

SCENIC LAKES COMMUNITY ASSOCIATION, INC.

BY-LAWS

ARTICLE I

NAME

The name of this organization is Scenic Lakes Community Association, Inc. hereafter referred to as "the Association".

ARTICLE II

PURPOSES

1. To own and maintain real estate and personal property such as roads, woods, parks, dams, beaches, lakes, and streams connected therewith, docks, piers, buildings, and other such property as may be used for recreation or for the general welfare of the Members of the Association.
2. To regulate the use of Association property.
3. To promote health, welfare, recreation, entertainment, and good fellowship among the Members of the Association.

ARTICLE III

MEMBERSHIP

1. Membership in the Association shall be automatically granted to owners of property located within the Scenic Lakes Reservation. Membership commences on the date of conveyance of title to real property within the Scenic Lakes Reservation.
2. At the time of acquiring any type of interest in title to real property located within the Scenic Lakes Reservation, property owners must complete and file a Membership Data Form and file it with the Secretary of the Association. In addition, property owners must provide the Secretary with a copy of the recorded deed showing how title is held. Any failure or delay in complying with these requirements shall not relieve property owners from the obligations of membership.
3. Only members in good standing shall have membership privileges. Membership privileges in the Association shall be granted to individuals only. In the event the owner of real property is a corporation, partnership, association, fraternal organization, or similar body, only two (2) individuals from the owner entity shall be granted Membership privileges.
4. A member in good standing is a member who:
 - A. Has completed and filed a Membership Data Form with the Secretary of the Association;
 - B. Has made payment to the Association of all initiation fees, all annual dues, fees, and all assessments as may be set and determined by the Board of Trustees.; and
 - C. Complies with these By-Laws and Policies and Procedures adopted by the Association.

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5. Non-owners residing in the residence of owner/members shall be granted membership privileges contingent upon the owner/member being a member in good standing.
6. In the event any member fails to make payment of the initiation fee, annual dues, other fees, and/or assessments to the Association within sixty (60) days of the payment being due, the Association reserves the right to commence the collection process. In addition to the amount due, the collection shall include late payment charges, costs of collection, and reasonable attorneys' fees.
 - A. The Association reserves the right to file a civil suit for collection of monetary damages at any time after the debt becomes 60 days overdue.
 - B. The Association reserves the right to record a Claim of Lien with the Office of the Clerk of Sussex County at any time after the debt becomes sixty (60) days overdue.
 - C. The Association reserves the right to foreclose the lien in accordance with the Laws of the State of New Jersey.
 - D. Upon payment in full of any civil judgment or recorded lien, the Association will promptly issue a recordable satisfaction of lien.
7. Membership privileges shall be suspended upon transfer of ownership of real property within the Scenic Lakes Reservation unless and until the Association dues, assessments, liens, and initiation fees in arrears, plus interest, are paid in full..
8. Membership in the Association is non-transferable.
9. Only members in good standing shall have voting privileges. Each member in good standing who has an ownership interest in real property located within the Scenic Lakes Reservation, as shown on the deed filed with the secretary, shall be entitled to cast one vote with a maximum of two (2) votes for any single property. Each individual is entitled to only one vote, regardless of the number of parcels of real estate owned within the Scenic Lakes Reservation. Once cast, all votes are final, whether cast at any membership meeting, by mail, or prior to any meeting by proxy.

ARTICLE IV

ANNUAL MEETING

1. There shall be an annual meeting of the Members of the Association in October of each year at such time and place, as the Board of Trustees of the Association shall designate.
2. Written notice of the time, place, and purpose or purposes of Annual Meetings shall be given by mail to each member not less than ten (10) nor more than forty (40) days prior to the date of such meeting. Such mailed notice shall be directed to the Member at his or her address as it appears on the books of the Association.

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3. The order of business at the Annual Meeting shall be:
 - A. Reading of the minutes of the previous meeting.
 - B. Approval of the minutes of the previous meeting.
 - C. Treasurer's report.
 - D. Committee reports of Board of Trustees.
 - E. Old business.
 - F. New business.
 - G. Privilege of floor to Membership.
 - H. Election of President and Trustees.

4. **Quorum**
 - A. At any meeting of Members of the Association, the presence of one hundred (100) of the Members entitled to vote thereat, in person or by proxy, shall constitute a quorum for all purposes except as otherwise provided by law, by the Certificate of Incorporation, or by these by-laws.
 - B. At any meeting of Members of the Association, in order for a vote to be taken, a quorum must be present.

ARTICLE V

OFFICERS AND TRUSTEES

1. The Officers of the Association shall be a President, Vice-President, Secretary, and Treasurer, and such other Officers as may be required.

2. Election, Terms and Qualifications of Officers and Trustees.
 - A. No person shall serve as President or Trustee unless he/she has been a resident of Scenic Lakes for the two (2) years preceding the date of the election.
 - B. Effective October 2008, no person shall serve as President or Trustee unless they have paid their annual dues, assessments, and/or fees by May Fifteenth (15th) of the election year, as well as the year preceding the election.
 - C. The President shall be elected for a term of two (2) years by the Members at the Annual Membership Meeting.
 - D. Two (2) Trustees shall be elected for a term of three (3) years by the Members at the Annual Membership Meeting.
 - E. The term of office for the President and the Trustees shall commence immediately upon his or her election.
 - F. The Board of Trustees shall consist of the President and six (6) Trustees.
 - G. The Board of Trustees shall hold a Reorganization Meeting upon the completion of the Annual Membership Meeting for the selection of Officers and Committee Chairperson.
 - H. The Vice-President, Secretary, Treasurer, and such other Officers, must be Trustees of the Association and shall be elected at the Reorganization Meeting for a term of one (1) year by a majority vote of the Trustees and President.

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- I. The incumbency of the President or any Trustee shall terminate immediately, and with no further action, in the event he or she fails to pay their annual dues, assessments, and/or fees by May 15th of the year.

ARTICLE VI

RESIGNATION AND REMOVAL OF OFFICERS AND TRUSTEES

1. An Officer or Trustee of the Association may resign by written notice to the Board of Trustees. The resignation shall be effective upon receipt thereof by the Board of Trustees, or at a subsequent time as shall be specified in the notice of resignation.
2. Should a Trustee resign, be removed from office, or otherwise be unable to serve the full term of office, the remaining members of the Board of Trustees shall, by majority vote, appoint a Member who meets the qualifications set forth in this document, to serve until the next Annual Meeting when there shall be an election to fill that office for the balance of the unexpired term.
3. Should the President resign, be removed from office, or otherwise be unable to serve the full term of office, the Vice-President will assume the position of the President. The Board of Trustees must then appoint a Member who meets the qualifications set forth in this document, to serve as a Trustee until the next Annual Meeting.
4. If an Officer or Trustee's resignation is to become effective at a future date, the resigning Officer or Trustee shall not participate in the vote to fill the vacancy.
5. An Officer or Trustee may be removed or suspended for cause by the Board of Trustees. The Board of Trustees must have a majority vote to remove or suspend. Cause is defined as nonfeasance, malfeasance, or conduct detrimental to the interests of the Association.
6. An Officer or Trustee may be removed or suspended for cause by the Association at a Membership Meeting; provided that they follow the restrictions given in Article VIII of these By-Laws are followed. The Association must have a quorum present at the meeting and majority vote to remove or suspend. Cause is defined as nonfeasance, malfeasance, or conduct detrimental to the interests of the Association.
7. An Officer or Trustee may be represented by an attorney at any removal hearing. The cost of such counsel shall be paid for by the aforementioned Officer or Trustee. This counsel shall not be from the same firm as the Association's attorney.
8. The Board of Trustees shall hold a Reorganization Meeting upon the appointment of any new Officer or Trustee.
9. Upon resignation and/or removal, the President or Trustee is entitled to a pro-rated (each month served equals one twelfth of their annual dues) portion of their annual dues as reimbursement.

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ARTICLE VII

DUTIES OF OFFICERS & TRUSTEES

1. The President shall be the Executive Officer of the Association, and shall preside at all meetings of the Membership and the Board of Trustees.
2. The President shall be responsible for the administration and direction of all Association affairs, subject at all times to the By-Laws and to such policies as may be adopted by the Board of Trustees.
3. The President and the Secretary shall sign execute all contracts and written obligations and documents of the Association which have been authorized by proper vote of the Board of Trustees.
4. The President shall have such powers as may be reasonably construed as belonging to the chief executive of any corporation, and he or she shall perform such other duties as shall be imposed upon him/her by resolution of the Board of Trustees.
5. The President shall represent the Board of Trustees, and present an annual report of the work of the Association at each Annual Meeting.
6. The Vice-President shall, in the absence of the President, take his/her place and perform those duties ascribed to the Office of the President. He/she shall be responsible for the creation and implementation of a working yearly budget for the Association's funds.
7. The Treasurer shall be the Chief Financial Officer of the Association responsible for all the financial records of the Association, and must recommend a Certified Public Accountant (CPA) for the upcoming fiscal year for the Board of Trustees approval no later than the December Trustee meeting. In addition, he/she shall issue checks to cover disbursements of the Association in accordance with these By-Laws; shall make all payments as required by law to Federal and State governments covering the employment of Association personnel; shall prepare and deliver financial reports at the official meetings of the Board of Trustees, as well as at the Annual Meeting; shall present the Association books for public audit in October of each year; and shall perform such other duties involving the disposition of Association funds as directed by the President and as authorized by the Board of Trustees.
8. The Secretary shall be custodian of the Association seal and all records of the Association; shall be responsible for the recording of the minutes of all official meetings; shall conduct and carry on all correspondence at the discretion of the President; and shall perform such other duties as may be delegated by the President.
9. Each Committee Chairperson shall propose a yearly budget for the area of operations that they manage.
10. The Board of Trustees is the legislative and policy making body for the Association.

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11. All checks of the Association shall require the signature of both the President and Treasurer.
12. In conducting the business of the Board, the President and each of the six (6) Trustees will have one (1) vote. No other Member of the Association may vote.
13. A quorum of the Board of Trustees shall consist of four (4) Officers and/or Members of the Board.

ARTICLE VIII

MEETINGS

1. The Board of Trustees shall meet once a month at a meeting time and place mutually agreed upon. A quorum must be present to conduct an official meeting.
2. All meetings of the Board of Trustees must be open to all Members of the Association and advance notice of such meetings shall be given as provided by law. Such notice shall be in writing, at least seven (7) days in advance, giving the time, date, location, and to the extent known, the agenda of the meeting. The notice shall be posted prominently in at least one place on the Scenic Lakes Reservation that is accessible at all times to all Members of the Association and must be filed with the person responsible for administering the business office of the Association. An example of this is the community bulletin board.
3. Minutes of all meetings of the Board of Trustees must be taken and copies made available to Members of the Association at the next meeting.
4. The Members of the Association present at meetings of the Board of Trustees will have the right to address the board during the open public session of the meeting. The Board of Trustees may legitimately exclude or restrict attendance at Meetings dealing with certain matters, such as litigation, personnel actions, or any matter the disclosure of which would constitute an unwarranted invasion of privacy. However, even though certain matters may be discussed in a closed session, any binding votes on the matter must be taken at the open public session of the meeting.
5. Special meetings of the Board of Trustees may be called by the President and shall be called by him/her at the request of any two (2) Trustees. Notice of any special meeting shall be given to each Trustee by mail, electronic mail, or telephone. Notice of any such special meeting shall be given not less than seven (7) days prior to the date of such meeting, except in the case of an emergency. Such notice shall set forth the business to be transacted at the special meeting, and any actions taken at such special meeting shall be limited to the business set forth in the notice.
6. At the request of at least three (3) Trustees or twenty (20) Members of the Association, the President shall call a Special Membership Meeting. Such request must be made in writing as least ten (10) days prior to the requested date. No other business but that specified in the

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notice may be transacted at any Special Meeting without the unanimous consent of all present at such meeting.

7. Written notice of the time, place, and purpose of any Special Membership Meeting shall be given not less than seven (7) nor more than thirty (30) days prior to the date of such meeting to all Members of the Association. This notice may be given on the Community bulletin board.
8. If any Special Membership Meeting is adjourned to another time and/or place, it shall not be necessary to give notice of the adjourned meeting if the time and place are announced at the meeting at which the adjournment is taken, and at the adjourned meeting only business shall be transacted as might have been transacted at the original meeting. If after the adjournment the Board fixes a different time and/or place, a written notice of the new time and/or place shall be mailed to each Member of record that was present at the original meeting.
9. At all Special Membership Meetings, all votes shall be *viva voce* (voice vote). The sole exception is when a majority of Members present request the vote be taken by secret ballot. If so, ballots shall be provided and there shall not appear any place on the ballot any mark or marking that might tend to indicate the identity of the person who cast such ballot. The President shall ask for three (3) Members to count such ballots and certify the results of the vote. Those Members should not be personally interested in the question voted upon if at all possible. Results shall be entered into the official minutes of the meeting.
10. In the event there is not a quorum of Members present at any Special Membership Meeting, no binding action may be taken. There cannot be an official meeting without a quorum. Instead, the Board of Trustees must mail a ballot to all of the members of the Association to decide the issue(s). This ballot must be specific only the issue(s) discussed at the Special Membership.
11. These ballots must be mailed within seven (7) days of the Special Membership Meeting. Members will have thirty (30) days to respond.
12. The results of these votes, whether taken at the Special Membership Meeting or by mail, shall be binding.

ARTICLE IX

NOMINATIONS

1. A Nominating Committee of five (5) Members shall be appointed by the Board of Trustees at the first regular meeting of the Board following the Annual Meeting. The Members of this committee shall be chosen from Members in good standing. No Member of the Nominating Committee (nor the spouse of any Member) may be nominated to, or presently hold, any office in the Association.

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2. The duty of the Nominating Committee is to collectively select the qualified Presidential, Trustee, and ADR Panel candidates and to obtain the candidates' agreement to accept such nomination before the selection of all nominees shall be made final. The Committee shall prepare a letter seeking nominations which will be included with the bill for the Annual Membership dues that is sent to all Members of the Association. The names of the candidates so chosen shall be turned over to the Secretary before the fifteenth (15th) day of July of each year. The Committee will also be responsible for the counting of the ballots cast at the Annual Meeting.
3. Nominating by Petition – Any Member in good standing may be nominated for any office for which he is qualified to be filled at the next Annual Meeting of Members by written petition signed by fifty (50) Members in good standing, delivered to the Secretary of the Association on or before the fifteenth (15th) day of August in the year of such Annual Meeting.
4. Floor Nominations – Nominations may be made from the floor at the Annual Meeting by Members entitled to vote thereat.
5. Write-in Candidates – Nothing herein contained shall preclude election at the Annual Meeting by write-in ballots.
6. Ballots and Proxy- Together with the notice of the Annual Membership Meeting given pursuant to Article IV, Section two (2) hereof, the Secretary shall mail to each member entitled to vote at such Annual Meeting a numbered ballot listing the nominations made by the Nominating Committee, and by petition, in such form as to enable the person entitled to vote to mark his/her choice of candidate for each office or to write in the name of any other person qualified to be elected to such office. The ballot shall contain a statement appointing the Secretary proxy to cast the vote of such Member as directed in such ballot, and the Secretary shall do so at the Annual Meeting.

ARTICLE X

ASSOCIATION FUNDS

1. In order that the objectives of this Association may be fulfilled and the expense for maintaining the Association shall be equitably distributed, all Members owning residences at Scenic Lakes shall be assessed equally, on an annual basis, for each residence, and all Members owning vacant lots shall be assessed equally on an annual basis for each vacant lot. The annual assessments for residences and vacant lots shall be established by the Board of Trustees.
2. Association funds shall be used only for the objects and purposes of the Association and only in such manner as shall be approved by the Board of Trustees.

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3. All Association funds shall first be deposited in one or more checking accounts with banks insured by the Federal Deposit Insurance Corporation. Available Association funds may be transferred from the checking accounts by the Treasurer with the consent of the Board of Trustees and invested in federally insured Savings Accounts, or Certificates of Deposit, or in U.S. Treasury Bonds, Notes and Bills.
4. The Treasurer shall be paid a salary for his/her service. The salary paid the Treasurer shall be approved by the Board of Trustees. The President, Treasurer, Secretary and Trustees shall be exempt from annual dues.
5. Employees necessary for the operation of the Association shall be paid on a salary or hourly basis as provided for in the yearly budget approved by the Board of Trustees.

ARTICLE XI

ANNUAL DUES

1. The Board of Trustees shall set and determine annual dues and fees as shall be reasonably required to continue the existence and promote the purposes of the Association and such other fees and assessments, as they deem appropriate and reasonable. Any resolution adopted by the Board of Trustees increasing or decreasing dues, or imposing or increasing any fee or assessment shall not be effective until the next Annual Meeting of the Association. Such resolution shall be set forth in the notice for and shall be read at such meeting. The resolution shall become effective if confirmed by resolution of the Board of Trustees adopted at the meeting of the Board of Trustees immediately following the Annual Meeting of Members.
2. In the event a Member becomes delinquent in the payment of dues and assessments charged in accordance with these By-Laws and the account of such Member is forwarded to counsel for collection, such Members shall be responsible for the payment of reasonable attorneys' fees and costs incurred in connection with said collection effort.
3. Annual dues and fees shall be payable on every separate piece of real property as delineated by Township tax records owned in the Scenic Lakes Reservation. For example, a Member with two residential lots or two vacant lots must pay dues for each separate lot. However, if a Member owns a residential lot with an adjoining vacant lot, the Member shall pay dues only for the residential lot.

ARTICLE XII

FISCAL YEAR

The fiscal year of the Association shall be the calendar year.

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ARTICLE XIII

AMENDMENT OF BY-LAWS

1. The By-Laws of the Association may be amended, supplemented, or repealed at any annual or special meeting of the Membership of the Association by a vote of two-thirds (2/3) of all the Members in good standing voting at such meeting, either in person or by absentee ballot, provided that such proposed amendment, supplement, or repeal shall have been mailed to each Member in good standing for consideration at least seven (7) days prior to the date of such meeting.
2. Upon amendment of the By-Laws each amendment must be dated/sealed and kept filed by the Secretary of the Association, and a dated/sealed copy mailed to each Member of the Association.

ARTICLE XIV

ACCESS TO RECORDS

1. The Association, acting through its Board of Trustees, shall keep minutes of all meetings of its Members and Board of Trustees. Copies of these minutes must be available to Members of the Association.
2. The Association, acting through its Board of Trustees, shall be responsible for the maintenance of accounting records, in accordance with generally accepted accounting principles (GAAP), which shall be open to inspection at reasonable times by Association Members. Such records shall include a record of all receipts and expenditures, and an account for property, setting forth any charges due, the due dates thereof, the present balance due, and any surplus. Upon the written request of any Member, the Association shall mail to that Member its balance sheet as at the end of the preceding fiscal year, and its statement of income and expenses for the current fiscal year.
3. The foregoing books, minutes, or records shall be in written form or in any other form capable of being converted into written form within ten (10) business days. The Association shall convert into written form without charge any records not in that form, upon the written request of any person entitled to inspect them. The right of inspection includes the right to make copies.
4. A request to examine or copy financial statements or records must be in writing subject to the imposition of reasonable restrictions as to time and location in order to preserve the credibility of the records. Such request shall be made to the President and/or the Board of Trustees.

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ARTICLE XV

ALTERNATE DISPUTE RESOLUTION

1. In order to provide fair and efficient means for Members of the Association to resolve disputes between one another or against the Association, alternative dispute resolution (ADR) shall be available as an alternative to litigation. A request for ADR shall be made in writing and shall be filed with the President and Secretary of the Association.
2. Matters in which the Board of Trustees may properly exercise discretion are subject to review through the democratic process (petitions, elections, etc.) but are not subject to ADR. Similarly, claims for monetary damages are not subject to ADR. Only alleged violations of governing documents (including the Certificate of Incorporation or these By-Laws) or other legal or statutory requirements are subjects to ADR. Accordingly, all requests for ADR must refer to specific laws or portions of the governing documents which are alleged to have been violated.
3. ADR shall consist of mediation (informal recommendations) rendered by an impartial, disinterested panel appointed by the President. The ADR Panel shall be composed of three (3) persons, and at least three (3) alternates, elected at the Annual Meeting of Members from among the Members in good standing of the Association. No Trustee may serve on the ADR Panel while holding such office.
4. The Board of Trustees or its members or agents or representative may appear and present the Board's position.
5. Any party may be represented by legal counsel in an ADR proceeding, but it is not necessary to have legal counsel.
6. ADR is not automatically binding on the Board of Trustees, and any party may appeal to the Superior Court following ADR.

ARTICLE XVI

POLICIES and PROCEDURES

1. The Policies and Procedures shall not conflict with, nor take precedence over these By-Laws.
2. The Policies and Procedures may be modified, amended, or changed by a two-thirds vote of the Board of Trustees.

ARTICLE XVII

SEAL: The official Corporate Seal of this Association shall be in the following form: