

BY-LAWS
OF
WEYBRIDGE CONDOMINIUM ASSOCIATION, INC

ADOPTED: October 6, 2004

TABLE OF CONTENTS
 FOR
 BY-LAWS OF
 Weybridge Condominium Association, Inc.-

PAGE

ARTICLE I - NATURE OF BY-LAWS1

 1.01. Purpose.....1

 1.02. Definitions.....1

 1.03. Fiscal Year1

 1.04. Principal Office.....1

ARTICLE II - MEMBERSHIP AND VOTING RIGHTS2

 2.01. Members2

 2.02. Associate Members.....2

 2.03. Change of Membership.....2

 2.04. Rights of Membership.....2

 2.05. Suspension of Rights.....2

 2.06. Membership Fees.....3

 2.07. Escrow Deposit4

 2.08. Votes4

 2.09. Proxies.....5

ARTICLE III - MEETINGS OF UNIT OWNERS.....5

 3.01. Place of Meetings.....5

 3.02. First Annual Meeting and Regular Annual Meetings6

 3.03. Special Meetings.....6

 3.04. Notice of Meeting.....6

 3.05. Quorum and Adjourned Meetings7

 3.06. Organization7

 3.07. Voting On Questions.....7

 3.08. Voting in Elections of Directors8

 3.09. Member in Good Standing.....8

 3.10. Ballot by Mail9

 3.11. Judges10

 3.12. Order of Business.....10

| | |
|---|----|
| ARTICLE IV - BOARD OF DIRECTORS..... | 11 |
| 4.01. Express and Implied Powers and Duties..... | 11 |
| 4.02. Qualifications..... | 11 |
| 4.03. Number | 12 |
| 4.04. Election and Term of Office | 13 |
| 4.05. Developer's Protective Provisions | 13 |
| 4.06. Removal of Members of the Board..... | 13 |
| 4.07. Vacancies | 13 |
| 4.08. Meeting of the Board; Notices; Waiver of Notice | 14 |
| 4.09. Meetings Open to Unit Owners; Notice | 15 |
| 4.10. Quorum and Adjourned Meetings | 15 |
| 4.11. Joinder in Meetings by Approval of Minutes | 16 |
| 4.12. Non-Waiver..... | 16 |
| 4.13. Consent in Lieu of Meeting and Vote..... | 16 |
| ARTICLE V - POWERS AND DUTIES OF BOARD OF DIRECTORS..... | 17 |
| 5.01. General Powers and Privileges | 17 |
| 5.02. Duties and Responsibilities..... | 17 |
| ARTICLE VI - FISCAL MANAGEMENT | 26 |
| 6.01. Budget; Common Expense Assessments | 26 |
| 6.02. Determination of Common Expenses | 26 |
| 6.03. Disbursements..... | 26 |
| 6.04. Depositories | 26 |
| 6.05. Accounts | 27 |
| 6.06. Reserves | 29 |
| 6.07. Exemption from Assessments for Capital Improvements | 29 |
| 6.08. Notice..... | 29 |
| 6.09. Acceleration of Assessment Installment Upon Default | 30 |
| 6.10. Interest and Counsel Fees..... | 31 |
| 6.11. Assessment of Expenses in Actions by or Against Association | 31 |
| 6.12. Power of Attorney to Permitted Mortgage Holder | 33 |
| 6.13. Annual Audit..... | 33 |
| 6.14. Examination of Books..... | 33 |
| 6.15. Fidelity Bonds..... | 33 |
| ARTICLE VII - OFFICERS | 34 |
| 7.01. Designation | 34 |
| 7.02. Election of Officers..... | 34 |
| 7.03. Removal of Officers..... | 34 |

| | |
|---|----|
| 7.04. Duties and Responsibilities of Officers | 34 |
| 7.05. Other Duties and Powers | 35 |
| 7.06. Eligibility of Directors | 35 |
| | |
| ARTICLE VIII - COMPENSATION, INDEMNIFICATION AND EXCULPABILITY OF OFFICERS, DIRECTORS AND COMMITTEE MEMBERS | 35 |
| 8.01. Compensation | 36 |
| 8.02. Indemnification | 36 |
| 8.03. Exculpability | 36 |
| | |
| ARTICLE IX - ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE CONDOMINIUM ASSOCIATION | 37 |
| 9.01. Approval by Unit Owners | 37 |
| 9.02. Emergency | 37 |
| | |
| ARTICLE X - ENFORCEMENT | 37 |
| 10.01. Enforcement | 37 |
| 10.02. Fines | 38 |
| 10.03. Waiver | 38 |
| 10.04. Cause of Action Against Association | 38 |
| 10.05. Due Process Procedure | 38 |
| 10.06. Civil Action for Damages | 39 |
| 10.07. Alternate Dispute Resolution | 39 |
| | |
| ARTICLE XI - AMENDMENTS | 39 |
| 11.01. Procedure for Amending | 39 |
| 11.02. Prohibition | 39 |
| | |
| ARTICLE XII - CONFLICT; INVALIDITY | 40 |
| 12.01. Conflict | 40 |
| 12.02. Invalidity | 40 |
| | |
| ARTICLE XIII - NOTICE | 40 |
| 13.01. Notice to Unit Owners | 40 |
| 13.02. Notice of Change of Address | 41 |

| | |
|-----------------------------------|----|
| ARTICLE XIV - ARBITRATION | 41 |
| ARTICLE XV - CORPORATE SEAL | 41 |

BY-LAWS
OF
WEYBRIDGE CONDOMINIUM ASSOCIATION, INC

ARTICLE I
NATURE OF BY-LAWS

1.01. Purpose. These By-Laws are intended to govern the administration of Weybridge Condominium Association, Inc- (the "Association"), a non-profit corporation organized under Title 15A of the New Jersey Statutes Annotated, and to provide for the management, administration, utilization and maintenance of the Common Elements described in the Master Deed as Amended by Amended Master Deed for Weybridge Condominium Association, Inc (the "Condominium"), and any amendments or supplements thereto.

1.02. Definitions. Unless the context clearly indicates otherwise, all definitions set forth in the aforesaid Master Deed or in N.J.S.A. 46:8B-3 are incorporated herein by reference.

1.03. Fiscal Year. The fiscal year of the corporation shall be determined by the Board of Directors.

1.04. Principal Office. The principal office of the corporation is located at 1838 Highway 35, Unit 97, Wall Township , NJ 07719, or such other location as may be determined by the Board of Directors.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

2.01. Members. Every person, firm, association, corporation or other legal entity, who is a record Owner or Co-Owner of the fee simple title to any Unit in the Condominium shall be a Member of the Association; provided, however, that any person, firm, association, corporation, or legal entity who holds such title or interest merely as a security for the performance of an obligation (including, but not limited to, mortgagees or trustees under deeds of trust) shall not be a Member of the Association.

2.02. Associate Members. No person who is entitled to possession and occupancy of a Unit as a tenant or lessee of a Unit Owner may be an Associate Member of the Association and shall not be entitled to any vote with respect to Association matters.

2.03. Change of Membership. Change of membership shall be accomplished by recording in the Monmouth County Clerk's Office a deed or other instrument establishing a record title to a Unit, and delivery to the Secretary of the Association of a certified copy of such instrument and such sums of money as are required by the Association for the payment of any membership fee and escrow deposits. The membership of the prior Unit Owner shall be thereby terminated.

2.04. Rights of Membership. Every person who is entitled to membership in the Association, pursuant to the provisions of the Certificate of Incorporation and these By-Laws,

shall be privileged to use and enjoy the Common Elements of the Condominium subject, however, to the right of the Association to:

- (a) Promulgate rules and regulations governing such use and enjoyment;
- (b) Suspend the use and enjoyment of the Common Elements as provided in Section 2.05 hereof; and
- (c) Dedicate or transfer all or part of the Common Elements, other than any Building in which any Units are contained, and grant easements, licenses and other property rights with respect to the Common Elements as provided in Section 5.01(n) hereof.

2.05. Suspension of Rights. The membership and voting rights of any Member may be suspended by the Board for any period during which any assessment, or installment thereof, against the Unit to which his membership is appurtenant remains unpaid; but upon payment of any such assessment or installment, and any interest accrued thereon, and the amount due as counsel fees, if any, pursuant to Section 6.10 hereof, whether by cash, money order or certified or collected funds, his rights and privileges shall be immediately and automatically restored subject to the provisions of Section 3.08 hereof. Further, if rules and regulations governing the use of the Common Elements and the conduct of persons thereon have been adopted and published, as authorized in the By-Laws, the rights and privileges of any person in violation thereof or in violation of any non-monetary covenant of the Master Deed may be suspended at the discretion of the Board for a period not to exceed thirty (30) days for any single violation, but if the violation is of a continuing nature, such rights and privileges may be suspended indefinitely until such time as the violation is abated. No such action shall be taken

by the Board until the Unit Owner is afforded an opportunity for a hearing consistent with the principles of due process of law.

2.06. Membership Fees. The Board shall impose upon each Unit Owner, upon acquisition of title to his Unit, a non-refundable fee for membership in the Association in the amount \$300.00 of the current annual Common Expense assessment for his Unit, which fee may be used for working capital or any other lawful purpose. The payment of such fee shall be a condition precedent to membership in the Association and shall apply to all subsequent Unit Owners as well as those who acquire title from Developer. Any unpaid membership fee shall be deemed a lien on the Unit in the same manner as any unpaid Common Expenses attributable to such Unit.

2.07. Escrow Deposit. The Board may also require each Unit Owner to deposit with the Association in escrow an amount not to exceed two months of the current estimated Annual Common Expense Assessment for his Unit, which escrow deposit shall be held by the Association and applied in the event of a default by the Unit Owner in the payment of any type of Assessment, fine or other charge levied by the Board against his Unit. To the extent that the escrow deposit or any part thereof is so applied, the Unit Owner shall be responsible for replenishing the escrow deposit. Such escrow, if imposed, shall be held by the Association in an interest-bearing account, with interest to accrue to the benefit of the Association, and shall be assignable (but not refundable) upon the sale of the Unit without interest to the extent the deposit is not applied to defaulted Common Expense Assessments.

2.08. Votes. Each Unit Owner shall be entitled to such vote(s) for each Unit to which he holds title as is provided in the Master Deed. When more than one person holds title, the vote(s) for each Unit shall be exercised as the Co-Owners among themselves determine.

When one or more Co-Owners sign a proxy or purports to vote for his or her Co-Owners, such vote(s) shall be counted unless one or more of the other Co-Owners is present and objects to such vote(s); or, if not present, submits a proxy or objects in writing delivered to the Secretary of the Association before the vote(s) is counted. If Co-Owners disagree as to the vote(s), the vote(s) shall be split equally among the Co-Owners.

2.09. Proxies. Voting by proxy shall be permitted with respect to (i) all elections of Directors, (ii) all amendments to the Certificate of Incorporation, the Master Deed or these By-Laws, or (iii) any other matter which properly comes before a meeting of the Membership of the Association. All proxies shall be in writing, signed by the individual Unit Owners (or in the case of joint owners by any one of them), or by his or their duly authorized representative(s) and delivered to the Secretary of the Association, or such other person as the President may designate, at least 24 hours prior to the commencement of the meeting at which ballots are to be cast. Proxies may be revoked in writing at any time prior to the opening of the polls, and no proxy shall be valid after eleven (11) months from its date of execution unless said proxy provides for a longer period, not to exceed three (3) years from the date of execution. All proxies shall be substantially in the form prescribed by the Board, and if not in such form, shall be deemed invalid, which determination shall be made in the sole and absolute discretion of the Board.

ARTICLE III

MEETINGS OF UNIT OWNERS

3.01. Place of Meetings. All meetings of the Members of the Association shall be held at the Condominium or at such other place convenient to the Members as may be designated by the Board.

3.02. First Annual Meeting and Regular Annual Meetings. All annual meetings of the Association shall be held on the first Friday night of October at 8:00 P.M. or as established by the Board. At the annual meeting and each subsequent annual meeting, the election of Directors shall take place. If the election of Directors shall not be held at the annual meeting or any adjournment of such meeting, the Board shall cause the election to be held at a special meeting as soon thereafter as may be convenient. At such special meeting, the Unit Owners may elect the Directors and transact other business with the same force and effect as at an annual meeting duly called and held. All proxies validly received for the originally scheduled meeting shall remain in full force and effect for any such adjourned meeting or special meeting, and new proxies may be received for any such subsequent meeting.

3.03. Special Meetings. After the first annual or special meeting, special meetings of the Unit Owners may be called by the President whenever he deems such a meeting advisable, or shall be called by the Secretary upon the order of the Board, or upon the written request of Members representing not less than twenty-five (25%) percent of all the votes entitled to be cast at such meeting. Such requests shall state the purpose(s) of such meeting and the matter(s) proposed to be acted upon. Unless Unit Owners representing at least fifty (50%) percent of all votes entitled to be cast request such a meeting, no special meeting may be called to consider any matter which is substantially the same as a matter voted upon at any meeting of the Unit Owners held during the preceding twelve (12) months, which determination shall be made in the sole and absolute discretion of the Board.

3.04. Notice of Meeting. Except as otherwise provided by N.J.S.A. 46:8B-12.1b and Section 4.03 hereof with respect to transition elections, notice of each meeting of Members, whether annual or special, shall be given not less than ten (10) calendar days, nor

more than sixty (60) calendar days before the day on which the meeting is to be held, to each Unit Owner at his last known address, by delivering a written or printed notice thereof to said Unit Owner, or by mailing such notice, postage prepaid. Every such notice shall state the date, time, place and purpose(s) of the meeting. Notice of any meeting of Unit Owners shall not be required to have been sent to any Unit Owners who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the Unit Owners shall not be required to be given except when expressly required by law. Except where otherwise expressly required by law, no publication of any notice of a meeting of Unit Owners shall be required.

3.05 Quorum and Adjourned Meetings. At each meeting of the Association, persons holding twenty-five (25%) percent of the authorized votes (including any held by Developer) present in person, by proxy or by mail ballot shall constitute a quorum for the transaction of business at a meeting of the membership, except where otherwise provided by law. In the absence of a quorum, a majority of the votes present in person or by proxy 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 originally called.

3.06. Organization. At each meeting of the Association, the President, or, in the absence of the President, the Vice President, or in the absence of both of them, a person chosen by a majority vote of the Members in Good Standing present in person or represented by proxy, shall act as a chairperson, and the Secretary, or in the absence of the Secretary, a person whom the chairperson shall appoint, shall act as Secretary of the meeting.

3.07. Voting On Questions. Only Unit Owners who are Members in Good Standing at least 30 days prior to any meeting at which a vote to occur shall be entitled to vote on

questions, which vote shall be equal in weight to the relative percentage interest in the Common Elements appurtenant to the Unit for which it is cast. A majority of votes present in person or by proxy at any duly constituted meeting of the membership shall be sufficient on those questions submitted to a vote of the membership. The vote on any question need not be taken by ballot unless (i) the chairperson of the meeting determines a ballot to be advisable, or (ii) a majority of the votes present at the meeting determine that the vote on the question submitted shall be taken by ballot.

3.08. Voting in Elections of Directors. Only Unit Owners who are Members in Good Standing at least 30 days prior to any meeting which an election is to occur shall be entitled to vote in elections of Directors. The election of Directors shall be conducted by written ballot unless previously waived by motion of the members, and the Owner(s) of each Unit present in person or by proxy shall be entitled to one unweighted vote for each Unit to which he holds title. If, at any meeting at which an election is held, more than twice the number of candidates to be elected are nominated, there shall be two ballots cast. At the end of the tabulation of the first ballot, the field of nominees shall be reduced so that there are twice as many candidates as there are positions to be filled, with the remaining candidates receiving the fewest votes being eliminated from the ensuing ballot. A second ballot shall be held and, on the second ballot, the persons receiving the plurality of votes will be deemed to be elected in order to fill the vacant positions. If there are not more than twice the number of nominees for the number of positions to be filled, then there shall be one ballot, with the persons receiving the highest numbers of votes being elected in order to fill the vacancies on the Board.

3.09. Member in Good Standing. A Member shall be deemed to be in good standing and entitled to cast his vote at any annual meeting or at any special meeting of the

Association if, and only if, he shall have fully paid all installments due for assessments made or levied against him and his Unit by the Board, at least thirty (30) calendar days prior to the date fixed for any meeting or other Association action, as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and to his Unit. Any date set forth in these By-Laws for determining good standing for voting purposes, as well as any related requirement which may be established by the Board of Directors, shall be deemed supplemental to, and not in derogation of, the record date provisions of N.J.S.A. 15A:5-7.

3.10. Ballot by Mail. The Board, in lieu of calling a membership meeting, may submit any question or election, other than a Transition Election, to a vote of the membership by a ballot by mail. No ballot by mail shall be valid or tabulated unless the signature of the Unit Owner(s) submitting the ballot has been verified on the ballot according to procedures adopted by the Board, if any. Only Unit Owners in Good Standing shall be entitled to vote. The Board shall appoint judges to tabulate the ballot, whose report shall be included in the minute book. In order to conduct a ballot by mail for a question submitted to a vote of the membership, the Board shall serve a notice upon all Members in Good Standing which shall (i) state with specificity in terms of motion(s) the question(s) upon which the vote is to be taken; (ii) state the date by which ballots must be received in order to be counted; (iii) provide an official ballot for the purposes of the vote; and (iv) state the date upon which the action contemplated by the motion(s) shall be effective, which date shall be not less than ten (10) days after the date ballots must be received. No actions contemplated by a motion or question submitted to a ballot by mail shall be taken unless that number of Members in Good Standing that would constitute a quorum under the

provisions of Section 3.05 herein submit ballots and a majority of the ballots cast approve such motion or question.

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

3.11. Judges. If at any meeting of the Unit Owners a vote by written ballot shall be taken on any question, the chairperson of such meeting shall appoint two Judges to act thereat with respect to such vote. Each Judge so appointed shall first subscribe an oath to execute faithfully the duties of a Judge at such meeting with strict impartiality and according to the best of his ability. Such Judges shall decide upon the qualifications of voters and shall report the number of votes represented at the meeting and entitled to vote on such question, shall conduct and accept the votes, and when the voting is completed, shall ascertain and report the number of votes respectively for and against the questions; but as to the election of Directors, the number of votes received by each candidate need not be reported. Reports of Judges shall be in writing and subscribed and delivered by them to the Secretary of the meeting. The Judges need not be Members of the Association, and any officer or Director of the Association may be a Judge on any question, other than a vote for or against his election to any position with the Association or any other question in which he may be directly interested.

3.12. Order of Business. The order of business at the annual meeting of the Unit Owners or at any special meetings insofar as practicable shall be:

- (a) Calling of the roll and certifying the proxies.
- (b) Proof of notice of meeting and waiver of notice.
- (c) Reading and disposal of any unapproved minutes.

- (d) Appointment of Judges of election, if appropriate.
- (e) Election of Directors, if appropriate.
- (f) Receiving reports of officers.
- (g) Receiving reports of committees.
- (h) Old business.
- (i) New business.
- (j) Adjournment.

ARTICLE IV

BOARD OF DIRECTORS

4.01. Express and Implied Powers and Duties. The property, affairs and business of the Association shall be managed by the Board, which shall have all those powers granted to it by the Certificate of Incorporation, the Master Deed, these By-Laws, and by law.

4.02. Qualifications. The following criteria shall be qualifications for nomination, appointment or election to a Directorship:

- (a) Member in Good Standing: Membership in good standing and ownership of a Unit shall be a qualification for nomination, appointment, election or service as a Director and for continued service on the Board, excluding any Director representing the Developer.
- (b) Representation: Partnerships, corporations, limited liability companies or fiduciaries holding memberships in good standing may designate individuals to be eligible for nomination, appointment or election as Directors in accordance with the following qualifications:

- (i) Partnership designees shall be members, employees or agents of the partnership;
- (ii) Corporate designees shall be officers, stockholders, employees or agents of the corporation;
- (iii) Limited liability company designees shall be members or managers of the limited liability company; and
- (iv) Fiduciary designees shall be fiduciaries, officers, or employees of the fiduciary.

Co-owners holding a membership in good standing may designate any one of them, but only one of them, to be eligible for nomination, appointment or election as a Director; however, in the case of any disagreement, the express consent of a majority of such Co-Owners shall be required for any one of them to be eligible.

- (c) Disqualification of Directors. Any Director whose membership in the Association is not in good standing for thirty (30) consecutive days shall automatically be disqualified as a Director upon expiration of said thirty (30) day period and a replacement shall be appointed by the Board of Directors within thirty (30) days thereafter to serve the remainder of the term as contemplated by Section 4.07 hereof.

Despite the aforesaid, any Director who conveys title to his Unit and no longer holds title to any other Unit is automatically disqualified as a Director effective on the date of said conveyance.

4.03. Number.

Thereafter, the Board shall consist of seven (7) Directors (hereinafter referred to as Directors A, B, C, D, E, F, and G).

Further, only Unit Owners who are Members in Good Standing shall be eligible to be nominated, elected, or to serve on the Board, except that in the case of Unit Owners which are partnerships, corporations, limited liability companies, or fiduciaries, including Developer, a designee shall be eligible if the Unit Owner is a Member in Good Standing.

4.04. Election and Term of Office. At the annual meeting of the Membership that is called the Directors shall be elected for a term of one (1) year. The Directors shall hold office until their respective successors have been duly elected and qualified, or until removed in the manner elsewhere provided.

4.05 Intentionally Omitted

4.06. Removal of Members of the Board. At any duly held regular or special meeting of the Unit Owners, any one or more Directors may be removed with or without cause by a majority of the Unit Owner votes present, provided that the notice of the meeting expressly includes this item. A successor may then and there be appointed by a majority of the remaining Directors to fill the vacancy thus created. Each person so appointed shall be a Director for the remainder of the term of the Director whose term he is filling and until his successor is duly elected and qualified. Any Director whose removal has been proposed shall be given an opportunity on at least ten (10) days prior written notice to be heard at the meeting. In the event that all of the Directors are removed, successors shall be elected by the Unit Owners in the manner set forth in Section 4.04 herein to fill the vacancies thus created.

4.07. Vacancies. Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Unit Owners of the Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy. Each person so elected shall be a Director for the remainder of the term of the Director whose term he is filling and until his successor shall have been duly elected and qualified.

4.08. Meeting of the Board; Notices; Waiver of Notice. The first annual meeting of the Board shall be held within ten (10) days after the first annual meeting of the Association and at such time and place as shall be fixed by a majority of the Board and no notice shall be necessary. Thereafter, regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Board, but at least two (2) meetings shall be held each year. Notice of regular meetings of the Board shall be given to each Director by telephone, mail, or telegram at least three (3) calendar days prior to the day of the meeting. Special meetings of the Board may be called by the President on three (3) calendar days notice to each Director given by telephone, mail or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or the Secretary in like manner and on like notice on the written request of at least three (3) Directors. Any Director may, at any time, waive notice of any meeting of the Board in writing and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

4.09. Meetings Open to Unit Owners; Notice. All Board Meetings, except conferences or working sessions at which no binding votes are to be taken, shall be open to attendance by all Unit Owners, subject to those exceptions set forth in N.J.S.A. 46:8B-13a and N.J.A.C. 5:20-1.1, as now or hereafter amended. The Board may exclude or restrict attendance at those meetings, or portions of meetings, at which any of the following matters are to be discussed: 1) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; 2) any pending or anticipated litigation or contract negotiations; 3) any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer; or 4) any matter involving the employment, promotion, discipline or dismissal of a specific officer or employee of the Association. Adequate written notice of the date, time, place and, to the extent known, the agenda of all such open meetings shall be given by the Board to all Unit Owners at least forty-eight (48) hours in advance of such meeting in the manner required by N.J.A.C. 5:20-1.2(b). Moreover, the Board shall also within seven (7) days following the Annual Meeting of the Association post, mail to newspapers and file with the administrator of the business office of the Association a schedule of the regular Board Meetings to be held in the succeeding year, as prescribed by N.J.A.C. 5:20-1.2(c) and make appropriate revisions thereto, all as required by N.J.A.C. 5:20-1.2(c)1.

4.10. Quorum and Adjourned Meetings. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and the votes of a majority of the Directors present and voting at a meeting at which a quorum is present shall constitute a valid decision. If at any meeting of the Board there shall be less than a quorum present, the majority of those present shall adjourn the meeting to a new date. At any such

adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be transacted without further notice. The vote of a majority of those present at a Board meeting at which a quorum is present shall be necessary for valid action by the Board on any matter.

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

4.12. 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 nor shall any custom bind the Board.

4.13. Consent in Lieu of Meeting and Vote. Despite anything to the contrary in these By-Laws, the Certificate of Incorporation or the Master Deed, the entire Board shall have the power to take action on any matter in which it is authorized to act, without the necessity of a formal meeting and vote if the entire Board, or all of the Directors empowered to act, whichever the case may be, shall consent in writing to such action.

ARTICLE V

POWERS AND DUTIES OF BOARD OF DIRECTORS

5.01. General Powers and Privileges. Subject to the Master Deed, the Association may do all it is legally entitled to do under the laws applicable to its form of organization. The Association shall discharge its powers in a manner that protects and furthers the health, safety and general welfare of the residents of the Condominium. The Association shall provide a fair and efficient procedure for the resolution of disputes between individual Unit Owners and the Association, and between different Unit Owners, that shall be readily available as an alternative to litigation.

The property, affairs and business of the Association shall be managed by the Board of Directors, which shall have all those powers granted to it by the Governing Documents and/or the Affordable Housing Plan. The Board shall have these powers, which include but which are not necessarily limited to the following, together with such other powers as may be provided herein or in the Governing Documents and/or the Affordable Housing Plan, or which may be necessarily implied:

- (a) To employ, by contract or otherwise, a manager, managing agent or an independent contractor to oversee, supervise and carry out the responsibilities of the Board. Said manager or said independent contractor shall be compensated upon such terms as the Board deems necessary and proper; and
- (b) To employ any person, firm or corporation to repair, maintain or renovate the Common Elements of the Condominium; to lay pipes or culverts; to bury utilities; to put up lights or poles; to erect signs and traffic and safety controls of various sorts on said Common Elements; and

- (c) To employ professional counsel and to obtain advice from persons, firms or corporations such as, but not limited to, landscape architects, architects, engineers, lawyers and accountants; and
- (d) To employ or contract for water and sewer, electricity and gas or other forms of utilities, cable or master antenna television, refuse collection; and
- (e) To employ all managerial personnel necessary, or enter into a managerial contract for the efficient discharge of the duties of the Board hereunder; and
- (f) To adopt, amend, and publish rules and regulations covering the details of the operation and use of the Common Elements, including, but not limited to, pet controls; and
- (g) To secure full performance by all Unit Owners or occupants of all items of maintenance for which they are responsible; and
- (h) To coordinate the plans of Unit Owners and occupants of Units for moving their personal effects or property into the Unit or out of it, with a view toward scheduling such movements so that there shall be a minimum of inconvenience to others; and
- (i) To establish and enforce Rules and Regulations for parking subject to the provisions of the Master Deed, the Certificate of Incorporation and these By-Laws; and
- (j) To arrange for security protection as necessary; and
- (k) To enforce obligations of the Unit Owners and do anything and everything else necessary and proper for the sound management of the Condominium, including, but not limited to, the right to bring or defend lawsuits to enforce the terms,

conditions and restrictions contained in the Master Deed, the Certificate of Incorporation, these By-Laws, or the Rules and Regulations; and

- (l) To borrow and repay monies giving notes, mortgages or other security upon such term or terms as it deems necessary; and
- (m) To invest and reinvest monies, sue and be sued, collect interest, dividends, and capital gains; exercise rights; pay taxes; make and enter into contracts; enter into leases or concessions; make and execute any and all proper affidavits for various purposes; compromise any action without leave of court; and all other powers contained herein, and those necessary and incidental thereto; and
- (n) To transfer, grant or obtain easements, licenses and other property rights with respect to the Common Elements or for the benefit of the Condominium in a manner not inconsistent with the rights of Unit Owners; and
- (o) To purchase or lease or otherwise acquire in the name of the Condominium Association or its designees, corporate or otherwise, on behalf of all Unit Owners within the Condominium after the Unit Owners control the Board, Units offered for sale or lease or surrendered by their Owners to the Board provided that the foregoing shall not be construed to constitute a right of first refusal; and
- (p) To purchase (but not during the period of Developer control) Units within the Condominium at foreclosure or other judicial sales in the name of the Association or its designees, corporate or otherwise, on behalf of all Owners after the Unit Owners control the Board; and
- (q) To sell, lease, mortgage (but not vote the votes appurtenant thereto) or otherwise deal with Units acquired by the Association, and sublease any such Units leased

by the Association or its designees, on behalf of all Owners subject to the provisions of the Affordable Housing Plan; and

- (r) To bring and defend actions by or against more than one Unit Owner which are pertinent to the operation of the Condominium, the continuity of Weybridge Condominium Association as a condominium, the health, safety or general welfare of the Unit Owners, or any other legal action to which the Unit Owners may consent in accordance with these By-Laws; and
- (s) To appoint an Insurance Trustee or the manager, who shall discharge his duties in accordance with these By-Laws. In the absence of such an appointment, the Board shall be responsible for the disposition of all insurance proceeds; and
- (t) To create, appoint members to and disband such committees as shall from time to time be deemed appropriate or necessary to aid the Board in the discharge of its duties, functions and powers.

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

- (a) To cause the Common Elements to be maintained according to accepted standards and as set forth in the Master Deed, including, but not limited to such maintenance, painting, replacement and repair work, as may be necessary. All repairs and replacement shall be substantially similar to the original construction and installation and shall be of first class quality; and
- (b) To investigate, hire, pay, supervise and discharge the personnel necessary to be employed, and provide the equipment and materials necessary, in order to properly maintain and operate the Common Elements. Compensation for the

services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Association; and

- (c) To cause to be kept a complete record of all its acts and corporate affairs and to present a summary report thereof to the Members at the annual meeting or at any special meeting of the Association when requested in writing at least twenty-one (21) calendar days in advance by the Unit Owners entitled to cast at least twenty-five (25%) percent of the total votes of the Association; and
- (d) To allocate common surplus or make repairs, additions, improvements to, or restoration of the Common Elements in accordance with the provisions of these By-Laws and the Master Deed after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings; and
- (e) To take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises maintained by the Association placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, and order of the Board of Fire Underwriters or other similar bodies; and
- (f) To manage the fiscal affairs of the Association as hereinafter provided in Article VII; and
- (g) To place and keep in force all insurance coverages required to be maintained by the Association, applicable to its property and members including, but not limited to:
 - (i) Physical Damage Insurance. To the extent obtainable in the normal commercial marketplace, broad form insurance against loss by fire and

against loss by lightning, windstorm and other risks normally included within all risk extended coverage, including vandalism and malicious mischief, insuring all improvements existing within the Condominium other than those located within the Units, together with all service machinery appurtenant thereto, as well as common personalty and supplies belonging to the Association, and covering the interest of the Association, the Board, the Developer, all Unit Owners who have requested the Association in writing to be named as loss payee, as their respective interests may appear, in an amount equal to the full replacement value of the Common Elements (exclusive of foundations and footings) without deduction for depreciation. Each policy shall contain a standard mortgagee clause in favor of each applicable Mortgage Holder, which shall provide that the loss, if any, thereunder, shall be payable to each applicable Mortgage Holder as its interest may appear, subject to the loss payment provisions set forth in the Master Deed. When a servicer is named as a mortgagee, its name must be followed by the phrase "its successors and assigns." The amount of any deductible shall be as determined by the Board, in its sole discretion.

- (ii) Public Liability Insurance. To the extent obtainable in the normal commercial marketplace, public liability insurance for personal injury and death from accidents occurring within the Common Elements (and any other areas which the Board may deem advisable) and the defense of any actions brought by injury or death of a person or damage to property,

occurring within such Common Elements and not arising by reason of any act or negligence of any individual Unit Owner. Said insurance shall be in such limits as the Board may, from time to time, determine, covering each Director, officer, the managing agent, the manager, and each Member, and shall also cover cross liability claims of one insured against another. Until the first meeting of the Board following the first annual meeting, such public liability insurance shall be in a single limit of not less than \$1,000,000.00 covering all claims for personal injury or property damage arising out of any one occurrence. The Board shall review such limits once a year.

(iii) Directors and Officers Liability Insurance. To the extent obtainable in the normal commercial marketplace, liability insurance indemnifying the Directors and Officers of the Association against the liability for errors and omissions occurring in connection with the performance of their duties, in an amount of at least \$1,000,000.00, with any deductible amount to be in the sole discretion of the Board.

(iv) Workers Compensation Insurance. Workers compensation and New Jersey disability benefits insurance as required by law.

(v) Vehicular Liability Insurance. To the extent obtainable in the normal commercial marketplace, vehicular liability insurance to cover all motor vehicles, if any, owned or operated by the Association.

- (vi) Flood Insurance. Flood hazard insurance in the event any of the insurable Common Elements are located within a federally designated zone of greater than minimal flood hazard.
- (vii) Other Insurance. Such other insurance as the Board may determine.

All policies shall: (i) provide that adjustment of loss shall be made by the Board with the approval of the Insurance Trustee, if any, and that the net proceeds thereof, shall be payable to the Board; (ii) require that the proceeds of physical damage insurance be applied to the restoration of such Common Elements and such portions of the structures, improvements and service machinery as is required by the Master Deed and these By-Laws; (iii) to the extent obtainable contain agreed amount and inflation guard endorsements; construction code endorsement; demolition cost endorsement; contingent liability from operation of building laws endorsement and increased cost of construction endorsement; (iv) provide that the insurance will not be prejudiced by any act or omission of individual Members that are not under the control of the Association; (v) provide that the policy will be primary, even if insurance covering the same loss is held by any member(s); (vi) to the extent obtainable contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured; and (vii) provide that such policies may not be canceled without at least thirty (30) days prior written notice to all of the named insureds, including all Unit Owners and Eligible Mortgage Holders.

All policies shall show the named insured as: "Weybridge Condominium Association, Inc.-, for the use and benefit of the individual Unit Owners," or the Association's Insurance Trustee, if any. The "loss payable" clause must show the Association or the Insurance Trustee, as a trustee for each Unit Owner, mortgage holder or other loss payee. Also, the

policies must require the insurer to notify in writing the Association, its Insurance Trustee and each Eligible Mortgage Holder or other entity named in the mortgagee clause at least thirty (30) days before it substantially changes the Association's coverage.

The Board may determine, in its sole discretion, the amount of any deductible and the responsibility for payment of same as to any policy of insurance maintained under this subsection. Despite any other provisions of this subsection, the Association shall not be required to provide any type or amount of insurance not commonly available in the normal commercial marketplace.

The premiums for all insurance and fidelity bonds carried by the Association shall be a Common Expense and shall be borne by the Unit Owners in direct proportion to their obligations for payment of all other Common Expenses.

In addition to the insurance required to be provided by the Master Deed, Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation; and, further provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

ARTICLE VI

FISCAL MANAGEMENT

6.01. Budget; Common Expense Assessments. The Board shall prepare an annual Common Expense budget which reflects the anticipated operating expenditures and repair and replacement reserve accumulation requirements for the next ensuing fiscal year of the Association. Common Expenses shall include, but are not limited to, the estimated costs for the operation, repair and maintenance of the Common Elements, the estimated costs for the operation of the Association, and any reserves for deferred maintenance, replacement, or capital improvements of the Common Elements. The Board shall have the duty to collect from each Unit Owner, his heirs, administrators, successors and assigns, as "Common Expense Assessments," the proportionate part of the Common Expenses assessed against such Unit Owner as provided in the Master Deed, the Certificate of Incorporation, these By-Laws, and in accordance with applicable law.

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

6.03. Disbursements. The Board shall take and hold the funds as collected and shall disburse the same for the purposes and in the manner set forth herein and as required by the Master Deed, the Certificate of Incorporation, and applicable law.

6.04. Depositories. The depository of the Association shall be such federally insured bank or banks as shall be designated from time to time by the Board and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such parties as are authorized by the Board, provided that a

management agreement may include among its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association, if the proper fidelity bond is furnished to the Association.

6.05. Accounts. The receipts and expenditures of the Association shall be Common Expense Assessments and Common Expenses respectively, and shall be credited and charged to accounts under the following classifications as the Board shall deem appropriate, all of which expenditures shall be Common Expenses:

- (a) Current expenses, which shall include expenditures within the year for which the budget is made, including reasonable allowances for contingencies and working funds. Current expenses shall not include expenditures chargeable to reserves, to additional improvements, or to operations. At the end of each year, the unexpended amount remaining in this account shall be applied to reduce the assessments for current expenses for the succeeding year, or may be distributed to the current membership in the same manner as assessed, as the Board shall determine.
- (b) Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.
- (c) Reserve for replacement, which shall include funds for repair or replacement of the Common Elements and those portions of the improvements located thereon which the Association is obligated to maintain or repair which is required because of damage, depreciation or obsolescence. The amounts in this account shall be allocated among each

of the separate categories of replacement items, which amounts and items shall be determined in the sole and absolute discretion of the Board.

- (d) Reserves for capital improvements, which shall include the funds to be used for capital expenditures or for acquisition of additional personal property that will be part of the Common Elements.
- (e) Operations, which shall include all funds from the use of the Common Elements or from any other sources. Only the additional direct expense required by any revenue producing operation will be charged to this account, and any surplus from any operation or otherwise shall be used to reduce the assessments for current expenses for the succeeding year, or at the discretion of the Board, distributed to the current membership in the same manner as assessed. Losses from operations or otherwise shall be met by special assessments against Unit Owners, which assessments may be made in advance in order to provide a working fund.
- (f) Working capital, including those nonrefundable and nontransferable membership fees imposed upon each Owner upon acquisition of title to a Unit pursuant to Section 2.07, which may be used by the Board of Directors in its reasonable discretion to meet unanticipated or other expenses of the Association (but not in order to reduce the annual Common Expense assessment).

The Board shall not be required to physically segregate the funds held in the above accounts except for reserves for replacement and repair, which fund must be maintained in a separate account. The Board may, in its sole discretion, maintain the remaining funds in one or

more consolidated accounts. As to each consolidated account, the division into the various accounts set forth above need be made only on the Association's records.

6.06. Reserves. The Board shall not be obligated to expend all of the revenues collected in any accounting period, and must maintain reasonable reserves for, among other things, repairs, replacements, emergencies, contingencies for bad weather or uncollected accounts. Despite anything herein to the contrary, the Board in its determination of the Common Expenses and the preparation of a budget shall specifically designate and identify that portion of the Common Expenses which is to be assessed against the Unit Owners as a capital contribution and is allocable to reserves for each separate item of capital improvement of and to said Property. The amounts assessed and collected for the reserves shall be kept in one or more interest-bearing savings accounts or certificates of deposit in a federally insured institution and shall not be utilized for any purpose other than that which was contemplated at the time of the assessment. The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand, in a checking or petty cash account, for the necessary discharge of its functions.

6.07. Exemption from Assessments for Capital Improvements. Despite anything to the contrary herein no unit owner shall be exempt from assessment.

6.08. Notice. The Board shall give written notice to each Unit Owner of the amount estimated by the Board for Common Expenses for the management and operation of the Association for the next ensuing budget period, directed to the Unit Owner at his last known address by ordinary mail, or by hand delivery. Said notice shall be conclusively presumed to have been delivered five (5) days after deposit in the United States mails. If an annual Common Expense assessment is not made as required, an assessment shall be presumed to have been made

in the amount of the last prior year's assessment, and monthly installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual Common Expense assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board, provided that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency which cannot be met by reserve funds allocated for such contingency.

6.09. Acceleration of Assessment Installment Upon Default. If a Unit Owner shall be in default for more than thirty (30) days in the payment of an installment upon a Common Expense Assessment, the Board may accelerate the remaining installments of the assessment and file a lien for each accelerated amount upon notice to such defaulting Unit Owner. If the delinquent installment has not been theretofore paid and if the Board elected to accelerate the remaining installments, the then unpaid balance of the Common Expense Assessment shall become due upon the date stated in the notice, which date shall not be less than five (5) calendar days after delivery of the notice to such Unit Owner, or not less than ten (10) calendar days after the mailing of such notice to him by registered or certified mail, whichever shall first occur. If no such notice is given or if such notice is given but the Board did not elect to accelerate the remaining installments and default shall continue for a period of thirty (30) calendar days, then the Board shall be required to accelerate the remaining installments of the assessment upon similar notice to the defaulting Unit Owner, and to file a lien for such accelerated assessments as permitted by law if the delinquent assessment has not been heretofore paid. In such latter event, the Board may also notify any Permitted Mortgage Holder holding a mortgage which encumbers the Unit affected by such default or publish appropriate notice of

such delinquency to the membership of the Association. If said default continues for a period of ninety (90) calendar days, then the Board shall foreclose the foregoing lien pursuant to law and/or commence a suit against the appropriate parties to collect said assessment.

6.10. Interest and Counsel Fees. The Board at its option shall have the right in connection with the collection of any Common Expense assessment, or other charge, to impose an interest or (to the extent permitted by the law of New Jersey) a late charge not to exceed the legal maximum rate permitted by law if such payment is made after a date certain stated in such notice. In the event that the Board shall effectuate collection of said assessments or charges by resort to counsel, and/or the filing of a lien, the Board may add to the aforesaid assessments or charges reasonable counsel fees, plus the reasonable costs for preparation, filing and discharge of the lien, in addition to such other costs as may be allowable by law.

6.11. Assessment of Expenses in Actions by or Against Association.

- (a) Common Expenses. In the case of any action or proceeding brought or defended by the Association or the Board pursuant to the provisions of the Master Deed, the Certificate of Incorporation, these By-Laws, or any rule or regulation, the reasonable costs and expenses of preparation and litigation, including attorneys and expert witness fees, shall be a Common Expense allocated to all Unit Owners other than Developer. All Common Expense Assessments received and to be received by the Board of Directors for the purpose of paying any judgment obtained against the Association or the Board of Directors, and the right to receive such funds, shall constitute trust funds and shall be expended first for such purpose before being expended in whole or in part for any other purpose.

- (b) Allocation of Awards. Money judgments recovered by the Association in any action or proceeding brought hereunder, including costs, penalties or damages shall be deemed a special fund to be applied to (1) the payment of unpaid litigation expenses; (2) refunding to the Unit Owners the cost and expenses of litigation advanced by them; (3) Common Expenses, if the recovery thereof was the purpose of the litigation; (4) repair or reconstruction of the Common Elements if recovery of damages to same was the motivation for the litigation; and (5) any amount not applied to (1), (2), (3) and (4) above shall at the discretion of the Board be treated either as (i) a common surplus which shall be allocated and distributed pursuant to the provisions of the Master Deed or (ii) a set off against the Common Expense Assessments.

Despite the foregoing, if a Unit Owner(s), the Board or any other person or legal entity affected by any such distribution, shall assert that the damages sustained or the diminution in value suffered by a Unit Owner(s) was disproportionate to his or their percentage of common interest, then the matter shall be submitted to binding arbitration to be decided in accordance with the procedures set forth in Article XIV hereof.

- (c) Recovery by Unit Owner. In the event that a Unit Owner(s) succeeds in obtaining a judgment or order against the Association or the Board, then in addition to any other sums to which said Unit Owner(s) would otherwise be entitled by such judgment or order, he or they shall also be entitled to the restitution or recovery of any sums paid to the Board as Common

Expense Assessments for litigation expenses in relation to said action or proceeding.

6.12. Power of Attorney to Permitted Mortgage Holder. If the Board shall not cause the enforcement procedures provided in Sections 6.08 and 6.09 above to be implemented within the time provided, any Permitted Mortgage Holder for any Unit as to which there shall be such unpaid Common Expense Assessments is hereby irrevocably granted a power of attorney to commence such actions and to invoke such other remedies, all in the name of the Association. This power of attorney is expressly stipulated to be coupled with an interest in the subject matter.

6.13. Annual Audit. The Board, in its discretion, may submit the books, records and memoranda of the Association to an annual audit by an independent certified public accountant who shall audit same and render a report thereon in writing to the Board and in summary form to the Unit Owners and such Eligible Mortgage Holders or other persons, firms or corporation as may be entitled to same.

6.14. Examination of Books. Each Unit Owner shall be permitted to examine the books of account of the Board by appointment at a reasonable time on business days; provided, however, that the Treasurer of the Association has been given at least ten (10) calendar days prior written notice of the Unit Owner's desire to make such an examination.

6.15. Fidelity Bonds. Fidelity bonds shall be required by the Board from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board in its sole discretion. The premiums on such bonds shall be paid by the Association.

ARTICLE VII

OFFICERS

7.01. Designation. The principal officers of the Association shall be a President, a Vice-President, both of whom shall be members of the Board, a Secretary and a Treasurer. The Board may also appoint such other Assistant Treasurers and Assistant Secretaries as in its judgment may be necessary. Any two (2) offices, except that of President and Vice-President, may be held by one person.

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

7.03. Removal of Officers. Upon an affirmative vote of a majority of the full number of Directors, any officer may be removed, either with or without cause, after opportunity for a hearing, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

7.04. Duties and Responsibilities of Officers.

- (a) The President shall be the chief executive officer of the Condominium Association. He shall preside at all meetings of the Condominium Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an Association.
- (b) 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 shall appoint some other Director

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.

(c) The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the members of the Association; the Secretary shall have charge of such books and papers as the Board may direct; and the Secretary shall, in general, perform all the duties incident to the office of the Secretary.

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

7.05. 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.

7.06. Eligibility of Directors. Nothing herein contained shall prohibit a Director from being an Officer.

ARTICLE VIII

COMPENSATION, INDEMNIFICATION AND EXCULPABILITY OF OFFICERS, DIRECTORS AND COMMITTEE MEMBERS

8.01. Compensation. No compensation shall be paid to any Officer, Director or Committee Member, except that the Secretary and/or Treasurer may be compensated for their services if the Board determines that such compensation is appropriate. Nothing herein stated shall prevent any Officer, Director or Committee Member from being reimbursed for

out-of-pocket expenses or compensated for services rendered in any other capacity to or for the Association, provided, however, that any such expenses incurred or services rendered shall have been authorized in advance by the Board.

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

8.03. Exculpability. Unless acting in bad faith, neither the Board as a body nor any Director, Officer, or Committee Member shall be personally liable to any Unit Owner in any respect for any action or lack of action arising out of the execution of his office. Each Unit Owner shall be bound by the good faith actions of the Board, Officers and Committee Members of the Association, in the execution of the duties of said Directors, Officers and Committee Members. Nothing contained herein shall be construed so as to exculpate members of the Board of Directors appointed by the Developer from discharging their fiduciary responsibilities.

ARTICLE IX

ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE CONDOMINIUM ASSOCIATION

9.01. Approval by Unit Owners. Whenever, in the judgment of the Board, the Common Elements require a new capital improvement costing in excess of \$10,000.00 said improvement shall not be made unless it has been authorized by a written resolution approved by a majority of votes present in person or by proxy at a meeting of the Members at which a quorum is present. When said authorization has been obtained, all Unit Owners benefiting from same shall be assessed for the cost thereof as a Common Expense.

9.02. Emergency. Despite Section 9.01, in the event of any emergency which could cause damage to the Common Elements as to any Building or part(s) thereof, the Board may expend sums in excess of \$10,000.00 to protect the said Building or part(s) and the judgment of the Board shall be final.

ARTICLE X

ENFORCEMENT

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

10.02. Fines. To the extent now or hereafter permitted by the law of the State of New Jersey, the Board shall also have the power to levy fines against any Unit Owner(s) for violation(s) of any Rule or Regulation of the Association or for any covenants or restrictions contained in the Master Deed or By-Laws, except that no fine may be levied for more than \$50.00 for any one violation; provided, however, that for each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against any Unit Owner(s) involved as if the fine were a Common Expense owed by the particular Unit Owner(s). Despite the foregoing, before any fine is imposed by the Board, the Unit Owner involved shall be given at least ten (10) days prior written notice and afforded an opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

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

10.04. Cause of Action Against Association. Unit Owners shall have a cause of action, to the extent permitted by the laws of this State, against the Association for its failure to act in accordance with the Master Deed, Certificate of Incorporation, these By-Laws, any Rules or Regulations governing the Development or any formal decisions of the Association.

10.05. Due Process Procedure. Article V, Section 5.01 of these By-Laws authorizes the Association to exercise all powers, duties and authority necessary for the proper conduct and administration of the affairs of the Association. The Board of Directors shall provide a fair and efficient procedure for the resolution of housing-related disputes between individual Unit Owners and the Association, and between Unit Owners, which shall be readily available as an alternative to litigation. The Board of Directors has the power to enforce on its

own behalf and on behalf of all Unit Owners, all of the restrictions set forth in the Master Deed and these By-Laws and the Rules and Regulations adopted thereunder including the regulation of appearance and use of the Units and Common Elements, and has standing to notify and issue a cease and desist request.

10.06. Civil Action for Damages. The Association shall not be liable in any civil action brought by or on behalf of a Unit Owner to respond in damages as a result of bodily injury to the Unit Owner occurring on the premises of the Association except as a result of its willful, wanton or grossly negligent act of commission or omission.

10.07 Alternate Dispute Resolution. Prior to the institution of any legal action by any person or party subject to these By-Laws, the dispute shall be submitted to the American Arbitration Association for mandatory binding arbitration.

ARTICLE XI

AMENDMENTS

11.01. Procedure for Amending. Subject to the restrictions in Section 5.01 and Section 11.02 of these By-Laws or any of them, may be altered or repealed, or new By-Laws may be made, at any meeting of the Association duly held for such purpose, and previous to which written notice to Unit Owners of the exact language of the amendment or of the repeal shall have been sent, a quorum being present, by an affirmative vote of fifty-one (51%) percent in number and in interest of the votes entitled to be cast in person or by proxy.

11.02. Prohibition. Despite anything contained herein to the contrary in any Article of these By-Laws,

- (a) The obligation or the proportionate responsibility for the payment of Common Expenses with respect to Units or the Common Elements may not be changed by reason of any such new By-Law, amendment or repeal;
- (b) No amendment shall revoke or diminish the delegation of any power or duty to the Board.

ARTICLE XII

CONFLICT; INVALIDITY

12.01. Conflict. Despite anything to the contrary herein, if any provision of these By-Laws is in conflict with or contradiction of the Master Deed, the Certificate of Incorporation or any applicable government requirements or permits, then the requirements of such governmental requirements shall be deemed controlling.

12.02. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the enforceability of the remaining provisions of the By-Laws.

ARTICLE XIII

NOTICE

13.01. Notice to Unit Owners. Any notice required to be sent to any Unit Owner or Eligible Mortgage Holder under the provisions of the Master Deed, the Certificate of Incorporation or these By-Laws shall be deemed to have been properly sent and notice thereby given, when mailed, by regular post with postage prepaid, addressed to the Unit Owner at the last known post office address of the person who appears as a member on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Unit shall

constitute notice to all co-owners. Valid notice may also be given to Unit Owners by (i) personal delivery to any occupant of said Unit over fourteen (14) years of age or (ii) by affixing said notice to or sliding same under the front door of any Unit.

13.02. Notice of Change of Address. It shall be the obligation of every Unit Owner to immediately notify the Secretary of the Association in writing of any change of address.

ARTICLE XIV

ARBITRATION

Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in Monmouth County, New Jersey by the American Arbitration Association in accordance with its rules then obtaining and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. All expenses of arbitration incurred by the association hereunder including the fees and expenses of counsel and experts shall be Common Expenses.

ARTICLE XV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words "Weybridge Condominium Association, Inc.-"

