

CRESTWOOD VILLAGE V

*325 Schoolhouse Road
Whiting, New Jersey 08759
Phone: 732-350-0700
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BY-LAWS

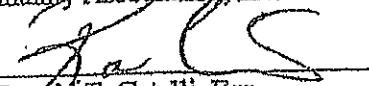
Village Five By-Laws

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Prepared by:
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Attorneys for Crestwood Village Five
Community Association, Inc.

By: 
Ronald T. Catelli, Esq.

CERTIFICATE OF FILING, RECORDING, AND AMENDMENT OF BY-LAWS OF
CRESTWOOD VILLAGE FIVE COMMUNITY ASSOCIATION, INC.

TO: The Clerk of Ocean County
118 Washington Street
P.O. Box 2191
Toms River, New Jersey

Pursuant to the applicable provisions of the New Jersey Statutes, the undersigned corporation and/or community association, duly organized and existing pursuant to the laws governing the State of New Jersey, submits the following Certificate for the purpose of filing, recording, and amending its By-Laws:

WHEREAS, the name of the corporation and/or community association is Crestwood Village Five Community Association, Inc.

WHEREAS, the original By-Laws of Crestwood Village Five Community Association, Inc., were recorded as Exhibit D to the DECLARATION OF COVENANTS AND RESTRICTIONS - CRESTWOOD VILLAGE, SECTION 52, on May 26, 1977, in the Ocean County Clerk's Office, at Book 3616, Page 187, et seq.

WHEREAS, the By-Laws were amended subsequent to the filing of the original By-Laws by an affirmative vote of a majority of the residents of Crestwood Village Five

(28) Block 148 Reussille

Community Association, Inc., at duly held meetings including, but not limited to, February 22, 1982, and July 14, 1997.

WHEREAS, the Board of Trustees of Crestwood Village Five Community Association, Inc. have determined that it would be in the best interest of the Condominium Association to file and record its By-Laws and any and all amendments thereto.

NOW, THEREFORE, be it RESOLVED, by Crestwood Village Five Community Association, Inc., that the By-Laws of Crestwood Village Five Community Association, Inc., as set forth in Schedule "A" attached hereto and made a part hereof.

DATED: *June 1, 2006*

CRESTWOOD VILLAGE FIVE
COMMUNITY ASSOCIATION, INC.

Attest:

Walter Niedhammer
Walter Niedhammer, Secretary

By: *Frank DeLiberto*
FRANK DELIBERTO, President

STATE OF NEW JERSEY
COUNTY OF OCEAN

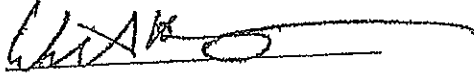
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) SS:
)

BE IT REMEMBERED, that on this 1st day of June, 2006,

before me the subscriber, a Notary Public of the State of New Jersey, personally appeared WALTER NIEDHAMMER, who, by me, duly sworn on his oath deposes and makes proof to my satisfaction that he is the Secretary of Crestwood Village Five Community Association, Inc., named in the within Instrument; that FRANK DILIBERTO is the President of said Association; that the execution, as well as the making of this Instrument has been duly authorized by the consent of the members of said Association and that the seal affixed to said Instrument is the proper corporate seal and was thereto affixed and said Instrument signed and delivered by the said President, as and for his voluntary act and deed of said Association in the presence of deponent, who thereupon subscribed his name thereto attesting witness.


WALTER NIEDHAMMER, Secretary

Sworn and Subscribed to
before me this 1st day
of June, 2006.



WILLIAM H. KUTER
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES DEC. 8, 2008

SCHEDULE A

Village Five By-Laws

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INTRODUCTION TO CRESTWOOD VILLAGE FIVE COMMUNITY ASSOCIATION, INC.

FORWARD: This publication is intended to serve as a frame of reference for members of Crestwood Village Five Community Association. It consists of a brief factual statement (copy of the Certificate of Incorporation, as amended, on file in office), By-Laws, Rules and Regulations. The By-Laws and Rules and Regulations govern the manner in which affairs of the community are administered. They also define the rights and responsibilities of the members. Their importance can not be over-emphasized. Any change in the Declaration can only be made by an amendment requiring the majority vote of unit owners eligible to vote.

GENERAL INFORMATION: Crestwood Village Five Community Association (hereinafter referred to as the Community Association) is a residential community comprising 1113 individually owned dwelling units on 260 acres located in Whiting, New Jersey. It comprises a clubhouse, certain common properties, recreational facilities, and about 9 miles of private paved streets, all of which is owned by the Association free and clear of all mortgages, liens and encumbrances. Occupants who reside in a home shall be limited to * three persons, one of the three must be 55 years of age or over, except, one of the three may be a child 19 years of age or over residing with a parent, parents or guardian.

The Association is one of several separate and distinct residential communities developed by the same builder, namely Crestwood Village, Inc.. While each of these separate communities is autonomous, common problems are reviewed monthly by the Crestwood committee which is composed of representatives from all of these separate communities.

BUILDINGS: The dwelling units are a mix of single family and multi-family houses. They are all electric and constructed of brick and aluminum siding, with crawl space and storage attic. The dwelling units are individually owned and real estate taxes are paid directly by the dwelling unit owner to the Township of Manchester. However, each dwelling unit owner pays a monthly charge to cover his proportionate share of maintenance expense. This expense includes exterior building repairs, lawn maintenance (cutting, fertilizing and liming only), snow clearing, garbage removal, bus service, clubhouse maintenance, street lighting and street maintenance, fire and extended insurance coverage of the dwelling units and clubhouse, public liability insurance, and such other items as the Board of Trustees may from time to time determine. Interior Maintenance and repairs is the responsibility of the dwelling unit owner. The various models of the dwelling units and the number thereof are as follows:

Yardley	145	Sheffield	88
Cortlandt I	80	Dunbar	24
Cortlandt II	21	Glenview	104
Lynnewood Single	45	Mansfield	32
Orleans I	83	Orleans II	101
Lynnewood	304	Westbury	18
Sherborne	62	Edinboro	6

TOTAL UNITS 1113

*By Law change approved by majority vote 7/14/97

The Yardley; Cortlandt I (single bath); Cortlandt II (bath and a half); and Lynnewood Single are single unit dwellings. The Orleans I (single bedroom); Orleans II (two bedrooms); Lynnewood; Sherborne; and the Sheffield are two unit dwellings. The Dunbar; Glenview; and Mansfields are four unit dwellings. The Westbury, Edinboro and some Mansfields are six unit dwellings.

CLUBHOUSE: A 15,809 square foot clubhouse, located on Schoolhouse road, is available for the use of residents. This is the focal point of all social activities including dances, card games, pocket billiards, and other recreational pursuits. An equipped kitchen which is used for social affairs is maintained. Meetings of the membership, as well as other meetings and functions, are held in the clubhouse. An extensive library is available for the use of all residents. Shuffleboard courts, bocci courts and other sports are maintained on the clubhouse grounds, as are picnic areas and outdoor cooking facilities. Use of all clubhouse facilities, including parking space and grounds by organized groups must be scheduled through the Trustees or their representatives. Hilltop Clubhouse cannot be used for religious or political electioneering purposes.

INSURANCE: The Association carries fire and extended insurance coverage on the dwelling units and the clubhouse in an amount equal to 100% of their replacement cost. The replacement cost of the buildings is subject to annual review, and when necessary the policy limits are adjusted to reflect any change, normal wear and tear excluded.

It is important to note that the Community Associations insurance policies do not afford any coverage to the members personal property. Each dwelling unit owner should purchase his own fire and extended insurance policy to cover the contents of this dwelling unit. In addition each member should have his own liability insurance to cover claims arising out of an accident which occurred inside or outside his dwelling unit by reason of his alleged negligence. The standard renters insurance policy embraces both coverages.

BY-LAWS

of

CRESTWOOD VILLAGE FIVE COMMUNITY ASSOCIATION, INC.

ARTICLE I - NATURE OF BY-LAWS

These By-Laws are intended to govern the administration of Crestwood Village Five Community Association, Inc. hereinafter referred to as the "Community Association", a non-profit membership corporation organized under Title 15 of the Revised Statutes of New Jersey, together with the management and administration of the improvements, recreation and community facilities located within the various Sections of that development known as Crestwood Village Five located in Manchester Township, Ocean County, New Jersey.

ARTICLE II - MEMBERSHIP

SECTION 1: Eligibility. * At least one of the three occupants of a property in Crestwood Village Five Community Association, shall be 55 years of age or older, except not more than one (1) child 19 years of age or over may reside with a parent, parents or legal guardian.

SECTION 2: Definition and Rights. Upon taking title, all owners of property shall become members of the Community Association and shall hereinafter be referred to as Members. Said membership shall entitle the Member to vote on all occasions when the Trustees call for such action but there shall be only one vote per dwelling unit regardless of the number of owners of record. Such membership shall also entitle all members the right to enjoy the Clubhouse and use the recreation facilities available to Crestwood Village Five subject to the rules and regulations promulgated by the Board of Trustees.

SECTION 3: Allocation of Votes. There shall be one (1) vote for each dwelling in the Community:

SECTION 4: Application for Membership. Every applicant membership in the Community Association shall execute an "Information Card" and keep same current, along with such other forms as may be required by the Board of Trustees.

SECTION 5: Quorum of Membership. Except as otherwise provided in these By-Laws, the presence in person of members owning more than 25% of dwelling in the Community shall constitute a quorum at all meetings of the membership.

* By Law change approved by majority vote 7/12/97

SECTION 6: Meetings of the Membership.

(a) It shall be the duty of the President of the Board of Trustees to call a special meeting of the membership if so directed by resolution of the Board of Trustees or upon a petition signed by the owners of 10% of the dwellings in the community. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice. Each member shall be given a written notice of a special meeting at least five (5) business days prior to the date named for such meeting. Meetings shall be conducted in accordance with Robert's Rules of Order in all cases where they do not conflict with the rules of the Association.

(b) It shall be the duty of the Secretary to give a notice of each special meeting, stating the purpose thereof and the time and place where it is to be held to each member of record, at the address such member shall have designated on the aforesaid "Information Card". The giving of notice by regular mail or by delivery to the dwelling shall be considered notice properly served.

(c) It shall be the duty of the President of the Board of Trustees to grant meetings with the Trustees to any club or organization of Village 5 upon their request.

ARTICLE III - ELECTION, ORGANIZATION & MEETING OF TRUSTEES.

SECTION 1: Election and Term in Office of the Board of Trustees.

(a) There shall be a maximum of seven (7) and a minimum of five (5) Trustees on the Board of Trustees to be elected by a majority of those voting. Three (3) or two (2) Trustees shall be elected in odd numbered calendar years, and four (4) or three (3) Trustees shall be elected in even calendar years. In case of a tie vote, another election shall be held within twenty (20) days to decide the tie vote. All terms shall be for two (2) years. The election shall be held on the second Monday in September. The Trustees so elected shall take office on the second Monday in October.

(b) The Board of Trustees shall appoint an election committee who will conduct the election of Trustees, serving notice to all members of the Community Association, providing for absentee, proxy and on-premise balloting and serving as tellers of the election.

(c) Any vacancy which occurs in the office of Trustee shall be filled by majority vote of the remaining Trustees. The Trustee so appointed shall serve for the balance of the unexpired term of the vacancy.

SECTION 2: Place of Meeting. The meeting to hold the election of the new Trustees of the Community Association shall be held at Hilltop Clubhouse on the second * or third Monday in September in each year. If the election of the new Trustees shall not be held on the day designated, the Board of Trustees shall cause the election to be held as soon thereafter as convenient.

* By Law change approved by majority vote 7/14/97

SECTION 3: Quarterly Meeting of Trustees with the Residents. The Trustees shall meet with the residents quarterly on the second Monday of February, May, August and November.

SECTION 4: Special Meetings of Trustees. A Special Meeting of the Trustees may be called by the President whenever he deems such a meeting advisable and shall be called by the Secretary when so ordered by the Board of Trustees. Such request shall state the purpose or purposes of such meeting and the matters proposed to be acted on thereat. The Secretary shall give notice stating the purpose or purposes of the meeting to all Trustees upon no less than three (3) days written notice, unless notice of said meeting is waived.

SECTION 5: Notice of Trustee Meeting. As soon as practicable, but not later than ten (10) days after the election of Trustees, a meeting of the new Board shall be called by the incumbent President, or in his stead, the incumbent Vice President; for the purpose of electing officers to serve for the upcoming year. The incumbent President shall preside at said meeting.

SECTION 6: Quorum. At each meeting of the Trustees, representation of a majority of the votes entitled to be cast, in person, shall constitute a quorum for the transaction of business except where otherwise provided by law.

SECTION 7: Organization. At each meeting of the Trustees the President, or in his absence, the Vice Presidents, or in the absence of all of them, a Chairman chosen by a majority vote of those votes entitled to be cast, shall act as Chairman, and the Secretary, or in his absence, a person whom the Chairman shall appoint, shall act as Secretary of the meeting.

SECTION 8: Voting. Except as otherwise required by law, a quorum being present, a majority of all those votes entitled to be cast in person shall be sufficient to carry those matters which are to be voted upon.

ARTICLE IV - OFFICERS - BOARD OF TRUSTEES

SECTION 1: Designation. The principal officers of the Community Association shall be a President, a First-Vice President, a Second Vice President, a Secretary, a Treasurer and a Sergeant-at-Arms, all of whom shall be members of the Board of Trustees. The Board may also appoint such other Assistant Treasurers and Assistant Secretaries as in their judgment may be necessary. Any two offices, except that of President and Vice-President, may be held by one person.

SECTION 2: Election of Officers. The officers of the Community Association shall be elected annually by the Board of Trustees at the first Board of Trustees meeting following the election and such officers shall hold office at the pleasure of the Board.

SECTION 3: President. The President shall be the chief executive officer of the Community Association. He shall preside at all meetings of the Community Association

and of the Board of Trustees. He shall have all of the general powers and duties which are usually vested to the office of President of the Community Association, including but not limited to the power to appoint committees from among the Members of the Community Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Community Association.

SECTION 4: First Vice-President. The First Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. The First Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Trustees.

SECTION 5: Second Vice-President. The Second Vice-President shall take the place of the President and/or the First Vice-President whenever they are both absent or unable to act. The Second Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Trustees. If the President, First Vice-President and Second Vice-President are unable to act, the Board of Trustees shall appoint some other Member to do so on an interim basis.

SECTION 6: Secretary. The Secretary shall keep the minutes of all meetings of the Board of Trustees and the minutes of all meetings of the memberships of the Community Association. He shall have charge of such books and papers as the Board of Trustees may direct, as well as the corporate seal; and he shall, in general, perform all the duties incident to the office of the Secretary.

SECTION 7: Treasurer. The Treasurer shall have the responsibility for the Community Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Community Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Community Association in such depositories as may from time to time be designated by the Board of Trustees. The Treasurer shall provide an annual statement as of June 30 for all Home Owners. The outgoing Treasurer shall also furnish a Financial Statement at the end of his term of office subject to an audit.

SECTION 8: Sergeant-at-Arms. The Sergeant-at-Arms shall have responsibility to preserve order at all gatherings of the Community Association.

SECTION 9: 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 of Trustees.

SECTION 10: Bonding. A blanket Bond shall be furnished covering all Trustees.

SECTION 11: Non-Waiver. All the rights, duties and privileges of the Board shall be deemed to be continuing and shall not be exhausted by any single act or series of acts. To the same extent, the failure to use or employ any remedy or right hereunder or hereafter granted shall not preclude its exercise in the future or shall any custom bind the Board.

SECTION 12: Compensation. No compensation shall be paid the Trustees for any services rendered to the Community Association as Trustees except that they may be reimbursed for "out of pocket" expenses incurred in connection with Community Association business.

ARTICLE V - MEETINGS & POWERS - BOARD OF TRUSTEES

SECTION 1. Regular Meetings. Regular meetings of the Board of Trustees may be held at such times and places as shall be determined from time to time by a majority of the Trustees, but at least four (4) such meetings shall be held during each fiscal year.

SECTION 2: Waiver of Notice. Before or at any meeting of the Board of Trustees, any Trustee may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Trustee at any meeting of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the Trustees are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 3: Removal of Trustees. At any regular meeting of the Community Association duly called, any Trustee may be removed with cause by a simple majority vote of the entire membership. A successor may then and there be elected to fill the vacancy thus created. Any Trustee whose removal has been proposed shall be given an opportunity to be heard at the meeting.

SECTION 4. General Powers. The property, affairs and business of the Community shall be managed by the Board of Trustees, which shall have all those powers granted to it by law, the Certificate of Incorporation of the Community Association, and by these By-Laws or any Declaration of Covenants and Restrictions or other instrument which vests any rights or obligations in the Community Association with respect to the Community or otherwise. In addition, it shall have the following powers herein granted or necessarily implied which it shall exercise in its sole discretion.

(a) If the Trustees feel a manager is necessary for the operation of the business of the Village, the guidelines shall be:

1. The owners shall by simple majority vote of the eligible voting members determine whether a manager shall be employed.
2. Recruitment of said manager shall be by a committee of the owners of Village V selected by the Trustees.

3. Said person so selected shall not be a resident of any of the Crestwood Community Villages.

(b) Employ any person, firm or corporation to repair, maintain and renovate all Community facilities, to seed, sod, plant, transplant, prune; fertilize, water, cut, destroy, pull plants up or out, spray substances, put pesticides or other chemical or biological agents (government approved) in, under or above the water or grounds, grass, trees, streams, waterways, and the right to dam or alter the flow thereon on the Community lands, build, erect, repair, maintain and renovate recreation facilities, build, erect, repair, maintain and renovate roads, walks or paths; lay pipes, culverts; bury utilities; put up lights or poles, erect signs and traffic and safety controls of various sorts, any person, firm or corporation so employed shall be adequately insured. A completion bond may be required if the Board deem it necessary.

(c) Employ or contract for water and sewer and supply and resell or lease the same; electricity, gas or other forms of utilities; garbage, trash removal, snow plowing or removal; painting, building, repairing, renovating, remodeling; any person, firm or corporation so employed shall be adequately insured.

(d) Investigate, hire, pay, supervise and discharge the personnel necessary to be employed in order to properly maintain and operate the Community Association property. Compensation for services of such employees (as evidenced by certified payroll) shall be considered as operating expenses of the Community Assoc.

(e) Maintain all facilities, buildings and improvements according to accepted standards, including but not limited to, interior and exterior cleaning, painting and decorating, plumbing, steam cleaning, carpentry and such other normal maintenance and repair work as may be necessary.

(f) Take such actions as may be necessary to comply properly with any and all orders or requirements affecting the premises maintained by the Community Association placed hereon by any federal, state, county or municipal authority having jurisdiction over and by order of the Board of Fire Underwriters or other similar bodies.

(g) Provide for maintenance of roads, walkways and parking areas.

(h) Provide for the removal of refuse.

(i) Provide for security protection as necessary.

(j) Place and keep in force all insurance coverages required to be maintained by the Community Association, together with the following coverage applicable to the Community Association, its Members and the Property.

1. Broad form (all risk) insurance against loss by lightning, windstorm and other risks normally included within extended coverages, insuring all structural portions of the Property together with all service machinery contained therein and covering the interest of the Community Association, the Board of Trustees and all Members, in an amount equal to the full replacement value of the buildings, without deduction for depreciations.

All such policies shall provide that adjustment of loss shall be made by the Board of Trustees with the recommendation of the Insurance Consultant and that the net proceeds thereof shall be payable to the Board of Trustees.

All policies of physical damage insurance shall, to the extent obtainable, contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be canceled or substantially modified without at least sixty (60) days prior written notice to all of the insured. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Trustees shall obtain a qualified appraisal of the full replacement value of all the Property which the Community Association is responsible to insure, without deduction for depreciation, for the purposes of determining the amount of fire insurance to be effected pursuant to this Section.

2. To the extent obtainable, public liability insurance in such limits as the Board of Trustees may, from time to time, determine covering each member of the Board of Trustees, the managing agent, the manager and each resident. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Trustees shall review such limits once a year. Until the first meeting of the Trustees, such public liability insurance shall be amounts not less than \$1,000,000.00 for claims for bodily injury and property damage and in no event shall said coverage be reduced without approval by simple majority of the votes entitled to be cast by the membership.

3. The Board of Trustees may appoint an Insurance Consultant for the purposes mentioned herein. Said Insurance Consultant shall not be a resident nor a member of the Community Association, an employee of the Developer or the managing agent, and shall discharge his duties in accordance with these By-Laws.

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

(l) Invest and reinvest monies; sue and be sued; collect interest, dividends, capital gains, exercise rights; pay taxes; make and enter into contracts; insure; enter into leases or concessions as to pass good and marketable title without the necessity of any third party seeing to the application of the funds; make and execute any and all proper affidavits for various purposes, including but not limited to, title of real estate; compromise any action without leave of court; insure its own liability for claims against it or for damage to the Community Association, including moral claims; and all other powers contained herein, and those necessary and incidental thereto, investment of surplus monies shall be invested in government insured and guaranteed funds or direct obligations of the U.S. Treasury.

(m) The powers herein granted or necessarily implied shall be construed to favor the broadest discretion of the Board of Trustees.

SECTION 5: Rules and Regulations. The Board of Trustees shall have the right to formulate reasonable rules and regulations as to the conduct of the Members or occupants and guests with respect to the Community facilities to preserve, protect and enhance the same, to prevent waste, erosion, depletion, to protect plantings, to protect seeded areas, trees, shrubs, grass, bushes, wildlife, water, banks, streams, dams, bridges, fish, birds, to destroy pests and pursuant to such authority to temporarily prohibit the Members or such occupants from enjoyment of access to or over such Community facilities for such reasonable periods as the Board, in the sole discretion, shall deem necessary from time to time. The Board shall have the further right, upon the same terms and conditions as set forth in this paragraph to make and enforce reasonable rules to maintain the common properties in their natural state; for the use of the recreational facilities and the conduct, dress, manner and deportment of the Members, including the scheduling of use and such other rules and regulations as may be necessary for the health, safety and welfare of the users thereof. This power shall be deemed to include the power to bar, limit or charge fees for the use of recreational facilities and to limit their number, time, use or deportment upon the facilities.

SECTION 6: Restrictions Applicable to the Property. In order to preserve the character of Crestwood Village Five as a senior citizen residential community and for the protection of the value of the Homes therein, the Community Association declares that the Property shall be subject to all covenants, easements, and restrictions of record and to the restrictions herein set forth, all of which shall be perpetual in nature and run with the land.

"The Property" as used in these By-Laws shall mean and refer to those real property premises described in Exhibit A attached to the Declaration of Covenants and Restrictions for the several sections of Crestwood Village Five, together with any lands or premises which may hereafter be lawfully subjected to the provisions of said Declarations.

(a) No home shall be used for any purpose other than as a private residence.

(b) There shall be no obstruction of access to any Common Properties as shown on Manchester Township tax map.

(c) No resident shall build upon, in, over or under the Property without the prior written consent of the Trustees. A resident may plant flowers, trees, shrubbery and gardens within the area appurtenant to his Home and as provided in the Planting Guide. No person shall place trash, garbage, excess materials of any kind on or about the property except in designated receptacles, nor burn, chop, or cut anything on over or above the property. Residents shall not have any right to paint or otherwise decorate or change the appearance of any portion of the exterior of any Building without the prior written approval of the Trustees and if permission is or has been granted, complete responsibility for proper maintenance becomes the homeowner's. All electrical or

plumbing alterations must be made by a licensed workman conforming to the local code. All new changes or improvements should receive Trustee approval. The owner must have the right to cope with an emergency.

(d) It is the resident's responsibility to promptly report to the Board of Trustees any defect or need for repairs for which the Community Association is responsible.

(e) Each resident shall furnish, perform and be responsible for, at his own expense, the repair, maintenance, replacement, decoration of the interior of his own Home including painting, wall papering, paneling, floor coverings, draperies, window shades and appliances, provided, however, that the Trustees, its agents and employees may effect emergency or other necessary repairs which the resident has failed to perform and charge the cost of same to the resident(s) involved. Maintenance, repairs and replacement of the plumbing fixtures and systems, heating and air conditioning systems, windows, door, electrical systems and receptacles, breaker boxes, kitchen appliances and equipment and lighting fixtures within the Home shall be at the owner's sole cost and expense.

(f) Nothing shall be done or kept in any Home which will increase the rates of insurance of the Building(s) or the contents thereof beyond the rates applicable for Homes, without the prior written consent of the Community Association. No residents shall permit anything to be done or kept in his Home or in or upon the Common Property which will result in the cancellation of insurance on any of the Buildings or the contents thereof, or which will be in violation of any law.

(g) No exposure of household goods, clothing, laundry, etc. of any kind shall be permitted on any part of the property. Nothing shall be hung, painted or displayed on the exterior surfaces of building walls, roofs, windows, doors etc. without the prior written consent of the Board of Trustees. American Flag Display is permitted. Owners shall not cause or permit any signs to be displayed on or in the Property advertising the sale or lease of their Homes.

(h) No animals, fowl or reptiles of any kind shall be bred in any home or upon the Common Property.

(i) No noxious or offensive activities shall be carried on, in or upon the Property or in any Home, nor shall anything be done therein either willfully or negligently which may be or become an annoyance or nuisance to the other residents in Village Five. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(j) Nothing shall be done to any Home which will impair the structural integrity of any building or which will structurally change a Building. No Resident may make any structural additions, alterations or improvements to his Home without the prior written approval of the Trustees or impair any easement without prior written

consent of the Trustees. The Board of Trustees shall have the obligation to answer in writing any written request received from a resident for approval of a proposed structural addition, alteration or improvement in such Resident's Home within thirty (30) days after receipt of such request, and failure to do so within the stipulated time shall constitute a consent to the proposed structural addition, alteration or improvement. Any application to any municipal authority for a permit to make an addition, alteration or improvement in or to any Home must be approved by the Trustees and, if approved, shall be executed by the Trustees and may then be submitted by the Resident. Such approval, however shall not incur any liability on the part of the Community Association to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or any person having any claim for injury to person or damage to property arising therefrom. The Resident shall furnish the Community Association with a copy of any such permits which he has procured. Interior alterations or improvements shall be made at the Resident's responsibility.

(k) In no event shall there be erected or planted upon any Lot any fabricated fence (wood, metal, etc.), hedge or other growing fence. During gardening season a rabbit fence 24 inches high, including stakes will be permitted.

(l) No trucks or other commercial vehicles may park over night and no boats, trailers, campers or mobile homes may be parked on any part of the Property except (1) in areas specifically designated for such purpose by the Community Association; and (2) for those vehicles temporarily on the property for purposes of servicing the property itself or one of the Homes. No trucks shall use the driveway of a detached or multi-family Home for any purpose whatsoever. No activity, use or practice shall be permitted on the Property which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents.

(m) No home shall be rented by the Owners thereof (except a lender in possession of such Home following a default in the first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure) or otherwise utilized for transient or hotel purposes, which shall be defined as "(1) rental for any period less than (90) days; or (2) any rental if the occupants of the Home are provided customary hotel services, such as room service for food and beverages, maid service, furnishing laundry and linen, and bellboy service", provided however, that any Owner, may rent a Home for a period of less than ninety (90) days to a contract purchaser. No Owner may lease less than an entire Home. Other than the foregoing obligations, Owners shall have the right to lease same provided that said lease is in writing and made subject to all provisions of the Declaration of Covenants and Restrictions, including, but not limited to, the By-Laws of the Community Association and other documents referred to herein, and provided further that any failure of the lessee to fully comply with the terms and conditions of such documents shall constitute a default under the lease. Nothing herein provided is intended to prevent any Owner from transferring his leasehold interest pertaining to his Home.

(n) The Community Association shall have the power to make such rules and regulations as may be necessary to carry out the intent of these use restrictions and shall have the right to bring lawsuits to enforce the rules and regulations promulgated by it. In addition to all of the rights, powers, duties and responsibilities granted to the Community Association by these By-Laws and by the Certificate of Incorporation, Declaration of Covenants and Restrictions and the laws of the State of

New Jersey, the Community Association shall have the right to levy fines for the violation of such rules and regulations.

1. Alleged violations of the rules and regulations shall be referred to the Association by written and signed allegations.

2. The Association shall cause an investigation to be made of the allegation to determine whether there is a possible violation.

3. If the Association's investigation discloses a violation of the rules and regulations, the Association shall notify the Owner in writing of the violation and order the Owner to cease and desist from further violation. The Cease and Desist Order may provide a grace period before a fine shall be levied, shall advise the Owner of his right to a hearing and that a fine, not to exceed \$10.00 per day, may be assessed for each day the violation continues unabated.

4. If requested by the Owner, the Association shall conduct a hearing on the alleged violation. At the hearing, there shall first be established the existence of the violation before the Owner shall be required to defend and rebut the accusations. Upon the conclusion of the hearing the Board shall determine whether a violation is present, and if so the fine to be levied upon the Owner for each day the violation has continued. Fines may be levied against the Owners tenant, and the Owner shall be jointly and severally liable with his tenant for payment of same.

The various rights, duties, powers and responsibilities of the Association, expressed in these By-Laws and in the Declaration of Covenants, are cumulative and the failure of the Association to enforce strict performance by any Owner of the conditions and covenants, or to exercise any election or option or to resort or have recourse to any remedy herein conferred or the acceptance by the Association of any monthly carrying charges or such other charges and assessments as it may establish, after any breach by the member, in any one or more instances, shall not be construed or deemed to be a waiver or a relinquishment for the future by the Association of any such conditions and covenants, options, elections or remedies, but the same shall continue in full force and effect.

(o) Each Owner shall have the right to mortgage or encumber his Home provided that such mortgage or encumbrance is made to a bank, mortgage banker, trust company, insurance company, savings and loan association, pension fund or other institutional lender or private party or is a purchase money mortgage made to the Declarant, or to the seller of a Home.

(p) Each Owner shall pay for his own utilities, which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the maintenance fees.

(q) Each Owner shall be responsible for placing all garbage in enclosed receptacles provided by the Community Association made of metal or other material of

similar durability which shall be stored, except on collection days, in such a manner so as to not be visible from neighboring units or streets. All garbage, garden trash and recyclables must be properly bagged or bundled according to local laws or ordinances.

(r) No garbage disposal unit or mechanism shall be installed or used in any home.

1. Anyone wishing to lease his Home shall notify the Board of Trustees and list the names of the new residents and furnish the new residents with a copy of the By-Laws and Rules and Regulations.

2. The Owner of a house and property has the right to sell privately without a real estate broker. The Owner may employ any real estate broker to sell the property and pay that broker's commission. No other commissions need be paid in the above situation.

3. The provisions of this section shall not apply with respect to any sale, conveyance, lease, gift, devise, bequest or inheritance by any Home Owner of his interest to his spouse, to any of his children or his parent(s), or to his brother(s) or sister(s) or heirs or anyone or more of them. However, the Community Association must be notified of any of the above changes of ownership.

ARTICLE VI - FISCAL MANAGEMENT

SECTION 1: Fiscal Year. The fiscal year of the Community Association shall commence upon the first day of July. The commencement date of the fiscal year herein established shall be subject to change by the Board of Trustees.

SECTION 2: Books and Accounts. Books and Accounts of the Community Association shall be maintained under the supervision and at the direction of the Treasurer in accordance with regularly accepted accounting procedures. The financial records of the Community Association shall be available at the principle office of the Community Association for inspection at reasonable times by any member of the Community Association, upon written request to the Secretary of the Community Association.

SECTION 3: Auditing. The books and records of the Community Association shall be audited at the conclusion of each fiscal year by a certified public accountant, retained by the Board of Trustees. Thereafter, the Community Association shall furnish its members with a copy of the auditor's report.

SECTION 4: Corporate Documents. All instruments and documents shall be reviewed by the Board of Trustees at a regular meeting and executed on behalf of the Community Association by the President or Vice-President and one other officer of the Community Association. All checks must be signed by any two of four Trustee officers.

SECTION 5: Safe Deposit Box. A safe deposit box may be obtained and admission thereto be permitted to such members of the Board of Trustees as they may designate.

ARTICLE VII - AMENDMENTS

These By-Laws may be amended by the affirmative vote of a majority of those entitled to vote as set forth in Article II. - Membership - i.e. - one vote per unit regardless of number of owners. Such vote is to be cast in person, by absentee ballot or by proxy. A proposition for amendment shall be presented to the membership for vote (1) upon the majority vote of the Board of Trustees or (2) by petition signed by the owners of at least 10% of the dwellings in the Community. The proposed amendment shall accompany the notice of the meeting. Voting on such amendment shall be in person, by absentee ballot or by proxy. An affirmative vote by a majority of those entitled to vote shall constitute an adoption of the amendment.

ARTICLE VIII - NOTICE

Any notice required to be sent to any member under the provisions of the Declaration of Covenants and Restriction or the Certificate of Incorporation of these By-Laws shall be deemed to have been properly sent, and notice thereby give, delivered personally or when mailed, by regular post, with postage prepaid, addressed to the Member or Owner at the last known post office address of the person who appears as a Member on the records of the Community Association at the time of such mailing. Notice to one or two or more co-owners of a Lot shall constitute notice to all co-owners. It shall be the obligation of every member to immediately notify the Secretary of the Community Association in writing of any change of address.

ARTICLE IX - DISTRICT REPRESENTATIVE ADVISORY BOARD

SECTION 1: Organization and Election.

(a) A Representative Advisory Board shall be elected by the membership for the purpose of acting as a liaison between the Board of Trustees and members of the Community Association.

(b) The Community Association shall be divided into eighteen (18) districts, the areas of which shall be determined from time to time by the Board of Trustees.

(c) Each district shall be represented by two (2) representatives, to be elected on the second Monday, in May. An election Committee Chairman shall be appointed by the Chairman of the Representatives Advisory Board, and he/she shall have a committee consisting of no less than five members of the Village Five Community Association members requesting those interested in becoming a candidate for District Representative to submit their names to the Election Committee no later than thirty (30) days before election date.

(d) Representatives shall be elected at each annual election to serve for a period of two (2) years.

(e) If a Representative, for any reason, cannot or does not complete his term of office, the Representative Advisory Board shall appoint a successor for the balance of such unexpired term.

SECTION 2: Meetings.

(a) The Representative Advisory Board shall meet regularly each month at Hilltop Clubhouse, on the first Thursday of the month, with at least three (3) Trustees with the representative Chairman, or, in his/her absence, the Vice-chairman presiding, to consult with such Trustees on such matters requiring Trustee Board action. In turn, the Trustees shall report on Community Association activities and actions taken. A copy of the minutes of these meetings shall be distributed to all owners and the cost of such printing is to be borne by the Community Association funds.

(b) As soon as convenient after the election, no later than fifteen (15) days, the Representatives Advisory Board shall meet to elect from their members, a Chairman and Vice-Chairman's and any other office which they deem necessary (or in his absence the Vice-Chairman's) duty to conduct all meetings of the Representatives Advisory Board.

(c) The Board of Trustees shall provide a Secretary to record and prepare minutes of all regular meetings.

(d) The Chairman shall have the right to call a special meeting when necessary, with or without the presence of the Trustees.

SECTION 3: Duties of the Representatives.

(a) Work with the Board of Trustees; establish an appropriate link with and among the owners to further the smooth running of an informed and harmonious community.

(b) Receive and coordinate information on complaints, suggestions and other matters from owners and make decisions on same. However, no decision may be made by him/her or the whole body that would constitute a change in policy. Such decision must be referred to the Board of Trustees.

(c) Inform the members in their respective districts of discussions held and actions taken at the Representatives Advisory Board meeting.

(d) As required by the Board of Trustees, distribute to the members reports, data, questionnaires, and other material necessary to the operation of the Community Association. The Board of Trustees will inform the Representatives prior to disseminating to others if possible.

(e) Shall, upon request, assist the Board of Trustees on committees, and Community Association meetings, elections, and other areas where their services are needed.

(f) Shall devise a form for calling owners attention to any violation of rules and regulations. If such violation is not corrected within a reasonable time, the Representative shall give a copy of such notice of violation to the Board of Trustees for their action.

(g) A Representative who cannot attend a regular meeting may arrange for an alternate to act in his/her stead. Such alternate shall not be entitled to any vote.

(h) No compensation shall be paid any representative.

(i) Inform Trustees of anyone in their respective district selling or leasing their unit. Inform Trustees of the death of any Owner and the name of the Owners in their respective districts.

ARTICLE X - COMMITTEES

SECTION 1: Standing Committees and Special Committee. The President shall appoint from time to time such standing and special committees as he may deem appropriate. No committee shall bind a subsequent Board of Trustees.

ARTICLE XI - INDEMNIFICATION OF BOARD OF TRUSTEES AND AGENTS: AND LIABILITY OF TRUSTEES AND OFFICERS

SECTION 1: The Community Association hereby warrants and guarantees to its officers, trustees, representatives, and agents, that if they should ever be sued in any manner whatsoever or if they should ever be held liable in any manner whatsoever on any obligation, paper or document signed by them, or any of them, in the ordinary and prudent course of the Community Association business, or should said officers, trustees, representatives, or agents ever be sued or held liable with respect to any transaction of any nature whatsoever connected with the conduct of said Community Association business, the Community Association will at all times indemnify and save said officers, trustees, representatives or agents harmless from and against any and all liability for damages, loss, costs, charges and expenses of whatever kind or nature, including counsel and attorney's fees which they shall or may at anytime sustain or incur by reason or in consequence of their operation of the said Community

Association, and Community Association will pay over, reimburse and make good to them any and all monies which shall become due and owing by reason of any or the occurrences described above.

SECTION 2: This guarantee and indemnification agreement will protect said officers, trustees, representatives and agents who have acted in a manner reasonably believed to be in or not opposed to the best interest of the Community Association and with respect to any criminal proceedings grounded upon acts for which they had no reasonable cause to believe their conduct was unlawful; however, the Community Association will not indemnify those who have not acted in good faith or in a manner reasonably believed to be in the best interests of the Community Association, or officers, trustees, representatives, or agents that knowingly commit criminal acts.

SECTION 3: This guarantee and indemnification agreement shall apply to and insure to the benefit of any officer, trustee, representative of agent of the Community Association, whether the incident shall involve them individually, as a group or as a whole, as well as their heirs, executors, administrators or assigns.

SECTION 4: The Board of Trustees shall obtain and maintain adequate insurance to cover indemnification as outlined in this ARTICLE. The premium shall be paid for by the Community Association.

SECTION 5: The Trustees, Representatives and Officers of the Community Association shall have no liability to the Community Association or any of its members except for willful misconduct. It is assumed that the Trustee, Representatives and Officers will perform their duties in a wise, prudent fashion.

SECTION 6: Except where there is a willful, wanton 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, or by or on behalf of the spouse of that person, to respond to damages as a result of bodily injury, including death resulting from such injury, to the unit owner or to the spouse of that person, occurring on Association premises, i.e., the community and recreational facilities owned by the Association.

ARTICLE XII - COMMON EXPENSES, MAINTENANCE CHARGES AND ASSESSMENTS

SECTION 1: Determination of Common Expenses and Fixing Maintenance Charges. The Board of Trustees shall from time to time, and at least annually, prepare a budget for the Association, determine the amount of the maintenance charges payable by the members to meet the common expenses of the Association and allocate and assess such maintenance charges among the members based upon the type of dwelling owned. The budget shall be printed in its entirety and distributed to the membership

upon its completion. Two public meetings, at least (10) ten days apart, shall be held prior to the Board of Trustees taking final action on said budget. The time, place and manner to which the public meeting shall be held shall be determined by the Board of Trustees. The common expenses shall include without limitations, the cost of all insurance premiums on all policies of insurance. The maintenance expenses may also include such amounts as the Board of Trustees may deem proper for the administration, operation, maintenance, repair and replacement of the property, including, without limitation, an amount for working capital of the Association, for a general operating reserve, for a reserve capital of the Association, for a reserve fund for replacement and to make up any deficit in the maintenance charges for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Trustees or its designer, corporate or otherwise, on behalf of the members of any Unit whose owner has elected to sell or lease such unit, any Unit which is sold at the foreclosure or other judicial sale and/or a Unit for use by the Board of Trustees. The Board of Trustees shall advise all members promptly in writing of the amount of the maintenance charges payable by each of them as determined by the Board of Trustees as aforesaid and shall furnish copies of each budget on which such maintenance charges are based to all members. The assessment against each home for the exterior maintenance and repair of the building and for lawn mowing, fertilizing, and liming shall be equal to the fraction of the total assessment for such purpose, the numerator of which is the initial sales price of each type of home as established by the builder, and the denominator of which is the aggregate initial sales price of all home and dwelling units in Crestwood Village Five. All other assessments for all homes and dwelling units shall be equal for each home or dwelling unit.

SECTION 2: Involuntary Assessments. Adequate fire and other insurance including public liability shall be carried to cover any and all buildings that may be partially or totally destroyed by fire, or other casualty for full restoration. However, in the event any facility pertaining to health, transportation or safety of the members of the Community Association shall be required to be replaced, repaired, restored or constructed; or in the event any applicable governmental authority having jurisdiction, shall require a capital expenditure in order that the Community Association comply with any applicable statute, law, code or regulation and there are not enough funds in the Reserve/Contingency Account to cover the cost, then a special assessment shall be levied and such cost will be pro-rated among the housing units using the same formula as figuring the monthly Association dues.

(a) In the event the operating deficit referred to arises out of maintenance expenses which are distributed unequally among the members, the Board of Trustees shall assess all of the members of the Community Association their proportionate share of the cost thereof.

(b) In the event a member, or his guest or guests, shall damage or destroy Community Association property, or expose Community Association property to loss or

damage, the Board of Trustees shall assess such member the cost and expense incurred in repairing the damage, as the case may be.

SECTION 3: Assessments. In the event that a majority of the membership of the Community Association shall elect to make a capital improvement in excess of \$20,000 upon the Community lands, then and in such event, the Board of Trustees shall assess all of the members of the Community Association as provided for in the Resolution authorizing the improvement.

SECTION 4: Payment of Maintenance Charges. All members shall be obligated to pay the maintenance charges assessed by the Board of Trustees pursuant to the provisions of Section 1 of this Article XII at such times (but not less than annually) as the Board of Trustees shall determine. Unless otherwise determined by the Board of Trustees, the maintenance charges shall be payable monthly in advance on or before the 10th day of the month and delinquent payments shall be enforced as all other rules and regulations set forth in Article V Section 6 (n). The Association, on behalf of the members, shall have a lien on each unit for unpaid maintenance charges assessed against such unit by the Association. Such lien shall be subordinate to the lien of a prior recorded first mortgage to which the unit is subject.

All members shall be liable for the payment of any part of the maintenance charges assessed against his unit prior to a sale, transfer or other conveyance by him of such unit.

SECTION 5: Collection of Maintenance Charges and Assessments. The Board of Trustees shall take prompt action to collect maintenance charges and assessments due from any member which remains unpaid for more than thirty (30) days after the due date for payment thereof.

SECTION 6: Default in Payment of Maintenance Charges or Assessments. In the event any member shall fail to make payment of his maintenance charges or assessments within fifteen (15) days from the date due, such member shall be obligated to pay a late charge of fifteen (\$15.00) dollars per month on such unpaid maintenance charges or assessments computed from the due date thereof until paid, together with all expenses, including, without limitation, attorney's fees and court costs, paid or incurred by the Board of Trustees or by the managing agent or manager in any proceeding brought to collect such unpaid maintenance charges or assessments or in any action to foreclose the lien on such Unit arising from said unpaid maintenance charges or assessments. Such penalty and collection expenses shall be added to and deemed part of said unpaid maintenance charges or assessments, and the Association shall have a lien for all of the same (as well as the unpaid Common Charges) upon the Unit of such defaulting member. In the event of any such default by any member, the Association through the Board of Trustees and the manager or managing agent if so authorized by the Board of Trustees, shall have the authority to correct such default, and to do whatever may be necessary for such purposes, and all expenses in

connection therewith shall be charged to and assessed against such defaulting member and may be collected in the same manner as an unpaid maintenance charge. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association or the Board of Trustees. The Board of Trustees shall have the right and obligation to institute all proceedings deemed necessary or desirable by the Board of Trustees to recover such unpaid maintenance charges together with penalty thereon computed as aforesaid, and the expenses of any such proceeding, the Board of Trustees shall cause to be filed in the public records of Ocean County, liens for unpaid assessments for common expenses or otherwise.

The failure of any member to comply with the provisions of this Article XII within the time prescribed by the Board of Trustees shall be deemed a default of his membership.

SECTION 7: Foreclosure of Liens for Unpaid Maintenance Charges. In any action brought by the Board of Trustees to foreclose a lien on a Unit because of unpaid maintenance charges, the member shall be required to pay a reasonable rental for the use of his unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Trustees acting on behalf of all members shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with, (but not to vote the votes appurtenant to), the same. A suit to recover a money judgment for unpaid maintenance charges shall be maintainable without foreclosing or waiving the lien securing the same. In the event the net proceeds received on such foreclosure (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) shall be insufficient to satisfy the defaulting member's obligation to the Association, then such member shall remain liable for the deficit.

SECTION 8: Statement of Maintenance Charges. The Board of Trustees shall provide any member so requesting the same with a written statement of all unpaid maintenance charges due from such Unit Owner.

ARTICLE XIII - SEAL

SECTION 1: The Board of Trustees shall provide a suitable seal indicating the name of the Community Association which seal shall be maintained in the custody of the Secretary.

ARTICLE XIV - SAVINGS CLAUSE

SECTION 1: Any provision of these By-Laws that shall be judicially declared inconsistent with or in violation of any provision or requirement contained in the

Certificate of Incorporation as amended or the laws of New Jersey, shall be deemed inoperative. The remainder of these By-Laws shall not be affected thereby, but shall thereafter continue in full force and effect.

ARTICLE XV - MISCELLANEOUS

SECTION 1: Construction. Whenever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter singular or plural wherever the context so requires.

SECTION 2: Dissolution. In the event the Community Association is dissolved, all of its property, both real and personal, shall be sold and the net proceeds thereof shall be distributed to the members of the Community Association in accordance with the assessed value of their respective dwelling units.

ARTICLE XVI - RESALE AND LEASING PROCEDURE

SECTION 1: Community Association as Broker. The Board of Trustees shall be empowered to employ a licensed real estate broker for the purpose of assisting members in the sale or lease of their units, and shall be further authorized to take such action as may be required by law for the issuance and maintenance of a real estate broker's license. The said real estate broker shall hold office at the pleasure of the Board of Trustees and shall be compensated at such salary and other consideration as the Board of Trustees may, from time to time, provide by resolution.

SECTION 2: Listing of Dwellings for Sale or Lease. The broker shall maintain a list of all dwelling units being offered for sale or lease, the terms upon which the dwelling is being offered for sale or lease, all unoccupied dwelling units, the names and addresses of all persons, qualified who may wish to purchase or lease a dwelling unit within the Community. All resale homes must be recorded in the office of the Association.

SECTION 3: Co-Brokerage. The Board of Trustees shall be authorized to enter co-brokerage agreements with other duly licensed real estate brokers to allocate and share the real estate commissions earned for the sale or lease of units within the Community, upon such terms as the Board of Trustees may, from time to time, provide.

SECTION 4: Certificate of Good Standing. No sale or lease of any dwelling unit shall be consummated and no change in possession shall be permitted unless and until all money owed the Community Association by the Owner thereof has been paid and a certificate of good standing has been issued. The Village Manager shall issue such certificate of good standing to be effective only upon the receipt by the Association of all money owed it.

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OCEAN COUNTY NEW JERSEY

Prepared By: *[Signature]*
Stephen B. Kotzas, Esquire

CRESTWOOD VILLAGE FIVE COMMUNITY ASSOCIATION, INC.
(the "Association")

RESOLUTION

The Declaration of Covenants of the Crestwood Village Five Community Association, Inc. (the "Association"), as thereafter amended, (the "Declaration") was recorded in the Ocean County Clerk's Office in Deed Book 3616 at Page 187, et seq. on May 26, 1977. The By-Laws of the Association (the "By-Laws") were recorded as Exhibit "D" to the Declaration.

The Governing Documents (the "Governing Documents") empower the Board of Trustees (the "Board") with all duties necessary for the proper conduct and administration of the affairs of the Association and the operation and maintenance of the Development and to do or cause to be done all such other lawful acts and things that are not by law or by the Governing Documents directed or required to be done or exercised by members of the Association or owners.

WHEREAS, Article V, Section 6(m) of the By-Laws sets forth:

No home shall be rented by the Owners thereof (except a lender in possession of such Home following a default in the first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure) or otherwise utilized for transient or hotel purposes, which shall be defined as "(1) rental for any period less than (90) days; or (2) any rental if the occupants of the Home are provided customary hotel services, such as room service for food and beverages, maid service, furnishing laundry and linen, and bellboy service", provided however, that any Owner, may rent a Home for a period of less than ninety (90) days to a contract purchaser. No Owner may lease less than an entire Home. Other than the foregoing obligations, Owners shall have the right to lease same provided that said lease is in writing and made subject to all provisions of the Declaration of Covenants and Restrictions, including, but not limited to, the By-Laws of the Community Association and other documents referred to herein, and provided further that any failure of the lessee to fully comply with the terms and conditions of such documents shall constitute a default under the lease. Nothing herein provided is intended to prevent any Owner from transferring his leasehold interest pertaining to his Home.

[Handwritten signature]

WHEREAS, the Board deems it to be in the best interest of the Association to set forth procedures for rental restrictions within the Community.

NOW, THEREFORE, BE IT RESOLVED, that the following procedure is to take effect relating to rental restrictions of any Home within the Community.

Prior to any rental, a Home Owner must occupy the Home for a minimum of one (1) year. Any and all Leases are subject to the approval of the Board of Trustees of the Community Association. Any additions, deletions or corrections to said Lease by the Landlord and each Tenant must be approved by the Association. In addition, both Landlord and each Tenant must execute a "Lease Rider" and pay applicable

fees. Moreover, no lease or occupancy of a unit shall be permitted unless a true copy of the lease is furnished in advance to the Association, as set forth above, together with the current address and phone numbers of both the owner and the lessee, as well as proof of age of the lessee. In addition, the owner of the unit shall not have the right to utilize the common elements during any period that said unit is rented. No unit owner may lease less than an entire unit. No lessee shall be entitled to vote on any issue at any special and/or open and/or regular meeting of the Association. No dwelling unit shall be rented by the owner for any period less than twelve (12) consecutive months. Subject to the foregoing restrictions, the unit owner shall have the right to lease their units provided that a lease is in writing and made subject to all provisions of the condominium and/or governing documents of the Association and other documents referred to herein, including the right of amendment contained therein, and provided further that any failure of the lessee to fully comply with the terms and conditions of such documents shall constitute a material default under the lease and be grounds for termination and eviction. In the event a tenant of a unit fails to comply with the provisions of the Condominium Documents then, in addition to all other remedies which it may have, the Association shall notify the unit owner of such violation(s) and demand that the same be remedied through the unit owner's efforts within thirty (30) days after such notice. If such violation(s) is not remedied within said thirty (30) day period, then the unit owner shall immediately thereafter, at his own cost and expense, institute and diligently prosecute an eviction action against his tenant on account of such violation(s). Such action shall not be compromised or settled without the prior written consent of the Association. In the event the unit owner fails to fulfill the foregoing obligation, then the Board shall have the right, but not the duty, to institute and prosecute such action as attorney-in-fact for the unit owner and at the unit owner's sole cost and expense, including all legal fees incurred. Said costs and expenses shall be deemed to constitute a lien on the particular unit involved, and collection thereof may be enforced by the Board in the same manner as the Board is entitled to enforce collection of Common Expenses. By acceptance of a deed to any unit, each and every unit owner does thereby automatically and irrevocably name, constitute, appoint and confirm the Board as his attorney-in-fact for the purposes described in this Section.

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 and payable to the Association for more than thirty (30) days, including authorization for the tenant to pay such rents directly to the Association to the extent that such Commons Expenses and other charges are due and payable to the Association with rest w t to the Unit."

This Resolution was duly introduced and thereafter adopted at a regular scheduled meeting of the Board, at which a quorum was present, by a majority vote of the members of the Board present and eligible to vote on this matter.

