

EXHIBIT 2

DECLARATION OF COVENANTS

AND

RESTRICTIONS - CRESTWOOD VILLAGE, SECTION 52, ETC.

THIS DECLARATION, made the 17th day of May, 1977, by CRESTWOOD VILLAGE, INC., a New Jersey corporation, having its principal office at P.O. Box 166, Whiting, New Jersey, hereinafter called "Declarant",

WITNESSETH:

WHEREAS, Declarant is the owner of the fee simple title to and/or leasehold interest in approximately 259.02 acres located in the Township of Manchester, County of Ocean and State of New Jersey, known and designated as Crestwood Village Five and upon which it has or intends to develop a residential community for senior citizens and is intended to ultimately contain from 810 to 1,210 dwelling units, 165 of which are owned by a cooperative corporation ("Crestwood Village Co-Op Five, Section 51, Inc.") and the remainder of which are intended to be located in one of several subdivisions now or hereafter to be established; and

WHEREAS, the Declarant intends to construct 180 individual Homes to be contained within 34 single-family and 65 multi-family buildings together with certain roads, driveways and other improvements upon the lands described in Exhibit A attached hereto and made a part hereof, and as shown on a subdivision plat which is entitled "Final Map of Crestwood Village, Section 52, dated March, 1977 and prepared by Fellows, Read &

Weber, Inc., which subdivision plat is attached hereto and made a part hereof as Exhibit B; and

WHEREAS, Declarant desires to provide for the preservation and maintenance of said Homes and the other lands and improvements within the Property, and to this end, desires to subject all of the Property hereinafter described to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are hereby declared to be for the benefit of said Property and each and every Owner of any and all portions thereof; and

WHEREAS, Declarant has deemed it advisable to create an agency to which shall be delegated and assigned the power and authority to maintain the exterior of said Homes and the other lands and improvements within the Property, to administer and enforce the covenants and restrictions governing the Property, to collect and disburse all assessments and charges necessary for such maintenance, administration, and enforcement, to operate and maintain all recreational and clubhouse facilities within Crestwood Village Five, and to perform such other services as may be required to benefit its residents all as hereinafter provided; and

WHEREAS, Declarant has caused to be incorporated under the laws of the State of New Jersey, a non-profit corporation known and designated as CRESTWOOD VILLAGE FIVE COMMUNITY ASSOCIATION (hereinafter "Community Association") as the agency to perform the functions aforesaid, all of which are hereinafter more fully set forth; and

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LIBRARY

WHEREAS, the Declarant has constructed or intends to construct a clubhouse and certain other recreational facilities to be located within portions of Crestwood Village Five other than the Property and to convey title to same to the Community Association, together with all Common Property now or hereafter subject to this Declaration.

NOW, THEREFORE, Declarant declares that the Property is and shall be held, transferred, sold, conveyed, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, obligations, and liens hereinafter set forth in this Declaration.

ARTICLE I

Definitions

Section 1. The following words and terms, when used in this Declaration or any Supplemental Declaration (unless the context clearly shall indicate otherwise), the Certificate of Incorporation or the By-Laws of the Community Association, shall have the following meanings:

(a) "Certificate of Incorporation" shall mean and refer to the Amended Certificate of Incorporation of CRESTWOOD VILLAGE FIVE COMMUNITY ASSOCIATION dated December 31, 1976, a copy of which is attached hereto and made a part hereof as Exhibit C together with all future amendments thereto.

(b) "Board" or "Board of Governors" shall mean and refer to the Board of Governors of the Community Association.

(c) "By-Laws" shall mean and refer to the By-Laws of the Community Association, a copy of which is attached hereto and made a

part hereof as Exhibit D, together with all future amendments thereto.

(d) "Common Property" shall mean all those non-building Lots and roadways which are shown on any recorded final subdivision map for and located within any portion of the Property, together with all improvements thereto or facilities thereon, or any other real or personal property owned by the Community Association (or utilized exclusively by its members).

(e) "Community Association" shall mean and refer to the CRESTWOOD VILLAGE FIVE COMMUNITY ASSOCIATION, a New Jersey non-profit corporation, its successors and assigns.

(f) "Declarant" shall mean and refer to Crestwood Village, Inc., a New Jersey corporation, its successors and assigns.

(g) "Declaration" shall mean and refer to this Declaration of Covenants and Restrictions and all Exhibits hereto, as same may now or hereafter be amended or supplemented.

(h) "Home" shall mean and refer to any residential dwelling unit and the Lot upon which same is located.

(i) "Lot" shall mean and refer to any building or non-building Lot shown on any approved final subdivision plat of any portion of the Property which is now or hereafter subject to this Declaration.

(j) "Member" shall mean and refer to all those Lot Owners (together with the residents of Crestwood Village Co-Op Five, Section 51, Inc.), who are members of the Community Association as provided in Article V of the Certificate of Incorporation.

(k) "Owner", "Home Owner" or "Lot Owner" shall mean and refer to the record owner, whether one or more persons or entities,

of the fee simple title to any Home, or the leasehold interest pertaining to such Home acquired from Crestwood Village, Inc., or its successor or assign.

(1) "Property" shall mean and refer to those real property premises described in Exhibit A attached to this Declaration together with any lands or premises which may hereafter be lawfully subjected to the provisions of this Declaration pursuant to Section 4 of Article VI hereof or otherwise.

ARTICLE II

Property Subject to This Declaration

The Property, including every Home, Lot and all Common Property now or hereafter established, is, and shall be, held, transferred, sold, conveyed, leased and occupied, subject to this Declaration and all Exhibits hereto.

ARTICLE III

Property Rights in the Common Property

Section 1. Member's Easement of Enjoyment. Subject to the provisions of this Declaration, the Certificate of Incorporation, By-Laws and the rules and regulations of the Community Association, every Member shall have a right and easement of enjoyment in and to the Common Property and such easement shall be appurtenant to and shall pass with the title to every Home or Membership Certificate in Crestwood Village Co-Op Five, Section 51, Inc., whichever the case may be.

Section 2. Title to Common Property. Declarant may retain the legal title to the Common Property until such time as it has completed initial improvements thereon and until such time as, in the judgment of the Declarant, the Community Association is able to maintain same. Declarant, however, notwithstanding any provision to the contrary

herein, hereby covenants for itself, its successors and assigns, that it shall convey its leasehold interest and fee simple interest in the Common Property to the Community Association, to the Community Association all of the Common Property not later than December 31, 1982, and that until the conveyance to and acceptance by the Community Association of such Common Property the Declarant will maintain all such Common Property to which it retains title.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following easements.

(a) Every Home Owner in Crestwood Village Five including the residents of Crestwood Village Co-Op Five, Section 51, shall have a perpetual and non-exclusive easement in, over and through the Common Property and to use the roads, walks and other common facilities therein, subject to the right of the Community Association to: (i) promulgate reasonable rules and regulations for the use thereof; or (ii) suspend voting rights for any infraction of the published rules and regulations or for failure to pay any assessment for maintenance fees when due. When any Home or other dwelling unit is not owner occupied, such easement shall be solely for the benefit of the permanent occupants thereof, and their guests, and not the owner or his invitees. In addition to the foregoing, each resident of Crestwood Village Six shall have a perpetual and non-exclusive easement in, over and through all roadways in Crestwood Village Five.

(b) Every Home Owner shall also have:

(1) An exclusive easement for the existence and continuance of any encroachment by his Home upon any adjoining Home now existing or which may come into existence hereafter as a result of construction, repair, shifting, settlement, movement of any portion of the Buildings or a Home, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Buildings stand.

(2) A non-exclusive easement for ingress and egress to his Home or garage appurtenant thereto in, upon, under, over, across and through (i) the common driveways and walkways or (ii) the Common Property owned by the Community Association, all as may be reasonably required for such ingress and egress.

(3) An easement in common with the owners of all other Lots to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located on any of the other Lots and serving his Lot. Each Lot shall be subject to an easement in favor of the owners of all other Lots to use the pipes, ducts, cables, wires, conduits, public utility lines and other common facilities serving such other Lot and located in such Lot. The Community Association or its representative shall have the right of access to each Home to inspect same in order to correct any conditions threatening another Home or violating any provision set forth in this Declaration, the By-Laws or in any regulations promulgated by the Community Association, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Home Owner. In case of an emergency, such right of entry shall be immediate, whether the Home Owner is present at the time or not.

(c) The Declarant, its successors and assigns shall have and enjoy the following easements:

(1) A blanket and non-exclusive easement in, upon, over, under, through and across the Common Property for as long as the said Declarant, its successors and assigns, shall be engaged in the construction, development and sale of Homes within Crestwood Village Five, which easement shall be for the purpose of construction, installation, maintenance and repair of existing and future Buildings and appurtenances thereto, whether located upon the Property or elsewhere within Crestwood Village Five, for ingress and egress to all Homes and for the use of all roadways, parking areas, walkways, existing and future model Homes for sales promotion and exhibition. In addition, Declarant, hereby reserves the irrevocable right to enter into, upon, over or under any Home for a period of one (1) year after the date of delivery of the Deed for such purposes as may be reasonably necessary for the Declarant or its agents to complete Crestwood Village Five and Crestwood Village Six or service any Home therein, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Home Owners. In case of an emergency, such right of entry shall be immediate whether the Home Owner is present at the time or not.

(2) A blanket perpetual and non-exclusive easement in, upon, over, under, across and through the Property for the purpose of installation, maintenance, repair and replacement of all sewer, water, power and telephone, pipes, lines, mains, conduits, waters, poles, transformers, master television antennas or cable television facilities and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility systems serving the Property. Should any governmental agency or utility company furnishing one of the

foregoing services hereafter request a specific easement by a separate recordable instrument in connection with the furnishing of any such service, the Board of Governors of the Community Association shall have the right to grant such easement provided that it does not materially impair the rights of any Home Owner.

(d) The Township of Manchester, Ocean County, New Jersey, its officers, agents and employees (but not the public in general) shall have a blanket perpetual and non-exclusive easement to enter upon the Property for purposes of maintaining the safety, health, welfare, police and fire protection of the citizens of said Township.

(e) The Community Association, its officers, agents and employees and all policemen, firemen and ambulance personnel shall have a blanket, perpetual and non-exclusive easement to enter the Property or any part thereof in the proper performance of their respective duties (including, but not limited to emergency or other necessary repairs to a Home which the Home Owner has failed to perform) and for repair and maintenance of other portions of the Property. Except in the event of emergencies, the rights accompanying the easements provided for in this paragraph shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to and with permission of the Home Owner(s) directly affected thereby.

(f) The Community Association, its officers, agents or employees shall have a perpetual exclusive easement for the existence, continuance, and maintenance of any improvements which presently or may hereafter encroach upon a Lot.

(g) Any bank, mortgage banker or other institutional lender who is the owner of a mortgage which encumbers any Home, its officers, agents, and employees, shall have a blanket, perpetual and non-exclusive easement to enter the Property or any part thereof to inspect the condition and repair of same. This right shall be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to and with the permission of the Community Association.

(h) Any utility company or entity furnishing utility service, including cable television, to the Property, its agents and employees shall have a blanket, perpetual and non-exclusive easement to enter the Property, or any part thereof, in order to read meters, service or repair utility lines and equipment and do everything and anything else necessary in order to properly maintain and furnish utility service to the Property and Homes.

(i) The Declarant and Home Owners, their successors and assigns shall have a blanket perpetual and non-exclusive easement in common in, upon, over, under, across and through the Property for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon the Property. No individual Home Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Property.

Section 4. 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 Declarant declares that the Property shall be subject to all covenants, easements and restrictions of record and to the following restrictions, all of which shall be perpetual in nature and run with the land:

(a) The permanent residents of Crestwood Village Five will be restricted by covenant to residents who (i) are at least fifty-two (52) years of age or over or (ii) in the case of married couples, at least one (1) of whom is fifty-two (52) years of age or over; provided, however, that one (1) child nineteen (19) years of age or over may reside with a parent or parents.

(b) No Home except those Homes owned by the Declarant and used by it for sales offices, administrative offices or models, shall be used for any purpose other than as a private residence.

(c) There shall be no obstruction of access to any Common Property. The use of storage areas, if any, shall be in accordance with rules and regulations promulgated by the Community Association.

(d) No Home Owner or occupant shall build, plant, or maintain any matter or thing upon, in, over or under the Property without the prior written consent of the Community Association, except that a Home Owner may (i) plant flowers, trees, shrubbery and gardens within the area appurtenant to his Home and as provided in the Planting Guide prepared by the Sponsor, a copy of which shall be available at the office of the Community Association during reasonable business hours; and (ii) plant and maintain flowers and shrubbery in the beds immediately adjacent to his dwelling. 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. Home Owners

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 Community Association. It is the Home Owner's responsibility to promptly report to the Board of Governors of the Community Association or management any defect or need for repairs for which the Community Association is responsible.

(e) Each Home Owner shall promptly 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 covering, draperies, window shades and appliances, provided, however, that the Community Association, its agents and employees may effect emergency or other necessary repairs which the Home Owner has failed to perform and charge the cost of same to the Home Owner(s) involved. Maintenance, repairs and replacements of the plumbing fixtures and systems, heating and air conditioning systems, windows, doors, electrical systems and receptacles, breaker boxes, kitchen appliances and equipment and lighting fixtures within the Home (including the lighting fixtures attached to the exterior of Buildings containing detached or multi-family Units) 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 Home Owner 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 clothes, sheets, blankets, laundry of any kind or any other articles shall be hung out or exposed on any part of the Property nor shall anything be hung, painted or displayed on the outside of the windows or placed on the outside walls or outside surfaces of doors of any of the Buildings and no signs, awnings, canopies, shutters or radio or television antennas (except for those heretofore or hereinafter installed by Declarant) shall be affixed or placed upon the exterior walls or roofs or any part thereof, nor relocated or extended, without the prior written consent of the Community Association. The display or use of items visible in the interior of any Building from the exterior thereof shall be subject to the rules and regulations of the Community Association. Notwithstanding the foregoing, the Declarant shall have the right to display signs for promotional, sales, exhibit, and administrative purposes upon any portion of the common property or within any Home owned by it until the last Home within the Property is sold and conveyed. Home Owners shall not cause or permit any signs to be displayed on the Property advertising the sale or lease of their Homes.

(h) No animals, dogs, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in any Home or upon the Common Property except as may be permitted by the rules and regulations of the Community Association.

(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 Crestwood Village Five.

(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 Home Owner (other than the Declarant) may make any structural additions, alterations or improvements in or to his Home without the prior written approval of the Community Association or impair any easement without the prior written consent of the Community Association. The Board of Governors of the Community Association shall have the obligation to answer any written request received by it from a Home Owner for approval of a proposed structural addition, alteration or improvement in such Home Owner's Home within sixty (60) 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 Community Association and, if approved, shall be executed by the Board of Governors of the Community Association and may then be submitted by the Home Owner. 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 to any person having any claim for injury to person or damage to property arising therefrom. The Home Owners shall furnish the Community Association with a copy of any such permit which he has procured. The provisions of this paragraph shall not apply to Homes owned by the Declarant until such Homes have been initially sold and conveyed by the Declarant.

(k) In no event shall there be erected or planted upon any Lot any fabricated fence, hedge or other growing fence.

(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 (i) in areas specifically designated for such purpose by the Community Association; and (ii) 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. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(m) No Home shall be rented by the Owners thereof (except a lender in possession of such Home following a default in a 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 "(i) rental for any period less than ninety (90) days; or (ii) 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 Home Owner including Declarant, may rent a Home for a period of less than ninety (90) days to a contract purchaser. No Home Owner may lease less than an entire Home. Other than the foregoing obligations, and subject to the Declarant's right of first refusal set forth in subparagraph (t) of Section 4 of this Article III of the Declaration, the Home Owners shall have the right to lease same provided that said lease is in writing and made subject to all provisions of the Declaration, including, but not limited to, the By-Laws of the Community Association and other documents referred to herein, including the right of amendment reserved to Declarant therein 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. The Community Association shall further have the right to levy fines for violation of such regulations, provided that the fine for a single violation may not, under any circumstances exceed \$10.00. For each day a violation continues after notice it shall be considered a separate violation. Any fine so levied is to be considered as an assessment to be levied against the particular Home Owner involved, and collection may be enforced by the Community Association in the same manner as the Community Association is entitled to enforce collection of other assessments. Fines may be levied against a Home Owner's tenant, and the Home Owner shall be jointly and severally liable with his tenant for the payment of same. In the event the Community Association institutes legal action for collection of any fines, then the defendant(s) shall be responsible for payment of reasonable attorneys' fees of the Community Association plus interest and costs of suit.

(o) Each Home 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 is a purchase money mortgage made to the Declarant or to the seller of a Home.

(p) Each Home Owner shall pay for his own telephone, and other utilities, if any, 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 Home Owner shall be responsible for placing all trash 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 the street.

(r) Declarant, for itself, its successors and assigns, shall reserve the right to use, without charge, a portion of the clubhouse for its sales and marketing purposes with respect to units located or to be located within Crestwood Village Five, provided that such use shall not unduly interfere with the use of the clubhouse by its members for the purposes for which it is reasonably intended. Such rights shall continue until all such Homes have been conveyed by the Declarant or until expiration of seven (7) years from the date of filing the Declaration, whichever event first occurs.

(s) No garbage disposal unit or mechanism shall be installed or used in any Home.

(t) No Home Owner may effectively dispose of his Lot or any interest herein by sale or lease without first offering the same for sale or lease to the Community Association upon the terms and conditions hereinafter provided for. The provisions of this paragraph 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 parents, or to his brothers or sisters or heirs or any one or more of them.

Any Home Owner who wishes to sell or lease his Home shall, at least thirty (30) days prior to accepting any offer to buy or lease, give to the Community Association written notice of the terms of said sale or lease, which notice shall specify the name and address of the offeror. If, within said thirty (30) day period, time being of the essence, the Community Association or its nominee submits to the Owner an identical offer to buy or lease, the selling owner must accept the offer of the Community Association in preference to the original offer described in the notice. In the event the Community Association fails to submit in writing to the selling owner an identical offer within said thirty (30) day period, time being of the essence, then the selling owner may sell or lease his Home to his original offeror. In any event, the Community Association shall have sole discretion in this matter, and no vote or approval of the Home Owners is required.

This paragraph shall not apply to a transfer to or purchase by a lending institution which acquires its title as a result of owning a mortgage upon the Home by deed from the mortgagor or through foreclosure proceedings. Nor shall such provisions apply to a transfer, sale or lease by a lending institution which so acquires its title. Neither shall such provision require the approval of the purchaser who acquires title to a Home at a duly authorized and advertised public sale with open bidding which is provided by law, such as but not limited to execution sale, foreclosure sale, judicial sale or tax sale.

Any attempt to sell or lease any Home without prior offer to the Community Association shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser or lessee.

In the event of any transfer of a Home to a corporation, the approval of the corporation's ownership may be conditioned by requiring that all present or future occupants thereof shall also be first approved by the Community Association.

ARTICLE IV

Assessments

Section 1. Creation of the Lien. Every Owner by acceptance of a deed or other conveyance for a Home, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Community Association such sums, by way of annual or special assessments or charges as hereinafter more particularly described. Each such assessment, together with such interest thereon and cost of collection thereof (including reasonable attorney's fees) shall be a continuing lien upon the Home against which each such assessment is made and shall also be the personal obligation of the Owner of such Home at the time when the assessment falls due. Further, the Township of Manchester shall have a continuing lien against each such Home for its pro rata share of all real estate taxes due and payable to the Township of Manchester by the

Community Association for real estate taxes assessed against the Common Property. Such lien shall be apportioned equally among all Homes and shall be enforceable by the Township of Manchester in the manner provided by law with respect to the real estate taxes assessed directly against each such Home.

No Owner may waive or otherwise avoid liability for the aforesaid assessments by non-use of the Common Property.

Section 2. Purpose of Assessments. The annual assessments levied by the Community Association shall be used exclusively for promoting the health, safety, pleasure and welfare of the Home Owners and for the costs and expenses incident to the operation of the Community Association, including, without limitation, the maintenance and repair of the exterior of the aforesaid Homes, lawn mowing for all portions of Crestwood Village Five requiring same, the maintenance of services furnished by the Community Association, the repair and replacement of improvements on the Common Property, payment of all taxes and insurance premiums required to be paid by the Community Association, and all costs and expenses incidental to the operation and administration of the Community Association and its facilities and services.

Section 3. Amount of Annual Assessments. It shall be an affirmative obligation of the Community Association and its Board of Trustees to fix assessments in an amount sufficient to maintain the Lots and the exterior of all Homes and to mow all lawns within the Property, to maintain and operate the Common Property and to pay all taxes thereon. Maintenance Fees will be allocated as follows: (i) The assessment against each Home for the exterior maintenance and repair of the Home and for all

lawn mowing required for the Property shall be equal to that fraction of the total assessment for such purposes in Crestwood Village Five, the numerator of which is the initial sales price of their Home as established by Declarant, and the denominator of which is the aggregate initial sales price of all Homes and dwelling units in Crestwood Village Five for which a Certificate of Occupancy has been issued by the Township of Manchester as of the date the assessment is established. (ii) All other assessments for all Homes and dwelling units shall be equal to that fraction of the total of same for Crestwood Village Five, the numerator of which is one and the denominator of which is that number of Homes and dwelling units located within Crestwood Village Five for which a Certificate of Occupancy has been issued by the Township of Manchester as of the date the assessment is established. Anything to the contrary herein notwithstanding, no assessment shall be made and no services shall be performed by the Community Association with respect to any Home owned by Declarant for which a Certificate of Occupancy has not been issued by the Township of Manchester. In addition, the distribution of any proceeds from any insured casualty loss, eminent domain proceeding affecting the Common Property of the Community Association or any distribution of common surplus of the Community Association shall be pro rated in accordance with the formula set forth in subparagraph (i) aforesaid with respect to the determination of Maintenance Fees.

The amount of monies for assessments deemed necessary by the Board to discharge the responsibility of the Community Association 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 until after the first annual meeting of the Members. Thereafter all annual assessments imposed by the Board shall be subject to ratification by a majority of the votes cast at a duly convened meeting of the Community Association and provided that notice of such meeting includes notice of the subject assessment.

Section 4. Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall commence on the date fixed by the Board to be the date of commencement and shall be due and payable on such dates as may from time to time be prescribed by the Board.

Section 5. Special Assessments. In addition to the annual assessments authorized by Section 3 of this Article, the Community Association may levy, in any assessment year, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Property, including the necessary furniture, fixtures, equipment and other personal property related thereto, or for other lawful purpose, provided that any such special assessment shall receive the assent of two-thirds (2/3) of all of the votes eligible to be cast by all of the Members, at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and which notice shall set forth the purpose of the meeting.

Section 6. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to any lien

for past due and unpaid taxes and the lien of any institutional first mortgage or mortgages now or hereafter placed upon any Home; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of any such Home pursuant to a decree of foreclosure, or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve any such Home from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

If a mortgagee of an institutional mortgage of record or other purchaser of a Home obtains title to such Home as a result of foreclosure of such first mortgage (or by a deed of conveyance in lieu thereof), such acquirer of title, his successors and assigns shall not be liable for the assessments by the Community Association pertaining to such Home or chargeable to the former Owner thereof which became due prior to acquisition of title as a result of the foreclosure. Such unpaid assessments shall be collectible from all of the remaining Home Owners including such acquirer, his successors and assigns.

Liens for unpaid assessments may be foreclosed by suit brought in the name of the Community Association in the same manner as a foreclosure of a mortgage on real property. Suit to recover a money judgment for unpaid assessments may be maintained without waiving the lien securing same.

Section 7. List of Assessments, Notice of Assessment, Certificate as to Payment. The Board shall cause to be prepared, at least thirty (30) days in advance of the due date of each assessment, a list of

the properties and the assessments applicable thereto, in alphabetical order, according to the names of the Home Owners thereof, which list shall be kept in the office of the Community Association and shall be open to inspection, upon request, by any Owner of a Home. Written notice of the assessments shall be sent to every Home Owner subject thereto.

The Community Association shall, upon the request of any Home Owner, liable for an assessment, or of the mortgagee of any Home, furnish to such Home Owner or mortgagee, a certificate in writing, signed by an officer of the Community Association, setting forth whether or not such assessment has been paid. Such certificate shall constitute conclusive evidence of the payment of any assessments therein stated to have been paid.

If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior year's assessment, and any installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board, provided, that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency.

Section 8. Acceleration of Assessment Installments and Other Remedies of the Community Association. If a Home Owner shall be in default in the payment of an installment upon an assessment, the Board

may accelerate the remaining installments of the assessment upon notice to the Home Owner, and the then unpaid balance of the assessment shall become due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the Home Owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur. If such default shall continue for a period of thirty (30) days, then the Board shall be obligated to (i) accelerate the remaining installments of the assessment, (ii) file a lien for such accelerated assessment, and (iii) notify any mortgagee of the Home affected of such default if such mortgagee has requested such notice from the Community Association in writing. If said default continues for a period of ninety (90) days, then the Board shall have the duty to foreclose the foregoing lien pursuant to law and/or to commence a suit against the appropriate Home Owner(s) to collect said assessment.

Section 9. Interest and Counsel Fees. The Board, at its option, shall have the right in connection with the collection of this, or any other charge, to impose an interest charge at the legal maximum if such payment is made after a date certain stated in such notice. In the event that the Board shall effectuate collection of said charges by resort to counsel, the Board may add to the aforesaid charge or charges a sum or sums of twenty (20%) per cent of the gross amount due as counsel fees, in addition to such costs allowable by law.

ARTICLE V

Miscellaneous Services Authorized

Section 1. Service which may be Performed at the Option of the Community Association - Procedure. Declarant shall have the right to make such improvements and provide such facilities on the Common Property as it considers to be advantageous to the Common Property and to the Owners of Lots within the Property, and the Community Association shall be obligated to accept such improvements and facilities and to properly maintain the same at its expense. The Community Association, at its expense, also shall maintain and carry on the services instituted, from time to time, by Declarant for the benefit of the Property and the Owners of Homes. In addition to the required maintenance of the Property and of the improvements and facilities thereon, and the aforesaid services required to be performed, the Community Association may furnish (but shall not be required to furnish) such services as the Board from time to time, by resolution, may propose, but not until after such proposed additional services are authorized by a vote in person or by proxy of two-thirds (2/3) of all the votes eligible to be cast by all of the Members of the Community Association, at a meeting duly called for the purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance, which notice shall contain the purpose of the meeting and the proposed additional service to be authorized.

ARTICLE VI

General Provisions

Section 1. Duration. This Declaration shall run with and

bind all of the Property perpetually, and shall inure to the benefit of and be enforceable by the Community Association, and the Owners of any portion of this Property, their respective successors, assigns, heirs, executors, administrators and personal representatives, except that the restrictions contained in subparagraph (b) through (t) of Section 4 of Article III hereof shall have a duration of forty (40) years, at the end of which period said restrictions shall be automatically extended for successive periods of ten (10) years each, unless the governing body of the Township of Manchester and at least two-thirds (2/3) of the Home Owners at the time of the expiration of the initial period, or of any extension period, shall sign an instrument or instruments, in which they shall agree to change said restrictions in whole or in part.

Section 2. Enforcement. Enforcement of this Declaration shall be by any appropriate proceeding in law or equity in any court or administrative tribunal having jurisdiction, against any person or persons, firm or corporation violating or attempting to violate or circumvent any provision herein contained, either to restrain or enjoin such violation or threatened violation or to recover damages, and against any Home to enforce any lien created by this Declaration, and failure by the Community Association or any Owner to enforce any covenant or restriction herein contained for any period of time, shall in no event be deemed a waiver or estoppel of the right to thereafter enforce the same. In the event that the Community Association should at any time fail to discharge its obligations to maintain any portion of the Property as required by this Declaration, or to enforce the provisions hereof, the Township of Man-

chester shall have the right to so maintain the Property or to enforce such provisions in the name, place and stead of the Community Association. The assumption of such maintenance responsibility shall be in accordance with the procedures set forth in R.S. 40:55D-43(b). The cost of same shall be assessed, enforced and collected in accordance with the provisions of R.S. 40:55D-43(c). Notwithstanding any limitations as to the applicability of R.S. 40:55D-43(b) and (c) aforesaid to the maintenance of "open space", the provisions of this subparagraph shall apply to all maintenance obligations of the Community Association as set forth in this Declaration or otherwise.

Section 3. Severability. Should any covenant or restriction herein contained, or any Article, Section, subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no wise affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.

Section 4. Amendment. This Declaration may be amended at any time after the date hereof by a vote of at least two-thirds (2/3) of all Home Owners at any meeting established by the Board for such purpose and previous to which written notice to every Home Owner of the exact language of the Amendment shall have been sent at least thirty (30) days in advance; provided, however, no amendment may be so effected which would permit (i) any Home Owner to be exempted from the payment of any assessment, (ii) the obligation or proportionate responsibility for the payment of assess-

ments with respect to Homes or Common Property to be changed, or (iii) modifying any restrictions or easements in Section 3 or 4 of Article III hereof except as contemplated by Section 1 of this Article; and further provided, that in no event may the Common Property be conveyed to any third person, firm or corporation nor may the rights of the Township of Manchester be modified in any manner, without the express consent, by ordinance, of the governing body of the Township of Manchester. Notwithstanding the foregoing, the Declarant hereby expressly reserves the right to amend and supplement this Declaration from time to time, to incorporate any or all future lands within Crestwood Village Five without obtaining the consent of any Home Owners, any Members of the Community Association, the Township of Manchester or any other parties provided, however, that in such event none of the substantive provisions shall be changed which would adversely affect the priority or validity of any purchase money lien or the value of any Home.

The administration and maintenance of the Property and other common facilities shall be by the Community Association in accordance with the provisions of this Declaration, the Certificate of Incorporation of the Community Association and the By-Laws of the Community Association and any other documents, amendments, or supplements to the foregoing which may subsequently be required by a bank, mortgage banker or other institutional lender or by any governmental agency having regulatory jurisdiction over the Property or by any title insurance company selected by Declarant to insure any title to any Home(s). Declarant hereby reserves for itself, its successors and assigns, for a period of five (5) years from the date the

first Home is conveyed to an individual purchaser, the right to execute on behalf of all contract purchasers, Home Owners, mortgagees, other lienholders or parties claiming a legal or equitable interest in the Property, any such agreements, documents, amendments or supplements to the above described documents which may be so required.

By acceptance of a deed to any Home or by the acceptance of any other legal or equitable interest in the Property, each and every contract purchaser, Home Owner or occupant, or holder of any mortgage or other liens, does automatically and irrevocably name, constitute, appoint and confirm (i) Declarant, its successors and assigns, as attorney-in-fact for the purpose of executing such amended Declaration(s) and other instrument(s) necessary to effect the foregoing (provided that such power of attorney may not be used to adversely affect the priority or validity of any lien upon or the value of any Home) and (ii) the Community Association as attorney-in-fact to acquire title to or lease any Home whose Owner desires to surrender, sell or lease the same, in the name of the Community Association or its designees, corporate or otherwise, on behalf of all Home Owners and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise, dispose of any such Homes so acquired or to sub-lease any Lots so leased by the Community Association.

The powers of attorney aforesaid are expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Homes and be binding upon the heirs, personal representatives, successors and assigns of any

EXHIBIT A TO THE DECLARATION OF
COVENANTS AND RESTRICTIONS - CRESTWOOD VILLAGE, SECTION 52DESCRIPTION OF CRESTWOOD VILLAGE,
SECTION 52

ALL that certain lot, tract or parcel of land situate, lying and being in the Township of Manchester, County of Ocean and State of New Jersey and being more particularly bounded and described as follows:

BEGINNING at a point of intersection, said point of intersection being formed by the easterly right-of-way line of Schoolhouse Road (80 feet wide) with the southerly line of lands of the State of New Jersey (known as Lot 26, Block 75 on the tax assessment map) and running; thence

(1) South $48^{\circ} 20' 29''$ East, along the lands of the State of New Jersey, a distance of 1,852.83 feet to a point; thence

(2) South $41^{\circ} 39' 31''$ West, a distance of 175.57 feet to a point; thence

(3) South $12^{\circ} 53' 10''$ West, a distance of 130.00 feet to a point; thence

(4) South $77^{\circ} 06' 50''$ East, a distance of 23.65 feet to a point; thence

(5) South $12^{\circ} 53' 10''$ West, a distance of 100.00 feet to a point; thence

(6) South $54^{\circ} 19' 34''$ West, a distance of 140.37 feet to a point; thence

(7) South $35^{\circ} 40' 27''$ East, a distance of 165.87 feet to a point; thence

(8) South $12^{\circ} 45' 52''$ West, a distance of 78.72 feet to a point in a curve, said point not being tangent; thence

(9) Southeasterly along a curve bearing to the right, having a radius of 718.00 feet and an arc distance of 190.40 feet to a point; thence

(10) North $73^{\circ} 41' 28''$ East, a distance of 27.00 feet to a point in a curve; thence

(11) Southeasterly along a curve bearing to the right having a radius of 745.00 feet and an arc length of 110.00 feet to a point of tangency; thence

- (12) South $07^{\circ} 50' 57''$ East, a distance of 28.85 feet to a point; thence
- (13) South $82^{\circ} 09' 03''$ West, a distance of 289.59 feet to a point; thence
- (14) North $07^{\circ} 50' 57''$ West, a distance of 94.41 feet to a point; thence
- (15) North $45^{\circ} 51' 49''$ West, a distance of 29.97 feet to a point; thence
- (16) South $82^{\circ} 09' 03''$ West, a distance of 195.92 feet to a point; thence
- (17) North $65^{\circ} 30' 38''$ West, a distance of 117.64 feet to a point in a curve; thence
- (18) Southwesterly along a curve bearing to the left having a radius of 505.00 feet and an arc length of 55.53 feet to a point; thence
- (19) North $71^{\circ} 48' 37''$ West, a distance of 244.85 feet to a point; thence
- (20) North $81^{\circ} 59' 27''$ West, a distance of 116.61 feet to a point, thence
- (21) South $08^{\circ} 00' 33''$ West, a distance of 31.38 feet to a point of curvature; thence
- (22) Southerly along a curve bearing to the left having a radius of 865.00 feet and an arc length of 51.09 feet to a point; thence
- (23) North $85^{\circ} 22' 31''$ West, a distance of 100.00 feet to a point; thence
- (24) North $41^{\circ} 40' 41''$ West, a distance of 42.49 feet to a point in the southeast corner of the clubhouse area; thence
- (25) North $00^{\circ} 23' 10''$ East, along the easterly line of the said clubhouse area, a distance of 385.00 feet to the northeast corner; thence
- (26) South $88^{\circ} 39' 02''$ West, along the northerly line of the clubhouse area, a distance of 220.00 feet to a point in the said right-of-way line of Schoolhouse Road; thence
- (27) North $00^{\circ} 23' 10''$ East, along the said line of Schoolhouse Road, a distance of 1,712.05 feet to the point and place of beginning.

Containing 43.59 acres all as shown on that certain final map of Crestwood Village, Section 52, prepared by Fellows, Read & Weber, dated March, 1977.

Of the foregoing premises, the following described lands containing 4.67 acres, as shown on the aforesaid map, are not to be conveyed in fee simple absolute but are to be conveyed pursuant to a 999 year lease assigned from Keswick Colony of Mercy.

All that certain lot, tract or parcel of land situate, lying and being in the Township of Manchester, County of Ocean, and State of New Jersey and being herein more particularly bounded and described as follows:

Beginning at a point, said point being South $00^{\circ} 23' 10''$ West, a distance of 1,383.49 feet along the easterly right-of-way line of Schoolhouse Road (80 feet wide) from a point of intersection being formed by the easterly right-of-way line of Schoolhouse Road with the southerly line of lands of the State of New Jersey (known as Lot 26, Block 75 on the tax map) and running; thence

(1) South $48^{\circ} 12' 15''$ East, a distance of 1,131.31 feet to a point; thence

(2) South $82^{\circ} 09' 03''$ West, a distance of 15.18 feet to a point; thence

(3) North $65^{\circ} 30' 38''$ West, a distance of 117.64 feet to a curve; thence

(4) Southwesterly along a curve bearing to the left having a radius of 505.00 feet and an arc length of 55.53 feet to a point; thence

(5) North $71^{\circ} 48' 37''$ West, a distance of 244.85 feet to a point; thence

(6) North $81^{\circ} 59' 27''$ West, a distance of 116.61 feet to a point; thence

(7) South $08^{\circ} 00' 33''$ West, a distance of 31.38 feet to a point of curvature; thence

(8) Southerly along a curve bearing to the left having a radius of 865.00 feet and an arc length of 51.09 feet to a point; thence

(9) North $85^{\circ} 22' 31''$ West, a distance of 100.00 feet to a point; thence

(10) North $41^{\circ} 40' 41''$ West, a distance of 42.49 feet to a point in the southeast corner of the clubhouse area; thence

(11) North $00^{\circ} 23' 10''$ East, along the easterly line of the said clubhouse area, a distance of 385.00 feet to the northeast corner; thence

(12) South $88^{\circ} 39' 02''$ West, along the northerly line of the clubhouse area, a distance of 220.00 feet to a point in the said right-of-way line of Schoolhouse Road; thence

(13) North $00^{\circ} 23' 10''$ East, along the said line of Schoolhouse Road, a distance of 328.56 feet to the point and place of beginning.

Being a portion of the northerly corner of Block 75, Lot 65 on the tax map of Manchester Township and containing 4.67 acres.

Said final map of Crestwood Village, Section 52 is comprised of 180 building lots. The following lots are to be conveyed in fee simple absolute: Block 75-101, Lots 6 through 73; Block 75-102; Lots 2 through 40; Block 75-103; Lots 2 through 20; Block 75-104; Lots 3 through 13; and Block 75-105, Lots 10 and 12 through 27. The following lots will be conveyed pursuant to a 999 year lease: Block 75-101, Lot 2; Block 75-105, Lots 2, 3, 4, 5, 6, 7, 30 and 31; and Block 75-106, Lots 1 through 8. The following lots will be conveyed partially in fee simple and pursuant to a leasehold estate under a 999 year lease: Block 75-101, Lots 3, 4 and 5; Block 75-104, Lot 2; and Block 75-105, Lots 8, 9, 11, 28 and 29.

The following is a description of Crestwood Village Five Clubhouse Site, in Manchester Township, Ocean County, New Jersey.

BEGINNING at a point in the easterly right-of-way line of Schoolhouse Road, (80 feet wide), said point being distant 2,172.05 feet on a course of South $00^{\circ} 23' 10''$ West, from a concrete monument set at the intersection formed by said right-of-way and the southwesterly line of lands n/f the State of New Jersey, known as Tax Map Lot 26, Block 75; thence from said beginning

(1) North $00^{\circ} 23' 10''$ East, along said right-of-way line of Schoolhouse Road, 460.00 feet to a point; thence

(2) North $88^{\circ} 39' 02''$ East, 220.00 feet to a point; thence

(3) South $00^{\circ} 23' 10''$ West, 385.00 feet to a point; thence

(4) South $46^{\circ} 29' 56''$ West, 117.80 feet to a point; thence

(5) North $89^{\circ} 36' 50''$ West, 135.00 feet to the point and place of beginning.

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Written in accordance with and intended to describe a portion of Lot 65, Block 75 on the Manchester Township Tax Map, as shown on a plan entitled, "Map of Crestwood Village Co-op V, Inc., Manchester Township, Ocean County, New Jersey", prepared by Fellows, Read & Weber, Inc., Toms River, New Jersey and dated May, 1976.

EXHIBIT B TO THE DECLARATION OF COVENANTS
AND RESTRICTIONS - CRESTWOOD VILLAGE, SECTION 52

SUBDIVISION PLAT

The Subdivision Plat for Section 52 dated March, 1977 is
on file at the office of the Sponsor.

EXHIBIT C TO THE DECLARATION OF
COVENANTS AND RESTRICTIONS - CRESTWOOD VILLAGE, SECTION 52

CERTIFICATION

The undersigned does hereby certify that at a meeting of the members of Crestwood Village Co-Op Five, Inc. (now Crestwood Village Five Community Association), a New Jersey non-profit corporation, held on December 31, 1976, an amended Certificate of Incorporation was duly adopted in the form annexed hereto as Exhibit "A".

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and affixed the seal of the corporation, this 2nd day of February, 1977.

/s/ Jan A. Kokes

JAN A. KOKES, Vice President

ATTEST:

/s/ Herbert E. Wishnick

HERBERT E. WISHNICK, Secretary

AMENDED CERTIFICATE OF INCORPORATION

OF

CRESTWOOD VILLAGE FIVE COMMUNITY ASSOCIATION
(Formerly Crestwood Village Co-Op Five, Inc.)

ARTICLE I

The name of the corporation is CRESTWOOD VILLAGE FIVE
COMMUNITY ASSOCIATION.

ARTICLE II

The principal office of the Association is located c/o
Greenbaum, Greenbaum, Rowe & Smith, Sutton Metropark, Woodbridge,
New Jersey, 07095.

ARTICLE III

Arthur M. Greenbaum, Esq., whose address is c/o Greenbaum,
Greenbaum, Rowe & Smith, Sutton Metropark, Woodbridge, New Jersey,
07095, is hereby appointed the initial registered agent of this
Association.

ARTICLE IV

Purposes and Powers of the Association

This Association does not contemplate pecuniary gain
or profit to the members thereof, and the specific purposes for
which it is formed are to provide for the administration, manage-

ment, preservation, utilization and control of the development known as Crestwood Village Five, located in Manchester Township, Ocean County, New Jersey, and to promote the health, safety and welfare of the residents within the above described property, and for these purposes:

(a) To exercise all the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the By-Laws for said Association, said By-Laws being incorporated herein as if set forth at length;

(b) To fix, levy, collect and enforce payment by any lawful means, of all charges or assessments, pursuant to the terms of said By-Laws of the Association, to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) To borrow money, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and

(e) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of New Jersey by law may now or hereafter have or exercise.

ARTICLE V

Every person or entity who is a record owner of a fee simple interest in a condominium unit within Crestwood Village Five or a certificate holder in Crestwood Village Co-Op Section 51 shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of any such unit or certificate shall be the sole qualification for membership.

ARTICLE VI

Board of Governors

The affairs of the Association shall be managed by a Board of Governors. The initial Board of Governors shall be composed of five (5) persons who need not be members of the Association. The number of Governors may be changed pursuant to the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of Governors until the selection of their successors are:

Miroslav A. Kokes
P.O. Box 166
Whiting, New Jersey 08759

Jan Kokes
P.O. Box 166
Whiting, New Jersey 08759

Herbert E. Wishnick
P.O. Box 166
Whiting, New Jersey 08759

Jerry Kokes
P.O. Box 166
Whiting, New Jersey 08759

George Leopold
P.O. Box 166
Whiting, New Jersey 08759

ARTICLE VII

The Corporation shall exist perpetually.

ARTICLE VIII

Mergers and Consolidations

To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit associations organized for the same general purposes, provided that any such merger or consolidation shall have the assent of seventy-five (75%) percent of the votes present and entitled to be cast at any meeting of the Association, duly constituted for such purpose, a quorum being present.

ARTICLE IX

Amendments

This Certificate of Incorporation may be amended at any

meeting of the Association duly constituted for such purpose, a quorum being present, by an affirmative vote of seventy-five (75%) percent of the votes present and entitled to be cast.

ARTICLE X

No contract or other transaction between this corporation and any other corporation, and no act of this corporation shall in any way be affected or invalidated by the fact that any of the Governors or officers of this corporation are pecuniarily or otherwise interested in, or are directors or officers of such other corporations; any Governors individually or any firm of which any Governor may be a member, may be a party to or may be pecuniarily or otherwise interested in any contract or transaction of this corporation, provided the fact that he or such firm is so interested, shall be disclosed on the Minutes of this corporation; any Governor of this corporation who is also a director or officer of such other corporation or who is so interested may be counted in determining the existence of quorum at any meeting of the Governors of this corporation,

which shall authorize any such contract or transaction, and shall be authorized and empowered to vote on any contract or transaction.

EXHIBIT D TO THE DECLARATION OF
COVENANTS AND RESTRICTIONS - CRESTWOOD VILLAGE, SECTION 52

BY-LAWS

of

CRESTWOOD VILLAGE FIVE COMMUNITY ASSOCIATION

ARTICLE I - NATURE OF BY-LAWS

These By-Laws are intended to govern the administration of Crestwood Village Five Community Association, 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, hereinafter referred to as the "Community".

ARTICLE II - MEMBERSHIP

SECTION 1. Definition and Rights. All holders of Membership Certificates and Proprietary Leases in Crestwood Village Co-Op Five, Section 51, Inc., and all owners of Lots in any other Section of the Community shall be members of the Community Association. Said membership shall entitle the Member to vote for the Delegate to represent his Section of the Community at all meetings of the Delegates and to participate and utilize all of the recreational facilities available to Crestwood Village Five subject to the rules and regulations propounded by the Board of Governors.

SECTION 2. Allocation of Votes. Except as otherwise required by law, there shall be 200 votes allocated to Crestwood Village Co-Op Five, Section 51, Inc., regardless of the number of dwelling units constructed or to be constructed therein. There shall be one vote for each Home constructed or to be constructed in the Community based upon final approval from the Township of Manchester.

ARTICLE III - ELECTION AND MEETINGS OF DELEGATES

SECTION 1. Election of Delegates. On the first Monday in August of each year commencing in August, 1977, the Board of Governors shall cause a meeting to be held for each Section of the Community, the sole purpose of which shall be the election of a Delegate to represent each respective Section. Such election shall be conducted in accordance

with Robert's Rules of Order. Except as otherwise provided by law, written notice of each such meeting shall be given to the appropriate Lot Owners at least ten (10) days in advance thereof. If any election of Delegates shall not be held on any day designated herein, the Board of Governors shall cause the election to be held at a special meeting as soon thereafter as may be practicable. The election of a Delegate to represent Crestwood Village Co-Op Five, Section 51, Inc., shall be in accordance with its Certificate of Incorporation and By-Laws.

SECTION 2. Place of Meeting. All meetings of the Governors (sometimes hereinafter referred to as Delegates) of the Community Association Board of Governors shall be held on the first Monday in August in each year, except that such first, annual or special meeting shall not be held until the first Monday in August of the year following that year in which possession of one hundred forty-five (145) of the dwelling units ("Units") built or to be built in Crestwood Village Co-Op Five, Section 51, Inc. have been delivered to individual purchasers of shares of stock in said Crestwood Village Co-Op Five, Section 51, Inc., but in no event after August 1977. If the election of Governors shall not be held on the day designated herein for any annual meeting or at an adjournment of such meeting, the Board of Governors shall cause the election to be held at a special meeting as soon thereafter as conveniently may be. At such special meeting the Delegates may elect the Governors and transact other business with the same force and effect as at an annual meeting duly called and held.

SECTION 3. Annual Meetings of Delegates. The annual meeting of Delegates of the Community Association shall be held on the first Monday in August in each year subsequent to the election contemplated by Section 1 of this Article III except that such first annual or special meeting shall not be held until August, 1977. At such meeting, the Delegates shall elect the Board of Governors and transact such other business as may be appropriate. If such meeting shall not be held on the day designated herein for an annual meeting or at any adjournment of such meeting, such election shall be held at a special meeting as soon thereafter as may be convenient. At such special meeting, the Delegates shall elect the Board of Governors and transact such other business with the same force and effect as at an annual meeting duly called and held.

SECTION 4. Special Meetings of Delegates. After the first annual or special meeting, special meetings of Delegates 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 Governors or upon the written request of Delegates entitled to not less than twenty-five (25%) percent of all the votes entitled to be cast at such meeting.

Such request shall state the purpose or purposes of such meeting and the matter proposed to be acted on thereat. The Secretary shall give notice stating the purpose or purposes of the meeting to all Delegates entitled to vote at such meeting. No special meeting need be called upon the request of Delegates entitled to cast less than fifty (50%) percent of all votes entitled to be cast at such meeting to consider any matter which is substantially the same as the matter voted upon at any meeting of the Delegates held during the preceding twelve months.

SECTION 5. Notice of Delegates' Meeting. Except as otherwise provided by law, notice of each meeting of Delegates, whether annual or special, shall be given not less than ten (10) days, nor more than ninety (90) days before the day on which the meeting is to be held, to the Delegate of each constituent Section within the Community at his last known address, by delivering a written or printed notice thereof to him personally, or by mailing such notice, postage prepaid. Except where expressly required by law, no publication of any notice of a meeting of Members shall be required. Every such notice shall state the time and place of the meeting and shall state briefly the purposes thereof. Notice of any meeting of Delegates shall not be required to be given to any Delegates who shall attend such meeting in person. Notice of any adjourned meeting of the Delegates shall not be required to be given, except when expressly required by law.

SECTION 6. Quorum. At each meeting of the Delegates, 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. In the absence of a quorum, the representatives present in person and entitled to vote, by majority vote, may adjourn the meeting from time to time, until a quorum shall be present or represented. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 7. Organization. At each meeting of the Delegates the President, or in his absence, the Vice President, or in the absence of both 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) A quorum being present, a majority of all those votes entitled to be cast in person shall be sufficient on those matters which are to be voted upon, except that all votes shall be cast thereon by each Delegate or his representative and not by any individual Member.

(b) Each Delegate or his representative may divide the votes which he represents in any manner which is authorized or otherwise appropriate. He may cast said votes in his discretion in such manner as he deems appropriate to assist in the conduct of the affairs of the Community or the Community Association. The election of the Board of Governors shall be by ballot. Unless demanded by a Member present in person at such meeting and entitled to vote thereat or determined by the Chairman of the meeting to be advisable, the vote on any other question need not be by ballot.

ARTICLE IV - BOARD OF GOVERNORS

SECTION 1. Number, Qualification and Term of Office.

(a) The first Board of Governors shall be the five (5) persons named in the Certificate of Incorporation of the Community Association who shall serve for a term of two (2) years.

(b) Thereafter, the Board shall consist of seven (7) Governors and Crestwood Village, Inc. shall have the right to vote for and elect not more than six (6) of the seven (7) Governors for so long as no more than two hundred fifty (250) of the Homes contemplated for the Community have been initially conveyed to individual purchasers.

(c) Crestwood Village, Inc. will have a right to vote for and elect not more than five (5) of the seven (7) Governors, so long as no more than six hundred (600) Homes have been conveyed to individual purchasers.

(d) Crestwood Village Inc. will have a right to vote for and elect not more than four (4) of the seven (7) Governors, so long as no more than eight hundred (800) Homes have been conveyed to individual purchasers.

(e) Crestwood Village, Inc. will have a right to vote for and elect not more than three (3) of the seven (7) Governors, so long as no more than nine hundred fifty (950) Homes have been conveyed to individual purchasers.

(f) In the event that Crestwood Village, Inc. has not surrendered its right to elect a majority of the Governors in accordance with the above provisions within five (5) years from the initial sales in Crestwood Village Co-Op Five, Section 51, Inc., Crestwood Village, Inc.

agrees to surrender said right. Further, Crestwood Village, Inc. reserves the right to abandon the right to elect a majority or any of said Governors at any time.

(g) Notwithstanding the surrender by Crestwood Village, Inc. of the right to control Crestwood Village Five through the election of a majority of its Board of Governors as in this paragraph set forth, until Crestwood Village, Inc. has constructed and sold one thousand ten (1,010) units, the Board of Governors is prohibited from taking any action as a Board or on behalf of the Unit Owners, that would have the effect of infringing upon Crestwood Village, Inc.'s right to construct and sell one thousand ten (1,010) Units or to exclude from the enjoyment of the facilities and services of the Community Association any number of Units less than one thousand ten (1,010).

SECTION 2. Regular Meetings. Regular meetings of the Board of Governors may be held at such times and places as shall be determined from time to time by a majority of the Governors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Governors shall be given to each Governor, personally, by mail, telephone or telegraph, at least five (5) days prior to the date named for such meeting.

SECTION 3. Special Meetings. Special meetings of the Board of Governors may be called by the President on three (3) days notice to each Governor, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Governors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) Governors.

SECTION 4. Waiver of Notice. Before or at any meeting of the Board of Governors, any Governor may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Governor at any meeting of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the Governors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 5. Quorum. At all meetings of the Board of Governors, a majority of the votes entitled to be cast shall constitute a quorum for the transaction of business, and the acts of the majority of the votes present at a meeting at which a quorum is present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

SECTION 6. Removal of Governors. At any regular or special meeting of the Community Association duly called, any one or more of the Governors, except the appointed Governors may be removed with or without

cause by a ninety (90%) percent vote of those votes entitled to be cast and a successor may then and there be elected to fill the vacancy thus created. Any Governors whose removal has been proposed by a Delegate shall be given an opportunity to be heard at the meeting.

SECTION 7. General Powers. The property, affairs and business of the Community shall be managed by the Board of Governors, 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) Employ, by contract or otherwise, a manager or an independent contractor, to oversee, supervise and follow out the responsibilities of the Board of Governors. Said manager or said independent contractor shall be compensated upon such term or terms as the Board deems necessary and proper; and

(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 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; and

(c) Employ professional counsel and to obtain advice from persons, firms or corporations such as but not limited to, landscape architects, recreation experts, architects, planners, biologists, lawyers, accountants; and

(d) Employ or contract for water and sewer and supply and resell or lease the same; electricity, gas or other forms of utilities; snow plowing or removal; painting, building, repairing, renovating, remodeling; and

(e) Employ all managerial personnel necessary or enter into a managerial contract for the efficient discharge of the duties of the Board hereunder. Those employees who handle or are responsible for the handling of monies shall be bonded by a fidelity bond.

(f) Investigate, hire, pay, supervise and discharge the personnel necessary to be employed in order to properly maintain and

operate the Community property. Compensation for services of such employees (as evidenced by certified payroll) shall be considered an operating expense of Crestwood Village Five.

(g) Cause all facilities, buildings and improvements which it is responsible to maintain, to be maintained 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.

(h) 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 thereover and by order of the Board of Fire Underwriters or other similar bodies.

(i) Arrange for maintenance of roads, walkways and parking areas.

(j) Arrange for the removal of refuse.

(k) Arrange for security protection as necessary.

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

(1) Broad form 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 Governors and all Members, in an amount equal to the full replacement value of the buildings, without deduction for depreciation.

All such policies shall provide that adjustment of loss shall be made by the Board of Governors with the approval of the Insurance Trustee, and that the net proceeds thereof, if \$50,000.00 or less, shall be payable to the Board of Governors, and if more than \$50,000.00, shall be payable to the Insurance Trustee.

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 insurance, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insured. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Governors 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 amount of fire insurance to be effected pursuant to this Section.

(ii) To the extent obtainable, public liability insurance in such limits as the Board of Governors may, from time to time, determine covering each member of the Board of Governors, the managing agent, the manager, and each Member. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Governors shall review such limits once a year. Until the first meeting of the Board of Governors following the first annual meeting of the Delegates, such public liability insurance shall be amounts not less than \$1,000,000 for claims for bodily injury and property damage and in no event shall said coverage be reduced without approval by at least seventy-five (75%) percent of the votes entitled to be cast by the membership.

The Board of Governors shall appoint an Insurance Trustee for the purposes mentioned herein. Said Insurance Trustee shall not be a member of the Community Association, an employee of the Builder or the managing agent, and shall discharge his duties in accordance with these By-Laws. The initial Insurance Trustee shall be Sidney Boyarin, P.O. Box 166, Whiting, N.J., who shall serve at the pleasure of the Board.

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

(n) 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; and

(o) The power granted to the Board herein to borrow money on a real estate mortgage, pass title to real estate, or purchase real estate shall only be exercised by the Board with the assent of seventy-five (75%) percent of votes entitled to be cast by the membership.

(p) To accept all or any of the powers, duties and responsibilities of the Board of Trustees of Crestwood Village Co-Op Five, Section 51, Inc.

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

Governors, except that in addition to all other duties lawfully imposed upon it and the Community Association the Board of Governors shall have the duty to exercise all of such powers as required by law and by subparagraphs (h) and (l) of this Section 7 of Article IV.

SECTION 8. Rules and Regulations. Without limiting the generality of the foregoing, the Board of Governors shall have the right to make reasonable rules and regulations as to the conduct of the Members or occupants 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 the enjoyment of access to or over such Community property and Community facilities for such reasonable periods as the Board, in its 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 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. Action by any manager, or managing agent shall be deemed to be action by the Board.

SECTION 9. Non-Waiver. All the rights, duties and privileges of the Board shall be deemed to be continuing and shall not be exhausted by any single act or series of acts. To the same extent, the failure to use or employ any remedy or right hereunder or hereafter granted shall not preclude its exercise in the future or shall any custom bind the Board.

ARTICLE V - OFFICERS

SECTION 1. Designation. The principal officers of the Community Association shall be a President, a Vice-President, who shall be a member of the Board of Governors, a Secretary and a Treasurer. The Board may also appoint such other Assistant Treasurers and Assistant Secretaries as in their judgment may be necessary. Any two officers, 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 Governors at the first Board of Governors meeting following each annual meeting and such officers shall hold office at the pleasure of the Board.

SECTION 3. Removal of Officers. Upon an affirmative vote of a two-thirds majority of the members of the Board of Governors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Governors, or at any special meeting of the Board called for such purpose.

SECTION 4. 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 Governors. 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 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Governors shall appoint some other Member to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Governors.

SECTION 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Governors and the minutes of all meetings of the Delegates of the Community Association. He shall have charge of such books and papers as the Board of Governors may direct; 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 same, and to the credit, of the Community Association in such depositories as may from time to time be designated by the Board of Governors.

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 of Governors:

ARTICLE VI - FISCAL YEAR

The fiscal year of the Community Association shall be on a calendar year basis.

ARTICLE VII - AMENDMENTS

These By-Laws or any of them may be altered, amended or repealed, or new By-Laws may be made, at any meeting of the Community Association duly constituted for such purpose, a quorum being present, by an affirmative vote of seventy-five (75%) percent of the votes entitled to be cast, in person, except that the first annual meeting may not be advanced and the first Board of Governors (including replacements in case of vacancies) may not be removed by reason of any such amendment or repeal.

ARTICLE VIII - ENFORCEMENT

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

ARTICLE IX - NOTICE

Any notice required to be sent to any Member under the provisions of the Declaration or the Certificate of Incorporation or these By-Laws shall be deemed to have been properly sent, and notice thereby given, 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 of 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.



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SCOTLAND COUNTY CLERK'S OFFICE OCEAN COUNTY NEW JERSEY

Prepared By: 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.

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100-07912-Bery

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

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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.

