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Association changes - italics
Legal changes - boldface

Bylaws

ARTICLE I - DEFINING THE BYLAWS

Section 1. Definition of Terms

The following words when used in these Bylaws shall have meaning as follows:

1. **“Association”** shall mean TheHoliday Heights Homeowners Association, Inc., a New Jersey non-profit organization operating as a not-for-profit corporation.
2. **“Board”** shall mean and refer to the Association Board of Directors.
3. **“Bylaws”** shall mean the Association Bylaws and all amendments thereto.
4. **“Common Properties”** shall mean and refer to the real property or real property interests owned by the Association including those areas of land devoted to the common use and enjoyment of the Owners, Resident and guests, designated as “Green Areas” on any filed subdivision map of The Properties, together with any and all facilities thereon.
5. **“Declaration”** shall mean and refer to this Association Declaration of Covenants and Restrictions and all amendments thereto.
6. **“Developer”** shall mean and refer to Hovson’s Inc., a corporation of the State of New Jersey, its successors or assigns.
7. **“Director”** shall mean and refer to an Owner in Good Standing that is a member of the Association Board of Directors.
8. **“Good Standing”** shall mean shall mean an Owner who is current on the payment of common expenses, late fees, legal fees, or other charges lawfully assessed, and which Owner has not failed to satisfy a judgement for common expenses, late fees on unpaid assessments, legal fees, or other charges lawfully assessed.

An Owner is in ‘Good Standing’ if the Owner is in full compliance with a settlement agreement with respect to the payments of assessments, legal fees or other charges lawfully assessed, or the Owner has a pending, unresolved dispute concerning charges assessed in which a dispute has been initiated through a valid alternative to litigation pursuant to subsection c. of section 2 of P.L. 1993, c.30 (C.45:22A-44) (ADR) provided no other disputes which have been resolved otherwise render the Owner’s status to be not in ‘Good Standing’.

An Owner is not in ‘Good Standing’ if the Owner owes the Association money and the Owner is not in full compliance with a settlement agreement with the Association for the payment of monies or otherwise delinquent in the performance of an act agreed to be done by the Owner.

An Owner or Resident is in ‘Good Standing’ if they are not in violation of the Declaration, Bylaws or Rules, or they have been offered the opportunity to participate in Alternate Dispute Resolution by either the Association or another Owner and they have not declined to participate in Alternate Dispute Resolution.

9. **“Guest”** shall mean any person who is not an Owner and is not a Resident, but who occupies or is present in a Living Unit or on a Lot, including all visitors.
10. **“Living Unit”** shall mean and refer to all or any portion of a building situated upon The Properties designated and intended for use and occupancy as a residence.
11. **“Lot”** shall mean and refer to any plot of land shown on the filed subdivision map of The Properties, which was owned by the Developer, with the exception of Common Properties as herein defined.
12. **“Membership Privileges”** shall mean certain rights afforded to each Owner and/or Resident who is in full compliance with the Declaration, Bylaws and Rules. For a Resident and Owner in Good Standing with the Declaration, Bylaws and Rules these rights include the right to serve as an Officer for any club sanctioned by the Board, to participate in any activity sponsored by any club sanctioned by the Board, to serve as a leader or Officer of any group sanctioned by the Board, to participate in any activity sponsored by any groups sanctioned by the Board, to receive the Association publication or any other publication or communication from the Association, to use, enjoy and/or otherwise occupy the Common Properties, or, to attend or participate in any Board meetings.

For an Owner in Good Standing, Membership Privileges additionally includes the right to vote in Association matters, to nominate themselves or another Owner in Good Standing to run for the Board, to be elected or appointed to serve on the Board, and to vote to amend the Association Declaration and Bylaws.

If the Owner of a Lot and/or Living Unit is not in Good Standing or is not entitled to enjoy Membership Privileges, such Owner and all Residents of such Owner’s Lot and/or Living Unit shall not be allowed to enjoy Membership Privileges.

Even though an Owner or Resident is not entitled to enjoy Membership Privileges, such Owner or Resident must otherwise comply with and abide by all obligations and duties as set forth in the Declaration, Bylaws and Rules.

13. **“Owner”** shall mean persons not less than fifty-five (55) years of age provided, however, that in the event the Lot or Living Unit is owned by a spouse or domestic partner, only one must meet the age requirement. Additionally, such persons shall have a current fee simple interest in a deed for a Lot and/or Living Unit recorded with the Ocean County Clerk’s Office authorized to hold title pursuant to and in accordance with the Declaration, Bylaws and Rules, but not withstanding any applicable theory or mortgage or lien, Owner shall not refer to a mortgage or lien holder of any Lot and/or Living Unit. Additionally, any Trust and Life Estate as authorized in Article II, Section 1. B. in the Bylaws shall be deemed an Owner.
14. **“Resident”** shall mean and refer to any person or persons who occupy any Lot and/or Living Unit who are not an Owner or Guest but who permanently reside in the Living Unit.

15. **“Rules”** shall mean Rules and Regulations adopted by the Board.
16. **“The Properties”** shall mean and refer to all the lands described in Article II of the Declaration.

Section 2. Precepts of The Bylaws

1. Applicability: These Bylaws shall be applicable to all Owners, Residents, and their respective Guests.
2. Invalidity: The invalidity of any part of these Bylaws shall not impair the validity, enforcement, or the effect of the balance of these Bylaws.
3. Waiver: No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated, repealed, nullified or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.
4. Captions: The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these Bylaws or the intent of any provisions thereof.
5. Gender: The use of the masculine gender in these Bylaws shall be deemed to include all genders, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 3. Amendments to the Bylaws

1. The initial process to amend the Bylaws commences upon a proposed amendment being approved by atwo-thirds (2/3) vote of Directors at a meeting which a quorum is present, and:

- From the Bylaws Committee; or
 - From Lot Owners in Good Standing who have signed a petition representing at least fifteen percent (15%) of all Lots; or
 - From a Director.
2. *Notice of the proposed amendment to the Bylaws shall be published in the Association publication, on the Association website and shall be read and reviewed at two Association meetings.*
 3. An amendment to the Bylaws requires a vote by the Lot Owners in Good Standing in one of two ways, namely, by an affirmative vote in favor of the proposed amendment, or by an affirmative vote against the proposed Amendment, unless the Board is otherwise required to the extent necessary to render the Bylaws consistent with state, federal or local law pursuant to N.J.S.A. 45:22A-46d(5)(a).
 - A. For an affirmative vote in favor of a proposed amendment, the ballot shall provide notice to all Owners via United States regular mail of the proposed amendment which shall require a fifty-one percent (51%) majority of full votes cast by Lot Owners in Good Standing.
 - B. For an affirmative vote against a proposed amendment, the ballot shall provide notice to all Owners via United States regular mail of the proposed amendment which notice shall include a ballot to reject the proposed amendment and if Lot Owners in Good Standing representing less than ten percent (10%) of all Lots vote to reject the amendment within thirty (30) days of its mailing, the amendment shall be deemed approved.
 - C. Where more than one amendment of the Bylaws is being voted upon, the Board shall determine whether such vote to approve proposed amendments shall be voted upon individually or voted upon as a group.

- D. To be effective, amendments to the Bylaws shall be recorded with the Ocean County Clerk. A copy of the recorded amendment(s) with Deed book and page numbers shall be made available to all Owners.

ARTICLE II -OWNERSHIP AND OCCUPANCY

Section 1. Ownership

Ownership of a Lot and Living Unit shall only be vested in:

A. Human Beings

An Owner that is a human being with a current fee interest in a deed for a Lot and/or Living Unit recorded with the Ocean County Clerk's Office authorized to hold title pursuant to and in accordance with the Declaration, Bylaws and Rules, but not withstanding any applicable theory or mortgage or lien.

B. A Trust or Life Estate

Trusts are allowed only under limited conditions since it was the developer's intent to maintain a community of Lots and Living Units in which record title is held by human beings as opposed to non-human, cognizable legal entities. As such, no non-human may take record title to or any ownership interest in any Lot or Living Unit except for certain legally, cognizable trust or life estates which present unique and special criteria as defined below. In order to acquire record title to or any ownership interest in any Lot and/or Living Unit, such trust or life estate must first satisfy the following criteria:

- 1. The trust or life estate must be created by the current Owner of the Lot and Living Unit.*
- 2. A copy of the recorded deed in the name of the trust or life estate must be delivered to the Association office within thirty (30) days of recordation.*
- 3. For any Lot or Living Unit placed in trust or a life estate, all persons occupying the Living Unit pursuant to the trust or life estate must fully comply with the Declaration, Bylaws and Rules and the trust or life estate shall be jointly and severally liable for violations of same.*
- 4. The name(s) of the person(s) occupying the Living Unit whether it is the Owner, their spouse, domestic partner, or others named in the trust, or life estate, must be provided to the Association office within thirty (30) days of the deed being recorded.*
- 5. In either a trust or life estate situation, the trust or life estate must provide in writing the names of the persons denoted as voting members for the Lot and Living Unit within thirty (30) days.*
- 6. No trust or life estate shall be created or used in such a way whereby the Lot and/or Living Unit is being employed to perpetuate a business and/or to become part of a rental business, including affiliated businesses, whether for profit or not for profit, or is otherwise associated with properties, whether commercial or residential.*
- 7. The Board shall be entitled to promulgate Rules to elaborate upon the nature and extent of the terms and condition permitted by this Article II.*

C. Temporary Owner-Renovators

A Temporary Owner-Renovator shall mean and refer to any person(s) who acquires title to a Lot and/or Living Unit pursuant to the express written approval of the Board, in order to undertake activities directly related to refurbishment, renovation and resale of the Lot and/or Living Unit under unique circumstances described in a written agreement with the Association subject to terms and conditions required by the Board including a security deposit, signed by both the Temporary Owner-Renovator and the Board, which is consistent with maintaining the age-restricted status of the Association.

Section 2. Consent and Agreement

Ownership or occupancy of any Unit by any person shall be deemed to mean said person has consented to and agree to be bound by these Bylaws, the Declaration and the Rules.

Section 3. Conveyance of Title

1. For each and every Owner, trust, life estate and Temporary-Owner Renovator, their interest in a Lot and/or Living Unit, and consequently in the Association, shall be conveyed automatically by the delivery of a deed recorded with the Ocean County Clerk, *and delivered to the Association office within thirty (30) days of the deed being recorded to any person authorized by the Declaration, these Bylaws and the Rules.*
2. Any person who acquires title to any Lot and/or Living Unit shall be jointly and severally liable with the prior Lot and/or Living Unit Owner for any *and all monies due to the Association* which were outstanding at the time of the purported or recorded passing of title and, by virtue of acceptance of the aforesaid title, recognizes and accepts such monies due the Association as a lien against the title of the Lot. Enforcement of the lien shall be as provided in Article IX, Paragraph 8 of the Bylaws and in the Declaration, Article IV, Section 4.
3. Owners shall not exceed their Lot boundary limits as shown in their Lot survey for personal use and enjoyment. Owners shall not place any item, thing, tree, plant, landscaping, structure, object or encroachment of any kind upon the Common Properties. The Association shall not be responsible for any damage, personal injury or property damage, arising from the acts of Owners, Residents or Guests using the Common Properties in violation of this paragraph. The infringement upon or use of Common Properties by an Owner, Resident or Guest shall not give rise to any future legal title to any portion of the Common Properties.
4. Owners who sell, gift, transfer, lease or assign any Lot and/or Living Unit shall disclose such action to the Association office beforehand and shall provide written confirmation with acceptable proof that all persons who will occupy the Lot and Living Unit shall do so in compliance with the Declaration, Bylaws and Rules.
5. Upon title transfer of a Lot and/or Living Unit, the transferor(seller) shall be responsible to provide to the transferee(buyer) the two Owner and two Guest badges and the most recent Association Handbook. If the seller fails to do so, the handbook and/or the badges must be purchased by the seller at a cost set by the Board.

Section 4. Age-Qualified Occupancy

Occupancy of any Lot/Living Unit shall require at least one Owner who is fifty-five (55) years of age and who shall not have as permanent residents anyone less than eighteen (18) years of age. Permanent is defined as the collective occupancy of a Lot and/or Living Unit exceeding ninety (90) days *per calendar year. If the Living Unit is occupied by a Resident or Guest who is under the age of fifty-five (55), a fifty-five (55) year old or older Owner must jointly occupy the Living Unit with said Resident or Guest for at least 9 months per calendar year.*

1. Non-compliance may result, at the discretion of the Board, in the assessment of a penalty together with the payment of any and all costs and expenses incurred or expended by the Association, including all attorneys' fees, in enforcing compliance. Continuing non-compliance may result in the placing of a lien upon the Lot and Living Unit. (Ref: Declaration Article IV, Section 4.).
2. In the event an age-qualified Owner of a Lot or Living Unit dies, a surviving non-age qualified Resident who is not fifty-five (55) years of age or older must vacate the Living Unit within a period of time not to exceed one (1) year from the date of the death of the age-qualified Owner, unless such survivor attains the age of fifty-five (55) years within one year of the death of the age-qualified Owner. This shall extend to any person with a trust or life estate who shall similarly vacate the Unit until attaining the age of fifty-five (55).

Section 5. Unit Leasing

1. One (1) year shall be the minimum lease term for a Lot and Living Unit and a copy of the lease which expressly, jointly and severally binds the Owners and lessees and their respective Residents and Guests to abide by the Declaration, the Bylaws and the Rules. Acceptable proof of age of all Residents must be provided and updated with the Association office. Any lease or occupancy of a Living Unit not expressly authorized by these Bylaws shall be invalid unless and until approved and authorized by the Association in writing.
2. Leasing of any Lot/Living Unit shall be restricted to at least one person who is fifty-five (55) years of age and who shall not have as permanent Residents anyone less than eighteen (18) years of age, with permanent being defined as any stay exceeding 90 days per calendar year. *If the Living Unit is occupied by a Resident or Guest who is under the age of fifty-five (55), the fifty-five (55) year old or older Owner must jointly occupy the Living Unit with said Resident or Guest for at least 9 months per calendar year.*
3. Leasing or renting of a Lot/Living Unit is prohibited until such Lot/Living Unit has been the Owner's primary residence and occupied by such Owner for at least one (1) year preceding the lease of the Lot and/or Living Unit.
4. The renting of less than an entire Lot or Living Unit and the renting of only a portion of the Living Unit, such as a room or rooms, is prohibited. No more than four (4) persons shall occupy a Living Unit.

ARTICLE III - VOTING

Section 1. Owner Voting Rights

1. Every Lot and the corresponding Living Unit is apportioned one (1) full vote. If a Lot and Living Unit is owned by two or more persons, each Owner of that Lot and Living Unit shall be entitled to a fractional share of one (1) full vote. For example, two (2) Owners shall each have a half (1/2) vote; three (3) Owners, one-third (1/3) and so on. Residents who are not Owners of the Units in which they reside shall not be entitled to vote.
2. Where a Lot and Living Unit has been placed in trust or a life estate as permitted by the Rules and has been established by deed, only person(s) designated by the trustee shall be identified to the Association office as having exclusive voting rights in Association matters.
3. No proxy votes are accepted.

Section 2. Director Elections

1. The Election of Directors shall be conducted in accordance with Article V.

2. At the discretion of the Board, all voting by Owners to elect persons to the Board shall be by one or more of the following: in-person ballot and/or absentee ballot, or mail-in ballot.

Section 3. Special Elections

Special Election voting shall be conducted and the results determined as stipulated in the applicable Bylaw or the Declaration. One of the following shall apply:

1. *Voting for Amendment changes to the Declaration shall be conducted in accordance with Declaration Article XI.*
2. *Voting to terminate the Declaration shall be conducted in accordance with Declaration Article X, Section 1.*
3. *Voting to accept a Property Manager shall be conducted in accordance with Declaration Article XIII.*
4. *Voting for Amendment changes to the Bylaws shall be conducted in accordance with Bylaws Article I, Section 3.*
5. *Voting for a Special Assessment upon the Owners shall be as per Bylaws Article XI, Section 4. and Declaration Article IV, Section 3.*
6. *Voting to Remove a Director by Owner petition shall be conducted in accordance with Bylaws Article VII, Section 3.B.*
7. *Voting for expenditures of funds for over Twenty-Five Thousand (\$25,000) shall be conducted in accordance with Bylaws Article XI, Section 1.2.*
8. *Voting to borrow funds shall be conducted in accordance with Bylaws Article X, Paragraph 14.*

ARTICLE IV - MEETINGS

Section 1. Notice of Meetings

Notices of meetings of the Association shall be published in the Association publication, on the Association website and posted in the Association clubhouses by the Secretary of the Board. Unless such meetings are being conducted under exigent circumstances, such notice shall be given not less than **seven (7) days** before the date of such meeting.

Section 2. Annual Meeting

The month following their annual Organizational Meeting, the Board shall hold the Annual Meeting at which the summary of receipts and disbursements of the fiscal year ended August 31 shall be presented. If the new fiscal year's Operating Budget projects an increase of the monthly assessment, it shall be reviewed and discussed with the Owners at this meeting.

Section 3. General Meetings

General Meetings of the Owners shall be held alternate months, September through July, at days and times designated by the Board. In addition to a minimum of six (6) meetings per year, the Board may schedule additional meetings as deemed appropriate. General Meetings are held for the recommendations of Owners and for the dissemination of information; no quorum of Owners is necessary. Only matters that pertain to the Association as a whole may be discussed. The order of business shall be as follows unless a Special Order of Business motion has been carried:

- | | |
|---|---|
| 1. Call to Order | 6. Reports of Standing Committees & Clubs |
| 2. Pledge of Allegiance/Moment of Silence | 7. Reports of Special (ad hoc) Committees |
| 3. Minutes of the Previous Meeting | 8. Unfinished Business |
| 4. The Treasurer's Report | 9. New Business |
| 5. Reports of the Directors | 10. Adjournment |

Section 4. Special Meetings

The President of the Board shall call a Special Meeting of the Owners when so directed by a majority of Directors of the Board or upon a petition, signed by at least twenty-five percent (25%) of Owners in Good Standing, being presented to the Board.

Section 5. Open Meetings

1. Board meetings at which binding actions are taken shall be open to attendance by all Owners in Good Standing and adequate notice of any such meetings shall be given to all Unit Owners.
2. A schedule of Open Meetings for the ensuing year shall be published within seven (7) days of the annual Organizational Meeting. If the schedule is revised, the new schedule must be published not less than seven (7) days prior to a change.
3. Meetings shall be scheduled as frequently as the Board deems necessary for the conduct of the business of the Association.
4. Open Meetings shall not have public discussions regarding: (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 confidentially is required in order for the attorney to exercise his ethical duties as a lawyer, or (4) any matter involving the employment, promotion, discipline or dismissal of a specific Director, Officer or employee of the Association.
5. Minutes of Open Meetings and the actions taken shall be published in the next edition of the Association publication and on the Association website.

ARTICLE V - THE ELECTION OF DIRECTORS

Section 1. Election to Office

1. Directors shall be elected annually to the Board for a three (3) year term of office. Unless electing a Board member for a position vacated prior to the full three (3) year term, there shall be staggered terms which, at a minimum, will result in two (2) Directors being elected twice in a three (3) year period and three (3) Directors in the same three (3) year period.
2. The regularly-scheduled Director Election shall be held whether or not the number of candidates equals the number of openings. In the event there are no candidates submitted to the Board by the election committee, a write-in only ballot will be mailed for mail-in elections, or for in-person elections, the ballot will contain a section for write-in voting for Lot Owners in Good Standing. In the event no write-in candidate(s) are received or the write-in candidate(s) is not eligible, the Board shall appoint a Director(s) for a one-year term until the next regularly scheduled election where the order of finish shall determine which candidate will fill the seat of the unexpired term with the three (3) year terms going to the candidates with the highest number of votes, the remaining vacancies will be filled by the candidate receiving the next highest number of votes.

3. Should a vacancy occur on the Board before the next regularly scheduled Director Election, a majority of the remaining members of the Board may appoint an Interim Director to fill the vacancy. At the next regularly scheduled Director Election, the order of finish shall determine which candidate will fill the seat of the unexpired term, with the three (3) year terms going to the candidates with the highest number of votes, the remaining vacancies will be filled by the candidate receiving the next highest number of votes.
4. Notice of the impending Director Election shall be published in the July, August and September editions of the Association publication, on the Association website and shall be posted in the Association clubhouses.
5. Pursuant to N.J.S.A. 45:22A-45.2, each calendar year no sooner than July 9th and no later than July 15th, the Association shall send a written invitation, in a form authorized by the Board, to every Owner in Good Standing to nominate themselves or another Owner in Good Standing to be a candidate for the Board. Any Owner in Good Standing may fully complete this form and return same no later than August 5th via regular mail to: Election Committee Chairperson, Holiday Heights Homeowners Association, Inc. 96 Prince Charles Drive, Toms River, New Jersey 08757.
6. Although any Owner in Good Standing may nominate numerous persons, only one nominee per form is permitted and to be placed as a candidate on the ballot for the Director Election. Each form must be legibly completed in full, and received no later than August 5th. Each nominee may attach to their Nomination Form a typewritten summary of qualifications in narrative form, using guidelines listed in the Association publication, not to exceed two-hundred (200) words. This summary should include information about themselves and why they want to run for the Board.
7. The Election Committee Chairperson, with the assistance of the Treasurer, shall validate whether a candidate is in Good Standing, and unless and until such candidate is in Good Standing, such candidate shall be prohibited from participating in all aspects of the election process.
8. On or before August 9th, the Election Committee Chairperson shall advise the Board in writing who the candidates are that have accepted their nomination and who are in Good Standing so such persons' names and summary of qualifications will be published in the September issue of the Association publication, on the Association website, and included in the Election packet.
9. The Election packet for a mail-in election, which will be mailed via regular United States mail to all Owners by August 15th, will include the mail-in ballots, summary of qualifications, voting instructions, two small blank envelopes and a larger self-addressed stamped envelope. For in-person elections, the packet will include the summary of qualifications and voting instructions.
10. The mail-in ballot(s) as well as the voting machines shall contain the names of all persons nominated and found to be in Good Standing as candidates for the Board, listed in alphabetical order by last name.
11. The mail-in ballot(s) as well as the voting machines shall list each candidate's name in the same font, in the same size, and in the same font color. The mail-in ballot as well as the voting machines shall include a space for write-in candidates for as many seats as are up for election.
12. *Only candidates shall be allowed to speak on Candidate's Night, which shall be held after the ballots have been mailed in August and shall be presided over and conducted by the Election Committee Chairperson.*
13. Election Day for either mail-in voting or in-person voting shall be the second Tuesday after Labor Day.
14. The tallying of all mail-in ballots shall be done publically.

15. The results of the election will be made available on the clubhouse bulletin board, via RoboCall, on the Association website and in the Association publication.
16. The mail-in ballots shall be open to inspection by any Owner of the Association for a period of ninety (90) days from the date of the election.
17. In the event a voting method results in a tie between two or more Director candidates, just those tied Director candidates shall have a run-off election via mail-in ballot within forty-five (45) days of the election to determine who shall be elected the Director unless all of the tied candidates otherwise unanimously agree upon selecting one of the tied candidates as the Director.
18. In the case the Board, by a majority vote determines it necessary to postpone the election date from the second Tuesday after Labor Day for good cause, the Board may do so provided that the election date is scheduled on or before the second Tuesday in October. The Board must duly publicize the new election date.
19. With regard to Owner voting for election of Director, a minimum of thirty (30) days prior to the election, the Association shall notify, via regular United States mail, every Owner who is not in Good Standing why such Owner is not in Good Standing. This notice shall also state that the Owner deemed not to be in Good Standing has the right to contest the Association's determination why such Owner is not in Good Standing by requesting Alternate Dispute Resolution as provided in the Rules. Owners shall be allowed to rectify their standing up to five (5) business days prior to the election date.

ARTICLE VI - THE OFFICE OF DIRECTOR

These Bylaws, the Declaration and the Rules shall regulate the selection, term and duties of the members of the Board in accordance with New Jersey law.

Section 1. Term of Office

1. The Board of Directors shall consist of seven (7) members. A Director's term shall be three (3) years.
2. Two (2) Directors shall be elected to full three-year terms every year. However, every third year, three (3) Directors shall be elected to full three-year terms. All Directors shall be elected by the Owners in Good Standing in accordance with Article III Section 2. of these Bylaws.
3. There shall be no alternate or substitute members on the Board.

Section 2. Qualifications for Office

1. A candidate for the Board shall be an Owner in Good Standing as defined in N.J.S.A. 45:22A-23r.
2. Being an Owner in Good Standing as defined in N.J.S.A. 45:22A-23r shall be the sole criterion for an Owner to be eligible to run as a nominee, be elected to the Board and serve as a Director.
3. Not more than one Owner of a Lot shall run for or serve on the Board simultaneously with another Owner of the same Lot.
4. A Director shall not serve, pro-tem or otherwise, as a chairperson or member of either a standing or "ad hoc" committee, or as an Officer of any club in the Holiday Heights Community and this shall not be subject to grandfathering.

Section 3. Responsibilities of Office

1. To read, understand, abide by and uphold the Certificate of Incorporation, Bylaws, Declaration, and the Rules, including the Directors Code of Conduct.
2. To understand and agree that a Director is elected as one of seven (7) equal Directors by the Owners of the Association and that each Director has an equal voice in the affairs of the Board and the conduct of the Association.
3. *To attend a voluntary pre-orientation meeting with the Election Committee Chairperson and an Officer of the current Board to provide a full understanding of a Director's roles and responsibilities.*
4. To aid and assist in the ongoing work of the Board and in the management of the Association and to accept a fairshare of the tasks deemed necessary by the Board to accomplish same.
5. To accept the Direct Responsibility associated with facilities, staff and duties/tasks related to Board obligations.
6. To accept the role of Liaison Director to one or more Association committees and the work it entails.
7. To understand and agree that no member of the Board shall receive compensation from the Association, except for reimbursement of legitimate expenses incurred, with the prior approval of the Board, in the performance of duties and obligations as a member of the Board.
8. To understand and agree that a Director may not speak for or commit the Board to any action, purchase or position without proper authority of the other members of the Board.
9. To agree and accept that if a purchase is made or work is authorized by a Board member without approval or ratification by a quorum of the Board, the Board is under no obligation to pay and instead the Director who authorized to commit the Association would be personally responsible and the Association shall be defended, indemnified and held harmless by the unauthorized Director for all claims arising from and relating to such unauthorized purchase or work.
10. To understand and agree that a Director may take a public position on any subject but shall at all times identify the position as their own personal opinion and not that of the Board or the Association as a whole.
11. *To agree and accept the responsibility to attend Board and Homeowners meetings as scheduled. Three (3) unexcused absences within a three-month period or three (3) consecutive unexcused absences may be grounds for suspension or dismissal from the Board.*

Section 4. Extent of Liability

1. The Directors shall not be liable to any person, including the Owners, for any mistakes in judgement except for willful misconduct or bad faith. The Association shall defend, indemnify and hold harmless each individual Director against all claims and liability to others arising out of their conduct as a member of the Board, unless such conduct shall have been made in bad faith or knowingly contrary to New Jersey Statutory Law, New Jersey regulations and/or the provisions of these Bylaws, the Declaration or Rules.
2. Each agreement executed by the Board shall provide that the members of the Board are acting only as agents for the Association. Each Owner's liability shall be limited to their proportional share in the Association.

ARTICLE VII - OFFICERS OF THE BOARD

Section 1. Designations

The Officers of the Board shall be President, Vice-President, Secretary and Treasurer. No Board member may fill more than one (1) Board office at a time. Board Officers may be removed from their office by a majority vote of the Board.

1. The President shall be the chief executive officer of the Board and shall preside at meetings of the Owners and the Board. The President shall execute contracts, agreements and other instruments of the Association.
2. The Vice-President shall have, in the absence of the President, all the powers and duties of the President and shall have such duties and responsibilities as may be assigned by the President.
3. The Secretary shall attend all meetings of the Association and the Board, shall draft resolutions and shall include all proceedings in the minutes, shall record all votes, shall have charge of the Book of Minutes, such records and papers as the Board may direct and shall perform all other duties incidental to the Office of Secretary. The Secretary shall have custody of the corporate seal and, when authorized by the Board, shall affix the same to any instrument requiring it and shall attest to the same when appropriate. The Secretary shall preside in the absence of the President and Vice-President.
4. The Treasurer shall be responsible for the handling of the Association funds, shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board provided that such disbursements made in the ordinary course of business shall not need resolutions. The Treasurer shall maintain accurate records of each receipt and disbursement of the Association funds and shall be responsible for submitting to the Board all financial reports required of the Board in accordance with Article X of the Bylaws.

The Treasurer shall recommend and, with the approval and in conjunction with the Board, shall implement an investment program for the deposit of reserve funds. The Treasurer shall preside at the General Meeting in the absence of the President, Vice-President and Secretary.

Section 2. Election of Officers

The President, Vice-President, Secretary and Treasurer shall each be elected by the members of the Board to one (1) year terms. A Director shall not fill more than one (1) Board office at a time.

Section 3. Removal from Office or Board of Directors

A. Removal from Office by Board

1. *An Officer of the Board may be removed from their office on the Board by a majority vote of the Board.*

B. Removal of Director by Owners

1. *The removal of an elected Director from the Board may be instituted by a petition presented to the Board that has been signed by not less than fifty-one percent (51%) of Owners.*
2. *Within sixty (60) days of the Board receiving the petition signed by at fifty-one percent (51%) of Owners, the President of the Board shall set a reasonable date and time for an Owner vote on the removal of the so named Director, which shall be published in the Association Publication and on the Association website.*
3. *Notice of the Special Election meeting shall be provided to all Owners at least fourteen (14) days prior to the date of the meeting. The so-charged Director shall be given every opportunity to either defend them self or have a chosen representative defend them at a meeting of the Owners called for such purpose.*

4. *The vote to remove a Director shall be cast by in-person ballot and the result shall be determined by fifty-one percent (51%) of Owners in Good Standing.*

C. Suspension and/or Removal of Director by Board of Directors

Suspension of a Director by the Board of Directors

1. *Any cause of action presented by any member of the Board of Directors against another Director shall be reviewed by the Board at an Executive Session to determine whether a Director Suspension procedure is warranted.*
2. *If a vote to charge the Director is deemed warranted by a majority vote of the Board at an Executive Session at which a quorum of the Board is present, the so-charged Director shall be given written notice by certified mail or overnight mail and electronic mail of the charges and possible fine, possible suspension, possible imposition of reimbursement for attorneys' fees and costs incurred by the Association arising from and relating to possible suspension, if appropriate, against them, as well as the option for Alternate Dispute Resolution mediation, not Arbitration.*
3. *At the optional Alternate Dispute Resolution, both the Board and the so-charged Director will have an opportunity to present their case.*
4. *If the so-charged Director fails to respond to the charges or the request for Alternate Dispute Resolution, in writing to the Board within ten days the Board has the option to proceed with the vote for suspension, possible fine, and possible imposition of reimbursement for attorneys' fees and costs incurred by the Association arising from and relating to possible suspension at an Executive Session of the Board at which a quorum is present.*
5. *If the so-charged Director chooses Alternate Dispute Resolution, such Alternate Dispute Resolution must be conducted within thirty (30) days of the initial notice and if not, the so-charged Director shall be deemed to have waived their right to Alternate Dispute Resolution and the Board has the option to proceed with the vote for suspension, possible fine, and possible imposition of reimbursement for attorneys' fees and costs incurred by the Association arising from and relating to possible suspension at an Executive Session of the Board at which a quorum is present.*

Removal of a Director by the Board of Directors

A Director may be removed from the Board consistent with due process pursuant to N.J.A.C. 5:26-8.11(b).

1. *If the removal of a Director is deemed warranted by majority vote of the Board at an Executive Session, the so-charged Director shall be given written notice by certified mail or overnight mail and electronic mail of the charges and possible fines against them as well as the option for an Alternate Dispute Resolution.*
2. *At the optional Alternate Dispute Resolution, both the Board and the so-charged Director will have an opportunity to present their case.*
3. *If the so-charged Director fails to respond to the charges or the request for Alternate Dispute Resolution, the Board has the option to proceed with the vote for removal at an Executive Session of the Board.*
4. *If the so-charged Director or the Board chooses an independent provider pursuant to N.J.A.C. 5:26-8.11(b), such independent provider selected exclusively by the Board shall, within thirty (30) days, conduct a proceeding to determine whether substantial credible evidence exists that establishes whether the so-charged Director engaged in conduct that adversely affected the interest of the Association or not.*

5. *At the independent provider hearing both the Board and the so-charged Director will have an opportunity to present their case either individually or by representation.*
6. *If the so-charged Director fails to confirm their attendance, the proceedings are cancelled and the Board has the option to proceed with the removal vote at an Executive Session of the Board. If the so-charged Director fails to appear, any costs associated with the proceedings will become the responsibility of the so-charged Director. Failure to make full reimbursement will result in suspension from the Board, including a loss of Membership Privileges.*
7. *The independent provider's fee shall be shared equally between the alleged offending Director and the Association.*
8. *The independent provider's decision is final.*
9. *In the event the Director is removed, or the alleged offending Director fails to fully and completely reimburse the Association within thirty (30) days written notice, the Board shall appoint an Interim Director and, regardless of the outcome of the independent provider's decision, the alleged offending Director shall be deemed removed.*

ARTICLE VIII - BOARD MEETINGS

Section 1. Quorum

A quorum for the transaction of business will require the presence of at least four (4) Directors. This shall not apply where the Bylaws, the Declaration or the Rules specify a different vote requirement.

Section 2. Organizational Meeting

The annual Organizational Meeting shall be held on the Thursday following the prior Tuesday's Director Election and shall consist of the Swearing-in of Directors and the Officers Election Meeting.

A. Swearing-in of Directors

1. In the presence of all sitting, incumbent Directors of the Association, the Election Committee Chairperson shall collectively read the Oath of Office, a specimen form adopted by the Board, to the newly-elected Directors. Each newly-elected Director shall sign their respective Oath of Office and upon same being witnessed and signed by the Election Committee Chairperson, such newly-elected Directors shall be deemed Association Directors.
2. Notwithstanding the preceding paragraph, the Election Committee Chairperson shall not sign the Oath of Office of any newly-elected Director unless such Director is in Good Standing. The Election Committee Chairperson, with the assistance of the Treasurer shall, based upon the books and records of the Association, determine who is or is not in Good Standing.
3. Any newly elected Director not in Good Standing as that term is defined in N.J.S.A. 45:22A-23r shall be prohibited from attending or participating in the Organizational Meetings, or any other meeting or work session of the Board until attaining the status of Good Standing.

B. Officers Election Meetings

1. At each annual Officers Election Meeting, the President, Vice-President, Secretary and Treasurer shall each be elected by a majority of the members of the Board to a one (1) year term. No Director may simultaneously hold more than one (1) Officer position on the Board, with the exception of a position filled pro temp.

2. Immediately following the full administration of the Oath of Office, the Election Committee Chairperson shall convene all Directors in Good Standing for the Officers Election Meeting. At the Officers Election Meeting with a quorum, the Election Committee Chairperson shall oversee and conduct the election of the Officers in the following order: President, Vice-President, Secretary and Treasurer. If less than all four Officer positions are elected at the meeting, a pro temp Officer for any unfilled position will be assigned by the President for that position on a revolving basis. Each future Officers Election Meeting for initial, unfilled positions, shall be attended and overseen by the Election Committee Chairperson or such person's designee, and, a majority of the Board members present who are in Good Standing may ultimately nominate and vote to elect a person for the particular position provided a quorum is present.
3. If there are an insufficient number of Board members present in person at the Officers Election Meeting to constitute a quorum, the Election Committee Chairperson shall select a date and time within ten (10) days to thereafter conduct the Officers Election Meeting. If there are an insufficient number of Board members present in person to constitute a quorum at such re-scheduled Officers Election Meeting, the Election Committee Chairperson shall thereafter reconvene the Board members as soon and as often as practicable until a quorum of Board members are present in person to conduct the Officers Election Meeting.
4. At the Officers Election Meeting with a quorum, each member of the Board may nominate them self or another member of the Board to be a candidate for office provided such nominating Board member and such nominated Board member are in Good Standing. The Election Committee Chairperson with the assistance of the Treasurer, shall, based upon the books and records of the Association, determine who is or is not in Good Standing.
5. At the Officers Election Meeting with a quorum, the Election Committee Chairperson shall expressly and directly ask each Board member in Good Standing if they want to nominate them self or another Board Director to run for a particular office. Each nominated Board Director must expressly advise the Election Committee Chairperson whether or not they accept running for a particular office.
6. At the Officers Election Meeting with a quorum, upon soliciting all Board members with respect to candidates for a particular office, the Election Committee Chairperson shall announce to the Board all of the candidates for a particular office and conduct a voting process that preserves anonymity. There shall be a separate and independent nomination and election for each office, starting with the Office of President, followed by the offices of the Vice-President, Secretary and Treasurer. Only the Election Committee Chairperson shall collect the anonymous votes and count votes. However, all of the votes may be reviewed by any member of the Board.
7. At the Officers Election Meeting with a quorum, the first candidate to receive a majority vote from the Board members present shall be deemed elected to that particular office.
8. At the Officers Election Meeting with a quorum, if no candidate receives a majority vote from the Board members present in the first vote, the highest vote getters, regardless of how many persons that may be, shall be announced by the Election Committee Chairperson to be the candidates for this particular office. The Election Committee Chairperson shall then conduct a voting process that preserves anonymity. If no candidate receives a majority vote from the Board members present for the particular office, this process will be repeated for a total of three votes until one candidate receives a majority vote from the Board members present.

9. *If after the third vote no candidate is elected for a particular position by a majority of the Board members present, the President, in the presence of the Election Committee Chairperson, shall appoint a candidate pro tem to fill that particular position.*
10. The Election Committee Chairperson or such person's designee, shall submit a written report to the Board within ten (10) days of the Officers Election Meeting and within ten (10) days of any Board meeting at which the Board's initial Officer position is filled, reporting upon each vote taken in the Officers Election Meeting or subsequent meeting at which the Board's initial Officer position is filled. However, the written votes pertinent to each of the votes taken shall be preserved in the Association office by the Election Committee Chairperson, to the exclusion of all persons, shall be locked in the Association office, and unless by unanimous written vote of the entire Board, same are allowed to be released, or, the contents of the box are otherwise ordered by a court or directed by the Department of Community Affairs to be released.
11. Upon the swearing in of all Officers in the subsequent year, the Election Committee Chairperson shall arrange to have the preserved votes destroyed but not the report(s) of such elections(s) which shall be retained as if same were Board meeting minutes.
12. All Directors must be in Good Standing and if a Director is not in Good Standing for more than thirty (30) consecutive days, such Director shall be deemed to have resigned from the Board and shall no longer be deemed a Director and thereafter be barred from serving as a Director unless thereafter duly elected pursuant to Article III, Section 3. of these Bylaws.

C. Directors Responsibility Meeting

1. The Directors Responsibility Meeting shall be held no later than the second week following the Organizational Meeting.
2. At the Directors Responsibility Meeting, the Liaison and Direct Report responsibilities of the individual Directors shall come under discussion. All seven (7) Directors shall accept Liaison and Direct Report responsibilities.
3. *At the Directors Responsibility Meeting, the Liaison and Direct Report responsibility of the individual Directors shall be voted upon by a majority of the Board. If a majority of the Board is unable to agree upon the Liaison and Direct Report responsibilities of the individual Directors, the President shall have the exclusive responsibility to make such assignments.*

Section 3. Regular Meetings

Regular, that is "worksession" meetings of the Board shall be held at such time and place as shall be determined by a majority vote of the Board members.

Section 4. Special Meetings

Special Meetings of the Board may be called by the President or initiated by the President at the request of a Board member on a minimum of two (2) days' notice unless exigent circumstances require less notice to each member of the Board. If the majority of Board members present at a time when a Special Meeting is deemed in order by a quorum, then formal notice can be waived and the meeting can be called.

ARTICLE IX - OPERATIONAL POWERS AND DUTIES OF DIRECTORS

The Declaration, Bylaws, and Rules provide that the affairs of the Association shall be managed, administered and governed by the Board. The powers and duties of said charge shall include but not be limited to the following:

1. To enforce the provisions of the Association, as embodied in the Certificate of Incorporation, the Declaration, these Bylaws, and Rules.
2. To cause the Community to continue to qualify as fifty-five (55) or over housing under the "Housing for Older Persons" exemption of the Fair Housing Amendments Act of 1988 and the Housing for Older Persons Act of 1995, by the publication and adherence to the policies and procedures that demonstrate said intent, including but not limited to:
 - a) the manner in which the community is described to prospective permanent residents, the lease and transfer provisions, the Rules, the deed and the terms of the Declaration, the maintenance and consistent application of relevant transfer procedures; actual practices of the community consistent with directives and ordinances of Berkeley Township, and the public posting on the Common Properties of statements describing the Community as housing for persons fifty-five (55) years of age or older;
 - b) the enforcement of the age restrictions contained in Article VI of the Declaration consistent with directives and ordinances of Berkeley Township, and
 - c) The Association office must produce verification of compliance with the Housing for Older Persons Act through reliable census and affidavits. The Association office must develop procedures for routinely determining the age of the Owner, or Residents of each Lot and/or Living Unit. These procedures must take place at least once every two (2) years, and shall include appropriate documentation, including but not limited to Driver's License, Birth Certificate, or other documents signed by the Owner asserting that least one permanent resident of the Lot and/or Living Unit is fifty-five (55) years of age or older, except to the extent that those particular persons have previously provided age verification, copies of which are still available in the records of the Association office.
3. To not conflict by its actions with the Declaration, Bylaws and Rules.
4. To adopt, amend and publicize such Rules as the Board may deem necessary for the functioning of the Association, for the operation and use of The Properties and Common Properties, and for Owners, Residents and Guests, are consistent with these Bylaws, the Declaration and the Rules.
5. To hire employees or contractors as are deemed necessary for such period of time as the Board may determine and to dismiss same as deemed necessary or appropriate.
6. To retain and employ legal counsel and other professional personnel as may be deemed necessary to assist in the management of the Association.
7. *To provide at least every five (5) years, procedures in accordance with the Mandatory Capital Reserve Study and HOA Maintenance Manual, to maintain, repair, construct, reconstruct, replace and protect the Common Properties and facilities using the Capital Reserve Fund and/or Special Assessments for this purpose. When the work is necessitated by the negligence, misuse or neglect by an Owner or Resident or their respective guest, the expense shall be charged directly to the Owner or Resident.*
8. To levy such fines, penalties, attorneys' fees and costs and late fees including the imposition of a lien against a Lot or Living Unit as may be necessary to carry out the intent of, including the violations of these Bylaws, the Declaration and the Rules.

9. To insure against loss from fire and vandalism, to maintain public liability insurance, to provide Director's liability insurance and to insure for any other cause for the protection of the assets of the Association.
10. To sue any person or entity in any Court of competent jurisdiction for any legitimate Association purpose.
11. To ensure that no Director, Officer, Owner, agent or employee of the Association shall in any manner become indebted to the Association except on account of the monthly assessment or any special assessment which shall be timely paid.
12. To levy a fee, at the Board's discretion, for the use of the Common Properties.
13. To provide and maintain the following services for the Owners: grass cutting, removal of snow from driveways as required, and bus transportation as well as the use of Common Properties.
14. To maintain major records pertaining to the Association for a minimum of seven (7) years and to provide for the retention of documents to accommodate tax, legal, administrative and historical considerations.
15. To make copies available to all Owners of the Declaration, Bylaws and Rules.
16. To provide a fair and efficient procedure for the alternate dispute resolution of disputes between individual Unit Owners and the Association and between Unit Owners, this shall be readily available as an alternative to litigation.

ARTICLE X - FINANCIAL POWERS AND DUTIES OF DIRECTORS

The fiscal year of the Association shall run from September 1st to August 31st. The powers and duties provided to the Board in the Certificate of Incorporation, these Bylaws, the Declaration and the Rules shall include but not be limited to the following:

1. To prepare and adopt an annual operating budget reflecting the anticipated receipts and the amounts estimated to be necessary to meet the expenditures. The budget shall be published in the Association publication prior to the start of the fiscal year. The adoption of the budget must be presented in writing to the Owners and reviewed at a General Meeting prior to form adoption by the Board.
2. *To annually prepare a Capital Reserve Fund budget which includes capital items, their estimated useful life and replacement costs, including but not limited to all items listed in the Capital Reserve Study.*
3. To collect all annual and special assessments from the Owners with a frequency and on a day fixed by the Board and to use said monies for the operation of the Association.
4. To collect delinquent assessments fines, penalties, late fees, attorneys' fees and costs, and other monies owed the Association and to employ the provisions and powers set forth in the Declaration, Bylaws and Rules to collect, foreclose, execute or levy a lien against any Owner's Lot and Living Unit for such delinquency.

5. To place a lien on the Lot and Living Unit of an Owner for monies owed the Association and to hold the Owner liable also for accumulated penalties and all attorneys' fees and costs.
6. To provide any Owner so requesting with a written statement of their account.
7. To have *periodically* prepared a monthly balance sheet for the preceding month indicating the balance or deficit in the Association's accounts.
8. To have periodically prepared a quarterly comparison budget report.
9. To have prepared after the end of each fiscal year, a summary of all receipts and disbursements of the Association's funds for the year just ended.
10. To cause an annual audit by a Certified Public Accountant within six (6) months of the close of the fiscal year of all accounts including the operating budget and reserve account, income and disbursements.
11. To have the certified annual audit available at the principal office of the Association for on-the-premises Owner inspection during business hours by appointment upon request to the Secretary of the Board.
12. To keep the Association books and accounts in a safe place located upon the Common Properties and, upon request to the Treasurer of the Board, make available for on-the-premises inspection by any Owner at the principal office during business hours.
13. To invest, to maintain checking and savings accounts, to maintain adequate reserve funds, and to act to preserve the assets of the Association in accordance with FDIC limits.
14. To borrow funds, as determined by the Directors, shall require an in-person vote by Owners in Good Standing at a Special Election Meeting. The majority of the votes cast in person shall determine the results.
15. *To have the Treasurer prepare an annual statement of costs for the purpose of determining the Administrative Fee to be paid by a transferee at closing upon the transfer of ownership and the Administrative Fee to be paid by an Owner with each initial rental or renewal of their unit. These collected fees will be applied to the Capital Reserve Fund.*
16. To obtain adequate fidelity bonds for all Officers and employees of the Association handling or responsible for Association funds. The premiums on such bonds shall constitute a common expense.
17. To have prepared and published a monthly financial report in the Association Publication and to provide a year-end summary of receipts and disbursements at the October Annual Meeting.
18. To have and be responsible for a monthly review of the books and accounts of all Association clubs and sanctioned groups and the timely submission of financial statements following events and fundraising activities.
19. To have the funds referenced in paragraph 18 above held in the Recreation Account and included in the Association monthly financial statements since they are an asset of the Association. A schedule of fund activity prepared by the Recreation Chairperson that has been reviewed and approved by the Liaison Director, and has been submitted to the Association Administrator with appropriate detail

shall be appended to said monthly Association financial statements. A percentage of the net profits from any Recreation event shall be allocated into the Association Operating Account.

20. *The Board shall be responsible for the development of a master plan for expansion, improvements and renovations of the buildings and outdoor recreational facilities, with monies forecasted and held in the Capital Reserve Fund. The Board will be guided by but not limited to the current Capital Reserve Study.*

ARTICLE XI - FUNDS AND EXPENDITURES

Section 1. Limitations on Expenditures

1. *With the exception of items already budgeted in the Capital Reserve Study, the Board shall not be permitted to spend more than Twenty-Five Thousand dollars (\$25,000) on any single item or project, without a majority of votes cast in person by Homeowners in Good Standing at a Special Election Meeting. The Board may approve, by majority vote, expenditures up to Twenty-Four Thousand Nine Hundred Ninety-Nine dollars (\$24,999) for budgeted items at any meeting of the Board without approval from the Owners. For informational purposes, at the next open meeting, these approved expenditures must be announced as well as a report on each Board member's vote.*
2. Where an item or project is more than *Twenty-Five Thousand dollars (\$25,000)* and, where the item(s) or project is to be or can be purchased or accomplished in whole or incrementally over time, the cost may not be divided or sub-divided but must be presented in its entirety to the Owners for their approval.
3. The Board shall have the authority to take immediate action to effect repairs or replacements in the event of an emergency or catastrophic event such as fire, hurricane, etc. Emergency situations should be discussed and approved by a majority of the Board before any action is taken. This provision shall not be interpreted so as to be in conflict with the powers and duties of the Board as described in Articles IX and X of these Bylaws.
4. This provision shall not be interpreted so as to be in conflict with the powers and duties of the Board as described in Articles IX and X above of these Bylaws.

Section 2. Contracts and Checks

1. All contracts, agreements and other instruments of the Association, which have been carefully reviewed and approved by the Board, shall be executed by the President of the Board under its corporate seal when a seal is required. The duly authorized Board members shall execute checks.
2. All bids over *Twenty-Five Thousand dollars (\$25,000)* must be received sealed. At an Association meeting, all sealed bids over Twenty-Five Thousand dollars (\$25,000) are to be opened by a Director in the presence of the Owners. After the bids are opened, a motion is made in the presence of a majority of the Board to expend the funds not in excess of the highest bid and a special election is held for homeowner approval of the expenditure of the funds. The bids are turned over to the Board for review and a contractor is chosen by a majority of the Directors at which a quorum is present. At a subsequent Association meeting, the chosen contractor is announced.
3. *It shall be the duty and responsibility of the Board to obtain as many written bids as it deems appropriate to secure the procurement of materials and/or services which best meets the Board's Request for Quote.*
4. The Board shall endeavor to have contracts for the procurement of materials and/or services reviewed by legal counsel to protect the interests of the Association.

5. No contract shall be awarded to any business in which one or more Directors are owners, principals or otherwise have a financial interest in such business.

Section 3. Capital Reserve Fund

1. *It shall be the duty of the Board to establish and maintain a separate designated Capital Reserve Fund consistent with the Capital Reserve Study done for The Properties. It shall also be funded relative to the sale of the Lots and Living Units, leasing of Lots and Living Units and related administrative fees.*
2. *This fund provides a measure of financial stability to maintain, repair, construct, reconstruct, replace and protect the Common Properties and facilities or for the purchase of capital items as listed but not limited to the current Capital Reserve Study. No monies shall be dispersed without a two-thirds (2/3) vote of the Directors at which a quorum is present.*

Section 4. Special Assessment

1. *Any condition/expenditure of funds in which the Board does not have sufficient funding in combined Association accounts, (budgeted or unbudgeted), that would impede the operation of the Association, (i.e. emergency situation) a Special Assessment can be approved by a two-thirds (2/3) vote of the Directors at which a quorum is present without Owner approval.*
2. *Any condition/expenditure of funds in which the Board does not have sufficient funding in combined Association accounts, (budgeted or unbudgeted, planned or unplanned) that would not impede the operation of the Association, a special assessment must be approved by a two-thirds (2/3) vote of the Directors at which a quorum is present with published notices, scheduled meetings with the Owners for review of the proposal followed by a vote cast in person by Owners in Good Standing and a majority of the votes cast in person by Owners in Good Standing shall determine the result.*
3. *Prior to the actual levying of a Special Assessment, written notice of same shall be mailed to all Owners.*

ARTICLE XII - STANDING COMMITTEES

Section 1. Establishment and Purpose

1. The establishment of a standing committee shall be subject to presentation, proposal and discussion at a Director's meeting and the adoption by a majority vote of the Directors at which a quorum is present. The Board, by majority vote, may commission an ad hoc committee for a specific undertaking for a limited, defined length of time.
2. A standing committee's or ad hoc committee's function shall be for the benefit of the entire community. They are an arm of the Board and, as such, take direction from and are responsible to the Board.
3. The Liaison Directors for each standing committee or ad hoc committee shall be limited to providing guidance on Board-related issues and provide feedback. Liaison Directors are to observe the committee's interactions and provide feedback on behalf of the committee to the Board, as well as provide support and feedback on behalf of the Board to the committee while assuming no responsibility in running of the committee. The Liaison Directors and their respective standing committee or ad hoc committee responsibility shall be published monthly in the Association Publication.
4. A standing or ad hoc committee shall have use of the Association's Common Properties and facilities with the consent of the Board as are appropriate and necessary to the carrying out of the functions

delegated to them. Use of clubhouse and outdoor facilities shall always be scheduled through the Association office and approved by the Board.

Section 2. Committee Chairpersons

1. Committee chairpersons shall be approved by majority vote of the Directors at which a quorum is present at the Organizational Meeting or as soon as possible thereafter.
2. *Chairpersons shall serve for a term of one year, but at the Board's discretion may be removed or voted in for an additional consecutive terms. Committee chairpersons shall be Owners and/or Residents in Good Standing.* Chairpersons shall not chair more than one Association committee at a time.
3. A committee shall be composed of as many members as the chairperson deems appropriate and meetings shall be held as necessary. The chairperson shall advise the Liaison Director of proposed committee selections who shall be Owners and/or Residents in Good Standing.
4. No Owner shall be a chairperson of a committee concurrently while serving as a member of the Board. A chairperson shall not be paid for the performance of a duty or duties related to their assigned committee responsibilities.

Section 3. Obligations of Standing Committees

1. To abide by the Declaration, Bylaws and Rules.
2. To insure that at no time shall any event or activity of the committee operate in conflict with any local, state or federal law.
3. To maintain all records of the committee on a current basis.

Section 4. The Functions of the Committees

1. The Alternate Dispute Resolution Committee

This committee shall oversee the providing of a fair and efficient procedure to all Owners for the resolution of disputes between individual Unit Owners and the Association or between Unit Owners, which shall be readily available as an alternative to litigation.

2. The Bylaws Committee

This committee shall develop or review and recommend proposals to amend these Bylaws, the Declaration and the Rules of the Association. It shall also review and recommend changes to the Bylaws of clubs and amendments thereto.

3. The Civic Committee

This committee shall monitor Federal, State, County and Township legislation, as well as services provided by off-site entities, and bring to the attention of the Owners, Resident and Guests the services and matters which may have an effect upon the improvement, welfare and safety of the Association.

4. The Code Committee

- a) This committee has a duty and responsibility to uphold the Declaration, Bylaws and the Rules.

b) It shall have the authority to initiate a complaint, reported or observed, and investigate violations or complaints arising from and relating to the Declaration, Bylaws and Rules. It shall strive to resolve problems and shall advise offending Owners, Residents and Guests of violations and that a fine or other consequences will be imposed by the Board if not corrected.

c) Problems that cannot be readily resolved and that may lead to further action, such as the levying of a fine or requesting an Alternate Dispute Resolution shall be referred to the Board.

d) Detailed plans and specifications for any addition or exterior change to or on a Lot/Living Unit must be reviewed and approved by the Code Committee and submitted to the Board for written approval. A Holiday Heights Project Permit as well as a Berkeley Township permit, where required, must be issued and posted on the Lot or Living Unit before any work commences.

5. The Election Committee

This committee shall be responsible for ensuring the integrity of the elections and for upholding the election and voting provisions provided in the Declaration, Bylaws and the Rules and the enforcement of procedures mandated by the Board.

6. The Facilities Committee

In accordance with New Jersey law and regulations, local ordinances and otherwise, this committee shall act as caretaker of the Association facilities and shall monitor such regulations and security measures to ensure the safe and efficient operation of the clubhouses and shall be responsible for overseeing the maintenance and care of the clubhouse grounds, basins and common areas by;

- *proactively preserving buildings, equipment and grounds from premature deterioration through monitoring the inspections, maintenance, and cleanliness of the facilities in accordance with the Association reserve studies and appropriate maintenance manual schedules;*
- *inspect all buildings, facilities, and equipment components on a monthly basis and provide a report to the Director responsible for buildings and grounds;*
- *review the Association reserve studies and note the required replacements and repairs necessary;*
- *report unexpected repairs and replacements, as required, to the Director responsible for buildings and grounds;*
- *perform a complete review every five (5) years of the Association maintenance manual for additional changes, and*
- *assist in preparation and review of Request For Proposals concerning buildings, grounds and components by giving feedback or input to the Director of Building and Grounds.*

7. The HOPA Committee (Housing for Older Persons Act)

This Committee will consist of at least three (3) Association members who will oversee the bi-annual distribution to each Owner via the Association Publication, and subsequent collection of the HOPA (Housing for Older Persons) Census as required by Federal and New Jersey state law. The Committee will review the responses for completeness/accuracy and through additional correspondence, attempt to compel compliance from non-conforming Owners. The Committee will

submit these hardcopy forms to the Association office for input to the Owner's electronic file for future reference and statistical analysis purposes. A final report will be prepared for the Board with a breakdown of the outcome of the responses and number of fine letters prepared.

8. The Library Committee

This committee shall oversee the general upkeep and maintenance of the Association library including the acquisition of books, the discarding of worn books and returning of books.

9. The Membership Committee

This committee shall welcome new Owners and Residents into the community shall be responsible for their orientation and integration, shall provide relevant information and materials, and shall encourage their participation in the Association.

10. The Neighborhood Watch Committee

This committee shall provide community information, safety tips and resources for the welfare of the Residents through committee input as well as guest speakers.

11. The Association Publication (Courier) Committee

This committee shall prepare and disseminate news and information for the monthly Association publication. The Board shall be responsible to set policy. The publication shall not accept political advertising or advertising from candidates for political office.

This committee shall be composed of a chairperson/editor, and shall include an editorial staff deemed necessary to the function of the committee.

12. The Recreation Committee

This committee shall be responsible for the coordination of all entertainment, social functions, and events. All event dates and scheduling of functions must first be coordinated through the Association, and then presented to the recreation committee for their acceptance. Once approved by the Recreation Committee, the Recreation Committee Liaison will present the request to the Board for final approval or rejection.

Monies realized by the Recreation Committee are an asset of the Association, and shall be used for the benefit of all Owners and Residents. Accounting reports with appropriate detail for events and activities and a monthly financial statement shall be prepared and submitted to the Association and a copy reviewed by the Board Treasurer.

ARTICLE XIII - SANCTIONED CLUBS

Section 1. Organization of Clubs

- 1. Owners who wish to organize a club must present a written request to the Board stating their objectives and requirements for club membership. Prior to the Board granting approval for the creation of a new sanctioned club, the club must present their Bylaws to the Bylaws Committee for review, and presented to the Board for final approval. These Bylaws shall not be in conflict with the Declaration, Bylaws and Rules of the Association.*
- 2. All sanctioned clubs shall review their Bylaws every three (3) to five (5) years, submit them to the Bylaws Committee for review, and present them to the Board for approval. Failure to comply shall be*

cause for action by the Board and may result in the suspension of the club and denial of further use of the Association's facilities or properties.

3. At no time shall any event or activity conflict with local, state or federal law.
4. No club shall be political, religious or ethnic in nature or intent.

Section 2. Club Officers

1. All Officers of clubs shall be Owners and/or Residents in Good Standing. Club Officers are responsible to the Recreation Committee Chairperson.
2. The Recreation Committee Chairperson shall be responsible for the orientation of club Officers.
3. When so requested, the President or another club Officer shall report on the club's activities to the Board and/or at an Owners' meeting.

Section 3. Club Dues and Admissions

Dues and event admissions shall be of a reasonable value and approved by the Board so as to promote maximum participation.

Section 4. Club Records and Functions

1. All club records, accounts, books, correspondence, etc. shall be turned over by the outgoing club Officers to the new club Officers following their installation.
2. Each club's Treasurer shall submit a monthly financial report providing details, in accordance with the Board's requirements and directives. The written approval of the Board is required for specific club projects.
3. All club functions must be approved by the Board.
4. If a club is to be dissolved, the depletion of the assets in its treasury shall be returned to the Association's treasury. Should the club be reactivated, the Board shall, in the Board's exclusive discretion, advance a loan for startup expenses.

Section 5. Use of the Clubhouses

1. The Board shall control the use of the clubhouse facilities and properties and shall give first consideration to Association standing committees and to the sanctioned clubs and sanctioned groups. The Board shall have exclusive oversight over all committees, clubs and groups.
2. Requests for use and/or rental of the Association auditorium must be cleared with the Board. For the convenience of the Owners and Residents, the Board shall permit local, state and national elections to be held in the Association clubhouse.
3. The Common Properties and facilities shall not be used for religious purposes, ethnic purposes, or private parties.
4. No political parties, nor candidates running for public office, shall use the Common Properties. However, government officials not running for office can be invited to address the Owners and Residents concerning specific items that would directly affect the well-being of the Association.

Article XIV Other Organizations

Bingo, First Aid, First Aid Auxiliary

Though autonomous organizations, the Holiday Heights Board of Directors provides a Liaison Director for the purpose of communication with certain other organizations, including Bingo, First Aid and First Aid Auxiliary.

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