Lake George Club Historic Preservation Foundation, Inc (the Foundation)

Foundation Disbursement Policy DRAFT

The overall goals of the Foundation will be to retain its initial purchasing power (i.e. keep pace with inflation) while minimizing volatility of the payout on a year to year basis. The intent of the payout would be to offset the cost of maintenance and upkeep of the historic structure of the Lake George Club.

The long term payout percentage will be targeted at 4.5% of the year-end market value.

No payouts will be made until the Foundation receives initial contributions which total a minimum of $2,000,000. Payouts shall commence the first calender year following the year of receipt of aggregate contributions totaling the $ 2,000,000 minimum. From that point until the Foundation has maintained a balance in the investment account for 16 consecutive quarters (Initial Phase) the Foundation will pay out the actual earnings of interest, dividends and net capital gains (both realized and unrealized) as of the Calculation Date to a maximum of 4.5%. For any year during the Initial Phase which the Foundation has a net loss (interest and dividends as well as net capital loss (both realized and unrealized) as of the Calculation Date, no payout shall be made. Further, no payout shall be made for any subsequent year during the Initial Phase if the market value as of the Calculation Date is less than 80% of the aggregate capital contributions received.

Thereafter, the goal and long term target will be achieved by calculating the payout as 4.5% of the rolling 16 quarter market value average with a floor of 90% and a ceiling of 110% of the prior year's payout. In addition, amounts will be reduced below the 4.5% payout in the following instances:

1. Market value as of the Calculation Date is at least 80% but less than 100% of the aggregate capital contributions received will be paid out at 3%.
2. Market value as of the Calculation Date is less than 80% of the aggregate capital contributions received will trigger no payout.

Payouts reduced can be restored to the full 4.5% rate once the market value as of the Calculation Date achieves 100% of the aggregate capital contributions received.

Due to the volatility of the market, it is recognized that invasion of principal could occur during any calender year. At the end of each calender year, during the determination of the next year's payout, the Treasurer of the Foundation will analyze the investment account's ability to make the calculated payout. The Treasurer will recommend appropriate action to the Board of Directors. The action recommended may include reducing or stopping the payout, invading the principal or such other actions that may be appropriate.

Payouts will be determined during January for the current calender year using the data as of December 31 for the prior calender year (the Calculation Date).