

When the land surrounding Lake Neepaulin (initially called Neepaulin Lakes) was originally purchased, the original developer intended to establish a lake club community. Two man-made lakes were planned (an upper lake that was never created because the elevation of the lake prevented it from retaining water and a lower one that still remains today). A clubhouse, bathhouses, baseball fields, tennis courts, handball courts, etc. were constructed to complement the facilities. When the developer failed to create the upper lake, residents forced him to build a swimming pool because the property in Lake Neepaulin had been advertised as having two lakes, when there were not.. At that time, all residents of the Lake Neepaulin community were required to pay \$30 per year in order to maintain the recreational amenities. This stipulation was incorporated into the deeds of all the property holders in the community. Failure to comply with this dues structure forced a lien upon the delinquent property holder.

In the 1950s and early 1960s, the community thrived. Many people from New York City, and parts thereof, had been looking for a place where they could establish a vacation "get away" in order to escape the hustle and the heat of the city. Some of these people determined that Lake Neepaulin's bucolic environment met their approval and, therefore, they purchased a summer home in Lake Neepaulin. As these newcomers settled into the community, they fell so much in love with Lake Neepaulin that they beckoned their friends to join them in the purchase of a summer home there. The community thrived as more and more city folk became neighbors with farmers and other rural residents.

During the first two decades, the ownership of the Lake Neepaulin development actually changed hands three times. Unfortunately, none of the three developers ever established the proper mechanism for the communal properties (lake, beach, swimming pool, athletic facilities) to be transferred to the residents of the lake club community. Instead, the developers sold as many lots as possible without insisting or insuring that the buyers belong to and support the lake club community. The practice of selling homes in a lake community without imposing lake fees was very attractive to the people who did not have much money. Therefore, in the late 1960s and 1970s, young, first-time home buyers from the eastern counties of New Jersey moved into Lake Neepaulin specifically because they could not afford to purchase real estate in the more expensive counties surrounding New York City, namely, Bergen, Passaic, Morris, etc.

In 1966 the third developer proposed raising dues by \$20. When the Lake Neepaulin residents rejected the dues increase, the developer shut down the beach and the pool. This action prompted some of the residents to organize the Lake Neepaulin Property Owners Association which filed a law suit against the developer. In a complicated and drawn out case, Judge Alexander Waugh in 1968 ordered the developer to reopen the facilities and to maintain them at \$30 per year through 1972, at which time, negotiations for an increase in the dues were to resume between the developer and the property owners. During the years between 1968 and 1972, the property owners were expected to share the responsibility of raising monies to help maintain the facilities.

In 1969, however, the third developer sold the club community properties to Neepaulin Community, Inc., a group of 17 residents who had hoped to preserve all the facilities constructed by the three developers. The goals of Neepaulin Community, Inc. went awry in 1978 when a number of Lake Neepaulin residents formed the Civic League of Lake Neepaulin and refused to pay annual dues to the 17 owners because the Civic League felt that the properties were not well-maintained. The Civic League, then, illegally collected dues that rightly should have been paid to Neepaulin Community, Inc. and placed the dues in an escrow account. A stalemate ensued because the 17 owners could not maintain the facilities without

revenue, and the Civic League would not release the escrow money until the facilities were repaired and properly maintained. The 17 owners then filed suit, asking the court to require the Civic League to release the money in escrow. Judge Reginald Stanton realized immediately that \$30 per year was woefully inadequate to maintain the facilities. Thus, in 1981 the judge rendered a decision in which he encouraged the 17 owners and the Civic League to resolve their differences and work together in order to establish a lake club community that the previous three developers should have established from the very beginning. Stanton granted the litigants, and all other residents of the community who might become involved, two years (until February 1983) to form a viable organization. If the community was successful in forming such an organization, Stanton promised that he would not only raise the mandatory dues to \$150 per year, but that he would insure total participation from every property owner in Lake Neepaulin. However, if the community should fail to establish such an organization, the property owners in Lake Neepaulin would, then, no longer be obligated to pay any dues for the upkeep of the lake and the facilities.

This court decision left the 17 owners with no other alternative but to depend entirely on voluntary contributions for revenue. Income dropped below the level necessary to maintain the facilities. The property continued to deteriorate, the buildings needed repairs, the unkempt grounds needed attention, and the image of the community disintegrated so that outsiders quickly began to cast aspersions on those who lived in the lake. With little revenue to pay down their debt (mortgage and taxes), the 17 owners sold all of lake club properties to an aspiring entrepreneur. He, in turn, sold off parcels of the facilities, large and small, leaving just the swimming pool that he continued to maintain for personal profit as well as the beach and lake that he could not sell. Because the beach and lake generated virtually no revenue, the entrepreneur's attention and money were directed to other more lucrative areas. As a result, sky-high weeds took over the beach and hues of disgusting swirls of thick, vomit-colored algae covered the lake. As the environmental conditions in Lake Neepaulin grew worse and worse, the image of the community continued to plummet. Real estate agents, some of whom are still in business today, deliberately guided many prospective home buyers away from Lake Neepaulin in their hunt for a new home.

The decline of Lake Neepaulin's image damaged Lake Neepaulin's reputation. Pride in community dwindled, renovation was nil, property values fell, homes languished on the market, profits from selling a home in Lake Neepaulin were not comparable to the profits received from selling a home in other lake communities, etc.

In an attempt to turn things around, a group of Lake Neepaulin residents decided to accept a deal proposed by the owner of the lake and pool in 1992. The group agreed to operate and maintain the owner's facilities without remuneration in exchange for the opportunity to purchase the facilities at some future date. The residents organized the Lake Neepaulin Community Club Association (LNCCA), but most of the time this association had difficulty operating in the "black." Outstanding debt and insufficient funds made it impossible to raise the money necessary to purchase the pool, lake, and beach. By 1997 the association had become defunct.

The township, then, was asked to take over the properties so that Lake Neepaulin would not continue its decline. The township refused to do so because it did not want to assume the liability of the lake.

In late 1997, another group of residents came forward and formed "Friends of Lake Neepaulin" (FOLN), a 'grass roots' organization. The major goals of this group were to

preserve Lake Neepaulin and to protect property values with the intent of changing the image of Lake Neepaulin so that the community would attract potential homebuyers, rather than scaring them away. After lengthy negotiations with the owner, FOLN purchased the beach. Then, because the owner had not paid taxes on the lake for 15 years, the group acquired the lake via tax sale and negotiated with the township to pay off the back taxes at a small percentage of what was owed. They then initiated foreclosure procedures to secure title to the lake. FOLN raised \$33,000 to purchase these properties through the donations of 17 concerned individuals who each contributed from \$500 to \$3,500 of their personal money without expectation of repayment. The properties were deeded to FOLN, a non-profit corporation. Here the properties remain for the benefit of the residents of the entire community. The members of "Friends of Lake Neepaulin" became the caretakers rather than the owners of these newly purchased facilities. The organization applied for and received a 501 c (4) tax-exempt status in 2003 which means that the organization is exempt from federal income taxes. Presently the organization is applying for a 501 c (3) status to become totally exempt from all taxes. This change in tax structure will, then, enable all contributors to deduct their donations on their federal income tax return which might enable the organization to accumulate further donations for the repair of the dam.