ballot may be cast anonymously, or where that is not reasonably practical the selection indicated on any electronic ballot shall only be known to a person or persons appointed to count the ballots, which person or persons shall not be a member of the Board and who shall subscribe to an oath not to divulge the selection indicated by any Member casting an electronic ballot. If the anonymity of an electronic ballot cannot be guaranteed, electronic voting may be permitted, provided a Member is given the option of casting an anonymous written ballot. A Member voting by electronic means will be deemed present at a meeting at which a vote is to be conducted for the purpose of determining whether a quorum was obtained.

Section 7. Proxies. A written ballot shall, as provided in Section 6 of this Article III, constitute a proxy. Formal proxies that provide the proxy with the discretion to cast a vote as the proxy may determine will be permitted only where: (a) any matter to be voted on may result in an alternative proposal being presented at a meeting of the Members; (b) there are more than twice the number of candidates as there are Governor positions open for election; or (c) there are less candidates than open Governor positions. In no event may a proxy document permit the proxy agent to cast a vote on a matter other than as set forth on the written ballot to be voted upon at a membership meeting, except procedural motions such as, but not limited to, motions to adjourn. All proxies must be in writing, signed by a Member, or by his duly authorized representative(s) and delivered to the Secretary of the Club, or such other person as the President may designate. All proxies will be effective only in connection with the meeting for which it is

given, and all lawful adjournments of the meeting. Proxies may be revoked, in writing, at any time prior to the opening of the polls. Proxies may only be given to a Member of the Club in good standing in the Club. All proxies shall be substantially in the form prescribed by the Board, and if not in such form, shall be deemed invalid, which determination shall be made in the sole and absolute discretion of the Board.

ARTICLE IV

Membership Meetings

Section 1. Place of Meeting. All meetings of the Members shall be held within the community or at such other place convenient to the Members as may be designated by the Board, provided that if a meeting is not held in the community it shall be held in Kinnelon Borough, or in an immediately adjacent municipality.

Section 2. Annual Meetings. All annual meetings of the Members shall be held during the month of November, on the date determined by the Board. Annual meetings shall be scheduled in addition to the regular meetings of the Board of Governors set forth in Article VII, Section 1, of these Amended Bylaws.

Section 3. Special Meetings. Special meetings of Members may be called by the President whenever such a meeting is deemed advisable, or may be called by the Secretary when so ordered by the Board, or upon the written request of Members representing not less than 15 percent of the Eligible Votes. The request must state the purpose(s) of such meeting and the matter(s) proposed to be acted upon. Unless Members representing not less than 50 percent of the Eligible Votes request such a meeting, no special meeting may be called to consider any matter that is substantially the same as a matter voted upon at any meeting of the Members held during the preceding 12 months. Special meetings must be held within 45 days of the filing of a written request complying with the terms of this section.

Section 4. Emergency Meetings. In the event that the Board is required to deal with such matters of urgency and importance that delay for the purpose of providing forty-eight (48) hours advance notice would be likely to result in substantial harm to the interests of the Club, the notice shall be deemed adequate if it is provided as soon as possible following the calling of the meeting.

Section 5. Meeting to Review Use Restrictions and Standards. As provided in Article 7.0 of the Declaration, upon the sixth anniversary of the recording of the Declaration, and every six years thereafter, a meeting shall be held for the purposes set forth in Article 7.0 of the Declaration. The meeting required under this section may be combined with the Annual Meeting of the Club, and need not be conducted as a separate meeting.

Section 6. Proxies and Adjourned Meetings. All proxies or ballots validly received for the originally scheduled meeting shall remain in full force and effect for any such adjourned meeting or special meeting and new proxies may be received for any such subsequent reconvened meeting.

Section 7. Notice of Meetings. Notice of each meeting of Members, whether annual or special, will be given not less than 10 days, nor more than 60 days before the day on which the meeting is to be held. Notice will be sent by U.S. mail, regular post with postage prepaid, addressed to the Lot Owner at the address on the records of the Club pursuant to Article XIX of these Amended Bylaws. Every such notice shall state the time and place of the meeting and shall state briefly the purpose(s) of the meeting. At least once each year, within thirty (30) days following the annual meeting of the Club, the Board shall post and maintain posted throughout the year, notice of Board meetings to be held in Board-designated locations. Notice of any meeting in which the Board is to take action, other than the annual meeting, an emergency meeting, or the meetings to be noticed under the preceding sentence, shall be given at least forty-eight (48) hours in advance of that meeting, including the time, date, location and when possible, the agenda for that meeting, to all Lot Owners in the manner provided in Article VII, Section 2 of these Amended Bylaws. Except where otherwise expressly required by law, no publication of any notice of a meeting of Members will be required.

Section 8. Quorum and Adjourned Meetings. The quorum for any membership meeting, unless otherwise specifically set forth in the Certificate of Incorporation, the Declaration or these Amended Bylaws, shall be 15 percent of the Eligible Votes. Only Members in good standing who are present in person or by proxy shall be counted in establishing a quorum. Once a quorum has been established, the quorum will remain in effect, despite the subsequent departure or absence of one or more persons from the meeting, provided that any action taken by the membership is approved by at least a majority of the quorum for that meeting. In the absence of a quorum, the persons holding votes present in person or by proxy and entitled to vote, may, by majority vote, adjourn the meeting from time to time, until a quorum shall be present or represented. To establish a quorum at the adjourned meeting, the number of Members that were present either in person or by proxy at any meeting adjourned due to lack of a quorum are considered present at any subsequent meetings of the original adjourned meeting, except that issues not expressly voted on in any proxies cannot be counted. The quorum will be determined by the Secretary or his designee.

Section 9. Organization. At each meeting of the Members, the President, or in his absence, the Vice President, or in the absence of both, another Governor chosen by a majority vote of the Members present in person or represented by proxy and entitled to vote at the meeting, shall act as a chair, and the Secretary, or in his absence, a person whom the Chair shall appoint, shall act as Secretary of the meeting.

Section 10. Number of Votes Required. Except as otherwise required by the Certificate of Incorporation, the Declaration, these Amended Bylaws, or any law, a quorum being present, the affirmative vote of a majority of the quorum present, in person or by proxy, will be sufficient on those matters that are to be voted on by the Members. Any vote permitted to be cast by a Member, may be cast by the Resident Spouse of a Member who does not hold record title to the Lot. Unless determined by a majority of the votes of the Members present at such meeting, in person or by proxy, or determined by the chairperson of the meeting to be advisable, the vote on any other question need not be by ballot, unless expressly otherwise required pursuant to the Declaration or these Amended Bylaws.

Section 11. Inspectors. If at any meeting of the Members a vote by ballot will be taken on any questions, except the election of Governors, the Club's accountant (or one or more employees with the accounting firm acting as the Club's accountant) will act with respect to the vote (hereinafter the "Independent Inspector"). Notwithstanding the foregoing, no Independent Inspector may be a resident of Smoke Rise. In connection with voting for candidates for Governors, the vote shall be counted pursuant to the terms of Article V, Section 3 of these Amended Bylaws. Each Independent Inspector shall first subscribe an oath stating that the Independent Inspector promises to perform his or her duties to the best of his or her ability and in a fair and impartial manner. The Independent Inspectors will decide upon the qualifications of voters and will report the number of Eligible Votes represented at the meeting and entitled to vote on the question, will conduct and accept the votes, and when the voting is completed, will ascertain and report the number of votes respectively for and against the questions; but as to the election of Governors, the number of votes received by each candidate will be reported to the presiding officer of the meeting, but need not be reported to the membership at large. Reports of the Independent Inspectors will be in writing and subscribed and delivered by them to the Secretary of the meeting. The Independent Inspectors may obtain the opinion of the Club's attorney concerning any matter within the Inspectors' discretion, as set forth in this section.

Section 12. Closing of Polls. In any matter to be voted on by ballot (excepting such matters voted upon at a meeting where a motion is approved to conduct a vote by ballot) the polls for receipt of the ballots shall not close until 8:00 p.m. on the business day following the date of the meeting.

Section 13. Order of Business. The order of business at the annual meeting of the Members or at any special meetings insofar as practicable shall be:

- a. Call of the roll and certifying the proxies and determining the quorum;
- b. Proof of notice of meeting and waiver of notice;
- c. Approval of the minutes of the previous membership meeting;
- d. Appointment of inspectors, if appropriate;
- e. Election of Governors, if appropriate;
- f. Receiving reports of officers (which reports may be in written form);
- g. Receiving reports of committees (which reports may be in written form);
- h. Membership comments;
- i. Noticed business;
- j. Old business;
- k. New business;
- l. Adjournment.

Section 14. Ascertainment of Votes Needed. Whenever the Governing Documents require a specific percentage or fraction to vote in the affirmative, the percentage or fraction shall be applied to the Eligible Votes, unless any provision of the Declaration, the Certificate of Incorporation or these Amended Bylaws require a percentage of all Lot Owners to approve an action. For example, under Article XVI, Section 1(b), of these Amended Bylaws, an amendment to the Bylaws may be approved by an affirmative vote of at least a majority of Eligible Votes

present in person or by proxy at a duly called annual or special meeting of the Members, with a minimum quorum of 50 percent of the Eligible Votes. Thus, if 50 percent of the Members in Good Standing were present in person or by proxy at that meeting, then the amendment may be approved by an affirmative vote equal to one-half of those Members plus one additional vote.

Section 15. Minutes. Minutes of every membership meeting shall be taken by the Secretary or the Secretary's designee. A copy of the unapproved minutes shall be available for distribution to any Member requesting same in writing to the Secretary, or to the Secretary's designee, no later than 30 days after the meeting.

ARTICLE V

Board of Governors

Section 1. Express and Implied Powers. The property, affairs and business of the Club will be managed by the Board of Governors, which shall have all those powers granted to it by law, the Declaration, the Certificate of Incorporation, and these Amended Bylaws, including, without limitation, the power to:

- (a) Establish, adopt and enforce rules and regulations (the "Rules and Regulations") in connection with the conduct of Owners, occupants, Tenants, guests, visitors and invitees with respect to the Common Property and the Lots. In connection with any rule or regulation that concerns Tenants or guests, any person, other than a child, mother or father of a Lot Owner, who is not an Owner, and who resides in a Lot Owner's dwelling for more than 30 days (whether or not the Owner is present) will be deemed a Tenant and the Owner must comply with all Rules and Regulations, if any, applying to tenancies or leases, unless the Owner provides clear and convincing proof to the reasonable satisfaction of the Board that the person residing therein is not a Tenant; and
- (b) Enforce by any legal means the provisions of the Governing Documents including imposing fines, and bringing any proceedings that may be instituted on behalf of or against the Owners concerning the Club; provided, however, the Club will not be obligated to take action to enforce any covenant, restriction or rule which the Board in the exercise of its reasonable business judgment determines is, or is likely to be construed as inconsistent with applicable law, or in any case in which the Board reasonably determines that the Club's position is not likely to be successful unless the failure to do so would have a material detrimental impact upon the value of any of the Lots or would materially affect the common welfare of the Lot Owners; and
- (c) Establish such committees in addition to the Standing Committees referenced in Article XII, as the Board may, from time to time, determine, which committees will serve at the pleasure of the Board and in accordance with the duties and limitations placed upon such committees by the resolution of the Board establishing them;

- (d) Authorize, in writing, the use of the “Smoke Rise” name by sub-clubs or such other entities or organizations as the Board may determine, subject to such terms and conditions as the Board may impose in its absolute discretion; and the Board shall be authorized to enforce, by any lawful means, its right to limit the use of the “Smoke Rise” name by those persons or entities who are not entitled to the use of the name or by those persons or entities who have failed to comply with the terms and conditions imposed by the Board for the use of the name, it being the intention of this Section that no committee, sub-club or other entity be permitted to use the “Smoke Rise” name without the written authorization of the Board.
- (e) Exercise all powers necessary or reasonably implied to carry out the functions of the Board as set forth in the Declaration, these Amended Bylaws, the Non-Profit Corporations Act, or otherwise by law, it being the intention of this provision to grant the broadest powers reasonably necessary to carry out its functions.

Section 2. Number and Qualifications; Nomination.

- (a) Commencing with the Club’s annual meeting in 2024, the Board will transition from a 12-member Board of Governors to a 7-member Board of Governors, with the Board having fully transitioned to 7 members by the annual meeting occurring in 2026 and as more particularly set forth in Section 4 of this Article.
- (b) All Members of the Club in good standing may vote for candidates for all Governorships. Not more than one resident of a Lot may serve on the Board at any one time. No person may be a candidate for a Governor position who is not a Member in good standing.
- (c) The election of Governors will be held in accordance with the terms of the Planned Real Estate Development Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.) including the following specific provisions:
 - i. Not less than 44 nor more than 90 days before the date of a meeting at which Governors will be elected the Club will cause notice to be sent to all Members advising them of the right to submit a nomination for candidacy to the Board;
 - ii. Any Member in good standing, or Spouse of a Member who is in good standing, may be a candidate for the Board;
 - iii. “Good standing” means the status--solely with respect to eligibility to (1) vote in Board elections, (2) vote to amend the Bylaws, and (3) nominate or run for a Governorship position--applicable to a Club Member who is current on the payment of common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed, and which Club Member has not failed to satisfy a judgment for common expenses, late fees, interest on unpaid

assessments, legal fees, or other charges lawfully assessed. An association member is in good standing if he or she is in full compliance with a settlement agreement with respect to the payments of assessments, legal fees or other charges lawfully assessed, or the association member has a pending, unresolved dispute concerning charges assessed which dispute has been initiated through a valid alternative to litigation pursuant to subsection c. of N.J.S.A. 45:22A-44 or through a pertinent court action.

iv. The Club shall establish a date for the return of nominations that is not less than 14 days after sending the request for candidate nominations;

v. The Club shall provide notice of the election meeting not less than 14 days nor more than 60 days prior to the meeting;

vi. With the election meeting notice the Club will include an absentee ballot with the names of the candidates set forth in alphabetical order together with a copy of the ballot that may be used for in-person voting at the election meeting, which ballot will be marked "Sample";

vii. The Board may also permit the use of electronic balloting, provided that any Member has consented in writing to vote electronically; and

viii. Each Owner holding an Eligible Vote, may cast a vote assigned to the Owner's Lot for each position to be filled from the slate of candidates. No cumulative voting shall be permitted.

In addition to the foregoing, the Board may establish rules and regulations concerning the election of Governors that are not inconsistent with the terms of the Planned Real Estate Development Full Disclosure Act pertaining to the election of members of a board, or any successor legislation thereto.

Section 3. Tallying of Ballots.

- (a) In any election where there are more candidates than vacancies open for election, the ballots shall be counted by either (i) a committee of impartial Owners having no relationship with any of the candidates; (ii) by a reputable, independent third-party such as but not limited to, the Club's law firm or the Club's accounting firm (any one of which is hereinafter referred to as the "Inspector").
- (b) As required by law, the tallying of ballots shall occur in a manner allowing the Members to view the tallying of ballots, whether in person or by virtual means, such as but not limited to the use of a virtual meeting platform that permits viewers to contemporaneously observe the tallying. Matter concerning the verification of ballots, validating the good standing of Owners casting a ballot or other matters prefatory to the tallying of the ballots need not occur in public.

- (c) All ballots will be retained for 90 days following the date of the election meeting and will be available for inspection by any Member of the Club provided that in no event will any ballot reveal the identity of the person casting the ballot.
- (d) Candidates receiving the highest plurality of votes will be elected to the open Governorship positions. If in any election there are Governorships open for election for terms of a different number of years, the elected candidate receiving the higher number of votes will be elected to the term of greater length.

Section 4. Transition; Term of Office

- (a) The term of office for each elected Governor will be three years. In order to transition from a 12-Governor Board to a 7-Governor Board the three annual meeting elections commencing in 2024 will elected the following number of Governors at each meeting:

2024: Three Governors will be elected;
2025: Two Governors will be elected; and
2026: Two Governors will be elected.
- (b) Thereafter, the Board will consist of seven (7) Governors each of whom shall serve three-year terms. If a Governorship position becomes vacant more than 60 days before an annual meeting, the unexpired term will be filled at the next occurring annual meeting by the elected candidate receiving the fewest number of votes.
- (c) If, in connection with any annual meeting, there are less candidates than open Governorship positions the Board may appoint a Member or Resident Spouse of a Member to fill the open position, with the unexpired term for such position being open for election at the following annual meeting.
- (d) Governors will continue to serve until their successor is elected.

Section 5. Removal of Governors.

- (a) At any duly held regular or special meeting of the Members, any one or more Governors may be removed with or without cause by a majority of the Eligible Votes present (no proxies), provided that (i) the notice of the meeting expressly includes the removal of one or more Governors, and (ii) the Governor(s) whose removal is proposed will receive not less than 7 days prior notice of the intention to vote upon his removal, (iii) the Governor(s) will be given an opportunity to be heard at the meeting, and (iv) the total votes cast in favor of removal constitute not less than 25 percent of all Eligible Votes. If the removal of one or more Governors is proposed to be placed on the annual meeting agenda, a petition containing 15 percent of the Eligible Votes must be submitted to an officer of the Club at least 30 days prior to the annual meeting. If one or more Governor's

removal is to be considered at any special meeting of the Club, the procedure established in Article IV, Section 3, will be followed. If a vote to remove a Governor(s) is approved, a successor(s) may then and there be appointed by the President (or where the President is removed, then the Vice-President) to fill the vacancy thus created. Each person so appointed shall be a Governor for the unexpired portion of the term to which such person was appointed, unless, in accordance with Section 6 below, the Members are entitled to elect a Governor for the unexpired term.

- (b) Any Governor who ceases to be a Resident Owner or Resident Spouse, or who is determined not to be a Member in good standing for a period of more than 30 days after being notified that he or she is not a Member in good standing, will automatically be removed as a Governor.
- (c) Any Governor missing more than three regular meetings of the Board in a 12-month period without approval of the Board, may be removed by the remaining Governors, in which case the vacancy will be filled pursuant to Section 6 below. However, any Governor whose removal has been proposed by the Board shall be given an opportunity to be heard at a Board meeting prior to the vote for removal.
- (d) In the event that all of the Governors are removed, successors shall be elected by the Members in the manner set forth in Article V, Section 3 of these Amended Bylaws to fill the vacancies thus created. Each person so elected shall be a Governor for the remainder of the term of the Governor whose term that is being filled and until the successor is duly elected and qualified.

Section 6. Vacancies. Vacancies in the Board caused by any reason other than the removal of all Governors by a vote of the Members shall be filled by appointment by the President (or if the Governorship of the person who was serving as President becomes vacant, then the Vice-President), promptly after the occurrence of any such vacancy. The vacancy filled under this section will be open for election at the next annual meeting for the remaining term of that Governorship. At any election at which Members are electing a candidate to fill an unexpired term, and where one or more candidates has not opted to specifically run for the unexpired term, the elected candidate receiving the fewest votes will fill the unexpired term. If all of the Governors are removed pursuant to the terms of Section 5 above, an election shall be scheduled within 45 days, which election shall be otherwise in accordance with the terms of this Article V to fill the unexpired portion of the terms of the removed Governors, with the four candidates receiving the greatest number of votes serving a three-year term, the four candidates receiving the next highest number of votes serving a two-year term and the successful candidates receiving the least number of votes serving a one-year term.

Section 7. Governance Policies.

- (a) It is the intent of these Bylaws that the Club adopt the Policy Governance® model. The Board is authorized to adopt policies pursuant to which all day-to-day activities are delegated to management and the employees or contractors of the

Club (collectively, “Staff”) that are responsible for carrying out the goals or ends established by the Board through the adoption of policies. In accordance with the Board’s policies Staff will be responsible to provide periodic reports to the Board concerning the accomplishment of ends or goals, the methodology used, and whether any additional resources are required to accomplish the ends or goals. The Board policies must further set forth those limitations on Staff in connection with the pursuing the attainment of Board-adopted ends or goals, subject to the condition that any activity by a Staff member to accomplish the ends or goals that is not prohibited or limited is permitted. All limitations on Staff activities will include, at a minimum, the requirement that they be accomplished in conformity with all law, the Declaration, and these Bylaws.

- (b) The President may, from time to time, appoint individual Governors to be Board liaisons to management in order to provide further direction or explication to management concerning the policies adopted by the Board, provided that in no event may a liaison alter or modify any policy without the consent of the Board. In the absence of appointing an individual Governor to liaise with management the President or Executive Committee may serve in that role.

ARTICLE VI

Officers

Section 1. Designation. The officers of the Club shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom may, but are not required to be, members of the Board. The Board may also elect such other Assistant Treasurers and Assistant Secretaries as may be necessary in its judgment, provided that such assistants need not be members of the Board. No person may hold more than one officer position.

Section 2. Election of Officers. The officers of the Club shall be elected annually by the Board at the first Board of Governors meeting following each annual meeting and such officers shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of nine Governors, any officer may be removed, either with or without cause, after opportunity for a hearing, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 4. Duties and Responsibilities of Officers.

- (a) The President will be the chief executive officer of the Club. The President shall preside at all meetings of the Club and of the Board. The President shall have all of the general powers and duties that are usually vested in the office of President of a non-profit corporation.

- (b) The Vice-President will take the place of the President and perform the duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board will appoint another Governor to so do on an interim basis. The Vice-President will also perform such other duties as shall from time to time be imposed by the Board.
- (c) The Secretary will be responsible for the keeping of the minutes of all meetings of the Board and the minutes of all meetings of the Members of the Club, which functions shall generally be undertaken by a recording secretary who shall be an employee of the Club designated by the Board; will have charge of such books and papers as the Board may direct; and will, in general, perform all the duties incident to the office of the Secretary.
- (d) The Treasurer will have the responsibility for the custody of Club funds and securities and will be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Club. The Treasurer will be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Club in such depositories as may from time to time be authorized by the Board.
- (e) The Assistant Treasurer, if any, will perform the duties of the Treasurer whenever the Treasurer shall be absent or unable to act.
- (f) The Assistant Secretary, if any, will perform the duties of the Secretary whenever the Secretary shall be absent or unable to act.

Section 5. Other Duties and Powers. The officers will have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board.

Section 6. Eligibility of Governors. Nothing herein contained will prohibit a Governor from being an officer.

ARTICLE VII

Meetings of the Board of Governors

Section 1. Notices; Waiver of Notice. Regular meetings of the Board may be held at such time and place as must be determined from time to time by a majority of the Board, but at least nine meetings must be held each year. Notice of regular meetings of the Board will be given to each Governor by telephone, mail, telegram or, if accepted in writing by a Governor as an authorized form of notice, by email, (any of the foregoing being "Valid Notice") at least 10 days prior to the day of the meeting. Special meetings of the Board may be called by the President on three days' notice to each Governor by Valid Notice, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board may be called by the President or the Secretary in like manner and on like notice on the written request of at least three Governors. Any Governor may, at any time, waive notice of any meeting of the Board in writing and such waiver shall be deemed equivalent to the giving of notice. Actual attendance

by Governors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the Governors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 2. Meetings Open to Lot Owners; Notice. No less than four (4) meetings of the Board each year shall be open to attendance by the Lot Owners. All other meetings of the Board except conference or working sessions at which no binding votes are taken, will also be open to attendance by all Members, except that the Board may, at its discretion, exclude or restrict attendance at those meetings, or portions of meetings, dealing with:

- (a) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy, including, without limitation, records, data, reports or information relating to an individual's personal or family circumstances, unless the individual concerned or the individual's representative consents, in writing, to public disclosure;
- (b) Any pending or anticipated litigation or contract negotiations;
- (c) Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise the ethical duties of a lawyer; or
- (d) Any matter involving the employment, promotion, discipline or dismissal of any employee or officer of the Club.

Written notice of the date, time, place and the agenda, to the extent known, of all open meetings of the Board of Governors shall be given by the Board to all Lot Owners at least seven days prior to a regular meeting and 3 days prior to a special meeting. Notice shall also (a) be posted in at least one place on the Common Property that is accessible at all times to all Lot Owners, (b) be filed with the community manager, and (c) be published in one or more newspapers of general circulation, if such publication is required by law. Moreover, the Board shall also, within 30 days following the annual meeting of the Club, post in at least one place on the Common Property, and file with the community manager a schedule of the regular Board meetings to be held in the succeeding year, and make appropriate revisions thereto, as required. The date, time and location of each meeting shall be contained in the notice.

The foregoing notice will not be required in the event of an emergency, provided that only emergent matters may be voted upon at such meeting.

Section 3. Organization. The presiding officer of the Board of Governors' meetings shall be the President, or in his absence, the Vice President, or in the absence of both of them a Governor selected by the majority of the remaining Governors. The presiding officer will act as the chair of the meeting. The Secretary, or in his or her absence, a Governor appointed by the chair, shall act as Secretary of the meeting.

Section 4. Minutes. Minutes of the Board meetings will be taken, and copies of minutes will be made available to Lot Owners at the meeting following their approval by the Board, within seven (7) days following receipt of a written request by a Lot Owner. Minutes of closed meetings will be taken separately, and will not be available to Lot Owners, until the need for confidentiality no longer applies. Thereafter such minutes will be available on the same basis as other minutes of the Board.

Section 5. Agenda. An agenda shall be followed for each meeting and copies of the agenda shall be made available to the Lot Owners at the beginning of each meeting and, to the extent known, will be made available through electronic means at least 72 hours prior to the meeting. The agenda shall include, in order:

- a. Calling of the roll; Certification of quorum;
- b. Proof of notice of meeting or waiver;
- c. Approval of minutes of previous meeting;
- d. Membership comments;
- e. Specific topics of business;
- f. Acceptance of reports of officers (which reports may be in written form);
- g. Acceptance of reports of committees (which reports may be in written form);
- h. Manager's report;
- i. Old Business;
- j. New Business;
- k. Adjournment

Upon motion and approval by a majority of the Board, the order of the agenda may be amended in the discretion of the Board. Each open meeting of the Board will provide for a period of Lot Owner comment following the calling of the roll, which period of Lot Owner comment may not exceed 45 minutes in its entirety, or such longer time as the Board may determine, and the President or acting chair of the meeting may place reasonable limitations upon the time given to each Lot Owner seeking to comment to allow sufficient time for all Lot Owners seeking to comment. The Board will also provide a Lot Owner comment period prior to any vote of the Board concerning: (i) the adoption of rules or regulations; or (ii) the adoption of a budget, provided that the presiding officer may, at the officer's discretion, limit the total comment period to not less than 45 minutes and may reasonably limit comments in such a manner so as to provide each Lot Owner seeking to comment with an opportunity to do so. The failure to provide an adequate comment period or opportunity for each Member wishing to comment to do so will not be a basis upon which any action otherwise properly taken by the Board may be voided.

Section 6. Quorum, Voting and Adjourned Meetings. A majority of the Governors serving on the Board who are present in person at a Board meeting will constitute a quorum for the transaction of business. The vote of a majority of those present at a Board meeting at which a quorum is present shall be necessary for valid action by the Board on any matter, unless otherwise set forth in these Amended Bylaws. After a quorum of the Board of Governors has been established, the quorum will remain in effect, despite the subsequent departure or absence

of one or more Governors thereafter, provided that any action taken is approved by at least a majority of the required quorum. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business that may have been transacted at the original meeting may be transacted without further notice.

Section 7 Joinder in Meetings by Approval of Minutes. The transaction of any business at any meeting of the Board, however called and noticed or whenever held, will be valid as though a meeting duly held after regular call and notice, if a quorum is present; and if either before or after the meeting, each Governor signs a written waiver of notice, or a consent to the holding of the meeting, or an approval of the minutes thereof or of the resolution or act adopted at such meeting. All such waivers, consents or approval, shall be in writing and filed with the Secretary and made a part of the minutes of the meeting even though filed subsequent thereto.

Section 8. Non-Waiver. All the rights, duties and privileges of the Board will be deemed to be continuing and shall not be exhausted by any single act or series of acts. To the same extent, the failure to use or employ any remedy or right hereunder or hereafter granted shall not preclude its exercise in the future nor shall any custom bind the Board.

Section 9. Consent in Lieu of Meeting and Vote. Despite anything to the contrary in these Amended Bylaws, the Certificate of Incorporation or the Declaration, the entire Board of Governors shall have the power to take action on any matter on which it is authorized to act, without the necessity of a formal meeting and vote, if the entire Board, or all the Governors empowered to act, whichever the case may be, shall consent in writing to such action.

ARTICLE VIII

Powers, Duties of the Board of Governors

Section 1. Powers, Duties and Responsibilities. It shall be the affirmative and perpetual obligation and duty of the Board to perform the following:

- (a) Cause the Common Property to be maintained according to accepted standards as set forth in the Declaration and including, but not limited to, such maintenance, painting, replacement and repair work as may be necessary, Common Property lawn maintenance and clearing of snow from roadways as the Board may deem appropriate. All repairs and replacements shall be substantially similar to the original application and installation and shall be of first-class quality; and
- (b) Cause human resources personnel to investigate, hire, pay, supervise and discharge the personnel necessary to be employed. The Board shall provide the equipment and materials necessary, in order to properly maintain and operate the Common Property. Compensation for the services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Club; and

- (c) Cause to be kept a complete record of all its acts and corporate affairs and to present a summary report thereof to the Members at the annual meeting or at any special meeting when requested in writing at least 21 days in advance by Members representing at least 15 percent of the Eligible Votes; and
- (d) Allocate common surplus or make repairs, additions, improvements to, or restoration of the Common Property in accordance with the provisions of these Amended Bylaws, the Declaration and the after damage or destruction by fire or other casualty, or as a result of the condemnation or eminent domain proceedings; and
- (e) Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises maintained by the Club placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, and order the Board of Fire Underwriters or other similar bodies; and
- (f) Place and keep in force all insurance coverages required to be maintained by the Club, applicable to its property and Members including, but not limited to:
 - (i) *Physical Damage Insurance.* To the extent available in the normal commercial marketplace, broad form insurance against loss by fire and against loss by lightning, windstorm and other risks normally included within all risk extended coverage, including vandalism and malicious mischief, insuring all buildings and betterments located upon the Common Property, together with all service machinery appurtenant thereto, as well as common personalty belonging to the Club, and covering the interest of the Club and the Board in an amount equal to the full replacement value of the buildings located upon the Common Property (exclusive of foundations and footings), and betterments, without deduction for depreciation. Prior to obtaining any renewal of a policy of fire insurance, the Board shall obtain an appraisal or other written evaluation of an insurance broker licensed to conduct business in New Jersey or other qualified expert as to the full replacement value of the buildings located upon Common Property (exclusive of foundations and footings) and betterments, for the purposes of determining the amount of fire insurance to be obtained pursuant to this subparagraph. The amount of any deductible and the responsibility for payment of same shall be determined by the Board, in its sole discretion.
 - (ii) *Public Liability Insurance.* To the extent obtainable in the normal commercial marketplace, public liability insurance for personal injury and death from accidents occurring within the Common Property (and any other areas which the Board may deem advisable), and the defense of any actions brought by injury or death of a person or damage to property, occurring within such Common Property, and not arising by reason of any act or negligence of any individual Lot Owner. Said insurance shall be in

such limits as the Board may, from time to time, determine, covering each member of the Board, the managing agent, the manager, and each Member, and shall also cover cross liability claims of an insured against another. Such public liability insurance shall be in a single limit of not less than \$5,000,000 covering all claims for personal injury or property damage arising out of any one occurrence. The Board shall review such limits once a year.

- (ii) *Governors', Officers', and Committee Members' Liability Insurance.* To the extent obtainable in the normal commercial marketplace, liability insurance indemnifying the Governors, Officers and Committee Members of the Club against liability for errors and omissions occurring in connection with the performance of their duties in an amount of at least \$2,000,000 with any deductible amount to be in the sole discretion of the Board.
- (iv) *Workers' Compensation Insurance.* Workers' Compensation and New Jersey disability benefits insurance as required by law.
- (v) *Water Damage.* Water damage legal liability insurance.
- (vi) *Flood Insurance.* Flood hazard insurance in the event any of the insurable improvements located upon the Common Property are located within a federally designated zone of the greater than minimal flood hazard.
- (vii) *Boiler Insurance.* To the extent obtainable in the normal commercial marketplace, boiler explosion liability insurance.
- (viii) *Other Insurance.* Such other insurance as the Board may determine to be appropriate.

All policies shall: (i) provide if possible for recognition of any insurance trust agreement of the Club and that adjustment of loss shall be made by the Board of Governors with the approval of the Insurance Trustee, if any, and that the net proceeds thereof, if \$50,000 or less shall be payable to the Board, and if more than \$50,000 shall be payable to the Insurance Trustee, if any; (ii) require that the proceeds of physical damage insurance be applied to the restoration of such Common Property and structural portions and service machinery as is required by the Declaration and these Amended Bylaws; (iii) to the extent obtainable contain agreed amount and inflation guard endorsements; construction code endorsement; demolition cost endorsement; contingent liability from operation of building laws endorsement and increased cost of construction endorsement; (iv) provide that the insurance will not be prejudiced by any act or omission of individual members that are not under the control of the Club; (v) to the extent obtainable contain waivers of subrogation and waivers of any defense based on coinsurance or of invalidity arising from any acts of the insured; and (vi) provide that such policies

may not be canceled without at least 30 days' prior written notice to all the named insureds.

All policies shall show the named insured as: "The Smoke Rise Club, Inc.," or the Club's Insurance Trustee, if any. The policies must require the insurer to notify in writing the Club, at least 30 days before it substantially changes the Club's coverage.

The premiums for any and all insurance coverage maintained by the Club shall be a Common Expense of the Club.

To the extent reasonably obtainable in normal commercial marketplace, the Club shall provide liability coverage for all committees and sub-clubs. Where such coverage is not available to a sub-club, such sub-club must provide evidence of insurance coverage naming the Club as an additional insured in an amount of not less than \$1,000,000.00, by an insurance company authorized to do business in the State of New Jersey and which insurance company is acceptable to the Board.

- (g) Cause, on behalf of the Lot Owners, solid waste, including recyclable waste, to be disposed of, in the event the Borough of Kinnelon does not provide solid waste disposal.
- (h) Manage the fiscal affairs of the Club as hereinafter provided in Article IX.
- (i) Appoint such committee members as are provided for pursuant to the terms of the Amended Bylaws.

ARTICLE IX

Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Club shall be determined by the Board of Governors, but shall not be changed more frequently than once every three years.

Section 2. Approval of Budget and Annual Assessment, Notice of Budget. The budget and Annual Assessment for each fiscal year shall be approved by a majority of a quorum of the voting Members at the annual meeting of the Club. A copy of the proposed budget that was approved by the Board shall be mailed to all Lot Owners at the address appearing on the records of the Club at least 10 calendar days prior to the date of the annual meeting. The Lot Owners shall be given the opportunity to comment on the budget or its component parts. Members shall be allowed a comment period of not less than 45 minutes, and reasonable limitations may be placed upon the comment time given each Lot Owner seeking to comment, to allow sufficient time for all Lot Owners seeking to comment. The Board shall give written notice to any Eligible Mortgage Holder who requests same, of the budget adopted by the voting Members for the management and operation of the Club for the next ensuing budget period. If the Members do not approve the budget, the Board will prepare an amended budget that

addresses the concerns of the Membership no later than two (2) weeks following the vote. The amended budget and assessment can be levied if approved by a majority of the quorum of the voting Members, who cast votes either in person or by proxy, at a meeting called for that purpose upon ten (10) days written notice to each voting Member. If the voting Members do not approve the amended budget at the special meeting, the budget for the current fiscal year will be the amount of the prior fiscal year's budget increased by the extent of changes in the current Consumer Price Index for Consumer Price Index-All Urban Consumer: New York-Northern New Jersey-Long Island, NY-NJ-CT-PA, All Items 1982-84=100, compiled by the Bureau of Labor Statistics, the United States Department of Labor, (the "Index"). The Index for October of the year preceding the year in which the budget was not approved will be the Reference Base Index. The amount of the budget shall be increased by the positive difference between the Base Reference Index and the Index as of October of the then current year (the "CPI Adjusted Budget").

If the Index is revised after the date of the adoption of this Declaration, the percentage of change pursuant to this section must be calculated on the basis of the revised Index. If the revision of the Index changes the Reference Base Index, the Reference Base Index must be determined by multiplying the Reference Base Index then applicable by the rebasing factor furnished by the Bureau of Labor Statistics. If the Index is superseded, then the Index referred to in this Article is the one represented by the Bureau of Labor Statistics as reflecting most accurately changes in the purchasing power of the dollar for consumers in the New York Metropolitan Area.

The administrative failure to deliver a copy of the proposed budget to one or more Lot Owners prior to the annual meeting, as required by this section, shall not invalidate approval by the Membership of the budget.

Section 3. Common Receipts. The Board shall have the duty to collect through legal enforcement proceedings, if necessary, from each Lot Owner, his, her, or their heirs, administrators, successors and assigns, as "Common Receipts," the proportionate part of the Annual and Special Assessments assessed against such Lot Owner as provided in the Declaration, the Certificate of Incorporation, these Amended Bylaws, and in accordance with applicable law.

Section 4. Assessment Period. The Annual Assessment period shall be consistent with the Club's fiscal year.

Section 5. Special Assessments. The Board may levy a Special Assessment in accordance with the terms of Section 12.4 of the Declaration.

Section 6. Collection of Annual Assessments. Lot Owners shall pay to the Club either (i) the entire balance of the Owner's pro -rata share of the Annual Assessment by January 31st, or (ii) at least 30 percent of the Owner's pro rata share of the Annual Assessment by January 31st, followed by seven equal monthly installments starting in March including interest thereon at interest rates determined from time to time by the Board of Governors, with such Owner's pro-rata share being determined by the Club pursuant to the terms of Section 2 of this

Article IX. If an Owner elects option (ii) in the preceding sentence and thereafter fails to make any required monthly payment within 30 days of the date it is due, the balance of the monthly payments for the then current fiscal year will be accelerated. The Board may, by resolution, adopt such Annual Assessment payment interval(s) as it determines, provided, however, that notwithstanding the payment interval(s) chosen, the failure to pay any interval payment within 30 days of its due date shall cause acceleration of the balance of payments for the then current fiscal year.

Section 7. Disbursements. The Board will collect and hold the funds as collected and shall disburse the same for the purposes and in the manner set forth herein and as required by the Declaration, the Certificate of Incorporation, and applicable law.

Section 8. Depositories. The depository of the Club will be a bank or banks, or other financial institutions providing a reasonably secure depository for the funds of the Club as will be designated from time to time by the Board and in which the monies of the Club will be deposited. Withdrawal of monies from such accounts shall be only by checks signed by at least one (1) officer as is authorized by the Board or by use of a Board-authorized purchasing card with predetermined credit limits. Check signing limits shall be established by the Treasurer with approval of the Board.

Section 9. Accounts. The receipts and expenditures of the Club shall be related to the Operating and Maintenance and Capital Fund.

(a) The Operating and Maintenance Fund (“O&M Fund”) includes the Annual Assessments and other operating revenues that are available to pay expenses on an unrestricted basis and shall be utilized, without limitation, for expenses for the year in which the budget is adopted and will include general Club Property maintenance (e.g. landscaping, irrigation, snow clearing, etc.), payroll, utility charges, annual insurance premiums, professional fees, and the like. At the end of each fiscal year, the unexpended amount remaining in the O&M Fund shall be applied to reduce the assessments for current expenses for the succeeding year, or may be distributed to the Membership, as the Board may determine by resolution, or as otherwise may be required to be determined in accordance with the regulations promulgated by the Internal Revenue Service. Included in this Fund will be a Contingency Reserve that will be maintained at a minimum level which is equal to ten (10) percent of the total budget of Capital and Operating and Maintenance expenditures.

(b) The Capital Fund (“Capital Fund”) includes net assets generated by revenues from Acquisition Fees and capital assessments that are restricted to the purchase of capital improvements and furtherance of the Club’s physical infrastructure. The Capital Fund will be used for the acquisition or replacement of capital assets of the Club that is in accordance with the Smoke Rise Club Capitalization Policy.

Section 10. Treatment of Surplus and Deficits at end of each Fiscal Year.

(a) The framework for the treatment of Fund surpluses and deficits is as follows: At the end of each fiscal year, during the budget process, if it is determined that a net

surplus will exist in the Operating and Maintenance or Capital Fund, the net surplus shall be classified as “Prior Year Surplus” in the revenues section of the next year’s budget, thereby reducing the next year’s budget assessment for the Fund(s). If it is determined that a net deficit will exist in either Fund, the net deficit shall be classified as “Prior Year Deficit” in the expenses section of the next year’s budget, thereby increasing the next year’s budget assessment for that Fund(s). In this manner, equity account balances shall never be less than zero on the first day of the beginning of each fiscal year for the Operating and Maintenance and Capital Funds.

- (b) Should it be determined during the fiscal year, after a thorough review of all budgeted line items within the Fund, that a temporary or permanent cash shortfall will exist in the Operating and Maintenance or Capital Fund, the Board shall raise additional monies in the Fund in the following sequential manner: 1) utilize monies from the contingency reserve (which is a sum provided for in each annual budget), then have the option to either 2) borrow monies from its credit line, or 3) levy a special assessment, which may be, but will not be limited to, an interim measure.

A temporary cash shortfall is defined as being caused by timing differences between the collection of revenues and the payment of expenses, and will normally occur prior to the collection of the Club’s Assessment Revenues. A permanent cash shortfall is defined as being caused by either collecting less revenue or incurring greater expense, or a combination thereof, than the approved Fiscal Budget, and will generally occur during the latter part of the Club’s fiscal year.

Borrowing monies from its credit line/margin account or utilizing monies from the Contingency Reserve requires approval of the Board. A special assessment, whether interim or otherwise, requires approval of the membership.

Monies utilized or borrowed by the Operating and Maintenance or Capital Funds for temporary cash shortfalls must be repaid when the Assessment Revenues are ultimately received, whereas monies utilized or borrowed for permanent cash shortfalls must be repaid from the subsequent year’s budget of the Borrowing Fund.

- (c) The Treasurer shall invest the excess cash of the Club, not to include borrowed funds, in a prudent manner to obtain a reasonable yield, while maintaining the liquidity necessary to support the Club’s current and anticipated operating requirements.

Investments should not exceed a one-year maturity and should be restricted to U.S. Government direct, agency or guaranteed debt; corporate debt (rated at least AA, by Standard and Poor’s or Aa by Moody’s); or, major money market funds, money market deposit accounts or certificates of deposit issued by domestic

FDIC-insured banks (at least S&P rated A, or Moody's, rated A3), Treasury Bills or commercial paper (rated at least A-1 by Standard and Poor's or P-1 by Moody's). Corporate debt shall not exceed one-third of the total of such investments.

Interest income received on investments and interest expense paid on borrowings shall be accounted for and reported in the Operating and Maintenance Fund.

Section 11. Acquisition Fees. Each purchaser, upon acquiring title to a Lot, shall, as a condition of membership in the Club, pay an Acquisition Fee as determined from time to time by the Board of Governors.

The foregoing fee will be nonrefundable, nontransferable and shall not be credited to the purchaser by the Club upon sale by the purchaser of his, her, or their Lot. The following additional rules shall apply to the obligation to pay an Acquisition Fee:

- (a) If all parties owning a Lot ("Original Lot") purchase an additional Lot ("New Lot") and transfer the Original Lot to a third party (in which none of the parties owning the Original Lot have an ownership interest) within 365 days after acquiring the New Lot, the Acquisition Fee paid upon acquisition of the Original Lot shall be refunded.
- (b) If all of the parties owning an Original Lot sell the Original Lot and do not close title to a New Lot within 365 days, and thereafter all parties owning the Original Lot purchase a New Lot, the Acquisition Fee shall be the difference between the fee paid upon closing of the Original Lot and the amount of the acquisition fee then being charged by the Club upon closing of the New Lot.
- (c) If two or more persons jointly acquire a Lot and thereafter one of the Owners of the Lot acquires another Lot, with one or more of the other Owners retaining title to the Original Lot, a full Acquisition Fee will be due upon closing of the New Lot.
- (d) If a Lot is owned by one spouse or lawfully recognized domestic partner and the other spouse or lawfully recognized domestic partner is conveyed an interest in the Lot, no Acquisition Fee shall be due.
- (e) If a Lot is conveyed to a family member other than a spouse or lawfully recognized domestic partner, an Acquisition Fee shall be payable to the Club.
- (f) If a Lot is purchased for the purpose of construction or renovation of a dwelling and sale of same to a third party, an Acquisition Fee shall be due upon the purchase of the Lot and, again, upon the purchase by the third-party buyer.
- (g) If a Lot is conveyed pursuant to a will or trust agreement to a father, mother, child, brother or sister of one of the Owners, an Acquisition Fee shall be payable to the Club.

- (h) If a Lot is conveyed to a living trust by Owners who maintain the dwelling on the Lot as their residence, no Acquisition Fee shall be payable to the Club.
- (i) Any party claiming an exemption to the payment of an Acquisition Fee as set forth in this section must advise the Club in writing within 30 days following closing of title on the Lot for which an exemption is claimed. In order to qualify for the exemption, the party claiming an exemption shall comply with all reasonable requests by the Board for additional documentation. Any person who has paid an Acquisition Fee and who has failed to make written request for an exemption within 90 days of the closing upon the Lot shall not be entitled to a refund of the Acquisition Fee.

Any unpaid Acquisition Fee shall be a lien on the Lot and collectable in the same manner as any unpaid Annual and Special Assessment attributable to the Lot. The Board may, by resolution, reduce or eliminate the Acquisition Fee if, in the exercise of its sole discretion, it determines that such fee is having a detrimental impact upon the sale of Lots within Smoke Rise. At any time thereafter the Board may restore the Acquisition Fee to such sum as the Board may determine. The reduction or elimination of the Acquisition Fee by the Board on one or more occasions shall not entitle any Owner who previously paid the Acquisition Fee to a refund.

Section 12. Financial Statements Procedure. The financial statements of the Club, and the budgets included in the Fourteen Day Notice, shall be prepared on an accrual basis in accordance with Generally Accepted Accounting Principles for nonprofit organizations. The Club's year-end financial statements shall be audited by an independent certified public accounting firm. Copies of the accounting firm's reports shall be made available to the Club Membership. The independent CPA firm shall be recommended by the Audit and Finance Committee and approved by the Board of Governors.

Section 13. Delinquent Lot Owner.

- (a) "A Delinquent Lot Owner" means a Lot Owner who owes any annual or special assessment, fines, or any other charges to the Club that are 30 or more days past due.
- (b) Late fees may be levied on a Lot when an assessment payment balance or monthly installment payment is not received within 10 days of the due date; the Lot Owner shall be so notified and billed by the Club. The late fee shall be in an amount to be determined by the Board by resolution and will be applied to each installment that is not paid by its due date. If an installment remains late for more than thirty (30) days, the Board may accelerate all remaining installments for the assessment period for the Lot; the Lot Owner(s) shall be notified by certified mail return receipt requested upon acceleration. All installments of the annual assessment that are more than 30 days late shall bear interest until the installment is paid, at such rate as may be established by resolution of the Board. If any

installment of the annual assessment is more than 60 days past due, the Board may cause the recording of a notice of lien with the Morris County Clerk's Office. If any installment is not received within 90 days after the date it was due, the Board may foreclose the lien in the manner prescribed for the foreclosure of mortgages, or commence an action against the Lot Owner(s) seeking payment of all outstanding amounts. All costs and legal fees incurred by the Club to recover any past due installment shall be paid by the Delinquent Lot Owner and will be assessed against the Lot and may be collected in the same manner as the collection of the annual assessment.

Section 14. Assignment of Rent.

- (a) Subject to the rights of First Mortgagees, the Club may collect from the rent due from a Tenant to a Delinquent Lot Owner, as defined in Section 13, an amount not more than the unpaid assessments, late fees, interest, and costs of collection, including reasonable attorneys' fees (collectively, "charges").
- (c) Prior to taking any action permitted by this Section, the Club will give written notice by certified mail, return receipt requested to the Delinquent Lot Owner at the Lot Owner's last known address, of the Club's intent to collect the rent. The notice will set forth the exact amount the Club claims is due and will indicate the intent of the Club to collect the past due charges from rent, along with any other amounts that become due in the future and that remain unpaid for 30 days after becoming due, including any Annual Assessment fees lawfully accelerated pursuant to the Declaration and Amended Bylaws. A copy of the notice will also be sent to the Lot's First Mortgagee. Any cost incurred by the Club to ascertain the identity of the First Mortgagee, including the cost of the preparation of a title search, will constitute additional charges with respect to the Lot.
- (c) A Delinquent Owner will have 10 days from receipt of the notice required to be sent pursuant to paragraph (b) above to provide proof of payment or a statement of the grounds upon which the assessment is disputed. Upon the failure of the Delinquent Owner to respond within 10 days after receipt of the notice, or within 15 days of mailing if no receipt is obtained, and provided that no notice is received from the First Mortgagee that it is exercising its right of assignment of rental proceeds, the Club will be entitled to notify and direct each tenant renting a Lot from the Delinquent Owner to pay all or a portion of the rent otherwise due from the Delinquent Owner to the Club. The amount to be applied from the rent will be limited to the lesser of: (i) the amount as stated in the notice to the Delinquent Owner or, (ii) an amount adjusted to reflect any calculation errors sought to be corrected by the Lot Owner, as stated in the response to the Club, if timely sent. No offset will be allowed for amounts that are unrelated to claims of calculation errors. The Club will have a continuing right to collect the rent from the tenant or tenants until the delinquent charges are paid in full.
- (d) Nothing in this Section will prevent a Lot Owner or the Club from seeking a judicial remedy in a court of competent jurisdiction.

- (e) This Section will not affect the right of a First Mortgagee that is entitled to an assignment of rents and which has exercised its rights by written notice recorded in the Morris County Clerk's Office and such First Mortgagee may collect such rents in accordance with an assignment of rents under which it is an assignee.

Section 15. Termination of Membership. No obligation or liability of a Lot Owner that accrued during ownership of a Lot shall expire, terminate or be waived upon termination of membership, nor shall termination of membership impair any rights or remedies that the Club may have against any former Owner.

Section 16. Access to Records. The audited financial statements, as well as all books, records and papers of the Club, shall be made available for examination or for copying by any Member and his authorized agents, during reasonable business hours, in the offices of the community manager or such other place reasonably convenient to both the Club and the requesting Member, within 10 business days of written request by the Member, except any records: (i) the disclosure of which would constitute an unwarranted invasion of individual privacy; (ii) concerning pending or anticipated litigation or contract negotiations; (iii) falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer; or (iv) involving the employment, promotion, discipline or dismissal of a specific officer or employee of the Club; however, increases in the amounts of compensation awarded to an employee of or under contract with the Board shall not be deemed a matter of personal privacy. If a Member requests copies of any documents required to be made available under this Section, the Club shall make a copy for the Member at a reasonable cost to the Member, or may permit the Member to make copies, at the discretion of the Club. Notwithstanding the 10 business days' notice requirement of this section, the Club shall be entitled to respond within a reasonable time period for requests for records spanning more than one year, or for requests which will require the copying of voluminous documents.

Section 17. User Fees. In addition to other charges or assessments provided for in this Article, the Board may also assess user fees under the terms of Section 12.3 of the Declaration. User fees shall be collectible in the same manner as the Annual Assessments.

ARTICLE X

Corporate Seal

The Club shall have a seal in circular form having within its circumference the words "The Smoke Rise Club, Inc."

ARTICLE XI

Compensation, Indemnification and Exculpability of Officers, Governors Committee Members and Former Trustees

Section 1. Compensation. No compensation will be paid to any officer, Governor, or committee member for acting as such officer, Governor, or committee member. Nothing herein stated will prevent any officer or Governor, or committee member from being reimbursed for out-of-pocket reasonable expenses or compensated for services rendered in any other capacity to or for the Club, provided however that any such expenses incurred or services rendered shall have been authorized in advance by the Board.

Section 2. Indemnification. Each current or former Governor, officer or committee member of the Club and all former Trustees who were members of the Board of Trustees under any prior bylaws of the Club (collectively, the “Indemnitee”) will be indemnified by the Club against the actual amount of net loss including counsel fees, reasonably incurred by or imposed upon the Indemnitee in connection with any third-party action, suit or proceeding to which the Indemnitee may be a party by reason of the Indemnitee being or having been a Governor, officer, committee Member or Trustee of the Club, or delegee, except as to matters as to which the Indemnitee will be ultimately found in such action to be liable for gross negligence or willful misconduct. In the event of a settlement of any such case, indemnification will be provided only in connection with such matters covered by the settlement as to which the Club is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct.

Section 3. Exculpability. Unless acting in bad faith, neither the Board as a body, any Governor, officer, any committee Member nor any former Trustee of the Club, shall be personally liable to any Lot Owner in any respect for any action or lack of action arising out of the execution of his office. Each Lot Owner will be bound by the good faith actions of the Board, officers and committee Members of the Club, in the execution of the duties of said Governors, officers, Trustees and committee members.

ARTICLE XII

Standing Committees

Section 1. Judicial Committee.

- (a) Membership. The Board shall act as the Judicial Committee, with all the powers and responsibilities associated therewith, unless and until it appoints non-Board members to serve on the committee. In that event, there shall be a Judicial Committee consisting of not less than three members and may include two alternates. The alternates may be invited to attend meetings and hearings and shall participate as a voting member of the committee upon direction of the committee chair. The members of, and alternates to, the Judicial Committee will be appointed by the Board and will serve for a term of one year. The committee

members may recommend a chair to the Board, and the Board will appoint a chair for a 1-year term. Members of the committee shall continue to serve for the designated term until: (i) resignation; (ii) the approval of a motion to remove one or more members of the committee by members of the committee representing three-quarters of its full membership (but not counting the member whose removal is proposed); or (iii) the approval of a motion to remove one or more members of the committee by two-thirds of the members of the Board. If the Board appoints a separate Judicial Committee no member of the Board may serve on the Judicial Committee.

- (b) Purpose. The purpose of the Committee will be to:
- (1) Hear complaints involving alleged violations of the Governing Documents, and issue determinations with respect to whether the conduct complained of constitutes a violation of any term of the Governing Documents;
 - (2) Determine if complaints are justiciable by the Committee and if the complaint is found to be valid, whether it constitutes a violation of the restrictions contained in the Declaration or the Club rules; and
 - (3) Determine the actions, penalties, or fines that are to be imposed.
- (c) Powers. The Judicial Committee will hear complaints brought by any Member of the Club, its Committees or Club community manager as set forth in the Enforcement Procedures in Schedule “A” to these Amended Bylaws. The Judicial Committee may decline to schedule a hearing in connection with any matter with respect to which it determines that sufficient cause does not exist to prosecute an alleged violation or that the alleged violation, if proven, does not constitute a violation of the Governing Documents. The Judicial Committee will have the power to issue a cease-and-desist request to a Lot Owner in connection with the actions of the owner, his guests, Tenants, licensees or invitees that are inconsistent with the provisions of the Governing Documents.

The Judicial Committee may consult with the Club’s attorney whenever, in its judgment is reasonable or necessary to do so in carrying out its responsibilities under this section.

Any action, ruling or decision of the Judicial Committee may be appealed to the Board by any party deemed by the Board to have standing as an aggrieved party or the Board may, on its own motion, review any action, ruling or decision of the Judicial Committee and a vote of a majority of the full authorized membership of the Board may modify or reverse any action, ruling or decision. Any appeal shall be filed with the Board within 25 days of the Judicial Committee’s written action,

ruling or decision. Appeals shall be conducted as set forth in the Enforcement Procedures in Schedule “A” to the Amended Bylaws.

If the Board undertakes a review of any action, ruling or decision on its own motion it must notify the Judicial Committee and all Members directly affected by the action, ruling or decision within 25 days of the Judicial Committee’s written action, ruling or decision. A final decision of the Board must be made within 60 days of such appeal. The Board must take action at its regularly scheduled meeting or at a special meeting for such purpose. The party appealing to the Board will be entitled to at least 10 days’ prior written notice of the decision of the Board’s action affording to such person the opportunity to be heard, with or without counsel.

- (d) Authority. The Judicial Committee, in the case of a decision, shall have the additional duties, powers and authority as set forth in the Enforcement Procedures in Schedule “A” to the Amended Bylaws including the power (i) to impose an obligation for the Lot Owner to pay damages or other expenses caused by the violation, (ii) to impose non-monetary penalties and other sanctions, including suspension of the right to use the Club’s facilities by the Lot Owner, his family, guests and lessees, and (iii) to impose fines. A schedule of fines is included in Schedule “B”. The enforcement procedures in Schedule “A” and the fines in Schedule “B” to these Amended Bylaws may, from time to time, be amended by the adoption of a Resolution by the Board.

If, having established a Judicial Committee, the Board determines there are insufficient members willing to serve, the Board will carry out the duties and responsibilities of the Judicial Committee as set forth in these Amended Bylaws.

Section 2. Architecture and Variance Committee

The Architecture and Variance Committee will be constituted, and shall have such powers as are set forth in Section 11.3 of the Declaration.

Section 3. Audit and Finance Committee.

- (a) Membership. The Audit and Finance Committee shall consist of not less than three nor more than five members. The members of the Audit and Finance Committee shall be appointed by the Treasurer with the approval of the President and Board and will serve for a term of three years. Prior to appointing any candidate to the committee or renewing a term of a member of the committee the Treasurer may consult with and receive recommendations for potential nominees from the Audit and Finance Committee. The foregoing shall not, however, be a limitation on the Treasurer’s sole authority to appoint members of the committee, subject to the President’s and Board’s approval. The Audit and Finance Committee shall annually elect a chairperson. Members of the committee shall continue to serve for the designated term until: (i) resignation; (ii) the approval of

a motion to remove one or more members of the committee by members of the committee representing three-quarters of its full membership (but not counting the member whose removal is proposed); or (iii) the approval of a motion to remove one or more members of the committee by two-thirds of the members of the Board.

- (d) Purpose. The Audit and Finance Committee shall maintain independent oversight of the Club's financial operations. The Audit and Finance Committee shall serve the Club membership and provide independent verification that: (i) expenditures are conforming to budget authorizations; (ii) budget variations are being reviewed for corrective action before major or unauthorized expenditures may occur; (iii) accounting, appropriation and budget procedures are updated (or new procedures are initiated) to adapt to situations not previously encountered or not covered by current methods; and (iv) the Board is cooperating with and responsive to observations, comments, and recommendations of the Club's independent certified public accountant.

The Audit and Finance Committee shall recommend an independent certified public accountant to the Board, provided, however, that the Board shall choose the Club's accountant in its sole discretion.

- (c) Reporting. The Audit and Finance Committee shall furnish a report to the Club Members for the annual meeting of its activities on the Club's financial position after it has reviewed the Club's fiscal year-end audited financial statements. The report shall be delivered to the Club's counsel for review and approval not less than three business days prior to being forwarded to the printer or the Members to insure that no statement therein creates any legal liability or is beyond the scope of the committee as set forth in this section. In all other instances the Audit and Finance Committee shall report to the President.

Section 4. Infrastructure Committee.

- (a) Membership. The Infrastructure Committee shall consist of not less than five nor more than nine Members who shall be appointed with the approval of the President and Board. Preference for membership shall be given to those Members who have backgrounds in any of the following areas: professional engineering, architects, builders or contractors, attorneys and/or those having experience in financial matters or construction. The chair of the committee shall be selected by the Committee, with Board approval, for a term of one year. In addition to the chair, the committee shall have two assistant chairs to be responsible for the assets now in existence. The chair shall appoint the assistant chairs with the approval of the Board of Governors. Each committee member shall serve for a term of three years and shall serve not more than two consecutive terms. Following service for two consecutive terms on the committee, no committee member may be re-appointed unless at least two years have elapsed since the conclusion of the committee member's prior service. Members of the committee shall continue to

serve for the designated term until: (i) resignation; (ii) the approval of a motion to remove one or more members of the committee by members of the committee representing three-quarters of its full membership (but not counting the member whose removal is proposed); or (iii) the approval of a motion to remove one or more members of the committee by two-thirds of the members of the Board.

(b) Purpose. The Infrastructure Committee shall provide oversight and advice to the Board regarding the annual maintenance, long-term improvement of the Club's existing physical assets. The committee shall have the following duties:

(1) With respect to assets now in existence:

- (i) Maintain a schedule of each physical asset owned by the Club. The schedule should also include, in a separate section, assets that are not owned, but for which the Club has shared accountability or are important to the interests of the Club, such as the dam and the tower.
- (ii) The schedule of assets shall be annually updated for additions and deletions and shall be published and distributed to the Board of Governors at the end of each fiscal year.
- (iii) Physical assets are defined as, and include, the physical plant (buildings), equipment, vacant property and utilities. Items such as roads, drainage systems, wells, septic systems, tools, motorized vehicles, furniture, and fixtures are typically categorized by the individuals involved in the maintenance repair and installation of new assets, such as, Governor of Finance and Administration concerning assets in the Club office or the Governor of Maintenance concerning roads and drainage systems.
- (iv) Inspect and perform periodic assessments of each asset to determine its functionality, state of repair and remaining useful life.
- (v) Recommend a maintenance program for each asset or asset type.
- (vi) Recommend a plan for the repair and replacement of assets.

(2) With respect to assets to be acquired in the future:

- (i) Work with the Governors and Community Manager in the preparation of the annual budget and the development of a five-year capital plan and report directly to the Board.
- (ii) Review the individual asset acquisitions and projects as proposed

to be contained in the annual capital budget and five-year capital plan with respect to cost, feasibility, priority, functionality, and consistency, and make recommendations thereon.

(iii) Monitor approved asset acquisitions and projects and provide technical assistance as appropriate.

(3) With respect to organization and administrative matters:

(i) The committee shall be responsible for following the policies and procedures necessary to carry out its responsibilities, which shall be approved by the Board of Governors.

(ii) The full Committee shall meet at least monthly and shall provide the Board with timely, prepared minutes of its meetings.

(iii) The Committee shall appoint one of its members or an additional Member to be Secretary.

Section 5. Election Committee.

(a) Membership. The Election Committee will consist of not more than five members. At least 120 days prior to the Annual Meeting the President will appoint Club Members to the Committee. Each Committee member will be appointed for a term of one year. Priority will be given to those Club Members who have been prior members of the Board or Club committee members. If the President will be a candidate for election, the Board will appoint the members of the Committee.

(b) Purpose. The Election Committee will solicit Members to run for positions on the Board, including existing Board members, and will review the qualifications of each candidate to ensure that they meet the requirements of Article V, Section 2, and such other requirements of law as may be applicable.

(c) Other Duties. The Election Committee will cause the names of the qualified candidates to be published in the Smoke Rise Club newsletter at least 30 days before the annual meeting and will coordinate with the Club's management to cause notice of the annual meeting to be sent to all Members at least 14 days prior to the date of the meeting.

Section 6. Lake and Environmental Committee.

(a) Membership. The Lake and Environmental Committee shall consist of not less than three nor more than ten members who shall be appointed with the approval of the President and the Board. The Committee Chair shall endeavor to appoint Members to the Lake and Environmental Committee who have background in

biology, chemistry, water treatment, environmental science, hunting, fishing, or general outdoorsmanship. Members of the committee shall continue to serve for the designated term until: (i) resignation; (ii) the approval of a motion to remove one or more members of the committee by members of the committee representing three-quarters of its full membership (but not counting the member whose removal is proposed); or (iii) the approval of a motion to remove one or more members of the committee by two-thirds of the members of the Board.

- (b) Purpose. The Lake and Environmental Committee shall provide oversight and advice to the Board concerning the protection and preservation of the unique and special environment. This shall include but not be limited to overseeing the integrity and quality of Lake Kinnelon and the 50-foot buffer zone surrounding the lake. The committee shall recommend policies to the Board concerning environmental protection of the lake and matters concerning boating, fishing and hunting within Smoke Rise. The purposes of the Lake and Environmental Committee are more particularly set forth in Schedule “D” to these Amended Bylaws, which purposes may be amended from time to time by resolution of the Board.

Section 7. Orientation Committee.

- (a) Membership. The Orientation Committee shall consist of six members, each of whom shall serve a term of one year who shall be appointed with the approval of the President and the Board. The Orientation Governor may appoint up to alternates, all of whom shall be approved by the President and the Board. Members of the committee shall continue to serve for the designated term until: (i) resignation; (ii) the approval of a motion to remove one or more members of the committee by members of the committee representing three-quarters of its full membership (but not counting the member whose removal is proposed); or (iii) the approval of a motion to remove one or more members of the committee by two-thirds of the members of the Board.
- (b) Purpose. The Orientation Committee shall be responsible for carrying out the orientation functions required by Section 18.2 of the Declaration. The orientation to be carried out shall include, but not be limited to, acquainting each purchasing Lot Owner with all rules and regulations that Owners are required to comply with, matters requiring approval by the Architecture and Variance Committee and the financial obligations of each Lot Owner to the Club. The Orientation Committee shall also provide an orientation to each new Tenant.

Section 8. Other Committees; Miscellaneous.

- (a) Appointment. Committees required pursuant to Article V, Section 7, shall be appointed in the manner set forth therein. The Board shall appoint such committees as it deems advisable for the welfare of the Club and its membership.

The Board may appoint committees or task forces for a limited purpose or disband any committees created under this Section.

- (b) Reporting. Unless otherwise set forth in a resolution adopted by the Board, any additional committees created by the Board shall report to the President.
- (c) Charters. Each committee shall adopt a charter, which shall be subject to review and approval of the Board. In the event the Board does not approve the charter as presented, it shall advise the committee of the modifications required, and the committee shall adopt a charter as amended by the Board. Every three years thereafter each committee shall review the charter and it shall be re-approved by the Board following the same procedure as set out above.
- (d) Committee Dissolution. Notwithstanding any provision of these Bylaws to the contrary, in the event the Club employs a full-time manager, any one or more of the committees set forth in this Article may be dissolved, in part or in full, by resolution of the Board, provided that in no event shall the Architecture and Variance Committee, Audit and Finance Committee, Election Committee, Judicial Committee, or Orientation Committee be dissolved except by amendment duly adopted pursuant to Article XVI of these Amended Bylaws.
- (e) Terms. Wherever in these Amended Bylaws or the Declaration a specific term is established for a committee member, such term shall commence upon the later of appointment by the President or a Governor or approval by the Board and shall end: (i) the number of years thereafter specifically stipulated, or (ii) upon resignation or removal. No portion of a term that was not contiguously served may be served at a later point in time.

ARTICLE XIII

Sub-Clubs

Section 1. Designation of Sub-Clubs. The Board may designate such sub-clubs as it deems appropriate to perform such tasks and functions and operate in accordance with a charter as the Board may approve by resolution. No sub-club charter shall be approved for more than five years. Upon expiration of the charter the Board may approve the same or a modified sub-club charter. Any resolution establishing a sub-club shall designate the requirements, if any, for membership therein. Each sub-club shall operate in accordance with the terms of the resolution establishing such sub-club. Notwithstanding any statement in this Section 1 to the contrary, the Board shall not require any modification of a previously approved sub-club charter nor decline to renew a charter unless: (i) a modification of the sub-club's charter is required in order to render the activities or legal status of the sub-club in compliance with any law applicable thereto; (ii) a modification of the sub-club's charter is requested by an insurance carrier providing insurance coverage to The Club, or is required as a condition of an insurance carrier to provide insurance to The Club; (iii) the refusal to extend a charter or revocation of a charter is necessary in order that The Club be in compliance with all laws; (iv) prior to the annual meeting in 2026 not less than

two-thirds of the fully constituted Board approves the modification and, thereafter, five Board members; or (v) the sub-club consents to the modification.

Section 2. Use of Name. No organization may use the “Smoke Rise” name or logo without the express written consent of the Board, provided, however, that sub-clubs approved by the Board as provided in Section 1 of this Article XIII may utilize the words “Smoke Rise” in its name.

Section 3. Existing Sub-Clubs. The following sub-clubs have previously been approved by the Board and shall not be required to be re-approved under Section 1, provided, however, that the expiration of the charter for each sub-club, as set forth in Section 1, shall apply to all existing sub-clubs unless a shorter charter period applies:

- | | |
|------------------------|-----------------------|
| A. Women of Smoke Rise | B. Sailing Club |
| C. Mother’s Group | D. Solo’s Club |
| E. Riding Club | F. Players’ Club |
| G. Laurel Guild | H. Automobile Club |
| I. Bowling Club | J. Golf Club |
| K. Gourmet Club | L. Trap & Field Club |
| M. Striders’ Club | N. Photography Club |
| O. Swim Team | P. Paddle Tennis Club |
| Q. Tennis Club | |

ARTICLE XIV

Alternative Dispute Resolution (“ADR”)

Section 1. When ADR is to be Offered. Whenever the Board reasonably determines that a dispute exists between the Club and any Member of the Club, or between Members of the Club that relates to: (a) the use of a Lot; or (b) an interpretation of the use restrictions, rules or regulations contained in the Governing Documents with respect to the use of the Lot, the use of the Common Property by a Member or the permitted behavior of a Member or resident of Smoke Rise Community, and the Board reasonably concludes, with or without the advice of its attorney, that the dispute may result in litigation, the Club will offer a method of dispute resolution as set forth below.

Section 2. Designation of Method of ADR. In the event any dispute arises between the Club and a Lot Owner or between Lot Owners with respect to a matter described in Section 1 of this Article, the Club, through the Board, will offer alternative dispute resolution prior to the commencement of litigation or, where litigation is commenced, as soon as the Board receives notice of any litigation involving a matter described above. The Board may satisfy the obligation described in this Article by offering any of the following methods of ADR:

- (a) Mediation by a qualified third-party mediator designated by the Board;
- (b) Non-binding arbitration by a qualified third-party arbitrator designated by the

Board;

- (c) Binding arbitration by a qualified third-party arbitrator designated by the Board;
- (d) Mediation by a person or persons who are not specifically trained in mediation, but who have expertise in community association matters and who have no personal interest in the matter in dispute and who are not Lot Owners. Persons who would qualify under this provision include, but are not limited to, persons who are members of the governing board for a community association other than The Smoke Rise Club, Inc.
- (e) Mediation by such other person as the Board may designate, including a person who is a Lot Owner, provided that all parties to the dispute consent to the designation of such a person.

Section 3. Notice of Acceptance. No member of the Board may act as a mediator or arbitrator. Following the Board's determination to offer ADR under this Article, the Board will provide notice to all parties to the dispute by personal delivery or certified U.S. mail, return receipt requested. The notice shall advise the parties to the dispute of the method of dispute resolution selected by the Board and shall provide a response form indicating whether the person involved in the dispute accepts or rejects the method of dispute resolution from subparagraphs (a) through (e) above. If the Board selects a method of dispute resolution utilizing subparagraph (a) through (d) above, and one or more persons involved in the dispute reject the offer of alternative dispute resolution, the Board will have satisfied its obligation under this Article and will have no further obligation. If the Board selects a method of dispute resolution utilizing subparagraph (e) above, and one or more persons involved in this dispute rejects the offer of dispute resolution, the Board shall offer an additional method of dispute resolution in the same manner as provided above. The notice advising a Lot Owner of the designation of a method of ADR will provide that the Lot Owner must accept the Board designation method within a specific time period, but in no event less than 10 days following the date of the letter offering ADR. Whenever the expiration date falls on a Saturday or Sunday or legal holiday, the expiration date will be the following business day. If a Lot Owner does not agree to participate in the ADR method offered by the Board on or before the expiration date, the Lot Owner will be deemed to have rejected the offer.

Section 4. Scheduling of ADR. Upon receipt of acceptance of a designated method of ADR from all necessary and indispensable parties to a dispute, the Club will offer a minimum of two alternative dates and times for the ADR procedure. At least one of the alternate dates and times will be during non-business hours to accommodate the working schedules of the participants. The location of the ADR procedure will be on the grounds of the Club or at a location reasonably convenient to the participants. The notice of the alternate dates and times for ADR will provide that if a recipient does not respond within seven days of the date of the notice, the nonresponding participant will be deemed to have rejected ADR. If the response from the participants does not indicate a mutually acceptable date and time for ADR, the Club will make one attempt to obtain a date and time reasonably acceptable to the participants, but if unsuccessful in that attempt, will have no further obligation under this Article.

Section 5. Participation by the Board. If any dispute that is subject to ADR pursuant to this Article includes the Club as a participant in the dispute, at least one member of the Board will be present at the ADR hearing, and the Board will make available such employees or agents of the Club that are necessary in order that the Club fully participate in the ADR process. If the method of ADR selected is a form of mediation and the dispute involves the Club as a party, the Board will authorize the attending members of the Board to have the power and authority to act on behalf of the Board, but may impose reasonable limitations on the authority and power granted.

Section 6. Procedures. The ADR hearing is intended to be an informal process, despite the form of ADR mechanism chosen. As a result, technical rules of evidence will not apply, provided however, that the person presiding over the ADR proceedings may require the administration of oaths and may exclude irrelevant, immaterial or unduly repetitious testimony or evidence. Any party to an ADR proceeding may, but is not required to, be represented by an attorney. The person presiding over the ADR process will determine all other procedures applicable to the hearing, including the length of the hearing, the order of presentation and, where appropriate, whether additional hearing dates are required or desirable in order to resolve the dispute. The person presiding over the ADR procedure may also, prior to the ADR hearing, request the parties to produce documentary evidence that the presiding person believes to be helpful or relevant to resolving the dispute.

Section 7. Fees and Costs. When the Board designates a form of ADR that requires a fee to be paid to the presiding person, the Club will bear the expense of the presiding person. All other costs, such as, but not limited to, the fees of any attorneys representing the individual parties, will be borne by the respective parties.

Section 8. Non-Applicability of ADR. Despite anything to the contrary contained in this Article, no ADR need be offered in a matter solely concerning the collection of maintenance fees nor prior to the commencement of any litigation that seeks emergent relief in order to maintain the *status quo ante*.

ARTICLE XV

Enforcement Procedures

Section 1. Fines; Suspension of Privileges. In addition to such other rights as are specifically granted under the Declaration, the Club shall have the right to impose monetary fines in accordance with the procedures set forth in Article XII, Section 1, which fines shall be a lien upon the Lot of the violator, and the Club shall have the right to suspend an Owner's right to vote or any person's right to use the Common Property if such person has been found to be in violation of any duty imposed under the Governing Documents; provided, however, nothing herein shall authorize the Board to prevent ingress and egress to or from a Dwelling. In addition, the Board may suspend any services provided by the Club to an Owner or the Owner's Lot if the Owner is more than 30 days delinquent in paying any assessment or other charges owed to the Club.

Section 2. Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Declaration, these Bylaws, or the rules of the Club by self-help or, following compliance with the procedures set forth in Article XIV of these Amended Bylaws, if applicable, by suit at law or in equity to enjoin any

violation or to recover monetary damages or both without the necessity of compliance with the procedures set forth above. In any such action, to the maximum extent permissible, the Owner responsible for the violation of which abatement is sought shall pay all costs of the Club, including reasonable attorneys' fees actually incurred. The Members have agreed upon adoption of these Amended Bylaws that a violation of any term of the Governing Documents may cause irreparable harm to the Club and/or its Members, and consent to the imposition of judicially-imposed temporary or permanent restraints against such violations.

Section 3. Obligation to Enforce. The Club will have an obligation to enforce the Governing Documents if the failure to do so would have a material detrimental impact upon the value of any of the Lots or would materially affect the common welfare of the Owners. In all other instances, the Club will not be obligated to enforce every violation of the terms, conditions, covenants, restrictions, rules or regulations contained in any of the Governing Documents if the Board determines, in the reasonable exercise of its discretion, that it is imprudent, impractical or infeasible to enforce any particular rule or regulation; it having been determined that it is in the best interest of the Owners to vest the Board's discretion in the Board with respect to the enforcement of the Governing Documents. Nothing in the Governing Documents is intended to prevent any Owner from undertaking an appropriate action at law or in equity to enforce the terms of any of the Governing Documents.

ARTICLE XVI

Amendments

Section 1. General. The provisions of these Amended Bylaws, other than this Article, may be amended or repealed by an instrument in writing, signed and acknowledged by the President and Secretary of the Club, certifying that such amendment has been approved by either of the following methods:

- (a) By the affirmative vote of five members of the fully constituted Board of Governors, provided the Board notifies the Lot Owners of the proposed amendment and includes a written ballot with the notice. The amendment will be deemed rejected, and of no force or effect, if 10 percent or more of the Eligible Votes reject the proposed amendment and the Club receives, at the address stipulated in the notice, the ballots rejecting the proposed amendment within 30 days following the mailing of the notice. Otherwise, if less than 10 percent of the Eligible Votes reject the proposed amendment it will be effective on the 31st day following the mailing of the notice to the Lot Owners and its subsequent recording in the office of the Morris County Clerk.

- (b) By the vote of at least a majority of Eligible Votes present in person or by proxy at a duly held annual or special meeting of the Members upon which proper notification of intent to amend has been given to the Lot Owners, and at which a quorum of not less than 50 percent of the Eligible Votes is present in person or by proxy. Notice of the meeting shall include the exact language of the amendment or proposed repeal.
- (c) By the Board upon approval of nine members of the Board until the annual meeting in 2026 and five members of the Board thereafter, solely when necessary to render these Amended Bylaws in compliance with any applicable law as set forth in a written opinion issued by the Club's attorney, but only to the extent necessary to render the Amended Bylaws compliant.
- (c) An amendment will be effective upon its recordation in the Morris County Clerk's Office. Notice of any amendment adopted under this provision shall be distributed to the Lot Owners within 30 days of receipt of the recorded amendment, provided, however, that the failure to distribute the recorded amendment will not render the amendment ineffective and void.

ARTICLE XVII

Conflict; Invalidity

Section 1. Conflict. Anything to the contrary herein notwithstanding, if any provision of these Amended Bylaws is in conflict with or contradiction of the Declaration, the Certificate of Incorporation or with the requirements or any law, then the requirements of the Declaration, the Certificate of Incorporation or law shall be deemed controlling.

Section 2. Invalidity. The invalidity of any part of these Amended Bylaws shall not impair or affect in any manner the enforceability or affect the remaining provisions of the Amended Bylaws.

ARTICLE XVIII

Dissolution

Section 1. Procedure. In the event it is deemed advisable and for the benefit of the Members of the Club that the Club should be dissolved, the procedures concerning dissolution set forth in the New Jersey Nonprofit Corporation Act, N.J.S.A. 15A:1-1 et seq., shall be followed.

Section 2. Distribution of Assets. In the event of dissolution, the assets of the Club, after the payment of all debts including mortgages and other encumbrances, shall be distributed equally distributed to all Owners owning a Lot on which a Dwelling is constructed, with each Owner of a Lot not containing a Dwelling receiving one-half the distribution of a Lot with a Dwelling.

ARTICLE XIX

Notice

Any notice required to be sent to any Lot Owner under the provisions of any of the Governing Documents shall be deemed to have been properly sent and notice thereby given, when sent by: (a) electronic mail to the address provided by the Lot Owner; or (b) U.S. mail, regular post with postage prepaid, addressed to the Lot Owner at the address on the records of the Club at the time of such mailing, unless otherwise expressly set forth in a provision contained in the Governing Documents. Notice to one of two or more Owners of a Lot shall constitute notice to all Owners. Notice shall be deemed to have been received five days after mailing in a regular depository of the United States mail. It shall be the obligation of every Lot Owner to immediately notify the community manager of the Club in writing of any change of email or physical address. Valid notice, which shall be effective upon delivery, may also be given to a Member by (i) personal delivery to any occupant of a Lot over 14 years of age or (ii) by affixing the notice to or sliding same under the front door of any Lot.

ARTICLE XX

Gender and Number

The use of the masculine gender in these Amended Bylaws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

ARTICLE XXI

Immunity

In accordance with N.J.S.A. 2A:62A-13, the Club will not be liable in any civil action brought by or on behalf of a Lot Owner to respond to damages as a result of bodily injury to the Lot Owner occurring on the Property, the Common Property or within a Lot. This grant of immunity from liability will not be effective if the Club causes bodily injury to a Lot Owner by its willful, wanton or grossly negligent act of commission or omission.

SCHEDULE A

**COVENANTS ENFORCEMENT PROCEDURES
for
THE SMOKE RISE CLUB, INC.
(the “Club”)**

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IV. NOTICE AND RECORDING

I. JUDICIARY COMMITTEE MEMBERSHIP.

A Judiciary Committee has been established by Article XII, Section 1 of the Amended Bylaws.

II. PROCEDURE FOR VIOLATIONS.

A. Definition of a Violation

A violation (a “Violation”) is a failure by a Lot Owner, his family, guests, or lessees to comply with the provisions of the Certificate of Incorporation, Declaration, Amended Bylaws, the Smoke Rise Rules and Regulations, or any Resolutions approved by the Board (collectively the “Governing Documents”).

B. Noticing the Alleged Violation

Alleged Violations can be noticed by:

1. Community Manager. The Club’s community manager (“Community Manager”) may notice an alleged Violation during one of his periodic reviews of the property.

2. Club Member/Committee Member. Any Club or Committee member who notices an alleged Violation will notify the Community Manager or if there is no Community Manager, then another member of the Club’s staff designated by the Board. This notification may be in the form of a telephone call, a personal note or an in-person conversation. The Community Manager, or if there is no Community Manager, then another person designated by the Board, shall investigate whether or not a Violation has occurred, and attempt to verify the alleged Violation.

3. Lessees. A Lessee of a Lot may not file a complaint under this Resolution unless the Lot Owner has provided written authorization to the Lessee to file the Complaint.

C. Violations Report by Community Manager

The Community Manager shall prepare a Violations Report for each Board of Governors meeting listing all Violations or alleged Violations noticed in Section B.1 and B.2 above.

D. Community Manager’s Decision on Disposition of an Alleged Violation

1. The Community Manager, based on his ability to verify an alleged violation and at his own discretion, may either:

a. Pursue the matter, in which case, the Community Manager will either obtain compliance through informal notice or, if unsuccessful, will issue a Violation Letter to the offending Lot Owner (The “Respondent”). The Respondent may attend a Hearing of the Judiciary Committee on the matter, and if unsuccessful, may then appeal to the Board. In these

instances, the Community Manager will represent the Club as the “Complainant”. The detailed procedures are set forth in Section E, “Alleged Violation Pursued by Community Manager.”

b. Not pursue the matter, in which case the Community Manager either (i) cannot verify an alleged Violation; or (ii) determines in his opinion that there has not been a Violation; or (iii) is uncertain whether an observation or a reported complaint constitutes a Violation of the Governing Documents.

c. The Community Manager may consult with the Club’s attorney or the Judiciary Committee chair regarding whether particular facts or circumstances constitute a violation.

2. Lot Owner’s right to pursue violations not pursued by Community Manager.

If a Lot Owner wishes to pursue a violation not pursued by the Community Manager, the Lot Owner will submit a written complaint to the Judiciary Committee in accordance with the detailed procedures set forth in Section F entitled “Alleged Violation Not Pursued by Community Manager.”

E. Alleged Violation Pursued by Community Manager.

1. Informal Notice by Community Manager.

The Community Manager shall attempt to obtain compliance through informal notice, which may consist of telephone, written or in-person communication.

2. Violation Letter Issued by Community Manager.

If a matter is not resolved within a reasonable time (taking into consideration the severity of the violation) by informal notice and negotiation, the Community Manager shall send a formal Violation Letter (the “Violation Letter”) to the Respondent by either personal service or by certified mail, return receipt requested, at the address appearing on the records of the Club. If mailed, the letter will be deemed to have been received five days after mailing in a regular depository of the United States mail. A copy of the letter will also be sent to the Judiciary Committee. The Violation Letter will contain the following:

a. The acts or omissions with which the Respondent is charged and the identity of the specific Governing Document(s) that is (are) being violated. It should be as specific as possible as to time(s), date(s), place(s) and person(s) involved.

b. A deadline for the Violation to cease or be corrected.

c. A statement of the fines, penalties, costs of restoration of General Common or Limited Common Property, damages, other expenses and/or other sanctions that the Club is imposing for the Violation or will impose if the Violation continues.

d. A request that the Respondent notify the Community Manager if and when the alleged Violation ceased or was corrected.

e. A statement advising that a Notice of Hearing and Hearing date will be sent by the Judiciary Committee in accordance with subparagraph 5 below.

f. A statement advising that failure to respond to the Notice of Hearing within 15 days and in accordance with subparagraph 5c below, will be deemed an acknowledgement that the Noticed Violation(s) occurred. If the Respondent fails to respond to the allegation(s) in accordance with the Violation Letter, fines, penalties, damages or other costs will be automatically posted to the Respondent's/Lot Owner's account. The letter will also state that if a hearing is held, damages, fines, penalties and other sanctions will be stayed until the Judiciary Committee reaches a decision, but such decision by the Judiciary Committee may reinstate or perhaps increase or decrease the fines, penalties and other sanctions set forth in the Violation Letter.

3. Preliminary Consideration of Complaint by Judiciary Committee

Upon receipt and consideration of the Complaint of the Violation Letter, the Judiciary Committee may request additional information from the Community Manager and Respondent, then shall proceed as set forth below.

4. Cease and Desist Request.

The Judiciary Committee may, at its own discretion, issue a cease and desist request. Such cease and desist request shall be substantially in the following form:

“The Judiciary Committee has received the attached complaint.

By Authority of the Declaration and Amended Bylaws, the Judiciary Committee hereby requests that you CEASE AND DESIST such acts or actions until such time, if any, as a ruling of the Judiciary Committee, Board of Governors, or court of law permits.

Failure to comply with this request may result in penalty greater than that which would be imposed for a single violation.”

5. The Notice of Hearing.

The Judiciary Committee will send a Notice of Hearing to the Respondent and the Community Manager, with a copy to the Board of Governors.

a. Service of the Notice of Hearing. The Judiciary Committee's Notice of Hearing will be served on all the parties by either personal service or by certified mail, return receipt requested, at the address appearing on the books of the Club at least 20 days prior to the Hearing. If mailed, service of Notice will be deemed to have been received five days after mailing in a regular depository of the United States mail.

b. Contents. The Notice will set forth the time, date and place of the Hearing and will contain the facts or other matters on which the Community Manager intends to rely, the names of those witnesses willing to be identified, and any other evidence (including sworn statements) which the Community Manager intends to present at the Hearing.

The Notice will advise the Respondent that: (i) he or she may be represented at the Hearing by counsel, if he or she so desires he or she; (ii) is entitled to request the appearance of witnesses; (iii) is entitled to cross-examine any witnesses appearing against him; (iv) may request the production of Club books or records by notice to the Board not less than five (5) days prior to the Hearing; and (v) may request that the Judiciary Committee conduct a Hearing in his absence.

c. Response. The Notice will require that the Respondent send a written response to the Judiciary Committee Chair at the address of the Club's Property Management office within 15 days of its receipt indicating his intent to be present at the Hearing or submitting a request that the Hearing be conducted in his absence. Failure to file a response within 15 days will be deemed an acknowledgment that the noticed Violations have occurred. If any parties can promptly show good cause as to why they cannot attend the Hearing on the set date, and they indicate times and dates on which they would be available, the Judiciary Committee may reset the time and date of Hearing and promptly deliver notice of the new Hearing date.

d. Amended or Supplemental Complaints. At any time prior to the Hearing date, the Judiciary Committee may permit the filing of an amended or supplemental complaint. All parties shall be notified thereof in the manner herein provided. If the amended or supplemental complaint presents new charges, the Judiciary Committee shall afford the Respondent a reasonable opportunity to prepare proper defense.

e. Discovery. Upon written request to the other party, made prior to the Hearing and within 15 days after service of the Notice by the Judiciary Committee or within 10 days after service of any amended or supplemental complaint, any party is entitled to: (i) obtain the names and addresses of witnesses to the extent known to the other party and (ii) inspect and make a copy of any statements, writings or investigative reports relevant to the subject matter of the Hearing. Nothing in this section, however, shall authorize the inspection or copying of any writing or item which by law is privileged from disclosure or is otherwise made confidential or protected. Any party claiming his request for discovery has not been complied with shall submit a petition to request discovery by the Board of Governors. The Board of Governors shall make a determination and issue a written order stating the matters or parts thereof which the petitioner is entitled to discover.

f. Statements. At any time 10 or more days prior to a Hearing or a continued Hearing, any party shall mail or deliver to the opposing party a copy of any sworn statement which that party proposes to introduce in evidence. Unless the opposing party, within seven days after such mailing or delivery, mails or delivers to the proponent a request to cross-examine the statement's author, his right to cross-examine such author is waived and the sworn statement, if introduced in evidence, shall be given the same effect as if the author had testified orally. If an

opportunity to cross-examine the statement's author is not afforded after request is made as indicated in this Section, the statement may be introduced in evidence, but shall be given only the same effect as hearsay evidence.

6. The Hearing.

a. The Hearing Panel and Hearing Officer. The Hearing Panel will consist of three members of the Judiciary Committee or its alternates who will hear and consider the matter and render a decision. Alternates may be invited to attend Hearings as non-participating members. The Judiciary Committee shall select a person to serve as Hearing Officer and preside over the Hearing. Such Hearing Officer need not be a Member of the Club or of the Judiciary Committee. At the beginning of the Hearing, the Hearing Officer shall explain the rules and procedures by which the Hearing is to be conducted. The Judiciary Committee may determine the manner in which the Hearing will be conducted, so long as the rights set forth in this section are protected. The Hearing need not be conducted according to technical rules relating to evidence and witnesses. Generally, any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but shall not be sufficient in itself to support a finding. Counsel for the Club may be present at Hearings and may serve as Hearing Officer.

b. Community Manager. The Community Manager will represent the Club and serve as the Complainant.

c. Rights of the Parties. It is not necessary for the parties to be in attendance at the Hearing. At the request of either party, the Judiciary Committee may conduct the Hearing in their absence. Each party shall have the right to do the following, but may waive any or all of these rights:

- (i) make an opening statement;
- (ii) introduce evidence, testimony, and witnesses;
- (iii) cross-examine opposing witnesses;
- (iv) rebut evidence and testimony;
- (v) make a closing statement.

Even if a party does not testify in his or her own behalf, the party may still be called and questioned.

The Hearing Panel may also request the presence and possible testimony of the Community Manager and/or other persons.

Whenever the Hearing Panel of the Judiciary Committee has commenced to hear the matter and a member of the Panel withdraws prior to a final determination, the Committee Chair shall appoint an alternate(s), provided the alternate has heard all testimony, so there shall be

three members on the Panel. Oral evidence shall be taken only on oath or affirmation administered by the Hearing Officer.

7. The Decision of the Judiciary Committee.

a. To be effective a decision of the Judiciary Committee shall be by a majority vote. The written decision shall normally be issued within 45 days of the conclusion of the Hearing. The decision shall be written and accompanied by both the majority and minority opinions, if any. Copies of the decision shall be distributed to the party(ies) and to the Board of Governors and Community Manager.

b. If the charges in the complaint were upheld at the Hearing, the Committee shall have the power to recommend to the Board of Governors that the costs of the Hearing in an amount not to exceed Two Hundred Fifty (\$250.00) Dollars and an accumulated fine in an amount not to exceed the maximum amount permitted by law, plus penalties and costs of restoration, if applicable, shall be assessed to the Respondent (or to all Respondents in the event there are more than one) in such proportions as the Committee deems appropriate. The Board of Governors, at a regular meeting, or special meeting called for that purpose, may follow said recommendation or alter them (provided such power to fine and impose penalties is authorized by applicable law) as the Governors deem appropriate except that the Governors may not increase the amounts of costs or penalties recommended by the Committee.

8. Appeal of a Judiciary Committee Decision to the Board of Governors.

a. (i) a decision of the Judiciary Committee may be appealed to the Board by the Respondent. The Community Manager cannot appeal a decision of the Judiciary Committee. A written Appeal shall be submitted to the Board of Governors within 25 days of the written decision of the Judiciary Committee. The right of appeal shall not be based upon a claim that the decision contains or is based upon an erroneous or otherwise inappropriate factual determination, but must be based upon one or more of the following claims: (i) that a member of the Judiciary Committee who heard the matter failed to be disqualified in accord with the standards described in Section G.1.; (ii) that the Judiciary Committee failed substantially to comply with the procedure described herein; or (iii) the Judiciary Committee based its determination on a misinterpretation of the Governing Documents.

(ii) The Board may, on its own motion, review any action, ruling or decision of the Judiciary Committee and a vote of a majority of the fully authorized membership of the Board may modify or reverse any action, ruling or decision in accordance with Article XII, Section 1(c) of the Amended Bylaws.

b. Appeals petitions must be legibly written and be submitted to the Board in substantially the following form:

“(I/We), hereby petition the Board of Governors to hear an appeal of the decision of Judiciary Committee (Application) (Case) No. ____.
(I/We) further understand that within the Club the decision of the Board

of Governors on this issue is final.”

c. Notice of Hearing shall be as in Section E.5 of this procedure except that it is served by the Board of Governors.

d. All of the rights and procedures enabled in Section E.6 of this procedure (The Hearing) shall apply to appeals considered by the Board with the substitution of the words “Board of Governors” wherever the words “Judiciary Committee” appears.

e. A final decision of the Board must be made within 60 days of receipt of Appeal. The Board must take action in closed session at one of its regularly scheduled meetings or at a special meeting scheduled for such purpose. The Board may uphold the Judiciary Committee’s decision in its entirety, modify, or reverse such decision.

F. Alleged Violations Not Pursued by Community Manager

1. Complainant Agreement to be Named

The provisions of Section II(F) will apply if (i) a Club member notifies the Community Manager of an alleged Violation; and (ii) the Community Manager cannot verify the alleged violation and does not pursue the matter; and (iii) the member agrees to be named as the Complainant in the matter, submit a written complaint and appear at a Hearing, if necessary.

2. Informal Notice by Community Manager.

The Community Manager shall, except in extraordinary circumstances, attempt to resolve the matter through informal notice which may consist of telephone, written or in-person communication. The informal notice need not state the name of the complainant.

3. Written Complaint to the Judiciary Committee.

If the matter involving an alleged Violation is not resolved within a reasonable time (taking into account the severity of the violation) by informal notice and negotiation, the Complainant shall file a written complaint, in duplicate, to the Judiciary Committee at the address of the Club’s management office using the “Judiciary Committee Complaint Form” approved by the Board. The complaint shall contain the acts or omissions with which the Respondent is charged and the specific Governing Document(s) that is (are) being violated. It should be as specific as possible as to time(s), date(s), place(s) and person(s) involved.

4. Preliminary Investigation and Response by Judiciary Committee.

Upon receipt and consideration of the written Complaint, the Judiciary Committee may request the Community Manager or a member of the Judiciary Committee to make a preliminary investigation as to the validity of the complaint and promptly report the findings to the Judiciary Committee.

The Committee may determine:

- a. that the matter does not involve a Violation and therefore should not involve the Committee. In that case the Committee will dismiss the complaint.
- b. that the conditions have been corrected since the complaint was made, or the complaint is for any other reason no longer valid. In that case the Judiciary Committee will determine the appropriate disposition of the matter.
- c. that the matter is appropriate for a Hearing by the Committee. If the Committee decides to hold a Hearing, a written Notice of Hearing will be sent to the alleged violator as set forth below.

The Judiciary Committee will notify the Complainant in writing of which of the above options it has selected within 30 days of receipt of the complaint.

5. Service of Complaint.

If the preliminary investigation indicates further action is necessary, the Judiciary Committee will serve a copy of the complaint on the Respondent by either personal service or by certified mail, return receipt requested, at the address appearing on the books of the Club. If mailed, service will be deemed to have been received five days after mailing in a regular depository of the United States mail. The complaint will be accompanied by a Notice of Hearing and Notice of Defense as described in Section F.7 below. A copy will also be provided to the Community Manager and the Board of Governors.

6. Cease and Desist Request.

All of the rights and procedures enabled in Section II(E)(4) (Cease and Desist Request) shall apply to this section.

7. The Notice of Hearing.

Along with the Service of Complaint, the Judiciary Committee will send the Notice of Hearing and Notice of Defense to the Respondent, the Complainant, with a copy to the Board of Governors and the Community Manager.

All of the rights and procedures enabled in Section II(E)(5) (Service of Notice of Hearing, Response, Amended or Supplemental Complaints, Discovery, Statements) shall apply to this section with the exception of the "Contents" and "Notice of Defense" included herein.

Contents. The Notice will set forth the time, date, and place of the Hearing and will include a copy of the formal Complaint. The Notice will specify the Governing Documents that are alleged to have been violated and will include any other information available to the Committee that may be pertinent to the matter.

The Notice will advise the Respondent that he or she: (i) may be represented at the Hearing by counsel, if he so desires; (ii) is entitled to request the appearance of witnesses; (iii) is entitled to cross-examine any witnesses appearing against him or her; (iv) may request the production of Club books or records by notice to the Board not less than five days prior to the Hearing; and (v) may request that the Judiciary Committee conduct a Hearing in his absence.

Notice of Defense. The Notice of Defense shall state that the respondent may: (i) object to the complaint on the grounds that it does not state the acts or omissions upon which the Judiciary Committee may proceed; or (ii) object to the form of the complaint on the grounds that it is so indefinite or uncertain that the Respondent cannot identify the violating behavior or prepare proper defense. Any objections to the form or substance of the complaint shall be considered by the Judiciary Committee. The Committee shall make a determination concerning the form and substance of the complaint and notify all parties within 30 days of its receipt of the objection.

8. The Hearing.

All of the rights and procedures enabled in Section II(E)(6) (The Hearing Panel and Hearing Officer and Rights of the Parties) shall apply in this section except that the Community Manager will not represent the Club and serve as Complainant. The Hearing Panel, however, may request the presence and possibly the testimony of the Community Manager and/or other persons, if it determines such individuals have relevant information concerning the alleged violation that will assist the Hearing Panel in rendering its decision.

9. The Decision of the Judiciary Committee.

All of the rights and procedures enabled in Section II(E)(7) (The Decision) shall apply to this section.

10. Appeal of a Judiciary Committee Decision to the Board of Governors

All of the rights and procedures enabled in Section II E. 8. (Appeal) shall apply in this section to the Respondent, Complainant and Board of Governors.

G. Other Matters.

1. Constraints on the Judiciary Committee and the Board of Governors as a Hearing Panel.

It shall be incumbent upon each member of the Judiciary Committee or the Board of Governors (in the case of hearing an appeal) to make a determination as to whether that member is able to function in a disinterested and objective manner in consideration of the case before it. Any member incapable of such objective consideration of the case shall disclose such to the other members and shall become inactive during the proceedings and have it so recorded in the minutes. Any member of the Judiciary Committee or the Board of Governors has the right to challenge any other member who is unable to function on a Hearing Panel in a disinterested and

objective manner. No member of a Hearing Panel shall participate in any proceeding if the member (a) is by blood or marriage related to any party to the proceeding or to any attorney appearing in the proceeding on behalf of a party; (b) has a direct financial interest in the proceeding; (c) is involved in the dispute before the Judiciary Committee; or (d) feels he or she is personally involved and unable to act in a non-biased manner. If one or more members are ineligible to participate in a Hearing according to a-d above, the number of remaining members participating in the Hearing shall not be less than three for the Judiciary Committee and not less than the majority of the Board members for hearing an appeal.

Prior to a Hearing by the Judiciary Committee, the Respondent may challenge any member of the Judiciary Committee for cause. In the event of such a challenge, the Board of Governors shall meet within 15 days to determine the sufficiency of the challenge. If the Board sustains the challenge, the Board shall at that time appoint a replacement for the challenged member from the pool of Committee alternates. All decisions of the Board in this regard shall be final.

2. Further Action/Alternative Dispute Resolution.

A Lot Owner is encouraged to pursue all available remedies of the Club, as prescribed by these procedures, before resorting to a court of law. A Lot Owner may also request alternative dispute resolution (ADR) and the Club, through the Board of Governors, will provide ADR, pursuant to Article XXI of the Amended Bylaws, as required by law, as an alternative to litigation.

3. Emergencies.

In the event of an emergency, special emergency procedures will apply and will supercede the procedures established in this Resolution if the Community Manager or a Governor determines, in the exercise of its reasonable discretion, that a Violation constitutes a possible danger to health, safety or property. In such a case, the Community Manager or Governor may dispense with the procedures set forth in Section II above and may notify the alleged violator to cease and desist immediately under penalty of fine and/or other sanctions. If the Violation is not stopped immediately, the Community Manager or Governor may take whatever action they deem appropriate to immediately remediate the dangerous condition (including, but not limited to, immediate suspension of the use of Club facilities). The Community Manager or Governor may seek any appropriate police, fire or other municipal action or court order against the alleged violator.

In addition to the foregoing, the Club may charge any expenses or fines to, or impose any sanctions on, the alleged violator provided the procedures established in this Resolution are followed.

4. Interpretive Ruling by the Judiciary Committee.

Purpose of Rulings. Ruling of the Judiciary Committee may serve to: (i) clarify the intent of provisions of the Governing Documents, (ii) decide whether any provisions are inconsistent with other provisions of the Governing Documents, or (iii) decide whether or not a rule or regulation was duly adopted. The purpose is not to amend, expand or limit the provisions of the Governing Documents, although the Committee may, in the statements accompanying the ruling, propose such amendments, expansions or limits.

Any Club Member, the Board, or the Community Manager may petition the Judiciary Committee for an interpretive ruling by filing a written petition to the Committee at the Club's management office clearly stating the issue in question.

A ruling must be submitted to the Board of Governors by the Committee within 45 days of such request, and the Board will have 60 days from its receipt to reject such ruling. If it is not rejected, the ruling shall become final.

5. Fines and Penalties.

Subject to the provisions of these procedures, the Community Manager is authorized in the case of a Violation Letter, and the Judiciary Committee is authorized in the case of a decision to (i) impose an obligation for the Lot Owner to pay damages or other expenses caused by the Violations, (ii) impose non-monetary penalties and other sanctions, including suspension of the right to use the Club's facilities by the Lot Owner, his family, guests and lessees, and (iii) impose fines not to exceed \$50 per day/occurrence for any one Violation, and not to exceed the maximum amount permitted by law for any one Violation. A fine schedule has been attached to the Amended Bylaws as Schedule "B." This schedule shall serve as a guideline only. The Judiciary Committee, in the exercise of its reasonable discretion, may recommend a higher or lower fine (within the limits established in this section) for a particular Violation if it believes the circumstances surrounding the Violation warrant a departure.

III. CONSTRUCTION.

This resolution shall be effective as of the date it is adopted by the Board of Governors.

This resolution replaces any prior resolutions governing the Judiciary Committee and the Procedure for Violations or other disputes.

The Judiciary Committee or the Board of Governors, as appropriate, may determine the specific manner in which the provisions of this resolution are to be implemented, provided that due process is protected.

Any inadvertent omission or failure to conduct a proceeding in exact conformity with this resolution shall not invalidate the results of such proceedings, so long as a prudent and reasonable attempt has been made to assure substantial compliance with the general steps set forth herein.

This resolution is intended to be gender neutral. Consequently, pronouns and terms used in this resolution will be substituted with the appropriate feminine pronoun and terms (and vice-versa) as the context indicates.

IV. NOTICE AND RECORDING.

The Club's Community Manager is directed to distribute a copy of this resolution to every Lot Owner. The Club also directs its legal counsel to arrange for recordation of a copy of this resolution with the Morris County Clerk's Office.

The Morris County Clerk is authorized, requested and directed to note a reference to this resolution in the margin of the Declaration (and/or any other appropriate place).

ATTEST:

THE SMOKE RISE CLUB, INC.

, Secretary

, President

#130221

STATE OF NEW JERSEY)
) ss:
COUNTY OF MORRIS)

I CERTIFY that on _____, 2024 _____
personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person is the Secretary of Smoke Rise Club, Inc., a nonprofit corporation of the State of New Jersey, named in this document;

(b) this person signed this document as attesting witness for the proper corporation officer who is _____, the President of the corporation;

(c) this person knows the proper corporate seal of the corporation and the proper corporate seal was affixed;

(d) this document was signed and delivered by the corporation as its voluntary act and deed by virtue of authority from its Board of Governors; and

(e) this person signed this acknowledgment to attest to the truth of these facts;

(f) this Resolution was duly introduced and was thereafter adopted at a regular scheduled meeting of the Board of Governors, at which a quorum was present, by vote of the members of the Board of Governors eligible to vote on this matter.

Secretary,

Signed and sworn to me on
_____, 2024

Record & Return To:

J. David Ramsey, Esq.
Becker New York, P.C.
1776 On the Green
67 East Park Place, Suite 800
Morristown, New Jersey 07960

SCHEDULE B

SCHEDULE OF FINES

<u>Section</u>	<u>Level</u>	<u>Infraction</u>	<u>Amount/Day/Occurrence</u>
Property "WORK" construction/renovations A & V Approvals	D	Failure to obtain proper permits from A&V and/or Town when required	\$150
Common/Limited Common Property	B	Making changes to the common or limited Common Property without prior approval of the Club, littering	\$50
Tree Removal	D	Removal without A&V approval	\$150
Lake & Environment	B	Violation of SR Fishing Permit rules, including fishing without permit	\$50
Garbage	A	Improper trash disposal, e.g. no lids, in plastic bags, cans outside during prohibited times, improper recycling procedures	\$25
Pets	A	Not curbing pets, allowing to roam, walking pets on beach	\$25
Noise/Noxious Activities	A	Noise that interferes unduly with the quiet enjoyment of others, e.g. chain saw use on Sunday	\$25
Signs	A	Posting of signs/ads without permission, "For Sale" signs on vehicles	\$25
Garage Sales	B	Unauthorized	\$50
Parking	B	Overnight street parking, inoperable vehicles, commercial vehicles improperly parked	\$50
Transponders	C	Misuse	\$100
Commercial businesses	C	commercial or business activities involving patients/clients, regular pick- ups/deliveries	\$100
Tarpaulins	A	Use of bright colors prohibited	\$25
"To be determined"			

SCHEDULE C

PURPOSES OF INFRASTRUCTURE COMMITTEE

(a) Existing Assets. With respect to Existing Assets the Infrastructure Committee shall:

(i) Maintain a schedule of each physical asset owned by The Smoke Rise Club. The schedule will also include, in a separate section, assets that are not owned, but for which the Club has shared accountability or in connection with which the assets are of material importance to the interests of the Club such as the dam and the tower. The Schedule of Assets shall be updated as necessary and distributed to the Board at the end of each fiscal year. "Existing Assets" are defined as, and include the physical plan (buildings), equipment, vacant property and utilities. Assets such as roads, drainage systems, wells, septics, tools, motorized vehicles, furniture, fixtures and so forth shall be categorized by the Governor responsible for a particular area.

(ii) Inspect and perform periodic assessments of each asset to determine its functionality, state of repair and remaining useful life.

(iii) Recommend a maintenance program for each asset or asset type.

(iv) Recommend a plan for the repair and replacement of assets.

(b) New Assets. With respect to New Assets the Committee shall:

(i) Provide recommendation and oversight to the Board. Work with the Community Manager, the Maintenance Department and the Treasurer in the preparation of the Annual Budget and the development of a Five-Year Capital Plan.

(ii) Review the individual asset acquisitions and projects as proposed to be contained in the Annual Capital Budget and Five-Year Capital Plan with respect to cost, feasibility, priority, functionality, and consistency, and make recommendations thereon.

(iii) Monitor approved asset acquisitions and projects and provide technical assistance as appropriate.

SCHEDULE D

LAKE AND ENVIRONMENTAL COMMITTEE PURPOSES

The Lake and Environmental Committee serves to protect Lake Kinnelon and the unique environment within Smoke Rise. In addition, the committee shall focus on Smoke Rise environmental issues related to forestry, wildlife, watershed and pest or game management. The committee shall focus upon and have responsibility for:

Lake Management

Weed and Algae Control

Lake chemistry

Water quality

Fish stocking and fishing permits

Hydro raking to clean and deepen the lake

Boat docks and canoe rack assignments

Environmental Management

Forest protection

Ecological concerns

Deer control and protection

Water fowl control and protection

Pest control recommendations

Shoreline oversights (buffer zone)