

RESOLUTION
of the
MANAGEMENT COMMITTEE
of
LAKE WALLKILL COMMUNITY, INC.

WHEREAS, Article VII, Section 10 of the by-laws, provides that the Management Committee is the legislative and policy making body of Lake Wallkill; and

WHEREAS, the Management Committee, having planned for repair work to be done on the Dam Spillway in 2021 and other Capital Improvements to be paid for with a combination of assessments to Members and loans; and

WHEREAS, as defined by Article XI, Section 2 the Capital Improvements to be undertaken and partially paid by Member Loans are non-discretionary expenses; and

WHEREAS, the Management Committee, having offered a "LOAN PROGRAM" to all members has commitments from certain members to Loan Lake Wallkill funds in an amount not to exceed \$140,000; and

WHEREAS, the Management Committee, has decided to pay 3% interest on the loans from Members, and the term of the loans shall be 5 years; and

WHEREAS, the State of New Jersey (2013 Revised Statutes) Title 15A – Corporations Non-Profit, Section 15A:3-1(7) General Powers: "(7) *make contracts and guarantees and incur liabilities, borrow money, issue its bonds, and secure any of its obligations by mortgage of or creation of a security interest in its property, franchises and income*"; and

WHEREAS, Article XI, Section 1 restricts the use of Community Property as collateral for a mortgage, the Loan Program will be uncollateralized Loans.; and

WHEREAS, Article V, Section 3 requires the President and Secretary to sign all contracts on behalf of Lake Wallkill Community INC. they will have the authority to execute the Loan Documents; and

WHEREAS, the Management Committee, upon advice of counsel, has determined that it is in the best interests of Lake Wallkill and the entire Lake Wallkill Community that this resolution be made authorize the LOAN PROGRAM; and

NOW, THEREFORE, BE IT RESOLVED by the Management Committee that proposed LOAN PROGRAM shall be implemented as follows:

1. Execute Loan Documents for up to \$140,000 of Loans paying 3% interest and having a 5-year term
 - a. Loan Document (reviewed by counsel) example attached for reference to be executed beginning in June.
 - b. By September 30th, all Loan proceeds to be provided to Lake Wallkill Community INC.
 - c. Beginning January 1st 2022, installment payments (principal & Interest) will commence on all loans from Members and continue for 60 months (5 years)
2. The expense for Loan repayments shall be accounted for in each annual budget (2022-2026) until the loans are repaid in full with interest.
3. The Management Committee shall allocate Loan proceeds towards paying for the Dam Repairs, Clubhouse and Pumphouse Roofing work. Should there be any residual Loan Proceeds after satisfying the Dam & Roofing needs, such residual Loan proceeds shall become part of the General Fund.

ADOPTED this 29th Day of May, 2021 by the Management Committee of Lake Wallkill Community, Inc., in the presence of a quorum.

Peggy Merck FOR *Peggy Merck* 5/29/2021
Jennifer Costello
Secretary