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**BYLAWS
of the
PINES LAKE ASSOCIATION**

March 20, 2025

BYLAWS OF THE PINES LAKE ASSOCIATION

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BYLAWS OF THE PINES LAKE ASSOCIATION

ARTICLE I – MEMBERSHIP

A Requisites for Membership

1. Establishment of membership
 - a. In order to be a member of the Pines Lake Association, (the "Association") a member must own or lease and claim eligibility through a specific parcel of real property within the confines of the Pines Lake community as defined in the Amendment of Certificate of Incorporation of Pines Lake Country Club and Community Association, dated July 25th, 1967 (the "Community"). *All owners of a parcel of real estate in the "Community" are members of the Association and are required to pay yearly membership dues according to Article VI. Finance, section D. Dues and Assessments.* In addition, after May 1, 1982, in the event that dues for a particular parcel are not current at the time of membership registration, in order to become a member in good standing of the Association, an amount equal to all back dues related to that particular parcel from May 1, 1982 must be paid,. The dues of a member may not be attributed to more than one parcel of real estate at one time and will be attributed to the parcel at the address shown on the records of the Association. A parcel of real estate shall be considered to be contiguous real estate owned by the same party if a street does not divide it and it does not have more than one dwelling.
 - b. All members must agree to comply with the bylaws ("Bylaws") and membership rules ("Rules") of the Association. All members shall agree to be responsible for family members and guests.
 - c. No corporation (municipal, governmental or private), partnership, limited partnership, joint venture, association or group shall be eligible for membership. For any individual property, only the following are eligible for membership: no more than one owner, the owner's spouse, immediate members of the owner's family residing on the property or any adult designated by the owner, so long as the adult has resided continuously on the property since the last general meeting. For the purposes of this Bylaw, an owner shall include a person for whom the property is being held in trust.
2. The number of membership badges shall be limited to each member household as provided for under the Rules. In the event a particular parcel is leased by the owner, only the lessee, not the non-resident owner, may apply for membership privileges through that particular parcel. In the event that a particular parcel is jointly owned, no more than one individual family may be a member with respect to that particular parcel

B Classes of Membership

1. Family: Family membership shall be conferred upon eligible applicants, as defined in Section A above, who are owners of improved property in the Pines Lake Community. Improved property is property on which a single-family residence exists.
2. Non-Resident: Non-resident membership shall be conferred upon eligible applicants, as defined in Section A above, who are owners of unimproved property with a minimum lot size of 7,500 square feet within the Pines Lake Community.
3. Guest: Guest membership shall be conferred upon applicants complying with the eligibility requirements of Section A of this Article, provided such applicants are bona fide lessees of improved property within the Community.
4. No person shall hold more than one membership at one time.
5. If a person is eligible for Family membership and Non-Resident membership, he or she shall be classified as a Family member.

C Time and Granting of Membership Privileges:

Membership privileges shall be conferred by the BOT upon receipt of new member registration form, payment of the initiation fee, current dues, and all back dues (if applicable).

D Transferability of Membership

- 1 Membership is non-transferable from one person to another.
- 2 A member may transfer from one class to another by making a written application to the Secretary of the Association. Upon its receipt, the Secretary shall refer the application to the Membership Committee for eligibility determination and processing.

E Loss of Membership Privileges

- 1 When a member ceases to own property or vacates premises that he or she has rented within the Community, his or her membership shall automatically terminate.
- 2 Members who pay their dues and comply with all other requirements of these Bylaws and the Rules shall hereinafter be referred to as "Members in Good Standing". Non-payment of dues and/or violation of Association Bylaws and Rules shall be a basis, as may be determined by the BOT, for suspension of membership privileges.
- 3 The BOT may suspend membership privileges of a member when, in the judgment of two-thirds of the entire Board, such a member is found guilty of conduct unbecoming a member of the Association or of the violation of any Bylaw or Rule of this Association, provided that two weeks' notice of such contemplated action be given to the member in question with the privilege of appearing in his or her defense. Such suspension shall apply to all persons residing on the improved property of the person whose membership has been suspended unless the BOT shall decide otherwise.
- 4 A person whose membership privileges have been suspended and believes that he or she has subsequently removed the basis for suspension may apply to the BOT to end such suspension by sending a certified letter to the Administrator for formal action by the BOT at its next scheduled work session. Suspension of membership privileges does not relieve the member of liability for any dues, fees, or assessments, including dues which accrued during the period membership was suspended, and are payable as a condition of reinstatement.

F Appeal of Loss of Membership Privileges

A decision of the BOT may be appealed in accordance with the procedures of **Article I, Section E3**. A vote taken on such an appeal shall be considered final action.

G Privileges of Membership

All members in good standing and the members of their families, while residing with them, shall be entitled to use and enjoy the facilities of the Association in accordance with the Bylaws and Rules established by the BOT and/or the Association membership. Certain of these members, as defined in **Article II, Section D** shall be entitled to vote and hold office as provided in these Bylaws. Use of the facilities of the Association may be extended by Members in Good Standing to their personal guests within the Rules except no members whose privileges have been suspended may be a guest of a member in good standing.

ARTICLE II – MEETINGS OF MEMBERS

A Rules for Conduct of Meetings

All meetings of the Association shall be conducted in accordance with practices outlined in Robert's Rules of Order.

B Annual Meeting

The Annual Meeting of the members shall be held at a place in the Township of Wayne, County of Passaic, State of New Jersey on or between the second Friday in February and the last Friday in March as designated by the BOT. Notice of the date, time and place of such meeting shall be furnished to all voting members at least 60 days prior to the date thereof. An annual report to the membership shall be furnished to the

voting members at least 60 days prior to the Annual Meeting. The business of such Annual Meeting shall include announcing the results of the prior electronic vote election of members to the BOT; the election of one of their number as President of the Association, as provided for in these Bylaws; the presentation of the proposed annual budget, allowing for discussion and/or amendment per the ByLaws, to allow for a vote of approval after the conclusion of the annual meeting, and such other business as may be included in the agenda of said meeting. The election of the members of the BOT shall precede the election of the President. In the advance notice of the Annual Meeting members shall be informed of their right to nominate themselves or others for candidacy to the BOT. Candidates must notify the Administrator via email of candidacy and include a biography of their qualifications. Any member in good standing may be nominated. A member may nominate himself or herself so long as the nomination is made prior to the mailing of the ballots and proxies to the association members and is received 30 days prior to the Annual Meeting. Notice of the election shall then be sent in writing and/or by email from the Association no later than 14 days prior to the Annual Meeting, which shall include proxy ballots and absentee ballots. The candidates shall be listed in alphabetical order. Notice shall be effective upon mailing/e-mailing. All members in good standing may vote for any nominated candidate, any voting shall be limited to two votes per property.

The BOT may also meet periodically throughout the course of the year, for conferences or work sessions, in which no binding votes are taken. Select meetings shall be open to attendance by all members and adequate advance notice of such meetings shall be given to all association members consistent with the ByLaws.

The BOT may restrict attendance at portions of meetings to deal with (1) any matter, the disclosure of which, would constitute an unwarranted invasion of individual privacy (2) any pending or anticipated litigation or contract negotiations (3) any matters falling within the attorney-client privilege to the extent that confidentiality is required in order for the attorney to exercise his or her ethical duties as a lawyer, or (4) any matter involving the employment, promotion, discipline or dismissal of a specific officer or employee of the association. Participation of members shall be at the discretion of the BOT.

At all meetings open to members in good standing, minutes will be taken and copies made available to the members before the next meeting open to the members.

C Special Meetings

Special meetings of the active members shall be called at any time by the President upon the recommendation of the BOT or upon the written request of not less than 50 voting members. Notice of such a meeting shall state the purpose for which it is being called and when the purpose of the meeting may involve the expenditure of monies, the notice shall state the maximum sum to be considered. Business transacted at such a meeting shall be limited to the purpose stated in the notice. Special meetings called by petition shall be held within 30 days of the date of receipt of the petition by the BOT.

D Voting Rights of Different Classes of Membership

A Family Membership: Owners of improved property through which eligibility for family membership has been established are entitled to a total of two votes per household. The votes may be cast by any adult member of the household. The owner may delegate the property's vote to any adult, so long as the adult is also a Member In Good Standing.

B Non-Resident Membership: An owner of unimproved property through which eligibility for nonresident membership has been established shall be entitled to one vote. In the event that title is held in the names of two or more persons, one and only one of these shall be entitled to one vote, and the name of this person shall be permanently registered with the Secretary of the Association.

C Guest Membership: No guest member shall be entitled to vote at any meeting.

D Voting Member: A voting member shall be any member entitled to a vote as provided in paragraphs **1** and **2** above. A voting member may cast the vote or votes to which he or she is entitled by proxy or absentee ballot, such proxy to be exercised only by another voting member. However, except as set forth in this Article, Section F2, no voting member shall cast more than two proxy votes of a family membership or one proxy vote of a non-resident member in addition to his/her own two votes for a **maximum** total of four votes.

E Quorum

The presence of either ~~150~~ 100 voting members by personal attendance, absentee ballot or proxy to cast ~~225~~ 150 votes shall be necessary to constitute a quorum for the transaction of business. Each property shall be entitled to only two votes. A majority of the votes cast shall be sufficient to pass any resolution except as otherwise specifically provided by these Bylaws

F Voting Procedures

- 1.** All voting shall be in accordance with practices as prescribed in Robert's Rules of Order, with the proviso that in matters that, in the judgment of the chairperson, are of such a nature as to markedly affect established living patterns of the membership, or, when in his or her judgment, the opinion of the assemblage may not be representative of the entire membership, he or she shall postpone or set aside a vote of that assemblage and refer the question to the entire membership at a special meeting called for that purpose. The notice of the special meeting shall contain a form of instructed proxy providing for an affirmative or negative vote.
- 2.** In the absence of such a determination by the chairperson, this procedure may be made mandatory by a motion from the floor to this effect, duly made and seconded, provided such a motion is affirmed by at least 50 votes. This motion shall not be debatable and shall take precedence over all other motions, including privileged undebatable motions. Whether at an annual meeting or special meeting, the Nominating Committee or its Chairperson's designees shall act as tellers in the counting of all ballots and proxied ballots for any membership voting which is done by ballot casting at the meeting. In the event of the said Committee's absence or of insufficient members of the Committee being present to efficiently perform this task, other members physically present may be designated by the President as replacements for the same purpose and with the same effect.
- 3.** At special meetings of the Association, the President of the Association shall vote all instructed proxies and absentee ballots he or she has received on any matters on the agenda, in accordance with the instructions contained therein, provided such proxy instructions and absentee ballots contain the motion substantially in the form in which it is to be voted upon. Such proxies will count toward establishing the quorum at such a special meeting, as provided in Section **E** of this Article.
- 4.** Electronic voting ("e-voting") shall be permissible for all voting to be conducted, including approval of the annual budget, changes to the ByLaws, election of trustees, or any other matters put to vote by the BoT or the membership.

Any e-vote to take place must first be preceded by presentation to the membership at an annual meeting or special meeting, where proper quorum was attained and at which time there was opportunity for review, discussion, potential amendment or revision by floor vote, and such e-vote will follow the final format approved at that meeting. E-voting will open no sooner than 12 hours after conclusion of the meeting nor more than 48 hours afterwards, and the voting period will be open for no less than 72 hours and no more than 120 hours.

ARTICLE III – BOARD OF TRUSTEES

A Duties

Except as otherwise provided by the Statutes of the State of New Jersey or these Bylaws, the business of this Association shall be conducted by the Board of Trustees (BOT), whose members shall be elected as Trustees from among the voting members of the Association. The Trustees shall keep notes of all their work sessions and acts, and prepare and submit an Annual Report to the membership that shall include the proposed budget for the ensuing fiscal year, which shall run each year from April 1 through March 31. This report shall be distributed to be in the possession of the membership at least two weeks prior to the Annual Meeting date.

B Eligibility

To be eligible for election to the BOT, a candidate must be a Family member of the Association in good standing. No more than one member from a single property may serve on the BOT at any one time. Trustees must remain members in good standing to preserve eligibility. Trustees must attend at least 75 percent of BOT meetings and working sessions in a year to preserve eligibility of their current term.

C Term

Except as herein provided, the terms of Trustees shall be for three years, or until their successors are elected. Terms shall commence immediately following the Annual Meeting at which Trustees are elected.

D Elections

Each year three members shall be elected to the BOT for three-year terms. When necessary, additional candidates shall be proposed and elected to fill the unexpired terms of any trusteeships that have become vacant during the preceding year.

E. Board of Trustees Members

There shall be a total of nine (9) members of the Board of Trustees.

F. Responsibilities of Board Members

1. The BOT will consist of the following functions for which each function shall be the responsibility of a designated Trustee. The Trustee responsible for each function may at its discretion or at the direction of the BOT organize committees from the membership to support and advise such Trustee as appropriate in the discharge of such Trustee's responsibilities;
2. **Membership:** The Membership Trustee shall be responsible for all registrations for membership to the association and to make recommendations to the BOT related to membership delinquencies and possible suspension of privileges.
3. **Water Quality:** The Water Quality Trustee shall be responsible for the studying, testing and treating the waters of Pines Lake so that they may be appropriately used for recreational purposes, overseeing fish stocking authorized by the BOT and/or membership, obtaining necessary permits related to lake usage, make recommendations to the BOT for contracted services related to the discharge of these duties, and in support of the Properties Trustee, plan for lake lowerings and dam-related matters.
4. **Properties:** The Properties Trustee shall be responsible for maintaining all real and tangible property belonging to the Association, hiring and supervising employees, contracting for the maintaining, repairing or improving of the Association's properties, reviewing and approving or submitting to the BOT for its approval all lakefront construction proposed to be performed by members including lake bulkheads, docks and work proposed to be performed in the 10 foot strip of land along the lakefront owned by the Association where applicable. The Properties Trustee, through its designated employees of the Association or contracted service providers as appropriate, shall also be responsible for all projects related to proper upkeep,

maintenance and repair of the Pines Lake dam and any related governmental permitting. The Properties Trustee shall also plan and submit to the BOT in accordance with these Bylaws when applicable, plans for lake lowerings.

5. **Communities Activities:** The Communities Activities Trustee shall be responsible for organizing and promoting community, social, and recreational activities of the Association and raise or expend funds as approved by the BOT related to such activities. The Communities Activities Trustee shall also be responsible for coordinating activities of the Association with those other organizations of the Community who make use of the facilities of Pines Lake.
6. **Security and External Affairs:** The Security and External Affairs Trustee shall be responsible for hiring and supervising security programs and personnel, whether paid or volunteer, necessary to keep the community and its property secure, act as liaison to the BOT on governmental and civic matters related to the community and represent the Association when directed by the BOT at meetings of appropriate municipal or other regulatory body board hearings
7. **Water Safety and Summer Programs:** The Water Safety and Summer Programs Trustee shall be responsible for hiring and supervising lifeguard staffs, organizing such staffs for appropriate coverage of safe waterfront usage, develop in conjunction with such lifeguard staffs water safety rules and overseeing the organizing and operation of summer recreational programs for the membership.

ARTICLE IV – OFFICERS OF THE ASSOCIATION

A Officers – Qualifications and Term

The officers of the Association shall be President, Vice President, Secretary and Treasurer; each of whom shall be a member, or a member-elect, of the BOT at the time of his or her election. The term of office of the officers shall be one year or until their successors in office shall be elected. All officers may be eligible for re-election so long as they remain members of the BOT except the President, who shall be allowed to serve no more than two consecutive terms in office.

B Qualification for Office of President

The President shall take office immediately following the Annual Meeting. To be eligible for President, a candidate must have served on the BOT for at least two consecutive years within a five-year period immediately prior to his or her election.

C Duties of the Officers

1. **President:** The President shall be the chief executive officer of the Association. The President shall preside over all meetings of the members and the BOT, sign as President all instruments in writing required on behalf of the Association and have such other powers consistent with the Office as may be conferred upon him or her by law, the BOT or by the members.
2. **Vice President:** In the absence or incapacity of the President, the Vice President shall perform his or her duties. The Vice President shall be chairperson of the Bylaws Committee and chairperson of the Planning Committee.
3. **Secretary:** The Secretary shall take the minutes of the meetings of the BOT and of the members and shall record them in appropriate books. He or she shall: give and serve all notices of the Association; be custodian of the records and of the corporate seal and affix the latter as required; keep an accurate list of all members and all records relative to their membership; keep a record of transfers of title and change of occupancy within the area of the Association; be responsible for issuing permits for the use of Association properties and perform all other duties ordinarily performed by a secretary of an association. The Secretary shall be assisted by the Administrator of the Association, who, as a paid employee, shall keep the records, books and membership lists of the Association and coordinate communications within the Association. The Administrator shall also issue and control membership

tags. In the absence of the President and Vice President, the Secretary shall perform the duties of the President. In the absence of the Secretary, the President or Vice President shall appoint a temporary substitute.

4 **Treasurer:** The Treasurer shall have custody of all funds and securities of the Association; cause full and accurate records to be kept of all monies received or paid out on account of the Association; present to the active members and to the BOT annually, or whenever requested to do so, a written financial statement showing the assets and liabilities of the Association and its financial status and perform all other duties incident to the office of Treasurer. The funds of the Association shall be deposited in such bank or banks and shall be paid out for single amounts exceeding five thousand dollars (\$5,000.00) only upon the signature of at least two Trustees as may be designated by the BOT. The Treasurer shall be responsible for managing all insurance matters pertaining to the Association.

D Vacancies

In the event of death, resignation or disqualification of a member of the BOT, the BOT shall appoint an eligible member of the Association to fill the vacancy until the next Annual Meeting of the Association, at which meeting the unexpired term shall be filled by a regularly elected candidate.

E First Executive Work Session

The BOT, on call by the President of the Association, shall meet as an executive work session within 15 days after each Annual Meeting for the purpose of allocating BOT responsibilities to the elected Board members. Thereafter the BOT shall meet from time to time, in executive or work sessions but not less than once a quarter, as may be advisable to approve and coordinate the operations of the various committees, to plan operations and to consider and advise with reference to any of the purposes of the Association. The BOT may hire such clerical or other assistance as it may require to administer the affairs of the Association and may designate an Administrator of the Association who shall be an employee of the BOT. Prior to the appointment of an Administrator of the Association, the BOT shall determine the qualifications of the proposed Administrator to keep accounting and other required records.

ARTICLE V – COMMITTEES

There shall be the following standing committee of the Association; and such other special committees as required from time to time may be appointed either by the BOT or by the members. The chairpersons of any committees shall be members of the Board. All such committees with respect to their operations and policies shall be responsible to the BOT. The committees and sub-committees shall keep notes of their work sessions and furnish same to the BOT. Committees shall meet as needed on the call of the chairperson. Except as otherwise provided, members of committees shall be selected by the chairpersons of the respective committees, subject to the approval of the BOT. Chairpersons and members of committees shall serve for one year and until successor chairpersons and committees have been elected and selected respectively.

A Bylaws Committee

The Chairman shall be the Vice President. This Committee shall study the operations of the Association, propose any changes in the By-Laws necessary to make them more effective and review and report its recommendations on all proposed changes in the By-Laws to the BOT, which may submit the proposed changes to the membership for its approval as provided for in **Article IX**. Nothing in this section limits members' rights under **Article IX**.

B Finance Committee

The Finance Committee of the Association shall consist of the President, who shall be the chairperson, the Vice President and the Treasurer, and such other voting member or members as they may select. It shall be the duty of the Finance Committee to consider and recommend to the BOT and to the active members questions concerning dues, assessments, the incurring of debts, the borrowing of funds, the making of special appropriations and disbursements, and such other financial matters as may come before it, and annually to prepare and submit to the BOT a proposed budget for the Association; said budget to be submitted to the BOT at least forty days prior to the Association's Annual Meeting. The committee shall consider all matters of the Association pertaining to taxes of all kinds, and make recommendations to the BOT tending to reduce the Association tax expenses, and shall consider all matters pertaining to insurance and make recommendations to the BOT regarding coverage, carried or contemplated, premiums, etc.

C Dam Committee

The Dam Committee shall consist of the Properties Trustee and the Water Quality Trustee. The Dam Committee shall be responsible for:

- 1 Recommending studies, testing, repairs and modifications to the dam to the BOT
- 2 Acting as liaison between the Association and all governmental regulatory agencies,
- 3 Acting as liaison between the Association and any engineer or contractor who may perform services for the Association in relation to the dam and
- 4 Rendering at least annually, a written report on the status of the dam to the BOT.

ARTICLE VI – FINANCES

A Budget

A proposed budget for each ensuing fiscal year shall be published by the BOT in the Annual Report to the membership. The fiscal year shall run from April 1 through March 31. This budget shall be considered at the Annual Meeting and may be amended before approval by a majority of the voting members, provided, however, that its total shall not be increased by more than ten percent over the initially published budget proposal.

B Limitation on Expenditures

No funds of the Association shall be expended by the BOT except those authorized by the budget as approved by the membership at the Annual Meeting unless authorization be made at a special meeting of the members, or the BOT approves by two thirds vote of the entire BOT of a need to act in a timely manner to respond to unforeseen circumstances, provided such approval by the BOT shall not result in spending that requires the Association to incur debt. No funds of the Association may be donated or contributed to any other organization except by the vote of the active members. Nothing in this section, however, is to prevent co-sponsoring of social events by the Association with other lake organizations of the Pines Lake Community that make use of the facilities of Pines Lake.

C Financial Review

The books and financial affairs of the Association shall be reviewed each year by a Certified Public Accountant that shall submit a written report to the Association that shall be published in the Annual Report. The Treasurer, the BOT or a majority of the membership at a meeting may call for a certified audit of the books and the financial affairs of the Association and a copy of the audit report shall be supplied to the

membership. The reviews and/or audit shall be conducted by a Certified Public Accountant who is not a member or relative of a member of the Association and who shall be selected by the President and approved by the BOT.

D Dues and Assessments

- 1 Upon the approval of the annual budget, the BOT shall levy and impose such dues and assessments against the members as are necessary to raise the required funds. Pursuant to an action of the voting members at a special meeting duly called for that purpose, any additional dues and assessments shall be similarly levied and imposed by the BOT.
- 2 All dues and assessments shall be prorated and apportioned among the voting members in such a way that each vote shall carry a share equal to every other vote, and shall be paid by each member in accordance with the number of votes to which he or she is entitled; except that a member owning more than one piece of improved property within the jurisdiction of the Association shall be required to pay dues and assessments in accordance with the number of votes to which he or she is entitled, as described above, but multiplied by the number of such pieces of improved property. A guest member leasing improved property that is owned by a nonmember of the Association shall be liable for dues and assessments that the owner would be liable for if the owner were a member.
- 3 If a voting member is 65 years of age or older, then he or she shall be entitled to a senior citizen credit of 10% against annual dues. The credit shall be conditioned on the following:
 - a The senior citizen must make application for the reduction to the BOT in such manner as the BOT shall require,
 - b The senior citizen shall have been a member of the Association for a one year period some time prior to the year for which the credit is requested and
 - c no more than one 10% credit shall be granted per family, non-resident or guest membership.
- 4 All dues and assessments shall be payable 45 days from the issuance of bills for same, and upon nonpayment of the same shall be considered as being in arrears. A late fee, set by the BOT, may be charged on all dues in arrears. Dues of a guest member shall be the liability of the family member who is the lessor in question, unless the lessor is not a member. The BOT is authorized to declare any member whose dues are in arrears as being not in good standing and on written notice immediately to take steps to deny any or all of the privileges specified in **ARTICLE I, Section F** as may be necessary to enforce the collection of all dues and assessments levied in accordance with these Bylaws. The BOT may give such publicity or take such other steps as it may deem necessary to enforce such collection.
- 5 Registration for membership shall be accompanied by an initiation fee equal to one year's dues. In the event a member moves to another household within the Community, no separate initiation fee shall be due in this instance.

E Apportionment of Dues and Assessments

For the purpose of apportioning dues and assessments of a new member, they shall be prorated on a monthly basis from the first of the month his or her membership was granted to the end of the then current fiscal year. For the purpose of prorating members' dues whose membership terminates in accordance with **ARTICLE I, Section E1**, such member shall be refunded dues prorated from the first of the month following the termination of his or her membership to the end of the then current fiscal year.

ARTICLE VII – SPECIAL PROVISIONS

A Notices

Except as otherwise prescribed by the laws of the State of New Jersey or by these Bylaws, any notice required or permitted to be given to the BOT or members shall be deemed to have been duly served if a written or printed copy thereof has been deposited in the United States First Class mail and addressed to the BOT or member at the last known address appearing upon the books and records of the Association at least 14 days in advance of the meeting, event or action of which notice is to be given.

B Seal

The Association shall have a corporate seal consisting of a circle having within its circumference the words “Pines Lake Association, Corporate Seal, 1933, New Jersey”, in such form as approved by the BOT.

C Liquidation

In the event of dissolution of the Association, after payment of all obligations, the remaining assets shall be distributed among the voting members in accordance with the number of votes held by each in the Association.

ARTICLE VIII – RULES AND REGULATIONS

Association Members may formulate, adopt and modify Membership Rules by majority vote, at either the Annual Meeting or special meeting of the membership. Also, the BOT may formulate, adopt and modify Membership Rules to govern the affairs of the Association at any time that, in the Board’s discretion, such action is warranted, provided however any such change to the Membership Rules not yet voted on by the membership shall be submitted to the membership for ratification at the next Annual Meeting. A majority vote of the membership is required to ratify the rules change.

Such Membership Rule changes or additions as provided herein are conditional on the basis that they are not inconsistent with the laws of the State of New Jersey or with the amended Certificate of Incorporation, or these Bylaws. Any Rules adopted by membership vote in accordance with this Article shall take precedence over any other Rules, however adopted. Such Rules may be incorporated as a part of these Bylaws in the form of an amendment or amendments hereto through the process described in **Article IX**, provided that the same shall be set forth as amendments to this Article of the Bylaws. Copies of such Rules and Rule Amendments will be made available on the Pines Lake Association website (www.pineslake.com) and sent to Association Members via email or by hard copy to those members requesting the same annually and upon the issuance of newly adopted Rules and Rule Amendments.

ARTICLE IX – AMENDMENTS

A Amendments by Membership

These Bylaws may be amended by the members at the Annual Meeting of the Association or at a special meeting called for that purpose upon the recommendation of the BOT or upon the written request to the BOT of not fewer than 50 voting members, provided the same is approved by two-thirds of the votes cast and provided that the same has been considered at two successive meetings or that exact copies of the proposed amendment or amendments have been furnished to the members by the BOT at least one week prior to the vote upon the same.

Promptly upon receipt by the BOT, all proposed amendments to the Bylaws shall be transmitted to the Bylaws Committee for its review and report of recommendation. The committee shall have 40 days from receipt of said changes by the BOT to make its report and no proposed amendment shall be acted upon by the membership until a period of 40 days shall have passed. If the Bylaws Committee fails to recommend within 40 days, the membership shall be free to act upon the proposed changes.

B. Amendments by Bylaws Committee as Approved by the BOT: These Bylaws may be proposed for modification in accordance with the following process:

- 1 The Bylaws Committee, in accordance with their responsibilities per **Article V**, Paragraph A herein, shall meet periodically and propose changes to the Bylaws to be initially considered by the BOT.
- 2 The BOT shall consider the recommendations of the Bylaws Committee and decide which recommendations, if any, shall be presented to the membership for consideration.
- 3 Upon 40 days written notice prior to the next Annual Meeting, the membership shall be presented with any proposed changes to the Bylaws for consideration and vote at the next annual meeting.
- 4 Notwithstanding the above, the BOT may amend the Bylaws (a) to the extent necessary to render the By-laws consistent with state, federal, or local law or (b) after providing notice to all association members of the proposed amendment which notice shall include a ballot to reject the proposed amendment. If the amendment was not made to render the Bylaws, consistent with state, federal, or local law, or if ten percent (10%) of the members vote to reject the amendment within 30 days, the amendment or amendments shall be deemed defeated.

ARTICLE X – INDEMNIFICATION OF TRUSTEES AND OFFICERS

A Proceedings by Others

Provided a specific determination has been made as set forth below, the Association shall indemnify, defend and hold harmless (hereinafter collectively referred to as "indemnify" or "indemnification") any person who is or was a Trustee or Officer of the Association or the legal representative of any such Trustee or Officer against reasonable costs, disbursements and counsel fees and amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties, in connection with any proceeding involving such Trustee or Officer by reason of his or her being or having been such a Trustee or Officer other than a proceeding by or in the right of the Association if :

- 1 such Trustee or Officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association and,
- 2 with respect to any criminal proceeding, such Trustee or Officer had no reasonable cause to believe his or her conduct was unlawful.

The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that such Trustee or Officer did not meet the applicable standards of conduct set forth in subparagraphs 1 and 2 hereof. No indemnification called for by this paragraph shall be made by the Association unless authorized in the specific case upon a determination that indemnification is proper in the circumstances because the Trustee or Officer met the standard of conduct set forth in subparagraph 1 and, if applicable, 2 of this paragraph A. Such determination shall be made;

- 1 by the BOT acting by a majority vote of a quorum of Trustees who were not parties to parties to, or otherwise involved in, the proceeding; or
- 2 if such a quorum is not obtainable, or, even if obtainable and such quorum of the disinterested Trustees so directs, or by independent legal counsel in a written opinion, such counsel to be designated by the BOT, or
- 3 by the membership of the Association.

B Proceedings by Association

Provided a specific determination has been made, or court order entered, as set forth below, the Association shall indemnify any person who is or was a Trustee or Officer of the Association against his or her reasonable costs, disbursements and counsel fees in connection with any proceeding by or in the right of the Association to procure a judgment in its favor that involves such Trustee or Officer by reason of his or her being or having been such Trustee or Officer, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association. However, in no such proceeding shall indemnification be provided in respect of any claim, issue or matter as to which such Trustee or Officer shall have been adjudged to be liable for negligence or misconduct, unless and only to the extent that the Superior Court of the State of New Jersey or the court in which such proceeding was brought shall determine upon application that despite the adjudication of liability, but in view of all circumstances of the case such Trustee or Officer is fairly and reasonably entitled to indemnity for such reasonable costs, disbursements and counsel fees as the court shall deem proper. No indemnification called for by this paragraph shall be made by the Association unless ordered by a court, or unless authorized in the specific case upon a determination that indemnification is proper in the circumstances because the Trustee or Officer met the standard of conduct set forth above in this paragraph. Such determination shall be made in one of the three manners referred to in the last sentence of paragraph **A** of this Article.

C Required Indemnification

Notwithstanding the requirement of paragraphs **A** and **B** for a determination that indemnification is proper in a specific case, the Association shall in all cases indemnify any person who is or was a Trustee or Officer of the Association against reasonable costs, disbursements and counsel fees to the extent that such Trustee or Officer has been successful on the merits or otherwise in any proceeding referred to in paragraphs **A** and **B** of this Article or in defense of any claim, issue or matter therein.

D Advance Payment of Expenses Permitted

Reasonable costs, disbursements and counsel fees incurred by an Association Trustee or Officer in connection with a proceeding may be paid by the Association in advance of the final disposition of the proceeding upon receipt of an undertaking by or on behalf of the Trustee or Officer to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified as provided in this Article.

E Proceeding Defined

As used in this Article, the term ("proceeding") means any pending, threatened or completed civil, criminal, administrative or arbitral action, suit or proceeding and any appeal therein and any inquiry or investigation that could lead to such action, suit or proceeding.

F Provisions Not Exclusive

The indemnification provided by this article shall be in addition to, and not exclusive of, any other rights that a Trustee or Officer, or any rights to which an employee or agent, of the Association may be entitled under the laws of the State of New Jersey or under any agreement, Certificate of Incorporation, vote of the membership or otherwise.

G Limits of Liability

In support of this Article, the Association shall carry appropriate insurance coverage, including coverage for indemnification of Trustees and Officers, with an Insurer's Limit of Liability of not less than one million dollars (\$1,000,000).

ARTICLE XI – LAKE LOWERING

Pines Lake and its dam are the Association's most important physical assets. Lake lowerings are necessary to maintain and enhance these critical physical assets. The BOT does not consider a lake lowering to be a normal event, but considers a lake lowering to be a major event which has a significant potential adverse impact upon the members' use and enjoyment of Pines Lake. To minimize this impact, the BOT shall make their best effort to consolidate repairs and maintenance to limit the frequency of lowerings. To ensure a proper balance, the BOT will authorize a lake lowering only after evaluating the purpose(s) and anticipated benefit(s) of the proposed lake lowering against the anticipated impact upon the members' use and enjoyment of Pines Lake. Furthermore, Pines Lake will be lowered only to a depth intended to accomplish the purposes and benefits of the lake lowering. A lake lowering must be authorized by the BOT.