

By Laws

ARTICLE I. Objectives

The Candlewood Heights Beach Club, Inc. is a non-profit corporation organized for the purpose of perserving, protecting and maintaining the privileges of access to the designated waterfront property on Candlewood Lake to its members.

ARTICLE II. Meetings

Section 2.01 Date of Annual Meeting:

The Beach Club annual meeting shall be on the first Sunday of May.

Section 2.02 Location of Annual Meeting

The exact location of the annual meeting and the time of such meeting shall be sent, in writing, to each member. If the Beach is selected as a location an alternate will also be stated in case of inclement weather.

Section 2.03 Notification of Annual Meeting

Notice of the annual meeting shall be sent to all members by mail postmarked at least fourteen (14) days prior.

Section 2.04 Agenda of Annual Meeting

The annual meeting notice may also contain an agenda of topics to be discussed within the appropriate guidelines of section 2.08 "Order of Business".

Section 2.05 Rules of Order

The annual meeting shall be conducted in accordance with ROBERTS RULES OF ORDER.

Section 2.06 Presiding Officer

The annual meeting shall be conducted by the President or, in his or her absence, the next ranking officer.

Section 2.07 Special Meetings

Any meeting other than an annual meeting or a specified Beach Club committee meeting is considered a special meeting. Any Active Member may call a special meeting at any time for any item deemed important in nature to the conduct or business of the Beach Club.

Section 2.08 Order of Business

At either Annual or Special meetings the following shall be the order of business:

- Minutes of Last Meeting (Annual or Special)

- Report of Officers
- Report of Committees
- Unfinished Business
- New Business
- Good and Welfare
- Election of Officers, Annual Meeting

ARTICLE III. Voting

Section 3.01 Quorum

At either annual or special meetings there shall be fifty one percent (51%) of the active members present in person or by representation by another individual through written proxy, presented to the President or, in his or her absence, the Next ranking officer.

Section 3.02 Allowable Votes/Representation

Each deeded piece of land as defined in section 7.01 is entitled to one vote or one individual representative regardless of the size of property. Provided they are Active members in good standing.

Section 3.03 Procedure

Motions at all meetings shall be voted on by voice. If a clear outcome of the motion cannot be determined any member may request a “division of the house” by either a direct “show of hands” or by written ballot-tallied by the Presiding Officer and a designated representative other than a Board of Directors member.

Section 3.04 Election of Officers

Election of Officers shall be voted on by written ballot in contested elections. All written ballots must be tallied by both the Presiding Officer and a designated representative other than a Board of Directors member.

Section 3.05 Voting on Amendments to By-Laws

Amendments to the By-Laws shall be voted on by written ballot with the same procedures as in Section 3.04. By-Law amendment meetings require 14 days written notice to all active members and attendance of a quorum. Advance copies of the proposed By-Law revision shall be sent to each active member with the written notice.

Section 3.06 Majority Vote

A majority vote by members present or represented by an individual with a written proxy from a member shall control.

Section 3.07 **Voting Tie**

The Presiding Officer is not entitled to a vote on motions unless a tie exists.

Section 3.08 **Presiding Officer Motion Privilege**

The Presiding Officer is entitled to suggest a motion and/or the wording of a motion, but is not allowed to make the motion itself.

Section 3.09 **Presiding Officer Voting Rights**

The Presiding Officer is entitled to vote for Election of Officers and amendments to the By-Laws.

Section 3.10 **Proxy**

Active members not present at a meeting may designate an individual, not necessarily a Beach Club member, to vote on their behalf. The designated individual must have a written authorization of proxy, signed by the represented member to present to the presiding Officer at the start of the given meeting. In the case of a proxy individual also being an active member, that person may vote once as member and thereafter for as many proxy members he or she represents.

Section 3.11 **Voting Eligibility**

Only Active Members can vote.

ARTICLE IV. **Officers**

Section 4.01 **Titles, Ranks & Term**

The Officers of the Beach Club, in order of rank, shall be President, Vice-President, Secretary and Treasurer. These individuals shall comprise the Candlewood Heights Beach Club Board of Directors. All officers are elected positions of one-year terms effective at the end of the Annual meeting, the past president is appointed annually.

Section 4.02 **Eligibility**

Any Active Member is eligible for an Officer position. That individual must be listed as one of the land deed owners, as defined in section 7.01

Section 4.03 **Election Procedure**

All Officers are elected separately by the majority rule or written ballot.

Section 4.04 **Nominations**

Any active member may volunteer, or any active member may nominate another active member to any Officer position.

Section 4.05 Resignations

In the case of a resignation of any Board of Director member, the President or the next ranking Officer shall appoint a new Officer to fulfill the remainder of the term.

ARTICLE V. Officer Duties

Section 5.01 Duties of the President

The President shall preside at all meetings of the membership and at all meetings of the Board of directors. He or she shall execute all contracts of the Beach Club when authorized to do as such by the membership or the Board of Directors. He or she shall be responsible for co-signing checks, along with the treasurer, for the purpose of Beach Club business. He or she shall appoint agents and employees as directed by the membership or Board of Directors, and have the ability to designate other members in assisting in the business of the Beach Club. He or she shall be responsible for the general management of the affairs of the Beach Club and shall perform all duties incidental to his or her office. He or she shall be the primary representative of all matters concerning the Beach Club.

Section 5.02 Duties of the Vice President

The Vice President shall have such authority and shall perform such duties as may be assigned to him or her by the Board of Directors, the membership, or the President. He or she shall preside at all meetings in the absence of the President.

Section 5.03 Duties of the Treasurer

The Treasurer shall have the care and custody of all the funds of the association and deposit the same in such bank(s) as the membership or the Board of Directors may direct. He or she shall co-sign, with the president, all checks and drafts, etc. At all reasonable times, through the request of any Beach Club member, he or she shall exhibit the accounts either verbally or by correspondence. He or she shall maintain up to date status reports of any or all accounts, and have a formal written report available for the Annual meeting in an easily understandable manner.

Section 5.04 Duties of the Secretary

The Secretary shall record the minutes of the annual and special meetings and shall use best efforts to make such minutes available in written form to the membership within 30 days after the day of the meeting through the mail. He or she shall mail notices of Annual meetings, Special meetings, and committee meetings to the appropriate members. He or she shall keep an up to date record of the names, addresses, phone numbers, deeded property owned with rights to the Beach, and other pertinent information so directed by the membership or the Board of Directors. At reasonable times, through the request of any Beach Club member, he or she shall exhibit such records. He or she shall, through coordination with the Treasurer, make available to each member a written list of Active and Inactive Beach Club members, with the information listed above, at the annual meeting.

Section 5.05 Duties of the Board of Directors

It shall be the duty of the Board of Directors to formulate and put into action rules and regulations governing the preservation of the property belonging to or leased or licensed by the Beach club. The Board of Directors may establish rules of conduct, and they may impose a fine(s) for any violation of established rules and regulations in addition to suspending the use of Beach Club facilities to an offending member in accordance with By-law policy. Although, the Board of Directors has complete authority regarding rules and regulations, any such rule or regulation made effective can be amended or

eliminated by a majority vote through a motion of an Active member at an Annual or Special meeting. (The intent of electing each Board of Directors member is to properly and adequately represent each member's desire in governing the Beach Club and its facilities such that no one individual has complete control).

The Board of Directors will prepare for and present at the annual meeting a proposed budget for the upcoming year to be ratified by majority vote by the membership at the annual meeting.

ARTICLE VI. Members and Privileges

Section 6.01 Definitions

(a) Active Member: An individual and spouse, or in the case of joint ownership of a maximum of two unrelated individuals and their spouses, or in the case of joint family ownership a maximum of 4 family members, who are directly named on the deed for the land defined in Section 7.01, and who have fulfilled all required obligations for membership, for membership qualification in addition to required dues, initiation fees, and any penalties or fines incurred are paid in full; are considered Active Members. Active members may enjoy the full privileges of the Beach Club and are eligible to hold a Board of Directors position.

(b) Inactive Members: That individual and spouse, or in the case of joint ownership of a maximum of two unrelated individuals and their spouses, or in the case of joint family ownership a maximum of 4 family members, who are directly named on the deed for the land defined in Section 7.01, and who have fulfilled all required obligations for membership qualification, but have not paid required dues, or initiation fees, or any penalties or fines incurred by the defined dates, (unless member has been granted an extension under "Hardship" terms), or has been suspended by the Board of Directors are considered Inactive Members. Inactive members cannot utilize Beach Club facilities until such time that all payment obligations are satisfied. (Utilization also applies to any Transfer of Privilege individuals).

(c) Associate Member: That individual and spouse, or in the case of joint ownership of a maximum of two unrelated individuals and their spouses, or in the case of joint family ownership a maximum of 4 family members, who are directly named on the deed for the land defined in 11.01, and who have fulfilled all required obligations for membership qualification, in addition to required dues, any penalties or fines incurred, but have not paid in full the appropriate initiation fees through direct arrangement with the membership and/or Board of Directors, are considered Associate Members until such a time the entire initiation fee obligation is satisfied. Associate members are entitled all defined privileges of an Active Member, except the right to vote or hold a Board of Directors position.

(d) Family Member: Any son, daughter, mother and/or father of an Active member are Family Members. A Family Member, as contingent upon the agreement of the associated Active Member, is entitled all privileges of an Active Member except for voting rights or the ability to hold a Board of Directors position.

(e) Tenant: Any individual not directly related to an Active member, but who resides in the associated permanent dwelling of an Active member is a Tenant. Only those tenants who meet the conditions of section 6.03, Transfer of Privileges to a Tenant, are allowed the privileges of the Beach Club.

(f) Guest: Any individual that does not fall under the categories of Active member, Family member, or Tenant is classified as a Guest. That individual is only allowed the use of Beach Club facilities and privileges in the direct presence of the Active Member. An Inactive Member cannot be the guest of another Active Member nor can a deeded property holder non-member be a guest on a frequent basis.

Section 6.02 Privileges of Active Members

Privileges are those rights and activities available for the use of Beach Club facilities to include, but not limited to:

- Use of Beach Club parking lot
- Use of swim platforms and swim docks
- Use of toilet facilities
- Use of picnic tables and barbecue grills
- Use of dock facilities and the right to maintain a boat slip (if available)
- Right to have guest utilize the facilities

Section 6.03 Transfer of Privileges to a Tenant

(a) An Active member may transfer his or her privileges to a tenant residing in the associated permanent dwelling.

(b) The active member is still responsible for the same yearly dues determined at the annual meeting.

(c) Except for voting privileges and the ability to hold a Board of Directors position, all other defined Privileges are transferred to the tenant.

(d) The Active member is no longer entitled to any of the defined Privileges, but is still held accountable and responsible for said tenant with reference to fees, penalties, and other items relating to By-Laws and Rules and Regulations.

(e) Transfer of Privilege to a, can only occur to one such individual per permanent dwelling and no more than twice a year.

ARTICLE VII. Membership Qualifications

Section 7.01 Deeded "Water Rights"

The deeds of all Members and Prospective Members must have paragraph A and B imbedded in them.

Paragraph A

Any individual owning land in the Town of New Milford, State of Connecticut indicating that person's deeded water rights of passage to the property described and defined in the town land records of Manuscript Volume 92, Page 13, which refers to a specified "Beach Area" of Candlewood Lake and the conveyance of said water rights by the Connecticut Light and Power Company to Adella H. Wanzer and her assigns on January 31, 1935.

Paragraph B

The indication of "Water Rights" on an individual's deed must make reference to, or be traceable to, one of the original individuals named on the conveyance of such "Water Rights" in New Milford town records Volume 92, Page 102, dated May 25, 1935.

The Beach Club Secretary will maintain on file, an accurate copy of Volume 92, Page 13 and Volume 92, Page 102 for convenient reference to all members and potential members.

Section 7.02 Member Obligations

- (a) Present to a Board of Directors member a copy of a valid deed indicating the appropriate water rights of passage to the defined Beach and the name of the owner(s).
- (b) Make Payment of appropriate initiation fee, or an agreed upon portion thereof.
- (c) Make Payment of full or pro-rated portion of yearly dues.
- (d) Make Payment of all fines and penalties.
- (e) Complete of Property Form and resubmit to the Secretary when there are changes to ownership or tenancy of a property.

ARTICLE VIII. Fees and Dues

Section 8.01 Initiation Fee

- (a) The initiation fee for new members purchasing property that has maintained an Active Member status is \$1000.00
- (b) The initiation fee for a new member purchasing property that has not maintained an Active Member status is \$5000.00
- (c) The initiation fee can be paid in two installments over a one-year period if so approved by the membership at an annual meeting or by the Board of Directors.
- (d) The initiation fee or the approved installment is due at the annual meeting, or can be paid prior to the annual meeting if the individual desires the rights and privileges of the Beach Club facilities prior to the annual meeting. (An installment initiation fee payment is considered in default if not satisfied by the annual meeting for the year in which it was due. That individual will no longer be entitled to utilize Beach Club facilities and will be considered an In-Active Member.)
- (e) The initiation fee is waived in the case of transfer of property ownership within a member-in-good-standing's immediate family; but only if it does NOT result in another membership. In the case of it resulting in another membership the initiation fee will apply per section 8.01 paragraph (b).

Section 8.02 Yearly Dues

- (a) Dues amounts are determined by the membership at the annual meeting, and are recorded in the appropriate minutes as a matter of record.
- (b) Dues are payable at the annual meeting.

(c) August 31st after the annual meeting is the last day dues and dock fees can be paid before the member becomes In-Active. After September 1st that member is subject to a \$100.00 penalty.

(d) If an In-Active member has not satisfied the previous year's dues and penalties by the very next annual meeting that individual is no longer a Beach Club member, and must pay the appropriate initiation fee in order to reactivate his or her membership, in addition to fulfilling all other obligations required under Membership Qualification

Section 8.03 Penalties and Fines

(a) All Penalties and fines are defined in Rules and Regulations and are agreed upon by the Beach Club Board of Directors.

(b) All Penalties and fines are payable the same as for Yearly Dues.

(c) Penalties and fines can be appealed by written request to any Board of Directors member and decided by majority vote of the membership at an annual or a special meeting.

Section 8.04 Dock and Mooring Fees

(a) Dock fees apply to an Active member, Family member, or Transfer of Privilege Tenant who operates and owns a watercraft into or from a Beach Club dock for the purpose of parking said watercraft beyond an "after midnight" length of stay, (except for mechanical break-downs which are limited to 24 hours).

(b) Mooring fees apply to any individual mentioned directly above who operates and owns a watercraft for the purpose of parking said watercraft beyond an "after midnight" length of stay at a mooring which requires the use of the above mentioned dock(s) to transfer the operator or passengers, (except for mechanical break-downs which are limited to 24 hours).

(c) "Personal Watercraft", as defined by the Connecticut Boating Regulations, (Sea-do, Jet Ski, etc.) are exempt from dock fees as long as they are not parked at slip area, but are required to pay the appropriate mooring fee for the utilization of the dock area unless the owner already pays dock fees for another watercraft.

(d) Payment: Dock and mooring fees are payable the day of the annual meeting or, prior to use, whichever is sooner.

Section 8.05 Additional Assessments

Dues or fees, in addition to yearly dues, may be required for operational, emergency, or special purposes. This additional amount effective only on a yearly basis shall be determined on an "as needed" basis by a majority vote of Active Members present at an Annual or Special meeting. The additional assessments shall be treated in the same way as Yearly Dues with regard to payments and member status.

Section 8.06 Hardship Cases for Dues & Initiation Fees

(a) Any member having financial difficulty with reference to the above titled payments in addition to penalties or fines will be considered on an individual basis by the membership.

(b) The member with the financial difficulties may request a "Hardship Extension" by notifying a Board of Directors member in writing with the reasons for requiring an extension. The extension request will be approved by a majority vote of members present at an annual or special meeting.

(c) The "Hardship Extension" member is allowed continued use of Beach Club privileges once membership approval is given for the extension.

ARTICLE IX. Suspension of Privileges

Section 9.01 Authority to Suspend

The Board of Directors, through reliable evidence and factual information, may invoke a suspension of the defined privileges for the willful and blatant violation and/or disregard of any Beach Club By-law and/or Rule or Regulation by an Active Member, in-Active Member, or Transfer of Privilege Tenant.

Section 9.02 Term of Suspension

The term of suspension will normally be one year, unless the Board of Directors finds the severity of such violation to require a longer period.

Section 9.03 Notification

After agreeing upon a suspension the Board of Directors will inform the appropriate Active Member in writing with the reasons for the suspension, and the term for such suspension.

Section 9.04 Status of Suspended Member

A suspended member becomes an In-Active member, and no longer has the right to vote or hold a Board of Directors position until such time the suspension terminates. In addition, privileges for any Family Member, or Transfer of Privilege Tenant are suspended.

Section 9.05 Dues Requirement

A suspended member is not required to pay Beach Club yearly dues until the next annual meeting following the termination of the suspension.

Section 9.06 Appeal

A suspended member may appeal such suspension by informing a Board of Directors member in writing with the reasons for requesting an appeal. A majority vote of members present at an Annual or Special meeting, with discussion of pertinent facts relating to the suspension, will decide the final outcome of the member's status. Until such time a meeting occurs, that member is considered suspended and on In-Active status.

ARTICLE X. By-Law Amendments

Section 10.01 Amendable Period

The By-laws may be amended at any time.

Section 10.02 Procedure

(a) Any Active Member may amend, add to, or change the current By-laws by requesting such change in writing to a Board of Directors member.

(b) The proposed amendment(s) will be sent to all Active and In-Active members postmarked at least (14) days prior to the Annual or Special meeting upon which discussion and voting will occur regarding such amendment(s).

(c) A majority vote of Active Members present shall be required for the adoption of such amendment(s).

ARTICLE XI. *Property Form*

Section 11.01 Definition

The property form is a device to maintain and update the status of each Active member with reference to property, family members, tenants, and fees. The property form is to be completed initially at the Annual meeting and every time there is a significant change.

Section 11.02 Form Completion

The forms shall be completed at the annual meeting and shall be given to the Secretary.

Section 11.03 Content

A copy of the annual property form is attached to these bylaws and is provided in the event forms are not readily available through other sources.

ARTICLE XII. INDEMNIFICATION

The Beach Club shall indemnify Directors, officers, employees and agents of the Beach Club to the maximum extent permitted by law, including, without limitation, Sections 33-1116 through 33-1124 of the Connecticut General Statutes. The Beach Club may procure insurance providing greater indemnification to such persons as well as to volunteers, and may share the premium cost with any Director, officer, employee or agent on such basis as may be agreed upon. Notwithstanding the foregoing, the Beach Club shall not indemnify such individuals, procure such insurance or share premium cost to the extent so doing would constitute an act of self-dealing as defined in Section 4941(d), or an excess benefit transaction as defined in Section 4958 of the Internal Revenue Code.

ARTICLE XIII. CONFLICTING INTERESTS

At all time that the Beach Club is a private foundation as defined in Section 509(a) of the Internal Revenue Code, no Director or Member of the Beach Club may engage in any act which would constitute self-dealing as defined in Section 4941(d) of the Internal Revenue Code.

No Director or Member of the Beach Club may engage in any excess benefit transaction as defined in Section 4958 of the Internal Revenue Code.

No Director or Member shall engage in any loan transaction between a Director or Member and the Beach Club (other than an interest-free loan by a Director or Member to the Beach Club).

No Director shall vote on any transaction in which such Director had a "conflicting interest." For the purposes of this Article, a Director shall be deemed to have a "conflicting interest" with respect to a matter

if the Director or a "related party" with respect to the Director (a) is a party to the transaction, (b) has a beneficial interest in the transaction, (c) would be significantly financially affected by the transaction, or (d) is otherwise considered to have a "conflicting interest" as provided in Section 33-1127 of the Connecticut General Statutes. A "related party" shall include, without limitation, a member of the immediate family or the Director, an entity in which the Director or a family member is a Director or officer, a person or entity which is an employer of the Director, or the Director's family member, a trust, estate, incompetent, ward or minor if which the Director or Director's family member is a fiduciary, and such other person and entities as may be considered to be "related parties" under Section 33-1127 of the Connecticut General Statutes. For purposes of this Article, a "transaction" shall include, without limitation, a gift or distribution to an entity exempt under Section 501(c)(3) of the Internal Revenue Code. No transaction involving a conflicting interest shall be approved except as permitted by Section 33-1129 or 33-1130 of the Connecticut General Statutes, specifically: (i) by the affirmative vote of a majority, but no fewer than two (2), of those Directors who do not have a conflicting interest, after disclosure to such Directors of the nature of the conflicting interest and all material facts relating thereto, and/or (ii) by the Members other than Members who are also Directors having a conflicting interest or who are controlled by Directors having a conflicting interest, after disclosure to the Members of the nature of the conflicting interest and all material facts relating thereto.

ARTICLE XIV. PROCEDURES ON DISSOLUTION

Section 14.01 Distribution of Assets

Upon any dissolution of the Beach Club, all of its assets remaining for distribution after payment of obligations or provision for the same shall be distributed (subject to any restrictions imposed by any applicable will, trust, deed, agreement, or other document) to a club organized for pleasure, recreation, and other nonprofitable purpose, provided that such institution is then qualified as exempt from taxation under Section 501(c)(7) of the Internal Revenue Code and described in Section 170(c)(2) of the Internal Revenue Code; or, if no such organization is so qualified, to such one or more charitable, scientific, or educational organizations as are qualified as exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and described in Section 170(c)(2) of the Internal Revenue Code, for use restricted to the purposes set forth in the Beach Club's Certificate of Incorporation, in each case in such proportions as the Members or, if not, a court of competent jurisdiction may determine.

The original By-Laws were revised by majority vote of membership 7/14/1991, 5/7/2000 and 07/2002. The original By-Laws underwent a major redrafting during 2002-2003. The newly drafted By-Laws (shown above) were adopted by the membership by unanimous vote at the May 2003 annual meeting. Further revisions to Article VIII Fees and Dues, section 8.01 paragraph (e) and section 8.02 paragraph (c) were adopted by the membership by majority vote at the May 2004 annual meeting.