SONATA BAY CLUB
HOMEOWNERS' ASSOCIATION, INC.

BYLAWS

(Bylaw: "Any set of rules adopted by an organization or assembly for governing its own meetings or affairs" Webster's New World Dictionary)

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BYLAWS

TABLE OF CONTENTS

		Page
ARTICLE I.	NATURE OF BYLAWS	
Section 1.	Purpose	1
Section 2.	Definitions	1
ARTICLE II	MEMBERSHIP AND VOTING RIGHTS	
Section 1.	Membership	2
Section 2.	Voting Rights	2
Section 3.	Interest in the Common Property	2
Section 4.	Suspension of Rights	2
Section 5.	Alternative Dispute Resolution	3
Section 6.	Proxies and Absentee Ballots	4
ARTICLE III	MEETINGS OF MEMBERS	
Section 1.	Place of Meetings	4
Section 2.	Regular and Annual Meetings	4
Section 3.	Special Meetings	4
Section 4.	Notice of Meetings	5
Section 5.	Elections and Other Voting	5
Section 6.	Organization	5
Section 7.	A Member in Good Standing	5
Section 8.	Judges	6
Section 9.	Meetings of the Board	6
Section 10.	Conduct of the Meeting	6
ARTICLE IV	BOARD OF TRUSTEES	
Section 1.	Express and Implied Powers and Duties	7
Section 2.	Number and Qualifications	7
	Oath of Office	8
Section 3.	Election and Term of Office	8
Section 4.	Removal of Members of the Board of Trustees	8
Section 5.	Vacancies	8
Section 6.	Meeting of the Board; Notices; Waiver of Notice	8
Section 7.	Quorum and Adjourned Meetings	9
Section 8.	Joinder in Meetings by Approval of Minutes	9
Section 9.	Non-Waiver	9
Section 10.	Consent in Lieu of Meeting and Vote	9
ARTICLE V	POWERS AND DUTIES OF THE BOARD OF TRUSTEES	
Section 1.	General Powers and Privileges	9
Section 2.	Duties and Responsibilities	11
Section 3.	Duties and Responsibilities for Insurance	12
Section 4.	Duties and Responsibilities for Fiscal Management	14

ARTICLE VI	FISCAL MANAGEMENT	
Section 1.	Common Receipts	14
Section 2.	Determination of Common Expenses	14
Section 3.	Disbursements	14
Section 4.	Depositories	14
Section 5.	Accounts	14
Section 6.	Reserves	15
Section 7.	Notice	16
Section 8.	Acceleration of Assessment Installment Upon Default	16
Section 9.	Interest and Counsel Fees	16
Section 10.	Limited Priority Liens	17
Section 11.	Annual Audit	17
Section 12.	Examination of Books	17
ARTICLE VII	OFFICERS	
Section 1.	Designation	17
Section 2.	Election of Officers	17
Section 3.	Removal of Officers	17
Section 4.	President	17
Section 5.	Vice President	17
Section 6.	Secretary	18
Section 7.	Treasurer	18
Section 8.	Other Duties and Powers	18
Section 9.	Eligibility of Trustees	18
ARTICLE VIII	COMPENSATION, INDEMNIFICATION AND EXCULPABILITY OF OFFICERS, TRUSTEES AND COMMITTEE MEMBERS	
Section 1.	Compensation	18
Section 2.	Indemnification	18
Section 3.	Exculpability	18
ARTICLE IX	ARCHITECTURAL REVIEW COMMITTEE	
Section 1.	Purpose	19
Section 2.	Powers	19
Section 3.	Authority	19
ARTICLE X	OTHER COMMITTEES	
Section 1.	Standing Committees	20
Section 2.	Recreation Committee	20
Section 3.	Communication Committee	20
Section 4.	Audit/Finance Committee	20
Section 5.	Bylaws Committee	20
Section 6.	Planning and Development Committee	21
Section 7.	Realty Committee	21
Section 8.	Community Relations Committee	21
Section 9.	Administrative Committees	21
Section 10.	Powers	21
Section 11.	Responsibility	21

ARTICLE XI FISCAL YEAR..... 21

ARTICLE XII CORPORATE SEAL..... 21

ARTICLE XIII ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE ASSOCIATION..... 22

ARTICLE XIV MISCELLANEOUS
Section 1. Notices..... 22
Section 2. Invalidity..... 22
Section 3. Waiver..... 22

ARTICLE XV AMENDMENTS..... 22

ARTICLE XVI ENFORCEMENT..... 23

ARTICLE XVII CONFLICT..... 23

BYLAWS
OF
SONATA BAY CLUB HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I – NATURE OF BYLAWS AND DEFINITIONS

Section 1. Purpose. These Bylaws are intended to govern the administration of Sonata Bay Club Homeowners' Association, Inc., a nonprofit membership corporation organized under Title 15A of the Revised Statutes of New Jersey, together with the management, administration, utilization and maintenance of the Property described in the Declaration.

Section 2. Definitions. Unless it is plainly evident from the context that a different meaning is intended, the following definitions are used throughout these Bylaws:

(a) "Administrative Committee" shall mean and refer to any group created by the Board, by Charter or by Resolution, to assist the Board of Trustees in fulfilling their "Express and Implied Duties" as specified in the Bylaws (See Article IV, Section 1).

(b) "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Sonata Bay Club Homeowners' Association, Inc., a copy of which is on file in the Association's office as Exhibit A*, as the same may, from time to time, be amended.

(c) "Association" shall mean and refer to the Sonata Bay Club Homeowners' Association, Inc., a New Jersey not for profit corporation, its successors and assigns.

(d) "Auxiliary" shall mean and refer to any group or organization recognized by the Board as assisting or supplementing the activities of the Sonata Bay Club Homeowners' Association, and such groups or organizations are comprised of Association Members providing Activities and Events to and for the benefit of the Association Members.

(e) "Board" or "Board of Trustees" shall mean and refer to the Board of Trustees of the Association.

(f) "Bylaws" shall mean and refer to the Bylaws of the Association.

(g) "Common Expenses" shall mean and refer to those expenses (including reserves) which are incurred or assessed by the Association in fulfilling its lawful responsibilities (herein sometimes referred to as "Assessment").

(h) "Common Property" shall mean those portions of the Development other than the residential building lots depicted in Exhibit C on file in the Association's office, including the retention basin, attached to the Declaration, together with all improvements thereto or facilities thereon, or any other real or personal property owned by the Association including but not limited to the Clubhouse (or utilized exclusively by its members).

(i) "Declaration" shall mean and refer to the Declaration of Restrictive and Protective Covenants, as the same may, from time to time, be amended.

(j) "Homeowner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to the Lot.

(k) "Institutional Lender" shall mean and refer to any bank, mortgage banker, savings and loan association and other financial institution or pension fund, which is the owner of a first mortgage of record which encumbers any Lot. The term "Institutional Lender" shall also mean and refer to any Institutional Lender taking a first mortgage position and any Homeowner who sells to another and takes back a purchase money mortgage.

(l) "Lot Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to the Lot.

(m) "Member" shall mean and refer to all those Lot Owners who are members of the Association as provided in the Articles of Incorporation.

(n) "Property" shall mean and refer to those real property premises located in the Township of Berkeley, County of Ocean, State of New Jersey, as more particularly depicted in Exhibit C and described on Exhibit D, attached to the Declaration and on file in the Association's office.

ARTICLE II – MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Homeowner shall be a member of the Association, subject to the provisions of these Bylaws and any Rules and Regulations promulgated by the Board. Membership in the Association shall lapse and terminate when any Member shall cease to be the record owner of a lot.

Section 2. Voting Rights. There shall be 312 votes in the Association, which shall be one vote per Lot, each of equal weight.

Section 3. Interest in the Common Property. Each Homeowner shall have a membership interest in the Association and an ownership interest in and to the Common Property equal to and in proportion with the number of votes which he holds pursuant to Section 2 hereof. Such interest shall be appurtenant to and be indivisible from ownership of his Lot. Each Homeowner who is entitled to membership in the Association pursuant to these Bylaws shall be privileged to use and enjoy the Common Property subject to the right of the Association to promulgate Rules and Regulations governing such use and enjoyment, and subject further to the provisions of Section 4 of this Article.

Section 4. Suspension of Rights. The membership rights of any Homeowner (including but not limited to the right to vote) may be suspended by action of the Board during the period when such Homeowner's assessments remain unpaid; but upon payment of such assessments (whether by check or cash), his rights and privileges shall be automatically restored. If the Board has adopted and published Rules and Regulations governing the use of the Common Property and the personal conduct of persons thereon, the Board may, in its discretion, suspend the rights and privileges of any such person for violation of any such Rules and Regulations for a period not to exceed thirty (30) days for any single violation, but if the violation is of a continuing nature, such rights and privileges may be suspended indefinitely until such time as the violation is abated. No such action shall be taken by the Board until the Homeowner is afforded an opportunity for a hearing

consistent with the principles of due process of law. (See Section 5, below, Alternate Dispute Resolution.)

Section 5. Alternate Dispute Resolution (ADR)

Associations are required to provide a fair and efficient alternative to litigation for Homeowners/Tenants to resolve housing related disputes between one another or with the Association. ADR is a mechanism for mediating these disputes.

Associations are required to provide written notice of the availability of an ADR as a condition (prior to) issuing a fine. The Association can establish a time limit within which a Homeowner/Tenant can request an ADR.

Mediation is conducted by an impartial trained mediator who does not live in the Sonata Bay Community.

If a Homeowner/Tenant wishes to request an ADR, this request must be submitted to the Board in writing. When the Board receives the request for the ADR, an agreeable date and time will be established and submitted to the ADR coordinator. The ADR coordinator will assign a mediator, and the mediation date and time will be scheduled. If the ADR involves the Board, the Board must participate in the mediation. A Homeowner/Tenant cannot compel another Homeowner/Tenant to participate in an ADR proceeding; however, an ADR can be provided for one Homeowner/Tenant to explain the concerns and the Board may take action if a resident action or inaction violates a governing document or rule.

When the mediation is conducted, the mediator will hear from both parties and then the mediator may make a suggestion as to how to resolve the dispute. If both parties agree, the dispute is resolved, and a written statement is signed by both parties and the mediator, and this is kept on file.

If no agreement can be reached, a statement is signed, and either party would not be prevented from seeking remedy in a court of competent jurisdiction.

Section 6. Proxies and Absentee Ballots. Proxy and absentee ballots shall be permitted with respect to all elections of Trustees and all amendments to the Articles of Incorporation, the Declaration, these Bylaws or any other matter to come before a meeting of the Membership of the Association at which the Members shall cast a vote. All proxies and absentee ballots shall be in writing, signed by the individual Member (or in the case of joint owners, by any one of them), or by his or their duly authorized representative(s), and delivered to the Secretary of the Association, or such other persons as the President may designate, at least 24 hours prior to the date and time of the election at which ballots are to be cast. Proxies may be revoked at any time prior to the opening of the polls and no proxy shall be voted on after eleven (11) months from the date of its execution unless the proxy provides for a longer period which, in no event can exceed three (3) years from the date of its execution. All proxies and absentee ballots shall be substantially in the form prescribed by the Board, and if not in such form, shall be deemed invalid, which determination shall be made in the sole and absolute discretion of the Judges. (See Article III, Section 8).

ARTICLE III – MEETINGS OF MEMBERS

Section 1. Place of Meetings. All meetings of the Members of the Association shall be held at its principal office or at such other place convenient to the Members as may be designated by the Board.

Section 2. Regular and Annual Meetings. All annual meetings of the Members of the Association shall be held during the same month of each year. No voting by the Members shall take place at the annual or any regularly scheduled meetings. These meetings are procedural in nature and are intended to be strictly informative. Any and all voting required of the Members shall be by ballot distributed to them prior to the meeting. (See Section 5, this Article). On the date specified for each annual meeting, the election of Trustees, having been conducted prior to the meeting, shall take place with the results of that election made public at that meeting. If the election of Trustees shall not be held on said annual meeting date or adjournment thereof, the Board shall cause the election to be held on a special election date as soon thereafter as possible, and the election will have the same force and effect as if it had taken place on the date originally scheduled. All proxies and absentee ballots validly received for the original election date shall remain in full force and effect for such an adjourned or postponed election date, and new proxies or absentee ballots may be received for such subsequent election date.

Section 3. Special Meetings.

(a) Special meetings of the Members shall be called by the President when required by these Bylaws, or may be called by the President whenever he/she deems such a meeting advisable or shall be called by the Secretary when so ordered by the Board or upon the written request of Members representing not

less than twenty-five (25) percent of all the votes entitled to be cast at such meeting. Such request shall state the purposes of such meeting and the matters proposed to be acted upon.

(b) Unless Members representing at least fifty (50) percent of all votes entitled to be cast request such a meeting, no special meeting may be called to consider any matter which is the same as a matter voted upon by the Members during the preceding twelve months, which determination shall be made in the sole and absolute discretion of the Board.

Section 4. Notice of Meetings. Except as otherwise provided by law, the Association shall provide written notice to all Association Members no later than 30 days prior to the date for mailing of the notice of the annual Trustee election that association members have the right to nominate themselves or other Association Members in good standing for candidacy to serve on the Board of Trustees. In addition, notice of each meeting of the Members, whether annual, regular or special, or for holding an election for the Board of Trustees, shall be given not less than fourteen (14) days, nor more than sixty (60) days before the day that the meeting is to be held, to each Member at his or her last known address, in the manner provided In Article VI, Section 2 of the Declaration. Notice of meetings shall state time and if appropriate, the place and/or a brief description of its purpose. **(See also Bylaws, Article IV, Section 4, Removal of Trustees.)**

Section 5. Elections and Other Voting.

(a) For the election of Trustees or for any issue to be determined including these Bylaws (see Amendments), but excluding the Declaration, a majority of votes cast by Members in good standing in person, by proxy or by absentee ballot shall determine the issue at hand.

(b) Upon the election of Trustees, positions on the Board shall be filled by those receiving the highest number of votes, in descending order, until all positions have been filled. Should there be positions open for differing terms in a specific election the persons receiving the most votes will receive the longest terms. . In the event that for the election of Trustees there is no contest, that is the number of candidates equal the number of vacancies on the Board, a ballot shall include space for write-in candidates for as many seats as are up for election. A ballot will still be sent to all residents to vote.

Section 6. Organization. At each such meeting of the Association, the President or in his/her absence, the Vice President, shall preside as Chairperson of the meeting. If both the President and the Vice President are unable to attend the meeting, the President shall designate one of the other Trustees as Chairperson. Should there be no person designated to Chair the meeting, the remaining Trustees shall determine who shall be the Chairperson. Should the Trustees lack a quorum, a person chosen by a majority vote of the Members present in person or represented by proxy and entitled to vote thereat, shall act as Chairperson. The Secretary, or in his/her absence, a person whom the Chairperson shall appoint, shall act as Secretary for the meeting. No action(s) taken at this meeting can be binding and official.

Section 7. A Member in Good Standing. A Member shall be deemed to be in good standing and entitled to vote whenever the membership is called upon to vote if, and only if, he shall have fully paid all installments due for assessments made or levied against him and his Lot by the Trustees as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if properly charged to him and to his Lot; and all outstanding fines must be paid and any and all violations of the

Covenants, Bylaws, Rules and Regulations must be cured at least three (3) days prior to the date fixed for the voting to take place.

Section 8. Judges.

(a) When a vote shall be taken on any question on which the Members shall vote, the President or his/her designee shall appoint not more than five Judges from among the Members, none of whom shall be standing for election nor be a member of a candidate's household, to act with respect to such vote. The Judges so appointed shall elect a chairperson from among themselves and take an oath administered by the Secretary.

(b) The Judges shall:
- (i) decide upon the qualifications of the voters
- (ii) conduct the election
- (iii) accept the votes whether in person, by proxy or absentee ballot
- (iv) ascertain and report the number of votes respectively for and against each question when voting is completed.

(c) In the election of Trustees, the number of votes received by each candidate need not be announced. All reports by the Judges shall be in writing and subscribed to and delivered by the Chairperson of the Judges to the Secretary.

(d) THEJUDGES OATH.
"I, _____, having been appointed as Judge for the current election, do hereby swear to faithfully execute the duties of Judge concerning such vote with strict impartiality and further to abide by the guidelines and rules set forth in Section 8 of Article III of the Bylaws, to the best of my ability."

Section 9. Meetings of the Board. All meetings of the Board, except conference or working sessions at which no binding votes are to be taken, shall be open to attendance by all Homeowners, and adequate notice of any such meeting shall be given to all Homeowners in such manner as the Bylaws shall prescribe, except that the Board may exclude or restrict attendance at those meetings, or portions of meetings, dealing with (1) any matter the disclosure of which would constitute an unwarranted invasion of the individual's 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 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. At each meeting required under this subsection to be open to all Homeowners, the participation of Homeowners in the proceedings or the provision of a public comment session shall be at the discretion of the Board, minutes of the proceedings shall be taken, and copies of these minutes shall be made available to all Homeowners before the next open meeting.

Section 10. Conduct of the Meeting. The order of business at the meeting of the Members as far as practicable shall be:
- (a) Call of the roll.
- (b) Proof of notice of meeting and waiver of notice.
- (c) Reading and disposal of any unapproved minutes.

(d) Appointment of Judges of election, if appropriate.
(e) Announcement of Election of Trustees Voting Results, if appropriate.
(f) Receiving reports of officers.
(g) Receiving reports of committees.
(h) Old business.
(i) New business.
(j) Comments from Members.
(k) Adjournment.

ARTICLE IV – BOARD OF TRUSTEES

Section 1. Express and Implied Duties. The property, affairs and business of the Association shall be managed by the Board of Trustees, which shall have all those powers granted to it by the Articles of Incorporation, the Declaration, these Bylaws and by law.

Section 2. Number and Qualifications.

(a) The Board shall consist of five (5) Trustees.

(b) The qualifications are as follows:

(i) The nominee must be a homeowner residing in the Sonata Bay Community.
(ii) The nominee must be a Member in good standing (ARTICLE III, Section 7, A Member in Good Standing) and in compliance with the Bylaws, Declaration of Restrictive and Protective Covenants, Directives, Rules and Regulations, both past and current, of the Board of Trustees.
(iii) No member shall be a nominee to the Board of Trustees when there is the existence of a conflict of interest. A conflict of interest exists where there is a conflict between one's obligation to the community good and one's self-interest, therefore:
No Board Member or Board Member Nominee will use his/her position to enhance his/her financial or business position or undertaking.
No Board Member or Board Member Nominee will use his/her position to seek personal political advantage or contribute Association funds or favors to any political party or political candidate.
Any dispute that arises, due to a question of Conflict of Interest will be submitted to Alternative Dispute Resolution to resolve the conflict (See Article II, Section 5 of these Bylaws).
(iv) The nominee, if elected, must take the Oath of Office (or sign a Certificate) to be administered by the Chairperson of the Election Judges of the Sonata Bay Club Homeowners Association, or in the case of an appointee filling a vacancy on the Board of Trustees, the Oath of Office shall be administered by the President or his/her designee.
(v) Only one spouse and/or domestic partner and/or one resident of a property and/or one Homeowner of a property shall serve on the Board, or be a nominee to the Board, and the refusal to abide by this provision shall automatically disqualify both spouses and domestic partners of the property and/or all Homeowners of a property from either serving on the Board or being a nominee.

(c) The Oath of Office:

"I, _____, having been duly elected (appointed) to the office of Trustee of the Sonata Bay Club Homeowners Association, do solemnly swear that I shall execute the duties of Trustee, as outlined in the Bylaws of the Sonata Bay Club, to the best of my ability, and further, that I shall uphold the values of the Sonata Bay Club Community, as stated in the Restrictive and Protective Covenants, the Bylaws and all other Association Rules and Regulations. I take this oath without reservation, fully understanding the duties and responsibilities as described in the aforementioned documents."

Section 3. Election and Term of Office. On the date of the Annual Meeting of the Association, election will be held for two (2) or three (3) Trustee positions. The term of office of three (3) members of the Board of Trustees shall be fixed at two (2) years and the term of office of two (2) members of the Board of Trustees shall be fixed at two (2) years. At the expiration of the term of each respective Member of the Board, his/her successor shall be elected on the date of the Annual Meeting of the Sonata Bay Club Association and shall serve for a term of two (2) years.

Section 4. Removal of Trustees of the Board. At any duly held special meeting of the Members, the removal of any one or more of the Trustees may be discussed. Any Trustee whose removal has been proposed, with or without cause, shall be given the opportunity to be heard at the meeting. A ballot shall be distributed to the Members in good standing to determine if any Trustee(s) shall be removed from the Board. Reasons for removal shall be included with the ballot. This determination shall be made by a vote at a date not less than 21 days nor more than 30 days hence to allow absentee ballots to be received. A majority of the ballots cast in the affirmative shall decide the issue. Any vacancy thus created shall be filled by appointment by the remaining Trustees, until the Board shall set a date for a special election, not more than six (6) months hence, to elect a replacement(s) by the Members. The Board may choose to defer such special election to coincide with the next annual Trustee elections.

Section 5. Vacancies. Vacancies on the Board caused by any reason other than the removal of a Trustee by a vote of the Members shall be filled by a vote of the remaining Trustees at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy. Each person so elected shall take the Oath of Office as an Appointee and shall serve, at the discretion of the Board, as a Trustee for the remainder of the term of the Trustee whose term he/she is filling.

Section 6. Meetings of the Board:Notices:Waiver of Notice. The first meeting of the new Board will be held at such time and place as shall be fixed by a majority of the Trustees at the Annual Meeting of the Association. Thereafter, a minimum of four (4) regular meetings of the Board will be held at such time and place as shall be determined from time to time by a majority of the Trustees. Notice of regular meetings of the Board shall be given to each Trustee in person, by telephone, mail or telegram at least seven (7) business days prior to the day of the meeting. Meetings of the Board, or portions thereof, may be open to Members of the Association for observation or participation in such manner and to the extent the Board may deem appropriate (See also Article III, Sec. 9.)

Section 7. Quorum and Adjourned Meetings. At all meetings of the Board a majority of the Trustees shall constitute a quorum, for the transaction of business and the votes of a majority of the Trustees present and voting at a meeting at which a quorum is present shall constitute a valid decision. If at any meeting of the Board there shall be less than a quorum present, the majority of those present shall adjourn the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be transacted without further notice. The vote of a majority of those present at a Board meeting at which a quorum is present shall be necessary for valid action by the Board.

Section 8. Joinder in Meetings by Approval of Minutes. The transaction of any business at any meeting of the Board however called and noticed or wherever held, shall be valid as though a meeting duly held after regular call and notice, if a quorum is present; and if, either before or after the meeting, each Trustee signs a written waiver of notice, or a consent to the holding of the meeting, or an approval of minutes thereof or of the resolution or act adopted at such meeting the business transacted at that meeting shall be deemed valid. All such waivers, consents or approval, shall be in writing and filed with the Secretary and made a part of the minutes of the meeting even though subsequent thereto.

Section 9. Non-Waiver. All the rights, duties and privileges of the Board shall be deemed to be continuing and shall not be exhausted by any single act or series of acts. To the same extent, the failure to use or employ any remedy or rights hereunder or hereafter granted shall not preclude its exercise in the future nor shall any custom bind the Board.

Section 10. Consent in Lieu of Meeting and Vote. Despite anything to the contrary in these Bylaws, the Articles of Incorporation or the Declaration, the entire Board shall have the power to take action on any matter on which it is authorized to act, without the necessity of a formal meeting and vote if all of the Trustees shall consent in writing to such action.

ARTICLE V – POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 1. General Powers and Privileges. The Board shall have all those powers granted to it or necessarily implied by law or by the Articles of Incorporation, these Bylaws or the Declaration, including but limited to the following:

(a) Employ, by contract or otherwise, a manager, managing agent or an independent contractor, to oversee, supervise and carry out the responsibilities as directed by the Board. Said manager or said independent contractor shall be compensated upon such terms as the Board deems necessary and proper.

(b) Employ any person, firm or corporation to repair, maintain or renovate the Common Property and Lots, lay pipe or culverts, put up lights or poles, erect signs and traffic and safety controls of various sorts on said Property.

(c) Employ professional counsel and obtain advice from persons, firms or corporations such as, but not limited to, landscape architects, architects, engineers, lawyers and accountants.

(d) Employ or contract for water and sewer, electricity and gas or other forms of utilities, cable or master television antenna.

(e) Employ all managerial personnel necessary or enter into a managerial contract for the efficient discharge of the duties of the Board.

(f) Adopt, amend and publish Rules and Regulations covering the details of the operation and use of the Property including, but not limited to pet controls.

(g) Secure full performance by Members of all items of maintenance for which they are responsible.

(h) Arrange for security protection as necessary.

(i) Enforce obligations of the Members and do anything and everything necessary and proper for the sound management of the Property, including the right to bring or defend lawsuits to enforce the terms, conditions and restrictions contained in the Declaration, Bylaws and Rules and Regulations governing the Property or Members. The Board shall also have the power to levy fines against any member(s) for violations of any of the Rules and Regulations. Collection of fines may be enforced against any member(s) and such fines shall constitute a lien upon the member's Lot. Before any fine is imposed by the Board, the member accused shall have been given notice and afforded an opportunity to be heard with respect to the alleged violation in a manner consistent with the principles of due process of law.

(j) The Association shall have a lien on any home for unpaid assessment made by the Association for a share of common expenses, or otherwise (See Article VI, Sec. 10), including any monies duly owed the Association, upon proper notice to the appropriate Homeowner, together with thereon, late fees, and reasonable attorney's fees, provided that the Association shall not record a lien in which the unpaid assessment consists solely of late fees. (See Article VI, Sec. 9.)

(k) Borrow and repay monies giving notes, mortgages or other security upon such term or terms as it deems necessary.

(l) Invest and reinvest monies; sue and be sued; collect interest, dividends and capital gains; exercise rights; pay taxes; make and enter into contracts; enter into leases or concessions; make and execute any and all affidavits for various purposes; compromise any action without leave of court; and all other powers contained herein; and those necessary and incidental .

(m) Grant and obtain easements, licenses and other property rights with respect to contiguous lands.

(n) Purchase or lease or otherwise acquire in the name of the Association or its designees, corporate or otherwise, on behalf of all members, Homes offered for sale or lease or surrendered by the Owners to the Board.

(o) Purchase Homes at foreclosure or other judicial sales in the name of the Association or its designees, corporate or otherwise, on behalf its Members.

(p) Sell, lease, mortgage (but not vote the votes appurtenant thereto) or otherwise deal with homes acquired by the Association, and sublease any such homes leased by the Association or its designees, on behalf of all members.

(q) Bring and defend actions by or against one or more Homeowners pertinent to the health, safety or general welfare of the members, and to enforce compliance with the Restrictive Covenants, Bylaws, Directives, and Rules and Regulations or any other cause of action within its powers.

(r) Appoint an Insurance Trustee, who shall not be associated with the Broker of any Insurance company providing insurance to the Association, who shall discharge his duties in accordance with these Bylaws. In the absence of such appointment, the Board shall be responsible for the disposition of all insurance proceeds.

Section 2. Duties and Responsibilities. It shall be the affirmative and perpetual obligation and duty of the Board to perform the following:

(a) Cause the Common Property and the lawn areas to be maintained according to reasonable standards adopted by the Board as set forth in the Declaration, and Bylaws, including, but not limited to such maintenance, painting, replacement and repair work as may be necessary, lawn maintenance, clearing of snow from driveways, walkways and sidewalks as deemed appropriate by the Board, and maintenance of water drainage systems.

(b) To investigate, hire, pay, supervise and discharge the personnel necessary to be employed, and provide the equipment and material necessary, to properly maintain and operate the Property as contemplated by the Declaration and Bylaws. Compensation for the services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Association.

(c) Cause to keep a complete record of all its acts and corporate affairs and to present a summary report thereof to the members at the Annual Meeting or at any special meeting when requested in writing at least twenty-one (21) days in advance by members entitled to cast at least twenty-five percent (25%) of the total votes of the Association.

(d) Make repairs, additions, improvements to, or restoration of the property in accordance with the provisions of the Bylaws and the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceeding, and further, to be responsible for the maintenance, repair and/or replacement of sidewalks and curbs included in the right of way dedicated to the Township of Berkeley or on the common property.

(e) Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises maintained by the Association placed thereon by any federal, state, county or municipal authority having

jurisdiction thereover, and order of the Board of Fire Underwriters or other similar bodies.

Section 3. Duties and Responsibilities for Insurance. Place and keep in force all insurance coverage required to be maintained by the Association, applicable to its property and members including, but not limited to:

(a) Physical Damage Insurance. To the extent obtainable, broad form insurance against loss by fire and against loss by lightning, windstorm and other risks normally included within all risk extended coverage, including vandalism and malicious mischief, insuring all improvements existing on the common property, together with all service machinery appurtenant thereto, and covering the interest of the Association, the Board, and all members and Institutional Lenders as their respective interests may appear, in an amount equal to the full replacement value of such improvements (exclusive of foundations and footings), without deduction for depreciation. Each policy shall contain a standard mortgagee clause in favor of each Institutional Lender, which shall provide that the loss, if any, shall be payable to each Institutional Lender as its interest may appear. Prior to obtaining any policy of fire insurance or any renewal thereof, and prior to obtaining an appraisal, the Board shall inquire as to the cost of an appraisal of the full replacement value of the improvements upon the Common Property, without deduction for depreciation, for the purposes of determining the amount of fire insurance to be effected pursuant to this subparagraph.

(b) Public Liability Insurance. To the extent obtainable, public liability insurance for personal injury and death from accidents occurring within the Common Property, (and any other areas which the Board may deem advisable), and for the defense of any actions brought by injury or death of a person or damage to property, occurring within such areas, and not arising by reason of any act or negligence of any individual member. Said insurance shall be in such limits as the Board may, from time to time, determine covering each member of the Board, the managing agent, the manager, and each member, and shall also cover cross liability claims of one insured against another. Such public liability insurance shall be in amounts of not less than $1,000,000 per occurrence for claims of bodily injury or for property damage. The Board shall review such limits once a year.

(c) Trustees and Officers Liability Insurance. To the extent obtainable, liability insurance indemnifying the trustees and officers of the Association against the liability for errors and omissions occurring in connection with the performance of their duties, with policy limits and deductible amounts to be determined in the sole discretion of the Board, however, in no event may the aggregate amount of the insurance be less than a sum equal to three (3) months aggregate common expense assessments on all Homes or 150% of the estimated annual operating expenses of the Association, whichever is greater.

(d) Fidelity Bonds. To the extent obtainable, the Association shall maintain adequate fidelity coverage against dishonest acts by its trustees, officers, and employees, and all others who are responsible for handling funds of the Association. Such fidelity bonds shall meet the following requirements:

(i) all shall name the Association as an oblige.

(ii) all shall be written in an amount based upon the business judgment of the Association and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or management agent, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to 100% of the estimated annual operating expenses of the Association.

(iii) All shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definitions of "employee" or similar expression.

(iv) all shall provide that they may not be cancelled or substantially modified without at least ten (10) days prior written notice.

(e) Workers' Compensation Insurance. Workers' Compensation and New Jersey Disability Benefits Insurance as required by law.

(f) Other Insurance

(i) Such other insurance as the Board may determine.

(ii) To the extent obtainable, all policies shall:

(a) provide that adjustment of loss shall be made by the Board of Trustees and that the net proceeds thereof shall be payable to the Board;

(b) to the extent obtainable contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured;

(c) provide that such policies may not be cancelled without at least thirty (30) days prior written notice to all of the named insured, including all homeowners and institutional lenders.

(d) Insurance coverage obtained and maintained may not be brought into contribution with insurance purchased by their mortgages.

(e) Coverage must not be prejudiced by:

(i) any act or neglect of the homeowners when such act or neglect is within the control of the Association, or

(ii) any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no control.

(f) Coverage may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to any and all insured.

(g) All policies must contain a waiver of subrogation by the insurer as to any and all claims against the Association, the owner of any Home and/or their respective agents, employees or tenants and of any defenses based on co-insurance or on invalidity arising from the acts.

(h) All policies of property insurance must provide that, despite any provisions giving the carrier (insurer) the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or the Insurance trustee).

(i) All insurance policies maintained by the Association shall be for the benefit of the Association and the Homeowners, and their mortgagees, as their respective interest may appear and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association. The Association, as trustee, shall hold such proceeds for the benefit of the Association, the homeowners and their respective mortgagees in accordance with the provision of the terms of the Declaration.

(iii) Any insurance maintained by the Board may provide for such deductible amount as the Board may determine to be in the best interest of the Association and the members.

(iv) The premiums for all insurance and fidelity bonds carried by the Association shall be a common expense.

Section 4. Duties and Responsibilities for Fiscal Management. To manage the fiscal affairs of the Association as provided in the following Article.

ARTICLE VI – FISCAL MANAGEMENT

Section 1. Common Receipts. The Board shall have the duty to collect from each member, his, her or their heirs, administrators, successors and assigns, as "Common Receipts", the proportionate part of the Common Expenses assessed against such Member as provided in the Declaration, the Articles of Incorporation, these Bylaws, and in accordance with applicable law.

Section 2. Determination of Common Expenses. The amount of monies for Common Expenses deemed necessary by the Board and the manner of expenditure thereof, including but not limited to, the allocation thereof, shall be a matter for the sole discretion of the Board.

Section 3. Disbursements. The Board shall take and hold the funds as collected and shall disburse the same for the purposes and in the manner set forth herein and as required by the Declaration, Articles of Incorporation, and applicable law.

Section 4. Depositories. The depository of the Association shall be such a bank or banks as shall be designated from time to time by the Board and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such parties as are authorized by the Board, provided that a management agreement may include among its provisions authority for the manager to sign checks on behalf of the Association for the payment of the obligations of the Association, if the proper fidelity bond is furnished to the Association.

Section 5. Accounts. The receipts and expenditures of the Association shall be Common Receipts and Common Expenses respectively, and shall be credited and charged to accounts under the following classifications or other classifications as the Board shall deem appropriate.

(a) Operating expenses, which shall include all expenditures within the year for which the budget is made, including reasonable allowance for contingencies such as bad debts. Operating expenses shall not include expenditures chargeable to reserves, or to additional improvements or to auxiliary expenses. At the end of the year, the unexpended amount remaining in this account shall be applied to reduce assessments for operating expenses for the succeeding year, or may be distributed to the membership as the Board shall determine.

(b) Deferred Maintenance Reserve, which shall include funds for maintenance items that occur less frequently than annually.

(c) Capital Maintenance Reserve, which shall include funds for the repair or replacement of the Common Property and those portions of the improvements located on the property which the Association is obliged to maintain or repair, which is required because of damage, depreciation or obsolescence; the amounts in this account shall be allocated among each of the separate categories of replacement items. The allocations may be adjusted to reflect differences between projected and actual depreciation and maintenance requirements.

(d) Capital Addition Reserve, which shall include funds to be used for capital improvement expenditure or for the acquisition of additional personal property that will be part of said Capital Improvement Expenditure.

(e) Auxiliary expenses shall include all funds, income and expenses, from the use of the Common Property or from any other sources. Each Auxiliary that generates or expends funds must submit quarterly written reports to the Board. The reports must include a listing of the events held during each quarterly reporting period. The income and expense must be reported IN DETAIL WITH RECEIPTS for each event held during the reporting period. Any Auxiliary that generates or expends funds and does not submit reports as required by the Board will cease to operate as an Auxiliary in Sonata Bay and will NOT have use of the common property in support of its activities. Expenses related to the production of the Sonata Bay Club Homeowners Association newsletter shall be included as an operating expense and are therefore specifically excluded from Auxiliary expenses.

(f) As soon as practicable, the various funds should be physically segregated. When, in the discretion of the Board it is necessary, loans may be made from one fund to another until such time as the diminished fund can be augmented. Interest shall be charged to the borrowing fund at the highest rate of interest currently being earned by monies in the lending fund.

Section 6. Reserves. The Board shall not be obligated to expend all of the revenues collected in any accounting period, and must maintain reasonable reserves for, among other things, repairs, replacements, emergencies, contingencies of bad weather or uncollected accounts. Despite anything to the contrary, the Board, in its determination of the Common Expenses and the preparation of a budget shall specifically designate and identify that portion of the Common Expenses which is to be assessed against the Members as a capital contribution and that portion which is to be allocable to reserves for capital maintenance, deferred maintenance or capital improvements of and to said Property. The amounts assessed and collected for the reserves shall be kept in one or

more interest bearing savings accounts, money market accounts of major banks or brokerage houses, certificates of deposit, treasury bills or notes or similar conservative investment vehicle, and shall not be utilized for any purpose other than that which was contemplated at the time of assessment. The Association may levy and collect a capital contribution, membership fee or other charge to a new owner upon the resale or transfer, initial sale, or subsequent resale of a Home, provided that such charge shall not exceed nine times the amount of the most recent monthly common expense assessment for that unit, and the capital contribution shall become a part of the Reserves. This fee shall not be deemed a prepayment of the monthly installments of the annual assessments, special assessment, or penalties attributable to the Home. The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand, in a checking account or petty cash account, for the necessary discharge of its functions.

Section 7. Notice. The Board shall give notice to each Member, in writing, and to any Institutional Lender who requires same, of the amount estimated by the Board for Common Expenses for the management and operation of the Association for the next ensuing period. If an annual Common Expense Assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior year's assessment increased by ten percent (10%), and monthly installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual Common Expense Assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board, provided that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency which cannot be met by reserve funds earmarked for such contingency.

Section 8. Acceleration of Assessment Installment Upon Default. If a Homeowner shall be in default in the payment of an installment upon a Common Expense Assessment, the Board may accelerate the remaining installments of the assessment and file a lien for such accelerated amount upon notice to the Homeowner, and if the delinquent installment has not been heretofore paid, the then unpaid balance of the Common Expense Assessment shall become due upon the date stated in the notice, which date shall not be less than five (5) days after delivery of the notice to the Member, or not less than ten (10) days after the mailing of such notice to him or her by registered or certified mail, whichever shall first occur. If no such notice is given and default shall continue for a period of thirty (30) days, then the Board shall be required to accelerate the remaining installments of the assessment upon similar notice to the Homeowner, and to file a lien for such accelerated assessment as permitted by law; in such latter event the Board may also notify any Institutional Lender holding a mortgage which encumbers the Home affected by such default or publish appropriate notice of such delinquency to the Membership of the Association. If said default continues for a period of ninety (90) days, then the Board shall foreclose the foregoing lien pursuant to law and/or commence a suit against the appropriate parties to collect said assessment.

Section 9. Interest and Counsel Fees. The Board, at its discretion, shall have the right in connection with the collection of any common expense, assessments or other charge, to impose a late fee of twenty five dollars ($25.00) for quarterly assessments (dues) received after the tenth (10^{th}) of the month in which said assessment is due, as well as an additional ten dollars ($10.00) late fee for each succeeding month that a quarterly assessment remains delinquent, during the same quarter, resulting in a total maximum late fee of forty-five dollars ($45.00) per quarter. In subsequent quarters, the same late fee(s) and/or interest will apply but not in excess of the maximum amount permitted by law. In the event that the Board's endeavors necessitate resorting to Counsel and/or the filing of a lien, those costs may be likewise added to the Homeowner's charges.

Section 10. Limited Priority Liens. The reader is directed to ARTICLE IV, Section 4, of the Declaration of Restrictive and Protective Covenants.

Section 11. Annual Audit. The Board shall submit the books, records and memoranda of the Association to an annual audit by an independent certified public accountant who shall audit the same and render a report thereon in writing to the Board and be publicly posted in summary form. Members and such Institutional Lenders or other persons, firms or corporations, as may be entitled, may request a copy of the summary.

Section 12. Examination of Books. Each Member shall be permitted to examine the books of account of the Board at a reasonable time on business days; provided, however, that the Treasurer has been given at least ten (10) days prior written notice stating the reason for the Member's desire to make such an examination. In certain limited circumstances, records will not be available if disclosure would constitute an unwarranted invasion of the individual's privacy; any documents relating to any pending or anticipated litigation or contract negotiations; any matters falling within the attorney/client privilege to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer; or any matter involving employment, promotion, discipline or dismissal of a specific officer or employee of the Association.

ARTICLE VII – OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, both of whom shall be Members of the Board, a Secretary and a Treasurer. The Board may also appoint such other Assistant Treasurers and Assistant Secretaries as in its judgment may be necessary. Any two offices, except that of President and Vice President, may be held by one person.

Section 2. Election of Officers. The officers of the Association shall be elected by the Board at the first Board of Trustees meeting following each annual meeting and such officers shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority (3) of the Trustees, any officer may be removed, with or without cause, after an opportunity for a hearing with the Board, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. (See Article IV, Section 4.)

Section 4. President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board. He or she shall have all of the general powers and duties which are usually vested in the office of the President of an Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some

other Trustee to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Members of the Association; he or she shall have charge of such books and papers as the Board may direct; and he or she shall, in general, perform all of the duties incident to the office of the Secretary.

Section 7. Treasurer. The Treasurer shall have the responsibility of the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit, of the Association in such depositories as may from time to time be authorized by the Board.

Section 8. Other Duties and Powers. The officers shall have such other duties, powers and responsibilities as shall from time to time be authorized by the Board.

Section 9. Eligibility of Trustees. Nothing herein contained shall prohibit a Trustee from being an officer.

ARTICLE VIII – COMPENSATION, INDEMNIFICATION AND EXCULPABILITY OF OFFICERS, TRUSTEES AND COMMITTEE MEMBERS

Section 1. Compensation. No compensation shall be paid to the President or the Vice President or any Trustee or Committee Member for acting as such Officer or Trustees. The Secretary and/or Treasurer may be compensated for their services if the Board determines that such compensation is appropriate. Nothing herein stated shall prevent any Officer, Trustee or Committee Member from being reimbursed for out-of-pocket expenses or compensated for services rendered in any other capacity to or for the Association, provided however that any such expenses incurred or services rendered shall have been authorized in advance by the Board.

Section 2. Indemnification. Each Trustee, Officer or Committee Member of the Association shall be indemnified by the Association against the actual amount of net loss, including counsel fees, reasonably incurred or imposed upon him or her in connection with any action, suit or proceeding to which he/she may be a party by reason of his/her being or having been a Trustee, Officer or Committee Member of the Association, or delegate, except as to matters as to which he or she shall be ultimately found in such action as to be liable for gross negligence or willful misconduct. In the event of a settlement of any such case, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct.

Section 3. Excludability. Unless acting in bad faith, neither the Board as a body nor any Trustee, Officer or Committee Member of the Association shall be personally liable to any Member in any respect for any action or lack of action arising out of the execution of his or her office. Each Homeowner shall be bound by the good faith actions of the Board, Officers and Committee Members of the Association, in the execution of the duties of

said Trustees, Officers and Committee Members. Nothing contained herein to the contrary shall serve to exculpate members of the Board of Trustees from their fiduciary responsibilities.

ARTICLE IX – ARCHITECTURAL REVIEW COMMITTEE

Section 1. Purpose. The Board shall establish an Architectural Review Committee, consisting of a chairperson, who will vote only in the event of a tie, and three (3) or five (5) members appointed by the Board, each to serve for a term of one (1) year to assure that the Community shall be maintained in a manner:

(a) providing for visual harmony and soundness of repair;

(b) avoiding activities deleterious to the aesthetic or property values of the Community;

(c) furthering the comfort of the Homeowners, their guests, invitees and lessees;

(d) promoting the general welfare and safety of the community.

Section 2. Powers. The Architectural Review Committee shall regulate the external design, appearance, use and maintenance of the Property in accordance with standards and guidelines contained in the Covenants or Bylaws or otherwise adopted by the Board. The Architectural Review Committee shall have the power to issue a cease and desist request to a Homeowner, his or her guests, invitees or lessees whose actions are inconsistent with the provisions of the Covenants, the Bylaws, the Rules and Regulations or Resolutions of the Board (upon petition of any Homeowner or upon its own motion). The Architectural Review Committee shall, from time to time as required, and if necessary, with the advice of legal counsel, provide interpretations of the Covenants, Articles of Incorporation and Bylaws, Rules and Regulations and Resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a Homeowner or the Board. Any action, ruling or decision of the Architectural Review Committee may be appealed to the Board by any party deemed by the Board to have standing as an aggrieved party and a vote of a majority of the full authorized membership of the Board may affirm, modify or reverse any such action, ruling or decision.

Section 3. Authority. The Architectural Review Committee shall have such additional duties, power and authority as the Board may from time to time provide by resolution including the right to impose fines pursuant to Article V, Section 1, (i) hereof. The Board may relieve the Architectural Review Committee of any of its duties, powers and authority either generally or on a case by case basis by vote of a majority of its full authorized membership thereof. The Architectural Review Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the rules and regulations or by resolution of the Board. Despite the foregoing, no action may be taken by the Architectural Review Committee without giving the Homeowner(s) involved at least ten (10) days prior written notice and affording him or her the opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

ARTICLE X – OTHER COMMITTEES

Section 1. Standing Committees. Standing Committees of the Association shall be Recreation Committee, Communication Committee, Audit/Finance Committee, Bylaws Committee, Planning and Development Committee, and Realty Committee. Unless otherwise provided herein, each of the aforementioned committees shall consist of a Chairperson, who will vote only in the event of a tie, and three (3) or five (5) additional members as well as a member of the Board to serve as liaison between the Board and the Committee. The committee shall be appointed by the Board after the Annual Meeting to serve for a period of one (1) year. Such appointments shall be published and posted at such time as determined by the Board. The Board may appoint such other committees as it deems desirable.

Section 2. Recreation Committee. The Recreation Committee shall advise the Board on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines.

Section 3. Communication Committee. The Communication Committee shall inform the Members of all activities and functions of the Association and shall, after consulting with the Board, make such public releases and announcements as are in the best interests of the Association.

Section 4. Audit/Finance Committee. The Audit/Finance Committee shall supervise the annual audit of the Association's books. The Treasurer of the Association may be the Chairperson of the Committee. Members should include one or more professionally qualified persons, but may include non-professional individuals. This Committee shall review, comment and provide advice to the Board on its financial oversight responsibilities in the following areas: financial statements, investment decisions, outside auditors, budgets - restricted and unrestricted funds, and review of accounting procedures and internal accounting controls and any changes thereto. The responsibilities of this Committee are to review any/all budgets and suggested modifications, if any, prior to submission to the Board; to meet with outside audit firms and make recommendations to the Board for engagement; to review the financial statements in detail quarterly and report to the full Board; to review/recommend action of investment decisions; and to review/recommend action on annual or longer and/or major contracts for services and expenses.

Section 5. Bylaws Committee. The Bylaws Committee will review the current Bylaws and Covenants of the Association and recommend additions, changes and/or corrections to same. Any and all recommendations shall be made to the Board of Trustees, who shall approve or disapprove of said recommendation(s).

Section 6. Planning and Development Committee. The Planning and Development Committee will work closely with the Finance Committee to ensure that projects submitted to the Board of Trustees are financially feasible and aesthetically viable. (See Resolution 2007-97).

Section 7. Realty Committee. The Realty Committee will assist Homeowners in the transfer of their property to the new owners. It will be the Committee's responsibility to obtain verifiable proof (2 forms) of eligibility of the prospective new Occupant(s) which will be kept on file. The Certificate of Occupancy is dependent on this proof.

Section 8. Community Relations. The Community Relations Committee will welcome new members into the community, help to introduce them to others, orient them to social activities, recreational facilities and explain the function of the Homeowners Association. Also, shall be responsible for receiving and coordinating communications from the greater community and assist them as needs arise.

Section 9. Administrative Committees. The Administrative Committees consist of the following: Security, Building Maintenance, Pool Maintenance, Beautification, Landscaping and Snow Removal, House and Exercise Room. These Committees, created and governed by the Board, are necessary to maintain the Property as contemplated by the Declaration and these Bylaws. The funds expended for services provided by these Committees shall be considered an operating expense of the Association.

Section 10. Powers. Each of the foregoing committees shall have power to appoint a subcommittee from among its members and may delegate to any such subcommittee any of its powers, duties and functions.

Section 11. Responsibility. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Trustee or officers of the Association as is further concerned with the matter presented.

ARTICLE XI – FISCAL YEAR

The Fiscal Year of the Association shall be on a calendar year basis, or upon such basis as the Board shall deem advisable.

ARTICLE XII – CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words “Sonata Bay Club Homeowners Association, Inc.”

ARTICLE XIII – ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE ASSOCIATION

Whenever, in the judgment of the Board, the Common Property requires additions, alterations or improvements costing in excess of $7,500.00, said additions, alterations or improvements shall not be made unless they have been approved by an affirmative vote of 51% of the votes cast by the Members in person or by proxy or by absentee ballot. When said approval has been obtained, all Owners shall have been assessed for the cost thereof as part of the Common Expense. Any expenditures specified in the reserve study are exempt from the previous requirement. Not less than three (3) bids shall be obtained and evaluated by the Board relative to any additions, alterations or improvements in excess of $2,500 unless exigent and/or emergency circumstances prevent the solicitation of bids. However, the Board is not bound to accept the lowest bid and is free to select any bid it seems appropriate.
In the event of any emergency which could cause damage to any portion of the Common Property, the Board may expend sums in excess of $7,500.00 to prevent damage from occurring and to protect the Common Property and the judgment of the Board shall be final.

ARTICLE XIV – MISCELLANEOUS

Section 1. Notices. All notices hereunder to the Association shall be in writing and forwarded to it at its principal office by certified mail, return receipt requested.

Section 2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the enforceability or affect the balance of the Bylaws.

Section 3. Waiver. No restriction, condition, obligation or covenant contained in these Bylaws shall be deemed to have been abrogated or waived by reason of the failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XV – AMENDMENTS

These Bylaws, or any part of them, may be altered or repealed or new Bylaws may be enacted by a vote of the Members, previous to which written notice to Members of the exact language of the amendment or of the repeal shall have been sent, by an affirmative vote of 51% of the votes cast in person, or by proxy or by absentee ballot, except a Board of Trustees may amend the Bylaws under the following circumstances: (a) to the extent necessary to render the bylaws consistent with State, federal or local law; or (b) after providing notice to all Association Members of the proposed amendment, which shall include a ballot to reject the proposed amendment. Other than an amendment to render the bylaws consistent with State, federal, or local law, if at least 10 percent of the association members vote to reject the amendment within 30 days of its mailing, the amendment shall be deemed defeated. The obligation or the proportionate responsibility for the payment of Common Expenses with respect to the Association or the Common Property or the exemption therefrom may not be changed because of any such amendment or repeal. Amendments, repeals or new Bylaws must be recorded with the Ocean County recording office. No Amendment to these Bylaws may be published and voted upon by the Members without prior approval by the Board of Trustees.

ARTICLE XVI – ENFORCEMENT

The Association shall have the power, at its sole option, to enforce the terms of this instrument or any rules or regulations promulgated pursuant thereto, by any or all of the following: self-help; by sending notice to the offending party to cause certain things to be done or undone; by restoring the Association to its original position and charging the breaching party with the entire cost or any part thereof; by taking any other action before any court, summary or otherwise, as may be provided by law; by complaint to the duly constituted authorities.

ARTICLE XVII – CONFLICT

Despite anything to the contrary herein, if any provision of this Instrument is in conflict with or in contradiction of the Declaration of Restrictive and Protective Covenants, or with the requirements of any law, then the requirements of the said Declaration or law shall be deemed controlling.