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PREAMBLE

The Association, subject to instruments of creation or governance, may do all that it is legally entitled to do under the laws and ordinances applicable to its form of organization. The Association shall discharge its functions equitably and in a manner that is not inconsistent with the health, safety and general welfare of the residents of Leisure Village East.

ARTICLE I GENERAL PROVISIONS

SECTION 1. PURPOSE

These Bylaws shall be applicable to Leisure Village East Association, Inc., a nonprofit corporation of the State of New Jersey, hereinabove and hereinafter referred to as the "Association," to all of the Members thereof, as hereinafter defined, to the Common Element including, but not limited to, the community and recreational facilities owned by the Association and to the thirty six Leisure Village East Condominiums, hereinafter referred to as the "Condominiums," all of which shall be administered, supervised and managed under the provisions of these Bylaws as though they were one entity. However, the percentage of ownership of each Member in the Common Elements, as shown in the Master Deeds, shall not be altered or changed except as provided therein.

SECTION 2. APPLICABILITY

All present and future Owners, tenants, Guests, and any other person or persons that shall be permitted to use the facilities of the Association or of the Condominiums, shall be subject to the Bylaws and to Rules and Regulations issued by the Association to govern the conduct of its Members. Ownership, rental or occupancy of any of the Units in the Condominiums shall be conclusively deemed to mean that said Owner, tenant or occupant has accepted and ratified these Bylaws and the Rules and Regulations of the Association and will comply with them.

SECTION 3. DEFINITIONS

Unless indicated otherwise, all definitions set forth in the Master Deeds of the Condominiums or in N.J.S.A. 46:8B-3, are incorporated herein by reference. Additionally, common definitions used throughout these Bylaws are:

- a. "Administration Office" means the building, located at 1 Dumbarton Drive, Lakewood, New Jersey, that houses the business and financial offices of the Association.
- b. "Association" means Leisure Village East Association, Inc., a New Jersey nonprofit corporation, formed to administer, manage, and operate the common affairs of the Unit Owners of the Condominiums and to manage the general and limited

Common Elements of the Condominiums as provided for in the Master Deeds and these Bylaws.

- c. "Board" means the Board of Trustees of the Association, and any reference herein or in the Certificate of Incorporation, Master Deeds, Bylaws, or Rules or Regulations to any power, duty, right of approval or any other right of the Association shall refer to the Board and not to the Members of the Association, unless the context expressly indicates to the contrary.
- d. "Common Elements" means "General Common Elements" and "Limited Common Elements", as defined in the Master Deeds of the Condominiums and in N.J.S.A.46:8B-3.
- e. "Common Expenses" means all those expenses anticipated by N.J.S.A.46:8B-3(e), as well as reserves incurred or assessed by the Association, or its Board, officers, agents or employees, in the lawful performance of their duties and powers.
- f. "Eligible Mortgage Holder" means any holder of a first mortgage on a Unit which has requested that the Association notify it of any proposed action that requires the consent of a specific percentage of Eligible Mortgage Holders.
- g. "Governing Documents" means the Master Deeds and Restrictions and Protective Covenants, the Articles of Incorporation, the Bylaws, the Rules and Regulations, and any policies published by the Association, all as may be amended from time to time.
- h. "Guest" means any person who resides in, occupies, visits, or otherwise affiliates with a specified Unit for not more than ninety (90) days in 12 consecutive months.
- i. "Lease" means any agreement for the leasing or rental of any Unit in the Condominiums.
- j. "Manager of the Association" or "Manager" means one or more persons duly authorized by the Board of Trustees of the Association to act as its duly authorized representative for specified purposes.
- k. "Meeting" may refer to any of the following:
 - 1. Annual Election Meeting: A meeting of the membership of the Association shall be held in July of each year at which the election of Trustees to the Board shall occur. The installation of the newly elected Trustees shall take place at the first open board meeting following the election which, to the extent feasible, shall

be held in the month of July.

2. Special Membership Meetings: The Board or membership may call a special meeting of the Association whenever deemed necessary, in accordance with these Bylaws.
 3. Open Board Meetings: The Board of Trustees holds meetings open to the membership on a regular basis at which the business of the Association is conducted.
 4. Executive Board Meetings: The Board of Trustees may hold conference or working sessions, at which no binding votes are taken, to discuss Association business. In addition, the Board of Trustees may hold executive board meetings to discuss and/or vote on: (i) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; (ii) any pending or anticipated litigation or contract negotiations; (iii) any matter falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his or her ethical duties as a lawyer; or (iv) any matter involving the employment, promotion, discipline or dismissal of a specific officer or employee of the Association.
- l. "Member" means the Owner or co-Owners of a Unit in any of the Condominiums.
 - m. "Occupant" means any person who resides in a Unit. All Occupants, unless they meet the definition of a Guest, must register at the Administration Office.
 - n. "Owner" or "Unit Owner" means and refers to those persons or entities in whom record (fee simple) title to any Unit is vested, as shown in the records of the Ocean County Clerk, unless the context expressly indicates otherwise. This shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title to any such Unit pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure. The term Unit Owner shall not refer to any lessee or tenant of a "Unit Owner". The term Unit Owner shall refer to both "Resident Owners" who reside in his, her or its Unit in Leisure Village East and to "Off-Site Owners" who do not reside in Leisure Village East.
 - o. "Rules and Regulations" means those rules and regulations published and promulgated by the Board of Trustees, together with all future amendments or supplements thereto. [Note: The Rules and Regulations constitute a document separate from these Bylaws.]

- p. "Unit" means any one of the residential dwellings presently comprising Leisure Village East as described in the Master Deeds, designated and intended for independent ownership and use, regardless of type. "Unit" shall not be deemed to include any part of the General Common Elements or Limited Common Elements situated within or attached to a Unit, as defined in the Master Deeds of the Condominiums.

SECTION 4. CONFLICT

Despite anything to the contrary herein, if any provision of these Bylaw is in conflict with or contradiction of the Master Deeds, the Certificate of Incorporation, or with the requirements of any law, then the requirements of the Master Deeds, Certificate of Incorporation or law shall control.

SECTION 5. INVALIDITY

The invalidity of a portion of the Bylaws shall not impair or affect in any manner the enforceability or validity of the remaining provisions of these Bylaws.

SECTION 6. CORPORATE SEAL

The Corporate Seal of the Association shall consist of two concentric circles between the circumferences of which shall be inscribed the name "Leisure Village East Association, Inc." and within the circumference of the inner circle the words "Incorporated, New Jersey" and the year of incorporation.

SECTION 7. PRINCIPAL OFFICE

The principal office of the Association shall be at One Dumbarton Drive, Lakewood, New Jersey 08701, or at such other suitable or convenient place within Leisure Village East as may be designated by the Board.

ARTICLE II MEMBERSHIP

SECTION 1. MEMBERS

Every person, corporation or other legal entity who is a record Owner or co-Owner of the fee simple title to a Unit shall be a Member of the Association. Except as otherwise provided, membership in the Association shall be limited to the Owners or co-Owners of Units in the Condominiums. Any person, corporation or other legal entity which holds such title or interest merely as security for the performance of an obligation (including but not limited to mortgages) shall not be a Member of the Association.

SECTION 2. CHANGE OF MEMBERSHIP

Membership in the Association shall cease automatically when ownership of a Unit ceases. Membership is conferred upon acquisition of legal title to a Unit. However, no Unit Owner shall acquire any membership rights in the Association until he/she/it has paid the membership fee.

SECTION 3. MEMBERSHIP FEE

A membership fee shall be payable by any person, corporation or entity who acquires title to a Unit by any means, whether by voluntary purchase, inheritance, sheriff's sale, mortgage foreclosure, tax sale certificate foreclosure, assignment or otherwise. Payment of the membership fee shall be a condition precedent to the exercise of rights of membership in the Association. Any unpaid membership fee shall be deemed a lien against the Unit in the same manner as any unpaid Common Expenses attributable to a Unit. The amount of the membership fee may be subject to change from time to time by resolution of the Board of Trustees. Notwithstanding the foregoing, payment of the membership fee shall not be required when a Unit is:

- a. Transferred from an Owner to a spouse or co-Owner of the same Unit;
- b. Purchased by a Resident Owner with the intent to sell his/her/its initial Unit within one year from the date of closing on the second Unit. The Resident Owner must remain a continuous resident of the community. He/she/it must maintain and advise the Association of the active real estate listing on the initial Unit and not rent or allow others to occupy the initial Unit during the one-year period while he/she/it attempts to sell the initial Unit. Failure to comply, including failure to sell the initial Unit within one year, will result in a retroactive obligation to pay the membership fee in effect at the time of the initial purchase of the second Unit;
- c. Transferred from a current Owner to the Association.

SECTION 4. MEMBER IN GOOD STANDING

"Good Standing" means a Member who is current on the payment of Common Expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed, and which Member has not failed to satisfy a judgment for Common Expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed. A Member is in Good Standing if he/she/it is in full compliance with a settlement agreement with respect to the payment of Common Expenses, late fees, interest on unpaid assessments, legal fees and/or other charges lawfully assessed; or has a pending, unresolved dispute concerning charges assessed which dispute has been initiated through a valid alternative dispute resolution ("ADR") option pursuant to the New Jersey Condominium Act or through a pertinent court action. The Association shall provide use of the amenities only to Members in Good Standing.

SECTION 5. SUSPENSION OF MEMBERSHIP RIGHTS

- a. The voting rights and privileges of any Member(s), Guest(s), tenant(s), Occupant(s), visitor(s) of other persons associated with the Unit shall be suspended by the Board for any period during which any Common Expense, late charge, interest, attorney's fees or other charge against the Unit to which the relevant Member's membership is appurtenant remains unpaid for more than sixty (60) days; but upon the payment of such fees and/or charges, the rights and privileges shall be restored.
- b. The rights and privileges of any person violating the Rules and Regulations, any non-monetary covenant of the Master Deeds or these Bylaws, may be suspended at the discretion of the Board of Trustees for a period not to exceed thirty (30) days for any single violation. If the violation is of a continuing nature, privileges may be suspended indefinitely until the violation is abated.

SECTION 6. GENERAL COVENANTS AND RESTRICTIONS

- a. No noxious or offensive activities shall be carried on, in or upon the Common Elements or in any Unit nor shall anything be done either willfully or negligently, which may become an annoyance or nuisance to others.
- b. There shall be no obstruction of the Common Elements nor shall anything be stored in or upon the Common Elements without the prior written consent of the Board unless permitted by the Rules and Regulations.
- c. There shall be no building, planting or maintaining of any matter or thing upon, in, over or under the Common Elements without the prior written consent of the Board unless permitted by the Rules and Regulations.
- d. There shall be no burning, chopping or cutting of anything on, over or above the Common Elements including, but not limited to, fireworks without the prior written consent of the Board unless permitted by the Rules and Regulations.
- e. There shall be no digging of the Common Elements without the prior written consent of the Board unless permitted by the Rules and Regulations.
- f. There shall be no modification, alteration, addition or improvement to the Common Elements without the prior written consent of the Board unless permitted by the Rules and Regulations.
- g. Nothing shall be done or kept in any Unit or in or upon the Common Elements which would increase the rates of insurance of any building, without the prior written

consent of the Board. No Unit Owner shall permit anything to be done or kept in his/her/its Unit or in or upon the Common Elements which will result in the cancelation of insurance on any building or which will be in violation of any law.

- h. No illegal or unlawful use shall be made of any Unit or of the Common Elements; and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed.
- i. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably intended and suited and said use shall be subject to the Rules and Regulations of the Association.
- j. Each Unit Owner shall pay for his/her/its own telephone, cable television services, and other utilities, which are separately metered or billed to each user by the respective utility company.
- k. No Unit Owner shall cause or permit any articles, objects, signs or other thing to be hung, displayed or otherwise viewed from the Common Elements without the written consent of the Board unless permitted by the Rules and Regulations.
- l. Nothing shall be done to any Unit or on or in the Common Elements which will impair the structural integrity of any building. All structural alterations, additions and improvements to a Unit and/or the Common Elements require the prior written approval of the Board.
- m. No flammable oils or fluids or other explosives or articles deemed hazardous to life, limb or property shall be brought into or stored in any Unit or in or upon the Common Elements.

ARTICLE III

RIGHTS AND OBLIGATION OF MEMBERS

SECTION 1. GENERAL RIGHTS AND PRIVILEGES

Members of the Association enjoy all rights and privileges as defined in the Master Deeds, the Association's Bylaws and in Rules and Regulations, subject to "Good Standing" requirements and other conditions or restrictions contained therein. Included among these rights and privileges shall be:

- a. Eligibility to serve as a Trustees on the Board and as an Association officer;

- b. To initiate, sign and present resolutions and petitions for consideration by the Board, officers, committees and Members;
- c. To execute proxies;
- d. To vote in elections or on Association business brought before the Members, or on other matters as provided in the Bylaws and Master Deeds;
- e. Upon request, accounting records shall be open to inspection by Unit Owners during business hours with a scheduled appointment. Accounting records shall include, but not be limited to: (1) a record of receipts and expenditures and (2) an account for each Unit setting forth any shares of Common Expenses or other charges due, the due dates thereof, the present balance due, and any interest in common surplus. Such requests must be written and submitted to the Administration Office. No reason need be given for any request. The Member may bring a certified public account, attorney or other professional with them. To maintain the integrity of the records, a representative of the Association must be present during all record reviews and no original documents may be removed from the Administration Office. The Association may require the Member reviewing records to sign an acknowledgement listing the records to which access was granted. The Member may also request copies to be made on site but will be charged for all copies in advance;
- f. Each Member of the Association shall have the right to adequate and timely notice of Board and membership meetings, and to adequate and timely availability of minutes of meetings, as provided for in these Bylaws. (Minutes of a meeting are not approved and finalized until the following meeting);
- g. Members shall have the right to avail themselves of the Alternative Dispute Resolution (ADR) process in the event of a dispute between a Member and the Association and/or between Members. The complete, current Association Policy Resolution Establishing Alternative Dispute Resolution Policies and Procedures is available to Members at the Administration Office;
- h. Members shall have the right of access and use of the Common Elements, including, but not limited to, the recreational facilities for their enjoyment, recreation and benefit subject to applicable Bylaws and Rules and Regulations. In addition to anything else set forth in the Governing Documents, use may be restricted for reasons of safety, security, or to provide for maintenance, repair or replacement;

- i. Members shall enjoy such other rights as may be specified in these Bylaws, Governing Documents, and New Jersey statutes.

SECTION 2. MAINTENANCE AND REPAIR; INSURANCE

Each Member shall perform promptly and at his/her/its own risk, cost and expense, all maintenance and repair work with respect to that portion of each Unit owned by him/her/it which does not comprise a part of the Common Elements and which, if omitted, would adversely affect or jeopardize the safety of the Condominium in which his/her/its Unit is located or any part or parts thereof belonging in whole or in part to other Members; and each Member shall be liable for any damages, liabilities, costs or expenses, including attorney's fees, caused by or arising out of his/her/its failure to promptly perform any such maintenance and repair work. If a Member fails to make necessary repairs promptly, the Association may make such repairs and charge the cost of same to the Member.

The Association, at its expense, shall maintain the Common Elements. In addition to such required maintenance of the Common Elements, the Association may furnish at the Common Expense (but shall not be required to furnish) such services as the Board may, from time to time, by resolution, deem appropriate. Such services may include, in the sole discretion of the Board of Trustees, labor for certain maintenance and repair work needed with respect to portions of the Units.

Each Unit Owner shall be required to obtain and keep in full force and effect, an HO6 or similar condominium owner's insurance policy, with a minimum of \$500,000 in liability coverage, and furnish a certificate or declarations page of such policy to the Association upon request but, in no event less than yearly. At all times, Unit Owners shall maintain coverage in amounts at least sufficient to cover: (i) the betterments, improvements and contents in the Unit which are the responsibility of the Unit Owner, (ii) the finished surfaces of perimeter and partition wall, floors and ceilings within the Unit, which includes paint, wallpaper, paneling, other finishes, coatings and coverings of walls and ceilings, tile, carpet, and any floor coverings, and (iii) the full amount of the Association's insurance deductible for property damage. (Liability for payment of the Association's insurance deductible or any portion thereof shall be determined in the sole discretion of the Board, with the assistance of its insurance carrier, legal counsel and management.) All Unit Owner obtained insurance policies shall contain a waiver of subrogation as to the Association. If the Unit Owner's policy is canceled, the Association shall have the right to obtain a policy on behalf of the Unit Owner and charge the cost to the Unit Owner as a remedial assessment.

SECTION 3. DAMAGE TO COMMON ELEMENTS

Each Member shall be obligated to reimburse the Association for any expenses it incurs

in repairing or replacing any part or parts of the Common Elements damaged by his/her/its negligence, omissions or misuse or by the negligence, omissions or misuse of his/her/its tenants, agents, Guests, invitees, licensees or any person or animal associated with the Unit, whether authorized or not, promptly upon the receipt of the Association's statement therefore.

SECTION 4. CONTRIBUTION TO COMMON EXPENSES

Each Member shall be obligated to contribute to the Common Expenses of the Association as outlined in the Master Deeds and Article VI of these Bylaws.

SECTION 5. TRANSFER OF UNIT

Prior to the listing of any Unit for sale, the Unit Owner must notify the Association in writing of his/her/its intent to sell. The Association will then perform a limited, non-invasive, visual inspection of the Unit. Said inspection of the Unit is for the sole purpose of verifying that the Unit does not contain any readily observable violations of the Association's Governing Documents. If any violations are discovered, the Association will provide the Unit Owner and the prospective purchaser with a dated list of the violations which shall serve as notice to both of the need to cure. The said inspection is not intended to warrant the condition or habitability of the Unit. The said inspection does not take the place of a professional home inspection by the Buyer.

Upon any voluntary conveyance of a Unit, the grantor and grantee of such Unit shall be jointly and severally liable for all unpaid Common Expenses, charges and assessments pertaining to such Unit duly made by the Association or accrued up to the date of such conveyance, without prejudice to the right of the grantee to recover from the grantor any amounts paid by the grantee. Any Unit Owner or any prospective purchaser of a Unit prior to completion of a voluntary sale may make a written request to the Association for a certificate showing the amount of unpaid Common Expenses, charges and assessments pertaining to such Unit and the Association shall provide such certificate within ten (10) days after receipt of the request. The holder of a mortgage or other lien on any Unit may request a similar certificate with respect to such Unit. Any person other than the Unit Owner at the time of issuance of any such certificate who relies upon such certificate shall be entitled to rely thereon and his/her/its liability shall be limited to the amounts set forth in such certificate.

SECTION 6. TRANSFER OF TITLE BY FORECLOSURE

Except to the extent permitted by any applicable law authorizing the establishment of a limited lien priority for the payment of Common Expense assessments, any lien that the Association may have on any Unit for payment of Common Expense assessments attributable to such Unit is subordinate to the lien or equivalent security interest of any mortgage on the Unit recorded prior to the date any such Common Expense assessment

became due. Except to the extent permitted by any applicable law authorizing the establishment of a limited lien priority, any holder of a mortgage or other party who obtains title to a Unit through foreclosure, shall not be liable for the share of Common Expenses or other charges or assessments by the Association pertaining to such Unit or chargeable to the former Unit Owner which became due prior to completion of said foreclosure. Such unpaid share of Common Expenses and other charges or assessment shall be deemed to be Common Expenses collectible from all of the remaining Unit Owners including such acquirer, his/her/its successors and assign.

SECTION 7. RESIDENTIAL USE

All Units shall be utilized for residential uses only. No person shall make any structural modifications within the Unit or to the Common Elements without the prior written consent of the Association or its duly authorized representatives and no act shall be done under any circumstances which does or may tend to impair the structural integrity of the multi- Unit buildings or adversely affect any of the Common Elements.

SECTION 8. ACCESS TO UNIT BY ASSOCIATION

The Association, through the Board or any Manager, managing agent or employee, shall have the irrevocable right to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible there from or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units. Further, the Association, through the Board or any manager, managing agent or employee, shall have a perpetual and non-exclusive right of access to each Unit to inspect same if there is reasonable cause to believe that there is a violation(s) of the Master Deeds, Bylaws, Rules and Regulations or governmental requirements and/or there is reasonable cause to believe that a condition exists that may result in an adverse impact upon any other Unit or Common Element and, to remedy any such violation(s) and/or condition.

SECTION 9. COMPLIANCE WITH GOVERNING DOCUMENTS

Each Member shall comply strictly with these Bylaws and with the administrative Rules and Regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time and with the covenants, conditions and restrictions set forth in the Master Deeds or in the deed to his/her/its Unit. Each Members shall be responsible to ensure that all Occupants, tenants, Guests, invitees and all other persons associated with the Unit strictly comply with these Bylaws and with the administrative Rules and Regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time and with the covenants, conditions and restrictions set forth in the Master Deeds. Failure to comply with any of the same shall be grounds for action by the Board, including a civil action to recover sums due for damages or injunctive relief, or

both, maintainable by the Association on behalf of the Unit Owners.

SECTION 10. OCCUPANCY

- a. With the exception of Guests, it shall be the responsibility of each Unit Owner to provide the Association's secretary with the names of every Occupant of his/her/its Unit within seven (7) business days of the Occupant moving in or otherwise losing Guest status. Not more than three Occupants or the legal limit set by statute or local ordinance, whichever is less, shall reside in any Unit at any time. A Guest's stay may not exceed ninety (90) days in twelve consecutive months. Should a Guest's stay be extended beyond the ninety (90) day limit, he/she shall be registered with the Association's secretary and the maintenance fee adjusted accordingly, or the Unit Owner will face a penalty/fine as set by the Association.
- b. At least one Occupant in each occupied Unit must be 55 years of age or older. All other Occupants, with the exception of Guests, must be at least 19 years of age or older. Upon the death of the age-qualified Occupant, any non-Guest who occupied the Unit with the deceased but who has not yet attained the age of 55 may apply to the Association for approval to continue residing in the Unit. Unless allowing the underage Occupant to stay will harm the Association's status as an adult community, the Board will not unreasonably withhold its consent.
- c. The Association is authorized to obtain verification of age of all proposed Occupants, except Guests, through copies of driver's licenses, birth certificates or similar recognized substantiation. The Association will require prospective Occupants, with the exception of Guests, to provide proof of their age-qualified status prior to moving into the Association. The Unit Owner must certify that the person(s) occupying the Unit in a non-Guest capacity meets the age requirements. The Association will require a census to be conducted at least once every two (2) years to ensure continued compliance with the age restriction.

SECTION 11. USE OF COMMON ELEMENTS

Use of the Common Elements, including the recreational facilities of the Association shall be limited to Members, tenants, Occupants and the Guests thereof, subject, however, to the Association's right to:

- a. Promulgate Rules and Regulations governing such use and enjoyment; and
- b. Suspend the use and enjoyment of the Common Elements as provided in these Bylaws.

Notwithstanding anything else herein, in the event a Unit Owner leases his/her/its Unit, the Unit Owner landlord shall assign his/her/its right to use of the Common Elements to the tenant which assignment shall preclude the Unit Owner landlord from also using the

Common Elements. Any suspension of rights imposed against the Unit Owner landlord shall suspend the tenant's rights to use of the Common Elements.

SECTION 12. LIMIT ON LIABILITY; ACTIONS AGAINST ASSOCIATION

Except where there is a willful or grossly negligent act of commission or omission by the Association, the Association shall not be liable in any civil action brought by or on behalf of a Unit Owner to respond in damages as a result of bodily injury, including death from such injury, to the Unit Owner occurring on Association premises.

SECTION 13. MEMBERS PERCENTAGE OF OWNERSHIP

A Member's percentage of ownership of the Common Elements is determined by what is stated in his/her/its relevant Master Deed.

SECTION 14. MEMBER RESPONSIBLE FOR TENANTS/GUESTS

Members of the Association shall be responsible for the conduct of their tenants, Guests, invitees and Occupants. If a tenant, Guest, invitee or Occupant of a Unit violates any of the Governing Documents, the Association shall have the right to take any authorized enforcement action against the Unit Owner of the Unit in addition to any enforcement rights against the tenant, Guest, invitee or Occupant.

SECTION 15. LEASING OF UNITS

- a. Any Unit Owner who would like to lease his/her/its Unit must first apply to the Association for approval.
- b. All leases, and renewals of existing leases, must be in writing and provided to the Association. Each lease and/or lease renewal shall, in all respects, conform with the Governing Documents of the Association and its constituent Condominiums, including but not limited to the Master Deeds and Declarations of Restrictions and Protective Covenants, the Bylaws, Rules and Regulations and published policies. Upon the execution of any lease for any Unit within the Association, the Unit Owner/lessor shall pay the Association an administrative leasing fee in the amount determined by the Board of Trustees.
- c. All leases shall be for the entire Unit. No one may lease out less than the entire Unit. No Unit may be subleased.
- d. Upon receiving approval to lease from the Association, the Unit Owner/lessor shall provide a written copy of the signed lease agreement to the Association at least thirty (30) days prior to the commencement of the lease term. All lease renewals shall be subject to a written renewal agreement. The signed lease renewal must be provided to the Association no less than thirty (30) days prior to the expiration

of the current lease term. All lease agreements and lease renewal submissions must include proof that the tenant has obtained a renter's insurance policy.

- e. All Unit Owners who lease their Units must require, as a part of the lease, that tenants carry a renter's insurance policy (commonly referred to as an "HO-4 policy") with a minimum of \$500,000 in liability coverage. A certificate of such a policy shall be furnished to the Association with the signed lease and with each lease renewal.
- f. The Unit Owner/lessor shall pay the initial administrative leasing fee and/or any annual fee no later than thirty (30) days before commencement of the lease or annual anniversary thereof. Any unpaid administrative leasing fee or annual fee shall be deemed a lien against the Unit and shall be collectable in the same manner as any unpaid Common Expenses. The amount of the administrative leasing fee and the annual fee shall be set and adjusted from time to time by the Board via resolution.
- g. No lease agreement shall be for a period of less than one (1) year or more than one (1) year.
- h. No lease shall be approved if the Unit Owner/lessor is not a Member in Good Standing as that term is defined in these Bylaws.
- i. The Unit Owner/lessor shall produce to the Association a copy of any municipal permit required for occupancy by a tenant including but not limited, to a Certificate of Occupancy or a Fire Inspector's Certificate demonstrating the presence of smoke detectors and/or carbon monoxide detectors.
- j. A Unit Owner may not lease a Unit unless the lease expressly assigns to the Association all rents due under the lease in the event of any delinquency in the payment of Common Expenses or other charges due to the Association for more than thirty (30) days, including the authorization for the tenant to pay such rent directly to the Association. The Association may, in the sole discretion of the Board, require that all lease agreements and/or all lease renewals, incorporate a Lease Rider, in such form as the Board may adopt, to, among other things, provide for such an assignment of rents.
- k. Each lease shall include a limited Power of Attorney permitting the Association to institute a dispossession action against the tenant in the event the tenant violates the Governing Documents and the Unit Owner/ lessor refuses to act. Such Power of Attorney may be incorporated into the Association's required Lease Rider, if any.

- l. Upon approval of a lease, the Association shall provide the benefit of the Common Elements, including any community amenities, to the tenant. A Unit Owner/lessor who leases his/her/its Unit shall not have the right to use the Common Elements. The Unit Owner/lessor shall retain the right to vote, unless he/she/it gives the tenant a proxy.
- m. No more than ten percent (10%) of the total Units in the Association shall be permitted to be leased at any given time. The Association shall maintain a current list of leased Units throughout the community. A Unit Owner desiring to lease his/her/its Unit may do so only if the Unit Owner has applied for and received from the Association a permit ("Leasing Permit"). Upon issuance of a Leasing Permit, the Unit Owner may lease his/her/its Unit (but not less than his/her/its entire Unit) provided such leasing shall be in strict accordance with the terms and conditions of these Bylaws, the Master Deeds, and the Association's Rules and Regulations. All Leasing Permits shall be valid only as to the particular Unit Owner and Unit by which they are issued and shall not be transferable between Unit Owners or Units.

A Unit Owner's application for a Leasing Permit shall be approved so long as the Unit Owner is in Good Standing and in compliance with the Association's Bylaws, Master Deeds, and Rules and Regulations and as long as Leasing Permits are not currently issued and in effect for more than ten percent (10%) of the total Units in the Association. If current Leasing Permits have been issued for more than ten percent (10%) of the total Units in the Association, then no additional Leasing Permits shall be issued until the number of outstanding current Leasing Permits falls below ten percent (10%) of the total Units in the Association.

To meet special situations and to avoid undue hardship or practical difficulties the Board of Trustees may grant permission to a Unit Owner to lease his/her/its Unit to a specified lessee even if doing so will cause the Association to exceed the (10%) rental limitation. A Unit Owner that seeks such permission shall submit a written request to the Association's Manager which shall be granted or denied at the sole discretion of the Association's Board of Trustees.

Solely for the purposes of calculating the number of available Leasing Permits, the number of Units in the Association shall be determined by excluding Units owned by the Association or a Mortgagee which is either in possession or is a purchaser at judicial sale.

A Leasing Permit shall be automatically revoked without notice upon the occurrence of any of the following:

- (1) The sale or transfer of the Unit to a third party (excluding sales or transfers to a Unit Owner's spouse, cohabitant or a corporation, partnership, company or other legal entity in which such Unit Owner is a principal) – this shall not however impact an existing tenancy which may continue. Therefore, a Unit Owner that purchases his, her, or its Unit with a tenant residing in the Unit pursuant to a lease with the previous Unit Owner is not prohibited from continuing to lease his, her or its Unit in perpetuity to that particular tenant as long as the lease otherwise conforms to with the Association's leasing requirements. Upon expiration and non-renewal of that particular tenant's lease, the Unit Owner that purchased his, her or its Unit with the tenant residing in the Unit pursuant to a lease with the previous Unit Owner must follow the process herein for issuance of a new Leasing Permit before he/she/it can lease to a new tenant;
- (2) The failure of the Unit Owner to lease the Unit within one hundred eighty (180) days after the date of issuance of the Leasing Permit; or
- (3) The failure of the Unit Owner to lease the Unit for any period of one hundred eighty (180) days thereafter.

In addition to all other rights granted to the Association, in enforcing any provisions set forth in the Associations Bylaws, Article III, Section 15, the Association may recover from the non-complying Unit Owner all of its costs, including court costs and reasonable attorney's fees. These costs, fees and/or damages shall be a continuing lien on the Unit that shall bind the Unit in the hands of the then Unit Owner and the Unit Owner's successors and assigns.

- n. No Unit Owner shall enter into a lease of a Unit during the first twenty-four (24) months of ownership of that Unit. During that twenty-four (24) month period the Unit must be owner-occupied. If the Unit is owned by a company, corporate entity, trustee or similar entity, then at least one (1) owner, shareholder, member, trustee and/or partner of that entity must personally reside in that Unit for at least twenty-four (24) months prior to that Unit being eligible to be rented.

ARTICLE IV MEETINGS OF MEMBERS

SECTION 1. PLACE AND TIME

All meetings of the Members will be held at a suitable and convenient place and time, as determined by the Board. All meetings of the Members may be conducted solely or in part by means of remote communication as determined in the sole discretion of the Association's Board of Trustees.

SECTION 2. ANNUAL ELECTION MEETING

The annual election meeting shall occur in July of each year.

SECTION 3. SPECIAL MEETINGS

- a. CALLED BY THE MEMBERSHIP: Special meetings of the membership of the Association shall be called by the president when Members in Good Standing representing at least 200 Units submit a petition to the Board secretary requesting such a meeting and indicating the reason(s) therefore. Such petition shall include the residents' signatures and Unit numbers. Only one signature per Unit is allowed. Such a special meeting shall be held as soon as reasonably practical. At the special meeting only the reason(s) set forth in the petition shall be acted on. Notwithstanding the above, unless Members in Good Standing representing at least 700 Units request such a meeting, no special meeting shall be called to consider any matter that is substantially the same as a matter voted upon at any meeting of the Unit Owners held during the preceding twelve (12) months, which determination shall be made in the sole and absolute discretion of the Board.
- b. CALLED BY THE BOARD: Special meetings of the membership of the Association may be called by the Board president whenever s/he deems such a meeting advisable, or shall be called by the Board secretary when so ordered by the Board of Trustees.

SECTION 4. NOTICE OF MEETINGS

Notice of all meetings of Members shall be given to each Unit Owner not less than fourteen (14) days, nor more than sixty (60) days before the day on which the meeting is to be held. Every notice shall state the time, place and purpose(s) of the meeting. Notices shall be delivered in the manner described in Article XIV below.

SECTION 5. QUORUM

Except as otherwise provided in these Bylaws, the presence in person, by ballot (whether paper, electronic or otherwise) or by proxy of Members representing one (100) hundred Units in Good Standing shall constitute a quorum at any annual or special meeting of the Members. If any such meeting cannot be organized because a quorum has not attended, a majority of the Members present in person or by proxy may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called. In the event of any such adjourned meeting, no further notice of the adjourned date need be given to any of the Members.

SECTION 6. ORGANIZATION

At each meeting of the Members, the Board president, or in his/her absence, the vice president, or in the absence of both of them, a person chosen by a majority vote of the members of the Board shall act as a chairperson of the meeting.

SECTION 7. ORDER OF BUSINESS

The order of business at all meetings of Members of the Association shall include, where applicable:

- a. Proof of notice of meetings or waiver of notice;
- b. Certifying the proxies and establishment of quorum;
- c. Appointment of Inspectors of Election, if appropriate;
- d. Election of Trustees, if appropriate;
- e. Reading and disposal of minutes of preceding meeting;
- f. Report of Community Manager, if any;
- g. Reports of Officers, if any;
- h. Reports of Committees, if any;
- i. Introduction of newly elected Trustees, if appropriate;
- j. Unfinished business;
- k. New business; and
- l. Adjournment.

ARTICLE V

MEMBERS VOTING AND ELECTION RIGHTS

SECTION 1. MEMBERS ENTITLED TO VOTE

A Unit Owner must be in Good Standing with the Association in order to be entitled to vote. Subject to the above, each Unit, whether singly or jointly owned, is entitled to cast one vote.

SECTION 2. PROXIES

All proxies shall be in writing, signed by the Unit Owner (or in the case of co-owners, by one of the Unit Owners), or by his, her or its legally authorized representative. Proxies shall be delivered to the Board secretary, or such other person as the Board president may delegate, not later than the time fixed for such filing in the notice of election or notice of meeting. Proxies may be revoked at any time prior to the proxy holder casting a vote. A separate proxy shall be required for each voting event. All proxies 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 Board. A Unit Owner who is not in Good Standing shall not use a proxy to empower anyone else to vote in his/her/its stead.

SECTION 3. VOTES REQUIRED

A majority of votes present, in person, by ballot (whether paper, electronic or otherwise) or by proxy, at any duly constituted meeting of the Member shall be sufficient on those questions submitted to a vote of the membership. The affirmative vote of a majority of those Members voting whether in person, by ballot (whether paper, electronic or otherwise) or by proxy, is required for the expenditure of Association funds involving a total project cost of \$50,000.00 or more for new construction or for additions to existing structures or facilities, or other forms of capital improvement. This requirement for approval shall not apply to repair, replacement, or maintenance of existing equipment, structures or facilities.

SECTION 4. BOARD OF TRUSTEES ELECTIONS

Elections shall be held annually unless there are no expired terms to be filled. Election of Trustees shall be held during the month of July each year on a date and at a time and place determined by the Board of Trustees. Any Member in Good Standing may nominate himself/herself or another Association Member. All ballots shall be cast anonymously and shall be counted/announced publicly at the annual election meeting. Candidates receiving the highest number of votes, having been certified, will be installed at the first open board meeting following the annual election meeting which, to the extent feasible, shall be held in the month of July. Where applicable, the candidates receiving the highest number of votes among those elected shall receive the longest terms.

SECTION 5. BALLOT BY MAIL

The Board, in lieu of calling a membership meeting, may submit any question to a vote of the membership by a ballot by mail. To the extent required by law, the Board must ensure that any ballots cast by mail are done in an anonymous manner. The Board shall appoint judges to tabulate the ballots whose report shall be included in the minute book. No action contemplated by a motion, election or question submitted to a ballot by mail shall be taken unless 100 or more Units in Good Standing submit a ballot.

In order to conduct a ballot by mail for a question submitted to a vote of the membership, the Board shall serve a notice upon all Members which shall: (i) state with specificity in terms of motion(s) the question(s) upon which the vote is to be taken; (ii) state the date by which ballots must be received in order to be counted; (iii) provide an official ballot or instructions for accessing an electronic ballot for the purposes of the vote; and (iv) state the date upon which the action contemplated by the motion(s) shall be effective, which date shall not be less than ten (10) days after the date ballots must be received.

In order to conduct a ballot by mail for an election of Trustees, the Board shall serve a notice upon all Members which shall: (i) provide an official ballot or instructions for accessing an electronic ballot for the purposes of the election; and (ii) state the date by which the ballot must be received in order to be counted.

SECTION 6. ELECTRONIC VOTING

At the discretion of the Board, any question subject to a vote of the Members including, but not limited to, all elections of Trustees and all amendments to the Master Deeds and/or these Bylaws may be voted upon electronically. If the Board determines to allow Members to vote electronically, the format shall be chosen by the Board, and, if required by law, administered by a neutral third party with anonymity maintained. In the event a Member does not have access to means for electronic voting and notifies the Association of same in writing, the Association shall provide a paper ballot and/or proxy for such Member to vote.

ARTICLE VI FISCAL MANAGEMENT

SECTION 1. FISCAL YEAR

The fiscal year of the Association shall begin on the first day of April each year.

SECTION 2. USE OF COMMON EXPENSE ASSESSMENTS (MONTHLY FEES)

The Common Expenses are paid in monthly installments. Monthly charges for the operation and maintenance of community and recreational facilities of the Association, as determined by the Board of Trustees from time to time, in accordance with these Bylaws, shall be used by the Board of Trustees to provide for, but not limited to, the following benefits:

- a. Painting, repairs and replacement of damaged buildings, including all of the Common Elements thereof, but not including painting or decorating the interior of Units.
- b. Painting, decorating, repairs and replacement of damaged Common Elements including, but not limited to, community and recreational facilities and buildings,

both exterior and interior.

- c. Payment of taxes, assessments and mortgages, if any, on the Common Elements including, but not limited to, the community and recreational facilities of the Association.
- d. Maintenance of the Common Elements, including, but not limited to, the common grounds, walks, roadways, landscaping, and all of the community and recreational facilities of the Association.
- e. Facilities for the use and enjoyment of Members including, but not limited to: community hall, with its auditorium, library, arts and craft shops, game rooms, and fitness room; swimming pool and poolside equipment; golf course and putting green; shuffleboard and bocce courts; lakes and docks; storage buildings; together with similar facilities and services.
- f. Payment of all utilities for the Common Elements including, but not limited to, the community and recreational facilities of the Association.
- g. Reserve for replacement of personal property of the Association.
- h. Master internet and cable connections.
- i. Removal of trash, garbage and snow.
- j. Fire, extended coverage, workmen's compensation, theft and public liability insurance covering all of the Common Elements including, but not limited to, the community and recreational facilities of the Association and the Common Elements of the Condominiums, but not including personal liability and personal property of Members, tenants, Occupants and Guests.
- k. Administrative expenses of the Association, including salaries and wages of all paid employees of the Association.

SECTION 3. POWER TO BIND ASSOCIATION

No officer, agent or other person shall have any power or authority to bind the Association by any contract or agreement or to pledge its credit or to render it liable for any purpose or to any amount, except when authorized by the Board of Trustees.

SECTION 4. CONTRIBUTION TO COMMON EXPENSES

Each Member is bound to contribute to the Common Expenses of maintenance, replacement and repair of the Common Elements, to the expenses of administering and maintaining the Association and all of its real and personal property in such proportions and amounts as shall from time to time be fixed by the Board of Trustees, and to any other expense that may be lawfully agreed upon. The proportions and amounts when fixed by the Board of Trustees shall be uniform for Units of the same size and type and for the same number of registered Occupants thereof. No Member shall exempt him/herself/itself from contributing toward such expenses by waiver of the use or enjoyment of the Common Elements including the community or recreational facilities of the Association or by abandonment of the Unit owned by him, her or it.

SECTION 5. MONTHLY ASSESSMENTS

Payment by the Member of his/her/its share of the expenses aforesaid shall be made monthly on the first day of each month in the amount from time to time fixed by the Board of Trustees, to the treasurer of the Association at the principal office of the Association or such other place as shall be designated by the Board of Trustees. A late charge will be assessed against any Unit Owner who fails to make a monthly Common Expense payment on or before the twentieth calendar day of the month. A separate late charge shall be added for each monthly installment that is paid on or after the twentieth calendar day of the month.

SECTION 6. LIENS

All such Common Expenses chargeable to a Member and his/her/its Unit shall constitute a lien against the said Unit in favor of the Association for the use and benefit of the Members of the Association. All such liens shall be subordinate to any lien for past due and unpaid property taxes, the lien of any prior mortgage to which the Unit is subject, and to any other lien recorded prior to the time of the recording of the claim of lien; except for any limited priority allowed by law. The said lien may be foreclosed in the manner provided for the foreclosure and sale of real estate mortgages. The Association shall have the power to bid on the Unit at foreclosure sale and to acquire, hold, lease, mortgage and convey the Unit.

Suit to recover a money judgement for unpaid Common Expenses and/or other charges may be maintained without waiving the lien securing the same. The title acquired by any purchaser following a foreclosure sale shall be subject to all of the provisions of this instrument, the Bylaws and Rules and Regulations of the Association and the Condominium Act of the State of New Jersey and, by so acquiring title to the Unit, said purchaser covenants and agrees to abide and be bound thereby.

SECTION 7. ACCELERATION UPON DEFAULT

If any monthly Common Expense assessment or other charge remains unpaid for more than sixty (60) days after it is due, the remaining monthly Common Expense assessments and/or other installment charges for that fiscal year shall be accelerated and become immediately due and payable; and the Unit Owner shall lose his/her/its privilege to pay that years' Common Expenses or other installment obligations in monthly installments.

SECTION 8. INTEREST AND COUNSEL FEES

The Board shall, at its option, have the right in connection with the collection of Common Expenses and/or any type of assessment or other charge, to impose a credit card processing fee, as applicable, a late charge of any reasonable amount and/or interest at the maximum legal rate allowed by law for the payment of delinquent real estate taxes.

If the Board pursues forced collection of the Common Expenses and/or other assessments or charges and/or files a lien whether through counsel or otherwise, the Board may, in addition to the amount due, recover reasonable attorney's fees and costs, paraprofessional fees, management administration fees plus reasonable costs for preparation, filing and discharge of the lien, in addition to such other costs as may be allowed by law.

ARTICLE VII ENFORCEMENT

SECTION 1. ENFORCEMENT METHODS

The Board shall have the power, at its sole option, to enforce the terms of the Master Deeds, these Bylaws or any Rule or Regulation, by any or all of the following methods:

- a. Self-help;
- b. Sending notice to the offending party to cause certain things to be done or undone;
- c. Restoring the Association to its original position and charging the breaching party with the entire cost thereof;
- d. Complaint to the duly constituted authorities; or
- e. By taking any other action, summary or otherwise, before any court, as may be provided by law.

An offending party and the relevant Unit Owner, if different, shall be jointly and severally liable to the Association for: (i) all costs incurred in gaining access, inspecting, investigating, documenting and/or providing notice of any violation or unsafe condition, including all expert fees, investigation fees, engineering fees, contractor fees and legal fees; (ii) all fines assessed by the Association; (iii) all costs and expenses incurred by the Association in maintaining, repairing, replacing, addressing and/or remediating the violation and/or condition including all charges by management, third-party contractors, vendors, attorneys and paraprofessionals; (iv) all damages, liabilities, fines, penalties, and costs assessed against the Association by any third-party as a result of the violation and/or condition; (v) all costs of suit including filing fees, reasonable attorney fees, reasonable paraprofessional fees, expert fees and other costs of litigation whether to defend against the Association's liability, enforce compliance, obtain an injunction, or otherwise; (vi) recoupment of all insurance deductibles paid by the Association; (vii) any other cost or expense incurred by or assessed against the Association in relation to the violation and/or condition and (vi) such other costs as shall be determined by the Court.

SECTION 2. FINES

To the extent now or hereafter permitted by the law of the State of New Jersey, the Board shall also have the power to levy fines, up to the statutory maximum, against any Unit Owner for violation of any rule or regulation of the Association or for any covenants

or restrictions contained in the Master Deeds or Bylaws. Fines may be levied upon any Unit Owner for his/her/its violation(s) and/or for violation(s) of his/her/its tenant(s), Guest(s), invitee(s) or other persons affiliated with the Unit. Each day a violation continues after notice it shall be considered a separate violation subject to a separate fine. Collection of the fines may be enforced against any Unit Owner as if the fine were a Common Expense. A fine shall not be imposed unless the Unit Owner is given written notice of the fine and of the alleged basis for the fine, and is advised of the right to participate in a dispute resolution procedure (ADR) in accordance with the New Jersey Condominium Act.

SECTION 3. WAIVER

No restriction, condition, obligation or covenant contained in these Bylaws, the Master Deeds, Rules and Regulations shall be deemed to have been abrogated or waived by reason of the failure to enforce it, regardless of the number of violations or breaches which may occur.

ARTICLE VIII BOARD OF TRUSTEES

SECTION 1. CREATION

The affairs of the Association shall be governed by a Board of Trustees, consisting of seven (7) persons, each of whom shall be a Member of the Association, in Good Standing, duly elected or appointed as provided herein.

SECTION 2. ROLE OF BOARD OF TRUSTEES

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 Certificate of Incorporation, the Master Deeds, these Bylaws, and the law. The Board shall discharge its powers in a manner that protects and furthers the health, safety and general welfare of the residents of the community.

SECTION 3. ACTIONS BY BOARD

At all meetings of the Board, the attendance by four or more Trustees shall constitute a quorum for the transaction of business and the votes of a majority of the Trustees present and voting at such meeting at which quorum is present shall constitute a valid decision.

SECTION 4. ACTIONS FOR BENEFIT OF ASSOCIATION

The Board of Trustees shall exercise the powers and duties granted to them by the Master Deeds, Bylaws, Rules and Regulations and by law in a lawful and equitable manner and with all due care and diligence. All acts taken on behalf of the Association and its

Members shall be for the benefit of the Association and its Members as authorized by the Master Deeds, the Bylaws, the Rules and Regulations and by law.

SECTION 5. POWERS AND DUTIES OF BOARD

The Board of Trustees shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of the Association and the operation and maintenance of first-class residential Condominiums and may do or cause to be done all such other lawful acts and things which are not by law, or by these Bylaws or otherwise, directed or required to be done or exercised by Members of the Association. In the performance of its duties as the administering body of the Association and of the Condominiums, the Board of Trustees shall have powers and duties including, but not limited to the following:

- a. The operation, maintenance, sanitation, renewal, replacement, care, upkeep, and protection of the buildings in all the Condominiums, the general and limited Common Elements including, but not limited to, the community and recreational facilities and all other property, real or personal, of the Association. To cause the Common Elements to be maintained according to accepted standards. All repairs and replacements shall be substantially similar to the original application and installation and shall be of quality.
- b. The preparation of a budget of the anticipated revenues and expenses of the Association for each fiscal year. Such budget shall include, but not be limited to, reasonable accruals, prepayments and reserves. Prior to the beginning of each fiscal year, the budget shall be presented to the membership at least fifteen (15) days in advance at a regular or special meeting for purposes of discussion. The monthly Common Expense assessments shall be derived from the budget.
- c. Consistent with the Governing Documents, the law and the budget, to fix the monthly Common Expense assessments and assess the same against the Units and Members in such proportions as provided in the Master Deeds and amounts as shall from time to time be deemed necessary to the proper functioning of the Condominiums and the Association. 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. If a budget is not made as required for an upcoming fiscal year, the Common Expenses for said upcoming fiscal year shall be presumed to have been set in the same amount as the then ending fiscal year, and monthly assessments shall be due on the same terms as the ending fiscal year.

- d. To adjust or increase the budget and, consequently, the amount of any monthly Common Expense assessments provided for in the preceding paragraph, and to levy and collect in addition thereto, special assessments whenever it becomes necessary to do so in order to meet increased operating and maintenance costs;, providing that such changes shall not be made effective without 30 days' prior notice to the membership. Nothing herein shall serve to prohibit or prevent the Board from imposing an emergency assessment in the case of an immediate need or emergency which cannot be met by funds earmarked for such contingency.
- e. To charge any Unit Owner a remedial assessment whenever required or permitted to do so by any provision of the Master Deeds, these Bylaws, the Rules and Regulations or by law. Remedial assessments shall be deemed to include those charges authorized herein for, among other things: (i) Unit maintenance performed by the Association; (ii) re-allocation of fines imposed on the Association by a third-party; (iii) recoupment of sums spent in relation to a specified Unit Owner's negligence, violations or omissions; and (iv) credit card processing fees to cover the costs and convenience of accepting credit cards as a payment method. Remedial assessments shall be collectable in the same manner as Common Expenses and any unpaid remedial assessment shall constitute a lien upon the Unit.
- f. To establish a fee for membership in the Association. Such fee shall be limited to nine (9) months of the monthly Common Expense assessment applicable to the subject Unit.
- g. To use and expend any sums collected for the operation, maintenance, sanitation, renewal, replacement, care, upkeep, protection and surveillance of the Common Elements including, but not limited to, community and recreational facilities of the Association and all of its real and personal property.
- h. To require all Board members, officers, committee members, agent and employees of the Association handling or responsible for funds of the Association or funds in its possession or under its control to furnish adequate fidelity bonds, in form, penalties and with corporate surety satisfactory to the Board of Trustees. The premiums on such bonds shall be paid by the Association as part of the Common Expenses.
- i. To pay all taxes and assessments levied or assessed against any property of the Association, exclusive of any taxes or assessments levied against any Unit or

otherwise properly chargeable to the Owners thereof.

- j. To employ, by contract or otherwise, a Manager, managing agent or an independent contractor to perform such duties as the Board may lawfully delegate. Such Manager, managing agent or independent contractor shall be compensated upon such terms as the Board deems necessary and proper. Further, the Board shall have the power to employ all administrative personnel necessary or enter into a contract for administrative services.
- k. To investigate, hire, pay, supervise and discharge the personnel necessary, and provide the equipment and materials necessary, in order to properly maintain and operate the Association and its Common Elements.
- l. To employ any person, firm or corporation to repair, maintain or renovate the Common Elements.
- m. To employ or contract for water and sewer, electricity and gas or other forms of utilities, including the power, but not the duty, to contract for bulk internet and cable services.
- n. To enter or cause to be entered any Unit when deemed necessary for the purpose of (1) maintaining the safety, health and welfare of the Owners and/or Occupants or in compliance with any sanitary code requirements; (2) performing necessary maintenance, repair, replacement or protection of any Common Elements located therein or accessible therefrom; (3) making emergency repairs necessary to prevent damage to the Common Elements or to any other Unit or Units and/or (4) confirming compliance with the Association's Governing Documents when reasonable cause exists to believe that a violation has been/is being committed. Each Owner shall be deemed to have expressly granted such rights of entry by accepting and recording the deed to his, her or its Unit. All costs, including reasonable attorney's fees and lock-smith charges, incurred by the Association in acting pursuant to this subsection shall be billed back to the Unit Owner as a remedial assessment.
- o. To collect delinquent levies or assessments made by the Association through the Board of Trustees against any Units and the Owners thereof, together with such costs and expenses incurred in connection therewith including, but not limited to, court costs and attorney's fees, whether by suit or otherwise, to abate nuisances and enforce observance of the Rules and Regulations relating to the Condominiums and the Association, by injunction or such other legal action or means as the Board of Trustees may deem necessary or appropriate.

- p. To employ or retain counsel, engineers, accountants or other professionals and to fix their compensation whenever such professional advice or services may be deemed necessary by the Board of Trustees for any proper purposes of the Association.
- q. To cause such operating accounts, and other accounts, if any, to be established and opened as the Board of Trustees may deem appropriate from time to time and as may be consistent with good accounting practices.
- r. To cause a complete audit of the books and accounts of the Association to be made by an independent certified public accountant at the end of each fiscal year, and at such other times as may be deemed necessary. The Board of Trustees shall cause to be prepared at the end of each fiscal year, and make available to Unit Owners, audited financial statements covering the business and affairs of the Association and supporting data reflecting its current financial condition.
- s. To cause a census of the Association Members and Occupants to be taken every two (2) years.
- t. To keep detailed books of account of the receipts and expenditures involved in the administration of the Association, including separate ledgers containing direct charges, receipts and amounts due for each Unit dating back at least as far as the last zero balance.
- u. To adopt, amend, publish and enforce compliance with such reasonable Rules and Regulations relative to the operation, use and occupancy of the Units and the Common Elements including the Association facilities, and to amend the same from time to time as the Board shall deem necessary or appropriate. Such Rules and Regulations may include a system for regular maintenance, cleaning, repair and/or replacement of certain Unit items that have the potential to affect other Units or the Common Elements. The Rules and Regulations, when approved by the Board and made available to all Members, shall be binding on the Owners, Occupants and all others who come into the Association.
- v. 1. The Board of Trustees shall keep the Common Elements including all buildings, fixtures, equipment and personal property owned by the Association, insured for the benefit and protection of the Association and the Owners and co-Owners of the Units and their respective mortgagees, as their interest may appear, in amounts equal to their maximum insurable values, excluding foundation and excavation costs, as determined annually by the Board of Trustees, against the following

hazards, casualties and contingencies:

- i. Loss or damage by fire, and lightning and other casualties covered by a standard extended coverage endorsement.
- ii. All such policies shall provide that in the event of loss or damage, the proceeds shall be payable to the Association. There shall be attached to each such policy a mortgagee or lender's loss payable clause in form satisfactory to a majority of the mortgagees or beneficiaries under the first mortgages on Units in the Condominiums. Such majority shall consist of the holders of the bonds or notes representing 51 percent of the value of the bona fide first mortgagees on the respective Units embraced in said Condominiums at the time the policies became effective. The Association shall pay the premiums on such policies as Common Expenses.

2. The Board of Trustees shall also maintain public liability insurance insuring the Association against liability for any negligent act of commission or omission attributable to the Association, and which occurs on or in any of the Common Elements, including, but not limited to the community or recreational facilities of the Association. The Board shall also maintain workmen's compensation insurance, liability insurance on motor vehicles owned by the Association, and such other insurance as will protect the interests of the Board of Trustees and of the Association. All insurance premiums shall be paid by the Association as a Common Expense.

- w. To enforce policies regarding the leasing of Units.
- x. To purchase or otherwise acquire, in the name of the Association, Units at foreclosure, judicial sales, or those offered for sale, lease or surrendered to the Board. The Board may sell, lease or mortgage Units acquired by the Association, but not vote the votes allotted to the Units.
- y. To create, appoint members to and disband any committees.
- z. To employ, by contract or otherwise, an Association secretary who may be separate from the elected secretary serving as an officer to the Association, and who shall perform all duties outlined in the relevant job description, including: (1) the proper notification of all meetings of the Members and of the Board of Trustees to the respective Members thereof; (2) maintaining custody of the Corporate Seal and, when authorized by the Board of Trustees, shall affix the same to any instrument requiring it and attest the same when appropriate; (3) maintaining at the administration office of the Association an updated and complete record of the names of every Member, his/her/its post office address,

Unit number, Condominium number, the type of Unit owned by him/her/it, and the names of all Occupants of each Unit; (4) maintaining rental records, census data, vehicle records and copies of all Master Deeds; and (5) such other duties as may be prescribed by these Bylaws or by the Board of Trustees.

- aa. Obtain and fund a reserve study at such intervals and in such amounts as required by law.
- bb. To borrow and repay monies, giving notes, mortgages, or other security upon such term or terms as it deems necessary.
- cc. To invest and reinvest monies; collect interest, dividends, and capital gains; make and enter into contracts, enter into leases or concessions; make and execute any and all proper affidavits for various purposes; sue and be sued; compromise any action without leave of court; and all other powers contained herein, and those necessary and incidental thereto.
- dd. To transfer, grant or obtain easements, licenses, and other property rights with respect to the Common Elements or for the benefit of the Condominiums.
- ee. To cause to be kept a complete record of all of its acts and corporate affairs.
- ff. To take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises maintained by the Association and 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 6. TERM OF OFFICE

Unless filling a vacancy or other early end to a term, each Trustee shall be elected to a three-year term of service. The expiration of Trustee terms shall be staggered so that, in any one year, no more than three (3) full terms will expire. Each term of service begins with the installation of the new Board of Trustees at the first open board meeting following the annual election meeting. Trustees shall serve without compensation, but shall be entitled to reimbursement for reasonable expenses incurred in the discharge of their duties for the Association; provided, however, that any such expenses shall have been authorized in advance by the Board.

SECTION 7. QUALIFICATIONS

Membership in Good Standing shall be required for nomination, appointment or election as a Trustee and for continued service on the Board. No Member from a single Unit shall serve on the Board simultaneously with another Member of the same Unit.

SECTION 8. ELECTION PROCEDURES

With regards to the election of Trustees, the Association shall:

- a. Provide written notice to all Unit Owners informing them of their right to nominate themselves or other Unit Owners in Good Standing for candidacy to serve on the Board (the "Call-for-Candidates"). The Call-for-Candidates shall be sent no later than thirty (30) days prior to the date for the mailing of the notice of election described in subsection (B) below. The period for submitting nominations shall not be less than fourteen (14) days from the mailing of the Call-for-Candidates.
- b. Provide the Unit Owners with written notice of the election. The notice of election shall be sent no less than fourteen (14) nor more than sixty (60) days prior to the meeting at which an election of Trustees is scheduled.
- c. Notify any Unit Owner who is not in Good Standing. The notification shall be sent a minimum of thirty (30) days prior to the election. The notice shall state that the Unit Owner has the right to contest the designation by requesting non-binding alternative dispute resolution ("ADR"). Unit Owners shall be permitted to rectify their standing up until five (5) business days prior to the election date.

SECTION 9. VACANCY IN OFFICE

Vacancies on the Board caused by any reason, other than the removal of a Trustee by vote of the Unit Owners, may be filled by a vote of a majority of the remaining Trustees, at their discretion, at a meeting of the Board held for that purpose. Each person so appointed shall serve as a Trustee until the next annual election, at which time a Trustee shall be elected by the Members to fill the remainder, if any, of the vacant term.

SECTION 10. RECALL

a. Recall by The Board

At any duly held and constituted regular or special meeting of the Members, any one or more Trustees may be removed with or without cause by a vote of 51% of Association Members, provided that the notice of the meeting expressly includes the proposed removal. Upon removal, a successor shall be appointed by the remaining Trustees. Each person so appointed shall serve as a Trustee until the next annual election, at which time a Trustee shall be elected by the Members to

fill the remainder, if any, of the vacant term.

b. Recall by Membership

Association Members may remove a Board member who was elected by the Unit Owners by submitting to the Board a petition signed by a minimum of 51% of Association Members. A special election of the Association membership shall be held within sixty (60) days of receipt of the petition. When the annual meeting is scheduled to occur within 60 days of the submission of the petition, then the election shall be held at the annual meeting.

- c. Notwithstanding anything else herein, a Board member's failure to maintain the qualifications shall result in immediate removal from the Board.

SECTION 11. CONFLICT OF INTEREST

Each Board Trustee has a duty to place the interests of the Association foremost and to decline to participate in any discussions and/or decisions of the Board in which he/she has a personal or financial interest. Board Trustees shall be expected to comply with any Conflict-of-Interest policy adopted by the Board.

SECTION 12. INDEMNIFICATION

The Association shall indemnify every Trustee, officer and committee member, his/her heirs, executors and administrators, against all loss, cost and expense, including counsel fees, reasonably incurred by or imposed upon him/her in connection with any third-party action, suit or proceeding to which he/she may be made a party by reason of his/her being or having been a Trustee, officer or committee member of the Association except as to matters as to which he/she shall be finally adjudged to be liable for gross negligence or willful misconduct. In the event of a settlement of any such action, suit or proceeding, 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. The foregoing rights shall be in addition to any other rights to which such Trustee, officer and/or committee member may be entitled.

SECTION 13. EXCULPATION

Unless acting in bad faith or in breach of authority, neither the Board as a body nor any Trustee, officer or committee member shall be personally liable to any Unit Owner in any respect for any action or lack of action arising out of the execution of his/her office. Each Unit Owner shall be bound by the good faith actions of the Board, Trustees, officers and committee members in the execution of their duties and powers.

SECTION 14. BOARD MEETINGS AND MINUTES

- a. Adequate notice of at least seven (7) days prior to any open Board meeting shall be given to all Association Members. Notices of all open Board meetings shall contain the time, date, location and, to the extent known, the agenda. Notices shall be: (1) posted prominently in the clubhouse of the Association and the Administration Office; (2) published in the Leisure Times (when time allows) and posted on the LVE web site and info line; and/or (3) personally provided to each Member by mail, hand-delivery or electronic means. Said notices shall be filed in the Administration Office. Such notices shall be maintained by the Board for a period of two (2) years.
- b. Annually, within seven (7) days following the annual election meeting, the Association shall post and maintain posted throughout the year, an open Board meeting schedule. The schedule shall be posted in one or more of the three manners listed in Subsection a above. Additional notice shall be given seven (7) days prior to the date of each scheduled meeting as provided for in Subsection a above. Any changes to the posted open Board meeting schedule shall be made at least seven (7) days prior to the scheduled date and posted and maintained in the same manner as the original schedule.
- c. In the event that a meeting of the Board of Trustees is required in order to deal with matters of such urgency and importance that delay for the purpose of providing seven (7) days advance notice would likely result in substantial harm to the interest of the Association, and provided that the meeting is limited to discussions of and acting with respect to such matters of urgency and importance, notice of the emergency meeting shall be deemed to be adequate if it is provided as soon as possible following the calling of the meeting by posting, delivering and/or filing written notice as hereinabove provided. The Board shall maintain on record the facts establishing the emergency and any prior knowledge of the condition; minutes shall be taken.
- d. When the Board has determined to cancel a scheduled open Board meeting, it shall post notice of the cancelation at the meeting site by the time the meeting is scheduled to begin. The Board shall promptly post the notice of cancellation at the location on the property where notices are posted and its website. The notice shall state when the meeting will be held and the reason for the cancellation.
- e. The Board shall provide a brief explanation of the basis for and cost entailed in any matter that is the subject of a binding vote, which shall be included in the minutes.

- f. The Board of Trustees may exclude attendance of all Association Members at meetings, or portions of a meeting, for the discussion and vote on: (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 attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his/her ethical duties as a lawyer; or (4) any matter involving the employment, promotion, discipline or dismissal of a specific officer or employee of the Association. All other binding votes shall be taken at open Board meetings open to attendance by all Association Members.
- g. The extent of participation by Members attending open Board meetings shall be determined by the Board and shall be announced to the Members whenever such determinations are made. Such policy for participation shall be applied uniformly.
- h. At least four open Board meetings shall be held each year at a date, time and location fixed by the Board. Said meetings, in whole or in part, can, at the discretion of the Board, be held virtually. Special meetings of the Board of Trustees may be called by the president and shall be called by the president upon written request of any two Trustees. Notices of all meetings of the Board shall be given to each Trustee by the Association's secretary. Any Trustee may, at any time, waive notice of any meeting of the Board in writing and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by a Trustee at any meeting of the Board shall constitute a waiver of notice by him or her. The attendance of four or more Trustees shall constitute a quorum at any meeting of the Board of Trustees. The votes of a majority of the Trustees present and voting at such meeting at which a quorum is present shall constitute a valid decision.
- i. If at any meeting of the Board of Trustees there shall be less than a quorum present, the majority of the Trustees present shall adjourn the meeting to a new date, and at such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice to any Trustee.
- j. All the rights, duties and privileges of the Board of Trustees 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 right hereunder or hereafter granted shall not preclude its exercise in the future nor shall any custom bind the Board.

ARTICLE IX OFFICERS

SECTION 1. OFFICERS

The 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 officers, except that of president and vice president, may be held by one person.

SECTION 2. ELECTION

The officers of the Association shall be elected annually by the Board of Trustees at the first open Board meeting following each annual election meeting and shall hold office at the pleasure of the Board of Trustees. Officers may be removed either with or without cause, upon a vote of the Trustees and his/her successor elected at any open Board meeting called for such purpose.

SECTION 3. PRESIDENT

The president shall be the Chief Executive Officer of the Association and shall preside at all meetings of the Members and of the Board of Trustees. He/she shall have the general powers and duties usually vested in the office of president of an association. He/she shall execute such deeds, contracts and other instruments, in the name and on behalf of the Association and under its Corporate Seal when a seal is required, except when such documents are required or permitted by law to be otherwise executed and except when signing and execution thereof shall be delegated by the Board of Trustees to another officer or agent of the Association. The president shall be responsible for the day-to-day supervision of and communication with the Association's Manager or managing agent and the Association's attorney.

SECTION 4. VICE PRESIDENT

In the absence of the president, the vice president shall act as president of the Association, with all the powers delegated to the president under these Bylaws. The vice president shall also perform such other duties as shall from time to time be imposed upon him/her by the Board.

SECTION 5. SECRETARY

The secretary shall attend all meetings of the Board of Trustees, all meetings of the Members, and shall record all votes and the minutes of such meetings and proceedings, including resolutions, in a minute book to be kept for that purpose. He/she shall have charge of the minute book and such records and papers as the Board of Trustees shall direct. He/she shall be responsible for ensuring that the minutes are written, and then posted at a designated place in Barton Hall. Such minutes shall include a record of any

votes taken.

Minutes of the proceedings of each open Board meeting shall be taken and made available to all Members before the next open Board meeting. The minutes may be identified as “draft” or “unapproved”. If the meeting is recorded electronically, a written record shall be taken of the matters addressed and the matters voted on. Association Members shall have access to the electronic recording for 30 days from the date the written minutes are approved. Such minutes of each open Board meeting shall be displayed in a prominent place in Barton Hall for examination by any interested Member of the Association.

The secretary shall, whenever instructed by the Board, submit to the Clerk of Ocean County, New Jersey, Board resolutions for recording within thirty (30) days after approval by the Board.

SECTION 6. TREASURER

The treasurer shall have responsibility for the Association’s funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies, checks and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Trustees. He/she shall disburse the funds of the Association as may from time to time be ordered by the Board of Trustees, making proper vouchers for such disbursements and shall render to the president and to the Board of Trustees at the regular open Board meetings, or whenever they or either of them shall require an account of his/her transactions as treasurer and of the financial condition of the Association.

The treasurer shall: (1) oversee the Board’s preparation of the budget and be responsible for presenting it to the Association’s Members, (2) present the financials at the open Board meetings and (3) serve as liaison to the Audit Committee and Accounts Receivable Committee.

SECTION 7. COMPENSATION

Officers of the Association shall serve without compensation, but shall be entitled to reimbursement for all reasonable expenses incurred in the discharge of their duties for the Association; provided, however, that any such expense shall have been authorized in advance 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.

The Board members not elected to an officer position shall serve as Trustees who shall perform such duties assigned by the president or vice president in the absence of the president.

ARTICLE X AMENDMENTS TO BYLAWS

SECTION 1. AMENDMENTS:

These Bylaws, or any of them, may be altered or repealed or new Bylaws may be made; provided that prior written notice to the Unit Owners of the exact language of the amendment(s) or repeal shall have been sent.

Any amendment(s) or repeal shall become effective only after it is recorded in the office of the Clerk of Ocean County, New Jersey. The secretary shall submit to the Clerk of Ocean County, New Jersey, for recording any amendments or repeals of these Bylaws within thirty (30) days after passage. The secretary shall announce to the membership the official date of recording of such amendments and/or repeals by the Clerk of Ocean County in the Master Deeds of the Association, which date shall become the effective date of the amendments/repeals, unless a later date is specified therein.

SECTION 2. AMENDMENTS: VOTING

Proposals to amend/repeal these Bylaws may be initiated by the Board of Trustees at any time. No amendment(s) or repeal(s) shall take effect unless:

- (i) It receives the affirmative vote of a majority of the Members voting, quorum having been obtained;
or
- (ii) Less than 10% of the membership votes to reject the amendment/repeal within 30 days of the distribution of the amendment/repeal to the membership with a rejection ballot. In other words, if 10% or more of the membership votes, by rejection ballot, to reject an amendment or repeal, the amendment or repeal will fail.

SECTION 3. LEGALLY REQUIRED AMENDMENTS

The Board may amend these Bylaws, without any input from the membership to the extent necessary to render them consistent with State, Federal or local law, rule or regulation. Despite anything to the contrary herein, if any provision of these Bylaws is in conflict with or contradiction of any State, Federal or local law, rule or regulation, then the requirements of the law, rule or regulation shall be deemed controlling.

ARTICLE XI DAMAGE, RECONSTRUCTION, REPLACEMENT

In the event of fire or other disaster or casualty resulting in damage to buildings, Units and/or Common Elements, the net proceeds of any insurance collected by the Association shall be made available for the purpose of restoration and replacement. Where the insurance payout is insufficient to cover the cost of reconstruction or replacement, remedial assessments may be made against some or all of the Unit Owners, in sufficient amounts to provide funds for the payment of such costs, in proportion to the Unit Owner's percentage of interest in the Common Elements, the percentage of loss, the portion of fault or other calculation authorized in the Master Deeds, Bylaws or by law and determined by the Board. Such remedial assessments shall constitute a lien against the Unit and may be enforced and collected in the same manner as all other liens as herein provided.

ARTICLE XII DISSOLUTION

SECTION 1. PROCEDURE

In the event it shall be deemed advisable and for the benefit of the Members that the Association should be dissolved, the procedures concerning dissolution set forth in the then current version of the New Jersey Nonprofit Corporations Act, N.J.S.A. 15A:12-4, shall be followed.

SECTION 2. DISTRIBUTION OF ASSETS

In the event of dissolution, the assets including common surplus if any, of the Association, after payment of all debts including mortgages and other encumbrances, shall be distributed to the Members of the Association in accordance with their percentage of ownership therein.

ARTICLE XIII ELECTRIC VEHICLES

Association approval is required for the installation and use of an electric vehicle charging station. Please contact the Association's Manager and/or see the then current published rules and regulations for the approval procedure and requirements.

ARTICLE XIV NOTICES

Any notice required to be sent to any Unit Owner under the provisions of these Bylaws or by law shall be deemed to have been properly sent and notice thereby give, when mailed, by regular post with postage prepaid, addressed to the Unit Owner at the last known post office address of the person who appears as a Member on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Unit shall constitute notice to all co-owners. It shall be the obligation of every Unit Owner to immediately notify the secretary of the Association in writing of any change of address.

Valid notice may also be given to Unit Owners by (i) personal delivery to any Occupant of said Unit; (ii) by affixing said notice to or sliding same under the front door of the Unit; or (iii) by hitting send or other command to electronically transmit the notice.