



SUNSET LAKE HOMEOWNERS ASSOCIATION

SUNSET LAKES

**PO BOX 357
Sparta, NJ 07871**

Date: January 1, 2014

Subject: **Sunset Lakes Homeowners Association By-Laws**

To: All Sunset Lakes Homeowners Association Members

Sunset Lakes Homeowners Association, Inc. BY-LAWS

REVISED AT THE FALL MEETING, NOVEMBER 12, 2013

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ARTICLE I - GENERAL

This organization shall be known as Sunset Lakes Homeowners Association thereafter referred to as "Association". This Association has been established through declaration of Covenants and Restrictions made by William Harrison and Michael T. Venus, general partners, doing business as H.V. Associates, dated the 5th day of April, 1988 binding and restricting all lot owners within the development.

The Sunset Lakes development includes and is limited to those properties within Sunset Lakes (which property is commonly described in the aforementioned Declaration of Covenants and Restrictions).

ARTICLE II - PURPOSES

The purposes of the Association are:

1. To promote fellowship, tranquility and the general welfare of residents and owners of property in the Sunset Lakes development.
2. To encourage protection and enjoyment of the natural beauty and facilities of the Sunset Lakes development.
3. The Association is dedicated to the goal of assuring that the Sunset Lakes development remains an attractive, pleasant community, in which to live and raise families. To this end, the Association may elect to enforce rules and regulations governing the use of the facilities in the development.
4. To serve as the means through which lot owners may provide for administration, management and operation of open spaces and lakes located therein created by the aforementioned Declaration of Covenants and Restrictions in accordance therewith.

ARTICLE III - MEMBERSHIP

Section 1 – Requirements for membership

All lot owners shall be members of the Association and Association shall be limited to lot owners and to such other adjoining property owners as hereinafter provided.

1. If ownership of a lot is vested in more than one person, then all persons so owning the said lot shall be members of the Association.
2. If ownership of a lot is vested in a corporation, the officers of said corporation shall be members of the Association.

3. Transfer of ownership of a lot either voluntarily or by operation of law shall terminate the membership of the transferor and the transferee will then acquire all the rights and duties of his predecessor.

Section 2 – Guest Privileges

All members are entitled to confer guest privileges provided the member is in good standing. Guests must be accompanied by the member or be properly identified by said member when using facilities or engaging in Association activities. Guests' privileges may be revoked by the Board of Trustees upon notice when such privileges are abused.

Section 3 – Prior dues and assessments

All previous dues and assessments chargeable to a prior owner must be paid prior to conveyance of property.

Section 4 – Termination of ownership

Membership shall cease upon termination of ownership in the development. Membership is nontransferable.

Section 5 – Change of address

It is the responsibility of the members to inform the Association Secretary of any change of address or any other change that would affect or interfere with required communications between the members and the Association.

ARTICLE IV – FINANCE AND COMMON EXPENSE CHARGES

Section 1 - Depositories:

The funds of the Association shall be deposited in such banks (which may include Savings and Loan Associations) as may be determined by the Board of Trustees from time to time and shall be withdrawn only upon check or demand executed by an officer of the Board.

Section 2 - Fidelity Bonds:

The Treasurer and any other officer of the Association who is authorized to sign checks, handle, have control over or be responsible for the funds of the Association, shall be bonded in such amount as may be determined by the Board but in no event less than \$10,000. All bonds shall be in an amount sufficient to equal the moneys and individual has control over or is responsible for via a signatory or bank account or other depository account.

Section 3 - Fiscal Year:

The fiscal year of the Association shall begin on the first day of January of each year, provided however, that the Board of Trustees may change to a different fiscal year in accordance with the provisions and regulations from time to time described the Internal Revenue Code of the United States of America, at such time as the Board may deem it advisable.

Section 4 - Budget:

- a. The Board of Trustees shall prepare an annual budget for the Association for the ensuing year by December 15.
- b. The Treasurer of the Association shall forward to the members of the Association a copy of the budget, a copy of the estimate of the net expenses of the Association or the current year (including reserves) and an estimate of the common expense charge by January 15. These documents shall be forwarded to the members either by hard copy mailing or handout, electronic mail distribution, or posting on the Association website, within the Member login section. A hard copy shall be provided to any Member upon request.

Section 5 - Determination and Payment of Common Expense Charge:

Determination

- a. The Board of Trustees shall, upon adoption of the budget of the Association and pursuant thereto, determine the respective pro rata amount of the total expenses of the Association for which each lot owner shall be liable as his common expense charge. In so determining the common expense charge for each lot, the Board shall take into account any surplus in the accounts of the Association.
- b. As part of the common expense charge, the Board, through the Treasurer, shall collect the Association dues. The Treasurer, upon collection of these dues, shall remit to the Trustees the Association Dues to the Association together with an accounting of those owners who have paid and those who have not. The accounting of the owners who have paid may posted on the Association website, within the Member login section.
- c. If the Board of Trustees shall fail to fix a new common expense charge for the ensuing fiscal year pursuant to this section, then the lot owners shall pay the same common expense charge including, however, any special assessments they paid for the then current fiscal year as if such sum were the new common expense charge and such failure shall not constitute a waiver, modification or release of any lot owners obligation to pay same.

Payment

- a. When the amount of the common expense charge has been determined, a statement setting forth that individuals common expense charge shall be delivered by January 15.
- b. Each lot owner's common expense charge shall be due and payable on or before the last day of February of the same year.
- c. No lot owners shall limit his liability for payment of his common expense charge by the waiver of the rights to use the facilities in the Development or by the abandonment of his property or otherwise.
- d. In addition to any remedies that are provided for hereinafter in these bylaws, a lot owner who fails to pay his common expense charge may be prohibited by the Board of Trustees from using the facilities and open spaces available in the development and shall be prohibited from voting in the affairs of the Association. In addition, the Association in its discretion, may terminate any services to the lot or lot owner.

Surplus

A budget reserve amount, equal to one year's total operating expense, shall be established and maintained by the Treasurer. This reserve amount shall be used to maintain adequate cash flow and for unforeseen expenses, and shall be calculated as the average annual operating expense for the previous three (3) years. Any surplus (or shortfall) from the annual budget at the end of the fiscal year shall be returned (or charged) to the members by adjusting the dues for the following year.

Section 6 - Assessments:

The membership in general and individual lot owners may be assessed as hereinafter set forth. The terms and conditions for collection of these assessments may be determined by the Board of Trustees of the Association.

Membership in General

- a. If the cash requirement estimated at the beginning of any fiscal year shall prove to be insufficient to cover the actual expenses of the Association for such fiscal year for any reason, the Board of Trustees shall at any time it deems necessary and proper, levy a special assessment against each lot owner in the same proportion as the original common expense charge.

- b. The Board of Trustees shall have the right to levy a special assessment upon the membership of the Association. Said special assessment to be levied per lot in equal proportion of such total amount as is necessary to carry out any reconstruction or repair.

Individual Lot Owners

- a. In the event that the Board of Trustees shall determine that any expenditure which has been or will be made out of the funds of the Association is primarily for the benefit of, or is the responsibility of a specific lot owner or owners, the Board shall levy a special assessment upon such owner or owners to obtain the funds necessary for or to recover such expenditure.
- b. Any lot owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such expense shall be collected as a special assessment.

Section 7 - Common Expense and Assessment List:

The Treasurer shall have a list which indicates, for each lot, the name and address of the lot owner, the common expense charges, and any assessments and the amounts paid or unpaid. A certificate stating the status of a lot owner's assessment account shall be issued, upon demand, to the mortgagee of any lot and such other persons as a lot owner may request in writing.

Section 8 - Liability for Common Expense Charge and Assessments:

The owner of a lot and his grantees shall be jointly and severally liable for all unpaid assessments or common expense charges due and payable at the time of a conveyance but without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefore. Such liability may not be avoided by a waiver of the use or enjoyment of the open spaces or other facilities or by abandonment of the lots for which the assessments are made. A purchaser of a lot at a judicial or foreclosure sale or a first mortgagee who accepts a deed in lieu of foreclosure shall be liable only for the common expense charge or assessments coming due after such sale and for the portion of due common expense charges or assessments prorated to the period after the date of such sale. Such a purchaser as aforesaid shall be entitled to the benefit of all prepaid common expense charges and assessments paid beyond that date such purchaser acquires title.

Section 9 – Lien

The unpaid portion of the Common expense charge or of an assessment which is due shall be secured by a lien upon the lot and all appurtenances thereto.

Section 10 - Collection of and Interest on Common Expense Charges and Assessments

Collection

The Board of Trustees may enforce collection of delinquent common expense charges or assessments by suit at law or in equity or by foreclosure of the liens securing the same or by any other competent proceeding. In any such event they shall be entitled to recover, on behalf of the Association, in the same action, suit or proceeding, the payments which are delinquent at the time of judgment together with interest at the rates provided below and all costs incident to the collection, including a monthly administrative fee of \$25, and the action, suit or proceedings, including, without limiting same, reasonable attorney's fees.

Interest

Any common expense charge or special assessment not paid on or before the last day of February shall bear the interest rate of prime plus 3% unless the Board of Trustees shall waive the interest due to hardship. The President (Board of Directors) has the right to waive the interest, administrative and legal fees due the homeowner hardship if notified in writing by February 1st of that year. The dues will remain in arrears. The hardship cannot be used in more than one year. All payments upon account shall be applied first to interest then to the assessment payment first due. All interest collected shall be credited to the Common expense account.

Section 11 - Financial Statement to Membership:

The Treasurer shall see that an annual financial statement for the previous year, a proposed budget for the current year, and the current year's dues invoice shall be delivered by January 15. These documents shall be forwarded to the Members either by hard copy mailing or handout, electronic mail distribution, or posting on the Association website, within the Member login section. A hard copy shall be provided to any Member upon request.

ARTICLE V – COMPLIANCE AND DEFAULT

Section 1 – Legal Action:

Each lot owner shall be governed by and shall comply with the terms of these bylaws and Rules and Regulations adopted pursuant thereto and as any of the same may be amended from time to time. A default or breach of the provisions of same shall entitle the Association or the President on behalf of the Association, the Board of Trustees or lot owners to relief by means of all appropriate legal action. The prevailing party shall be entitled to recover the costs of the proceedings and such reasonable attorney's fees as may be determined by the court.

Section 2 - No Waiver of Rights:

The failure to enforce any right, provision, covenant or condition which may be granted by these By-Laws or Rules and Regulations adopted by the Association pursuant hereto, or by law shall not constitute a waiver of such right in the future.

Section 3 - Remedies Cumulative:

All rights, remedies and privileges granted pursuant to any terms, provisions, covenants or conditions of these Bylaws, any Rules and Regulations or by law shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such party by any of the same or at law or in equity.

ARTICLE VI - MEETINGS

Section 1 - Location

Biannual meetings shall be held in the Spring (March or April) and Fall (October or November) in the Township of Sparta, New Jersey. Only members in good standing shall be present at a regular or special meeting unless approved by the Board of Trustees.

Section 2 – Election of Officers

At the Fall meeting the members shall elect the Trustees of the Association as the expiration of the trustee's terms require and the membership shall transact such other business as may come before the meeting.

At such meeting, the order of business shall be:

1. Minutes of previous meeting.
2. Old business.
3. Reports of the officers, Board of Trustees and committees.
4. Election of new Trustees.
5. New business.

Section 3 - Quorum

If a quorum is not present at a meeting, the President shall adjourn such meeting and with approval of the Board of Trustees notify all members of cancellation or rescheduling of meeting.

Quorum:

At any meeting of the Association, the voting members, present in person, by proxy, or by absentee ballot whose voting interests constitutes 33 percent of the eligible voting interests of all lots shall constitute a quorum. The majority vote shall be valid and binding except as otherwise provided in these bylaws. A quorum once established may not be broken by the withdrawal of one or more voting members.

Waiver and Consents:

Whenever the vote of members at a meeting is required or permitted by any provision of these bylaws to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with if not less than a majority of the members who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken; however, notice of such action shall be given to all members.

Adjourned Meeting:

If any meeting of the Association cannot be organized because a quorum of voting members is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

Section 4 – Calling a special meeting

A special meeting may be called by the Board of Trustees or whenever 50 percent of the members entitled to vote shall make a written request to the President or Board of Trustees, specifying the object of the meeting.

Section 5 – Notification of meetings

Two (2) weeks notice shall be given of all meetings to all members in good standing.

It shall be the duty of the Secretary to notify members of all meetings, stating the time and place and purpose thereof. If a vote is anticipated as part of the agenda of any meeting, the notice shall provide explanation of the items to be voted upon as well as the proxy form and absentee ballot.

Article VII - VOTING

Section 1 – Who is entitled to vote

In order for a vote to be binding and valid it must be conducted in accordance with these bylaws. Only members in good standing shall be entitled to vote. Members under suspension or who are in arrears on payment of dues or assessments are not in good standing.

Section 2 – Election of trustees

The election of trustees shall be by written ballot. Voting on all other matter shall be by show of hands or written ballot at the discretion of the President.

Section 3 – Only people whose name is on recorded title may vote

The right to vote shall be established by the recorded title to the lot. If a lot is owned by more than one person, the co-owners of that lot are entitled to jointly submit one vote to represent the lot on a given issue. If co-owners of a single lot submit in person or by proxy, more than one intended vote on a given issue, none of the intended votes for that lot on that issue shall be recognized as valid.

If a lot is owned by a corporation, the President of that corporation shall designate, by certification to the Secretary of the Association, an officer of the corporation who shall be entitled to cast the vote of the lot for the Corporation.

An individual owning more than one lot shall be entitled to one vote for each lot owned.

Section 4 - Methods of Voting

1. A vote may be cast in person at the meeting at which the subject is being voted upon.
2. A vote may be cast by filling a proxy as hereinafter provided:
 - a. The Secretary of the Association shall be responsible for providing each lot owner with an official form for voting by proxy. The form shall:
 - i. Be enclosed with the notice required in Article VI. Section 5 hereof.
 - ii. Set forth, but not being limited to, the following items: the lot for which the member is voting, the person who will serve as proxy on all matters or specified matters, a signature line and a return address.
 - iii. If a members is not able to attend a meeting and does not want to give a proxy, but wishes to vote on an announced topic, the member may obtain an absentee ballot form the Secretary of the Association and return to the same prior to the meeting.
 - b. The lot owner voting his lot by proxy shall complete the proxy form, sign it and return it to the address indicated on the form to arrive prior to the meeting for which the notice was sent.
 - c. Each proxy so filed, which represents a vote cast in compliance with Article VII, shall represent the vote of that lot at that meeting as if the vote were cast in person at that meeting.
 - d. The proxies provided for in this section shall only be valid for the particular meeting designated thereon.

Section 5 - Notification of Vote Results

Members of the Association shall be notified of all matters discussed at Association meetings as well as the outcome of any vote taken.

ARTICLE VIII - AMENDMENTS

Section 1 – Amending the bylaws

Amendments to the bylaws may be made at a regular or special meeting of the Association. A resolution adopting an amendment may be suggested by the Association or any lot owner, and must be approved by the affirmative vote of lot owners representing fifty-one percent (51%) of all voting members. The proposed amendment, shall have been submitted to the Board of Trustees in writing and mailed to each member in good standing at least two (2) weeks before the date of meeting.

Section 2 – Copies of bylaws, rules and regulations – Member compliance

Copies of bylaws and rules and regulations as amended, shall be provided to all members. Each member does hereby agree to be bound and abide by the bylaws and rules and regulations enacted by the Board of Trustees governing the use of the facilities in the development. Distribution of amended bylaws and rules and regulations shall be provided to all Members by hard copy mailing or handout, electronic mail distribution, or posting on the Association website, within the Member login section. A hard copy shall be provided to any Member upon request.

ARTICLE IX – BOARD OF TRUSTEES

Section 1 – Number of trustees

Association business shall be conducted by the Board of Trustees consisting of five (5) persons elected by and from the members in good standing.

Section 2 – Term of trustees

The terms of the members of the Board of Trustees shall be for two (2) years.

Section 3 – Vacancy within board of trustees

In the event of the death, resignation or disqualification of any trustee, the remaining members of the Board may appoint a member to fill the vacancy for the unexpired term. Also, the Board of Trustees shall elect a trustee to fill an officer or vacancy.

Section 4 – Meetings of trustees and establishing a quorum

Meetings of the Trustees may be called by the President or majority of the Trustees on five (5) days notice. Three members shall constitute a quorum.

Section 5 – Standing committees

The Board of Trustees shall establish committees, set forth their responsibilities in writing, and delegate powers to each as deemed necessary. Standing committees include:

Membership: To greet and provide new members with a copy of the bylaws.

Audit: To review Association financial records annually.

Social: To plan and conduct social and athletic activities.

Lake and Dam Committee: Oversee the maintenance of Lake and Dam areas.

Section 6 – Election of trustees

1. Trustees shall be selected at the Fall meeting.
2. All meetings of the Board of Trustees shall be held in Sparta, New Jersey.
3. Organization Meeting:

The organizational meeting of the Board of Trustees shall be held promptly after their election. At that meeting, the Board shall elect the officers of the Association for the ensuing year. Notwithstanding the provisions herein, no notice shall be required for the organizational meeting.
4. Notice of Meetings:
 - a. Written or electronic mail notice of any meeting of the Board shall be given by the Secretary to each member of the Board at least five days but not more than 20 days prior to such meeting.
 - b. Waiver of Notice:

The requirement for written notice for a particular meeting may be waived if all Board members consent in writing either before or after that particular meeting.
5. Voting:

Each Board member shall be entitled to cast one vote and a majority vote of the members present at a meeting where a quorum is present shall bind the Board for all purposes unless otherwise provided by law or these bylaws.
6. Compensation:

The trustees shall receive no compensation.
7. Removal of Trustees:

At any time after the first regular meeting of the membership of the Association and at any duly convened regular or special meeting of the membership, anyone or more of the Trustees may be removed with or without cause by the affirmative vote of not less than fifty-one percent of the total eligible votes.

8. Powers and Duties of the Board of Trustees.

a. Powers

1. Sue or defend litigation on behalf of and in the Association's name.
2. Engage and dismiss employees and agents, and define the duties and fix the compensation thereof.
3. Open bank accounts, designate officers to make deposits, sign checks and drafts. Funds may be withdrawn only upon check or demand executed by an officer of the Board. Any check in excess of \$3,000 must be executed by two officers of the Board.
4. Prepare and adopt an annual budget for the Association.
5. Determine, levy and collect pursuant to the budget the common expense charge and to use and expend such funds in accordance with the budget.
6. Make special assessments in accordance with these bylaws.
7. Revoke the privileges, services or rights of any member who fails to pay his common expense charge or special assessments.
8. Purchase supplies, materials, and equipment for the upkeep of the open spaces.
9. Borrow money and issue its notes, bonds, or other evidences of indebtedness necessary to secure such loans; provided, however, that any loan obtained on behalf of the Association shall have the prior majority approval of the voting membership of the Association and in no event shall the Board pledge as security for any loan in excess of ten percent (10%) of the real assets owned by the Association, unless same shall receive prior approval of fifty one percent (51%) all of the voting membership.
10. Enter into contracts, agreements, mortgages and other written instruments or documents and authorize the execution, delivery and if appropriate, the recording thereof by the officer of the Association.

11. Appoint and regulate committees for such purposes as it may deem necessary, specifically designating the powers and responsibilities of same.
12. Make rules and regulations governing and administrative the use and enjoyment of the open spaces and facilities in the development and the affairs of the Association.
13. Enforce the provisions of these bylaws.
14. Take such other action and accomplish such things as are necessary to promote, administer, regulate, promulgate and govern the welfare, best interests, social and recreational interests of the members and the administration and management of the Association.
15. Obtain and maintain the necessary insurance coverage for the open spaces and facilities in accordance with these bylaws.
16. Review, update and amend these bylaws as necessary no less than every five (5) years.

b. Duties:

The duties of the Board shall specifically include, but shall not necessarily be limited to, the following:

1. The maintenance and upkeep of the open spaces.
2. Obtaining and maintaining any and all insurance coverage required by these bylaws.
3. Payment of all expenses and debts of the Association.
4. The enforcement of the provisions of these bylaws.
5. The promulgation of the welfare and best interest of the membership of the Association as it pertains to the development.
6. The performance of such other duties which may be imposed upon the Board from time to time pursuant to law or the provisions of these bylaws.

c. Indemnification:

The Association shall indemnify every trustee, his heirs, executors and administrators against all loss, cost and expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Trustee of the Association, except as to matters where he shall be finally adjudged in such action, suit or proceedings, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not inclusive of all other rights to which the Trustee may be entitled.

ARTICLE X - OFFICERS

Section 1 – Roles of responsibilities

Officers of the Association shall consist of the following:

- President
- Vice President
- Secretary
- Treasurer

Section 2 – Appointment of corporate officers

The officers of the Association shall be elected by the Board of Trustees from its members for a term of one (1) year. Any officer may serve an unlimited number of terms so long as he has been re-elected by the Board of Trustees. The officers of this Board shall be the Trustees for the purpose of Title 15 of the New Jersey Statutes.

Section 3 – Officer Positions

President:

The President shall be the chief executive officer of both the Association and the Board of Trustees. Subject to the control of these two bodies, he shall direct, supervise, coordinate and have general control over the business of the Association and the Board. He shall preside at all meetings of either body unless he is absent, in which case the Vice President shall preside. He shall have all the powers and duties generally and ordinarily attributable to a chief executive officer of a corporation domiciled in the State of New Jersey, including the power to sign checks and documents on behalf of the Association.

Vice President

The Vice President shall perform all of the duties and have the authority of the President in his absence, and such other duties as may be required of him or assigned to him from time to time by the President or the Board of Trustees.

Treasurer

The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association, shall deposit, or cause to be deposited, all such funds and securities in such depositories as the Board of Trustees may direct, shall keep or cause to be kept correct and complete accounts and records of all financial transactions of the Association, and shall submit said record and other financial reports to the Audit Committee and submit or cause to be submitted to the Association an Annual Report of the financial status of the Association and such other reports as law, or these bylaws or the Board of Trustees may from time to time require.

Secretary

- A. The Secretary shall keep or cause to be kept all records (or copies thereof if such documents must be recorded) of the Association and the Board. The Secretary shall give or cause to be given all notices as required by law, or these bylaws, shall take and keep minutes of all meetings of the Association and the Board, shall maintain a record of the names and addresses of all lot owners as well as copies of these bylaws. The duties, powers, responsibilities, obligations and authority of the Office of the Secretary may be delegated to the Assistant Officers except for custody of the minutes of the meetings all of the Board and Association.
- B. The Secretary of the Association shall be responsible for the prompt notification of the membership of the matters discussed at any meeting and the outcome of any vote on any issue place before the membership.

Assistant Officers

The Board of Trustees may appoint from time to time Assistant Secretaries or Assistant Treasurers or such other officers as it may deem necessary, who shall have the Powers and perform the duties owed their respective superior Officers in the absence of same and shall perform such duties as may be delegated to them by the President of the Board of Trustees.

Resignation and Disqualification of Officers

a. Resignation:

Any officer may resign at any time by written notice to the Board, effective as of the next board meeting.

b. Disqualification:

Any Board member who resigns, is disqualified or is removed as a board member shall also be deemed to have resigned, been disqualified or removed from any office he or she may hold at that time.

Vacancy

Vacancies caused by resignation, disqualification, death or removal shall be filled by a majority vote of the Board members though less than a quorum. Such successor to an office shall serve for the balance of the unexpired term of the officer whom he or she replaced.

Execution of Instruments

No agreement, check, document or other instrument shall be binding upon the Association unless entered into on its behalf by the Board and executed by the designated corporate officers.

Indemnification

Every officer of the Association shall be indemnified in the same manner and to the same extent as pertaining to the members of the Board of Trustees of the Association.

ARTICLE XI – REVIEWS AND APPEALS

Members have the right to submit any action of officers, members or committees to the Board of Trustees for review, with the further right to appeal the matter to the membership at a special meeting convened for that purpose. A majority vote at the Board of Trustees meeting or of the members present and voting at the special meeting shall decide.

ARTICLE XII - INSURANCE

The insurance which shall be carried with respect to the property shall be governed by the following provisions:

Authority to Purchase

All insurance policies with respect to the development shall be voted upon by a majority of the Board and purchased by an officer of the Board for the benefit of the Association and the members in respect to their ownership interest. Premiums upon insurance policies purchased by the Board shall be paid on behalf of the Association and charged to the members as part of their common expense charge.

Coverage

A. All insurable improvements upon the land which comprises the open spaces and all personal property as may be owned by the Association, shall be insured in an amount equal to the maximum insurable replacement value thereof as determined annually by the Board of Trustees and insurance company affording such coverage. Such coverage shall afford protection against:

1. Loss or damage by fire and other hazards.
2. Public liability and property damage in such amounts and in such forms as shall be required by the Board of Trustees.
3. Workmen's Compensation policy to meet the requirements of law.
4. All liability insurance shall contain cross liability endorsements to cover liabilities of lot owners as a group to another lot owner, and of a lot owner to the lot owners as a group. The Association and the President as agent for the Association shall be included as named insured.

B. Each lot owner shall obtain insurance, at his own expense affording coverage on his lot and dwelling unit, his personal property and for his personal liability.

Special Provisions

All insurance policies purchased by the Board shall be for the benefit of the Board and the Association and all proceeds payable as a result of casualty losses shall be paid to an officer of the Board, as trustee, for the benefit of such Association.

Distribution of Proceeds

Proceeds of insurance policies received by the Board shall be distributed to or for the benefit of the beneficial owners in the following manner:

Reconstruction or Repair

If the damage for which the proceeds were paid is to be repaired or the facility is to be reconstructed, the proceeds shall be paid to defray the cost thereof as hereinafter provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners. All remittances to owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgage of a lot, and may be enforced by it.

Failure to Reconstruct or Repair

If it is determined that the damage for which the proceeds are paid shall not be repaired or the facility shall not be reconstructed, the proceeds shall be distributed to the beneficial owners. Remittances to lot owners and their mortgagee's being payable jointly to them. This is a covenant for the benefit of any mortgagee and may be enforced by it. In the making distribution to owners and their mortgagee's the President may rely on a certificate of the Secretary of the Association as to the names of the owners and their respective shares on the distribution. Upon request of the President, the Secretary shall forthwith deliver such certificate.

ARTICLE XIII – RECONSTRUCTION OF REPAIR OF CASUALTY

Section 1 - Damage to Open Spaces

If any part of the open spaces shall be damage by casualty, the insurance proceeds shall be used to repair or reconstruct same, unless the Association determines that the damage should not be repaired.

Section 2 - Special Assessment:

If the proceeds of insurance are not sufficient to defray the estimated costs of Reconstruction and repair of any structure, a special assessment shall be made by the Board of Trustees against the lot owners in sufficient amounts to provide funds to pay the estimated costs. If at any time during reconstruction and repair the funds for the payments of the costs thereof are insufficient, a special assessment shall be made against the lot owners in sufficient amounts to provide funds for the payment of such costs.

Section 3 - Construction Funds

The funds for payment of costs or reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the President and funds collected from assessments against lot owners on account of such casualty, shall be disbursed by the President in payment of such costs in the manner directed by the Board of Trustees.

ARTICLE XIV – MISCELLANEOUS PROVISIONS

Section 1 - Covenants Running with the Land

All provisions of the Association Documents shall be construed to be covenants running with the land and with every part thereof and interest therein, including, but not limited to, every lot and the appurtenances thereto, and every lot owner and claimant of the property or any part thereof or interest therein and his heirs, executors, administrators, successors and assigns, shall be bound by all the provisions of the Association Documents.

Section 2 - Limitation of Liability

Notwithstanding the duty of the Association to maintain the open space situated in the Development, the Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements or by other owners or persons.

Section 3 – Captions

Captions used in the Association Documents and inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text to the Association Documents.

Section 4 - Gender, Singular, Plural

Whenever the context so permits the use of the singular shall include the plural, and singular or plural and any gender shall be deemed to include all genders.

Section 5 – Severability

If any provision of these bylaws or any section, sentence, clause, phrase or word, or the application thereof in any circumstances be judicially held in conflict with the laws of the State of New Jersey, then the said laws shall be deemed controlling and the validity of the remainder of these bylaws and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

Section 6 – Interpretation

The provisions of these bylaws shall be liberally construed to effectuate the purpose of the Association.

Section 7 – Effective Date

These amended by laws shall take effect as of the 1st day of January, 2014.

Sunset Lakes Homeowners Association, Inc. – Trustee Approval of these By-Laws

By: Philip Villavicencio, Trustee

Witness: _____

By: Barbara Scalera, Trustee

Witness: _____

By: Mike Singer, Trustee

Witness: _____

By: John Brucker, Trustee

Witness: _____

By: Mike Mabunay, Trustee

Witness: _____

STATE OF NEW JERSEY
COUNTY OF SUSSEX

I certify that on _____, 2013 Philip Villavicencio, Barbara Scalera, Mike Singer, John Brucker, and Mike Mabunay personally appeared before me, Notary Public of New Jersey and acknowledged under oath to my satisfaction, that there persons:

- (a) are named in and personally signed this instrument; and
- (b) are the Trustees of the corporation named herein and are authorized to execute this instrument; and
- (c) executed this instrument as the act of the corporation

A NOTARY PUBLIC OF NEW JERSEY

A Notary Public of New Jersey