

THIRD AMENDMENT TO THE
DECLARATION OF COVENANTS AND RESTRICTIONS
OF
WHITING STATION AT CRESTWOOD

WHEREAS, Union Valley Corporation, a New Jersey corporation, was the developer of the residential community for senior citizens known as Whiting Station at Crestwood and constructed individual homes together with roads, driveways and other improvements within the community; and

WHEREAS Union Valley Corporation initiated a Declaration of Covenants and Restrictions, recorded February 18, 1988 in the Ocean County Clerk's Office, establishing that Whiting Station At Crestwood Homeowners Association, Inc., a New Jersey non-profit corporation, its successors and assigns as the agency to perform the functions hereinafter more fully set forth; and

WHEREAS, the Declaration of Covenants and Restrictions was amended by the First Amendment recorded in the Office of the Clerk of Ocean County in Deed Book 4741 at page 938 on March 10, 1989 and was further amended by the Second Amendment recorded in the Office of the Clerk of Ocean County in Deed Book 5068 at page 969 on June 3, 1993; and

WHEREAS, the transition from Union Valley Corporation to the Whiting Station At Crestwood Homeowners Association, Inc., was completed on December 11, 1998;

NOW, THEREFORE, WHITING STATION AT CRESTWOOD HOMEOWNERS ASSOCIATION, INC., with offices at 323 Gardenia Drive, Whiting, New Jersey 08759, is amending said Declaration, and is hereby established as the sole agency to continue and maintain the administration of the Declaration of Covenants and Restrictions and any amendments thereto:

FIRST: In order to provide for the preservation and maintenance of the Homes and other lands and improvements within the Whiting Station Community, all the Property is subject to the covenants, restrictions, easements, charges and liens, hereinafter set forth.

SECOND: Whiting Station At Crestwood Homeowners Association, Inc., is the agency to which is delegated and assigned the power and authority to: maintain the exterior grounds of said Homes and the other lands and

improvements within the Property; administer and enforce the covenants and restrictions governing the Property; collect and disburse all assessments and charges necessary for such maintenance, administration and enforcements; operate and maintain all recreational and clubhouse facilities within the Whiting Station at Crestwood Community; and perform such other services as may be provided.

THIRD: It is declared 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 as set forth in the Declaration as amended.

ARTICLE I

DEFINITIONS

Section 1. The following words and terms, when used in this document are as follows:

(a) "Articles of Incorporation" means the Articles of Incorporation of WHITING STATION AT CRESTWOOD HOMEOWNERS ASSOCIATION, INC., a copy of which is attached hereto and made a part hereof and registered with the New Jersey Secretary of State on April 6, 1988, together with all future amendments thereto.

(b) "Board of Trustees" means such Members of the Homeowners Association elected at the Annual Meeting of Members of the Homeowners Association or subsequently appointed to serve as Trustees.

(c) "Bylaws" means the Bylaws of the Homeowners Association, a copy of which is attached hereto and made a part hereof, together with all future amendments or revisions thereto.

(d) "Common Property" means all those non-building lots and roadways which are located within the Property, together with all improvements thereto or facilities thereon, or any other real or personal property owned by the Homeowners Association (or utilized exclusively by its Members).

(e) "Homeowners Association" means the Whiting Station At Crestwood Homeowners Association, Inc., a New Jersey non-profit corporation, its successors and assigns.

(f) "Declaration" means the Declaration of Covenants and Restrictions recorded on February 18, 1988 in the Ocean County Clerk's Office, as amended or supplemented.

(g) "Home" means any residential dwelling unit and the lot(s) upon which it is located.

(h) "Member" means the owner(s) of record of a residential home located within the Whiting Station At Crestwood Community and belongs to the Homeowners Association as provided in Article V of the Articles of Incorporation.

(i) "Owner", "Homeowner" or "Lot Owner" means the owner(s) of record whether one or more persons or entities, of the fee simple title to any Home or the leasehold interest pertaining to such home.

(j) "Mortgage" means and refers to any mortgage lien encumbering a Home.

(k) "Property" shall mean and refer to those real property premises described on the subdivision plat dated May 14, 1987 and recorded in the Office of the Clerk of Ocean County on November 19, 1987 as Map No. I-1953 entitled "Final Map, Crestwood Village South, Section 1" and as Map No. G-1954 entitled "Final Map, Crestwood Village South, Section 2", together with any lands and premises which may hereafter be lawfully subjected to the provisions of the Declaration pursuant to Article VI, Section 4 hereof or otherwise.

(l) "Rules & Regulations" means the Rules & Regulations adopted by the Board of Trustees pursuant to the Declaration of Covenants and Restrictions of Whiting Station At Crestwood and any amendment thereto.

(m) "Assessment" means the Annual Assessment or Special Assessment defined in Article IV of this document.

(n) "Governing Documents" means this document, the Articles of Incorporation, the Bylaws, the Rules & Regulations and any amendments to these documents.

(o) "Court(s)" means roadways, off main streets, providing access to Home driveways (sometimes referred to as "Fingers").

ARTICLE II

PROPERTY

The Property, including every Home, Lot, and all Common Property is, and shall be, held, transferred, sold, conveyed, leased and occupied, subject to this document and any amendment and all exhibits thereto.

ARTICLE III

PROPERTY RIGHTS

Section 1. Member's Easement of Enjoyment. Subject to the provisions of this document, the Articles of Incorporation, Bylaws and the Rules & Regulations of the Homeowners 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.

Section 2. Title to Common Property. The title to the Common Property was deeded to Whiting Station At Crestwood Homeowners Association, Inc. by Union Valley Corporation, Deed dated June 30, 1993, Deed Book 5129-0750, and Deed dated January 31, 1995, registered February 15, 1995, Deed Book 5243-0815, filed in the Ocean County Clerk's Office.

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

(a) Every Homeowner in Whiting Station At Crestwood 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 Homeowners Association to: (i) promulgate reasonable rules and regulations for the use thereof; (ii) suspend voting rights for any infraction of the published rules and regulations; or (iii) for failure to pay any assessment for maintenance fees when due. When any Home is not owner occupied, such easement shall be solely for the benefits of the occupants thereof, and their guests, and not for the owner or the owner's invitees.

(b) Every Homeowner shall also have:

(1) An exclusive easement for the existence and continuance of any encroachment by the 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 the 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 Homeowners Association, all as may be reasonably required for such ingress and egress.

(3) An easement in common with Homeowners 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 such lot. Each lot shall be subject to an easement in favor of the Homeowners 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 Homeowners 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 provisions set forth in this document, Bylaws or any regulations promulgated by the Homeowners Association, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Homeowner. In case of an emergency, such right of entry shall be immediate, whether the Homeowner is present at the time or not.

(c) The Homeowners Association, its successors and assigns, shall have the right to grant the following easements:

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 Trustees of the Homeowners Association shall have the right to grant such easement provided that it does not materially impair the rights of any Homeowner.

(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 Homeowners 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 Homeowner has failed to correct) 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 advanced notice to and with the permission of the Homeowner directly affected thereby.

(f) The Homeowners 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 Home 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 advanced notice to and with the permission of the Board of Trustees or its duly authorized representatives.

(h) Any utility company or other 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, to read the 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 Homeowners Association, their successors and assigns shall have a blanket perpetual and non-exclusive easement in common upon, in, 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 Homeowner shall directly or indirectly interfere with or alter the drainage and runoff patterns or systems within the Property.

Section 4. Services Provided by the Homeowners Association. Each Homeowner shall be responsible to maintain the exterior of the Home and Lot at the Homeowner's sole cost and expense, except for reasonable lawn maintenance; snow clearing of driveways and walks upon sufficient accumulation; the maintenance and operation of the irrigation system installed at each Home; garbage and trash removal; street cleaning; and the providing of certain transportation services. All the above-mentioned services, including repair, maintenance and replacement of improvements on the Common Property, are to be provided by the Homeowners Association, the cost of which shall be included in the Annual Assessment of the Homeowners Association. However, any of the above services may be discontinued by a majority vote of the Board of Trustees and approved by a two-thirds (2/3rds) vote of the Members of the Whiting Station At Crestwood Homeowners Association, Inc.

Section 5. Restrictions Applicable to the Property. In order to preserve the character of Whiting Station At Crestwood as a senior citizen residential community and for the protection of the value of the Homes, no Home shall be

used for any purpose other than a private residence. The Homeowners Association hereby declares that the Property shall be subject to all covenants, easements and restrictions of record and to the following, all of which shall be perpetual in duration and run with the land:

(a) The permanent occupancy, including tenancies, of each Home in Whiting Station At Crestwood will be restricted to residents who (i) are at least fifty-five (55) years of age or (ii) in the case of more than one occupant, where at least one occupant is fifty-five (55) years of age, provided however, that one (1) child nineteen (19) years of age or older may reside with parent or parents. There can be no more than three (3) occupants residing in any Home.

(b) In the event that an Owner of a Home dies, testate or intestate, leaving as heirs one or more persons who do not qualify as to age, these restrictions shall in no way be deemed to restrict the ownership of said Home by the heir or heirs, provided that said heir or heirs, their successors or assigns, shall not occupy the Home until the age requirement together with such other requirements that may be contained herein are met.

(c) Multiple Home ownership is not permitted except in the incident of inheritance. In this instance, multiple ownership shall be permitted only in so far as every reasonable effort is made to dispose of all but one of the multiple homes.

(d) Any Homeowner that transfers, sells, gifts, leases, assigns or grants any Home to another party, must notify the Board of Trustees, in writing, of the name and address of the party who will be the new owner or tenant, together with evidence that the prospective owner or tenant, meets all the requirements of age as provided under the Governing Documents and any amendment thereto.

(e) No Home shall be rented by the owners thereof (except a lender in possession of such Home following a default in the 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 rental for a period of less than one (1) year. Any Homeowner may rent a Home for a period of less than ninety (90) days to a contract purchaser. No Homeowner can lease less than the entire Home. Other than the foregoing obligations, the Homeowner shall have the right to lease the Home provided that said lease is in accordance with subdivision (f) below and provided further that any failure of the lessee to fully comply with the terms and conditions as set forth below shall constitute a default under the lease.

(f) Any Homeowner may lease the Home providing that such leasing shall be in compliance with the Governing Documents and any amendment thereto. In addition, all leasing shall be by a written Lease Agreement to be presented in advance for approval by the Board of Trustees, not later than fifteen (15) days

prior to the commencement of any lease period. A cost for the review of the Lease Agreement may be established by the Board of Trustees and payable by the Homeowner. The Board of Trustees shall approve said Lease Agreement, provided it complies with all of the documents as outlined above and it contains, in writing, specific undertakings on the part of the Homeowner and the Tenant that they have read and understand all of the above-named Governing Documents and any amendment thereto, and that they both agree to be bound by and comply with such documents.

The Lease Agreement shall contain an appointment of the Homeowners Association, by the Homeowner as landlord, as the Homeowner's attorney-in-fact, empowered to institute eviction proceedings in the event of violations by the Tenant of the Governing Documents or any amendment to thereto. The specific language of such undertakings and appointment shall be in accordance with the requirements and discretion of the Board of Trustees. The Homeowner can obtain the required "formal language" for insertion into the Homeowner's Lease Agreement at the Homeowner Association's Office in the Clubhouse.

(g) There shall be no obstruction of access to any Common Property. The use of storage areas, if any, shall be in accordance with the Rules & Regulations promulgated by the Homeowners Association or the Board of Trustees.

(h) No Homeowner 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 Board of Trustees, except that a Homeowner may plant, if maintained, flowers, trees, shrubbery and gardens within the area appurtenant to the Home and as provided in the Rules & Regulations, a copy of which shall be available at the office of the Homeowners Association during reasonable business hours. No person shall place trash, garbage, excess materials of any kind on or about the Property, nor burn, chop, or cut anything on, over or above the Property. Homeowners may, with the approval of the Board of Trustees, paint or otherwise decorate or change the appearance of any portion of the exterior of any Home. Homeowners should promptly report to the Board of Trustees any defect or need for repairs for which the Homeowners Association is responsible.

(i) Each Homeowner shall promptly furnish, perform and be responsible for, at the Homeowner's expense, the repair, maintenance, replacement and decoration of the exterior and interior of the Home, including painting, wall papering, paneling, floor covering, draperies, window shades and appliances, provided, however, that the Homeowners Association, its agents and employees, may effect emergency or other necessary repairs which the Homeowner has failed to perform and charge the cost of same to the Homeowner involved. The cost of any such repairs, together with any collection costs, shall become a lien against the Home.

(j) Each Homeowner is responsible for their own fire and casualty insurance. If there should be a fire or destruction of any Home, it is the responsibility of the Homeowner, their heir or heirs, successors or assigns, to have the Home rebuilt or land cleared and sodded within twelve (12) months.

(k) 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, including signs, be hung, painted or displayed on the outside of the windows or placed on the outside walls or outside surfaces of doors of any Homes or be affixed or placed upon the exterior walls or roofs or any part thereof of the Home, unless permitted by the Rules & Regulations of the Homeowners Association. The display or use of items visible in the interior of any Home from the exterior thereof shall be subject to the Rules & Regulations of the Homeowners Association. Homeowners shall not cause or permit any signs to be displayed on the Property advertising the sale or lease of the Homes.

(l) No animals, cats, 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 & Regulations of the Homeowners Association.

(m) No noxious or offensive activities shall be carried on, in or upon any 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 Whiting Station At Crestwood.

(n) Nothing shall be done to any Home which will impair the structural integrity of any building. Homeowners may not make any structural additions, alterations or improvements in or to the Home or impair any easement without prior written consent of the Board of Trustees. The Board of Trustees shall have the obligation to answer any written request received from a Homeowner for approval of any proposed structural changes as provided in the Rules & Regulations of the Homeowners Association.

Applications to any governmental authority for a permit to make an addition, alteration or improvement in or to the Home must first be approved by the Homeowners Association. The Board of Trustees' letter of approval will then be submitted with the permit application to the governmental authority. The Homeowner must furnish the Board of Trustees with a copy of the permit.

Such approval, however, shall not incur any liability to the Homeowners Association by any contractor, subcontractor, or material man resulting from the permitted construction, or to any person having any claim for injury to person or damage to property arising therefrom.

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

(p) No commercial vehicles, as defined in Chap. II, Sec.2, Sub.D, of the Rules & Regulations of the Homeowners Association, may park overnight 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 Board of Trustees, if any, 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 Home for any purpose without the Homeowner's consent. 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.

(q) The Homeowners Association's Board of Trustees shall have the power to make such rules and regulations as may be necessary to carry out the intent of these restrictions and shall have the right to bring lawsuits to enforce the Rules & Regulations. The Board of Trustees 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 Twenty-five dollars (\$25.00). 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 Homeowner involved, and collection may be enforced by the Board of Trustees in the same manner as the Board of Trustees is entitled to enforce collection of other assessments. Fines may be levied against a Homeowner's tenant, and the Homeowner shall be jointly and severally liable with the tenant for payment. In the event the Homeowners Association institutes legal action for collection of any fines, then the defendant(s) shall be responsible for payment of reasonable attorney's fees of the Homeowners Association, plus interest and costs of suit.

(r) Each Homeowner shall be responsible for placing all trash in enclosed receptacles approved by the Board of Trustees and shall be stored, except on collection days, in such a manner so as not to be visible from neighboring Homes or the street. Trash receptacles may be placed outside no earlier than 6:00p.m. prior to the day of collection and must be returned to their storage area no later than 6:00p.m. after collection that day.

(s) The installation of any garbage disposal unit in a Home is subject to the local water and sewer company rules.

(t) Nothing herein shall be construed to prohibit the reasonable adaption of any Home for handicap use.

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 Homeowners Association such sums, by way of annual or special assessments or charges as hereinafter more particularly described, including the responsibility to keep the home in good repair. Each 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 Homeowners 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 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 assessment (commonly referred to as the "Monthly Maintenance Fee") levied by the Homeowners Association shall be used exclusively for promoting the health, safety, pleasure and welfare of the Homeowners and for the costs and expenses incident to the operation of the Homeowners Association, as outlined in Article III, Section 4 of this document including payment of all taxes and insurance premiums and all costs and expenses incidental to the operation and administration of the Homeowners Association and its facilities.

Section 3. Amount of Annual Assessment. It shall be an affirmative obligation of the Homeowners Association's Board of Trustees, with advice from the Budget and Finance Committee, to fix the assessment in an amount sufficient to comply with Section 2 above and will be shared equally by all Homeowners.

Section 4. Date of Commencement of Annual Assessment and Due Dates. One-twelfth (1/12) of the Annual Assessment provided for herein shall be due and payable within the first ten (10) calendar days of each month.

Section 5. Special Assessments. In addition to the Annual Assessment authorized by Section 3 of this Article, the Board of Trustees of the Homeowners Association may levy, in any assessment year, a Special Assessment applicable

to the 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 as defined in the Bylaws, Article IV, Section 11, Fiscal Management, Subsection F.

Section 6. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to any lien of any mortgages held by an Institutional Lender now or hereafter placed on 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 judgment of foreclosure or a deed 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.

Liens for unpaid assessments may be foreclosed by suit brought in the name of the Homeowners Association in the same manner as a foreclosure of a mortgage on real property. Subject to the foregoing exceptions, suit to recover a money judgment for unpaid assessments may be maintained against the record Homeowner as of the effective date of the assessment or against all subsequent record Owners thereof, without waiving the lien securing same, all of which record Owners shall be jointly and severally liable with respect to same.

Section 7. Budget, Notice of Assessment, Certificate as to Payment. The Board of Trustees shall cause a Budget to be prepared by a Budget Committee, appointed by the Board of Trustees in January of each year that details the Annual Assessment. Homeowners shall receive a copy of the Budget, as approved by the Board of Trustees, at least fifteen (15) days prior to the date of the Annual Meeting. Written notice of the Annual Assessment shall be delivered to every Owner.

The Homeowners Association, upon request of any Owner or mortgagee, shall provide a certificate in writing and signed by a Trustee, that states the status of the Home's assessment. Such certificate shall constitute conclusive evidence of all the assessment payments for said Home.

If an Annual Assessment is not approved by the Board of Trustees, an assessment shall be presumed to have been made in the amount of the last year's assessment increased by ten percent (10%) and monthly installments on such assessment shall be due upon each installment payment date until changed. In the event the annual assessment proves to be insufficient, the annual assessment may be amended at any time by the Board of Trustees, provided that nothing herein shall serve to prohibit or prevent the Board of Trustees from imposing a lump sum assessment in the case of any immediate need or emergency.

When the Board of Trustees has approved an Annual Assessment, the assessment shall be assessed against each Home.

Section 8. Acceleration of Assessment Installments Upon Default. If a Homeowner shall be in default in payment of an Assessment Installment or a Special Assessment duly authorized, the Board of Trustees shall advise the Homeowner of the delinquency within thirty (30) days of the due date. When two (2) monthly assessments become past due, the Homeowner shall be notified in writing by registered or certified mail. If such notice is given and default shall continue for a period of thirty (30) days from said notice, then the Board of Trustees must (i) accelerate all assessment payments including late fees, by written notice to the Homeowner using registered or certified mail, and (ii) file a lien for the total amount due, as permitted by law. If said default continues for a period of one hundred and eighty (180) days from the date of initial notice of default, then the Board of Trustees may foreclose the established lien pursuant to law and/or commence a suit against the appropriate parties in order to collect said assessment. In the case of absentee Homeowners, all notices will be sent by registered or certified mail.

Section 9. Interest and Counsel Fees. The Board of Trustees, at its option, shall have the right in connection with the collection of any Homeowner's assessment or any other charge; to impose a late fee, in any reasonable amount and/or interest not to exceed the maximum rate permitted by law. In the event that the Board of Trustees shall effectuate collection of said assessment or charges by resorting to counsel and/or filing a lien, the Board of Trustees may add to the aforesaid assessment or charges, a sum of twenty percent (20%) of the gross amount due as counsel fees, plus reasonable costs for the preparation, filing and discharge of lien, in addition to such other costs as may be allowable by law.

Section 10. Contribution to Working Capital. Each Homeowner shall at the time the title to the Home is acquired from a Homeowner, be obligated to pay to the Homeowners Association a one-time contribution equal to one-sixth (1/6) of the current Annual Assessment which contribution shall not be refundable or transferable and may be utilized at the discretion of the Board of Trustees for any lawful purpose which they may deem appropriate.

ARTICLE V

Additional Services Authorized

In addition to the required maintenance of the Property and of the improvements and facilities thereof, the Homeowners Association may furnish (but shall not be required to furnish) such services as the Board of Trustees from time to time, by resolution, may propose, but if the projected cost of such additional services exceeds ten per cent (10%) of the monthly assessments, then

not until after such proposed additional services are authorized by a vote, in person or by absentee ballot, of two-thirds (2/3rds) of all the votes eligible to be cast at a meeting of the Homeowners Association duly called for this purpose.

ARTICLE VI

General Provisions

Section 1. Duration. This document shall run with and bind all of the Property perpetually, and shall inure to the benefit of and be enforceable by the Homeowners Association, and the Owners of any portion of the Property, their respective successors, assigns, heirs, executors, administrators and personal representatives, except that the restrictions contained in Article III, Section 5, subparagraphs (b) through (t) 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 at least two-thirds (2/3) of the Owners at the time of the expiration of the initial period, or 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. Notice. Any notice required to be sent to any Owner of record of the Home under provisions of this document or the Declaration or the Articles of Incorporation or Bylaws, unless otherwise specified, shall be deemed to have been properly sent, and notice thereby given, when delivered to any Owner of record of the Home. Notice to one Owner shall constitute notice to all the Owners of record of the Home. It shall be the obligation of every Owner to immediately notify the Secretary of the Homeowners Association, in writing, of any change of address.

Section 3. Enforcement. Enforcement of this document 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 document, and failure by the Homeowners 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 Homeowners Association should at any time fail to discharge its obligations to maintain any portion of the Property as required by this document, or to enforce the provisions hereof, any Owner shall have the right to enforce such obligations by any proceeding at law or equity. A failure to so enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Also, in such event, the Township of Manchester shall have the right to so maintain the Property or to enforce such provisions in the name, place and stead of the Homeowners Association. The assumption of

such maintenance responsibility shall be in accordance with the procedures set forth in N.J.S.A. 40:55D-43(b). The cost of same shall be assessed, enforced and collected in accordance with the provisions of N.J.S.A. 40:55D-43(c). Notwithstanding any limitations as to the applicability of N.J.S.A. 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 Homeowners Association as set forth in this document or the Declaration or otherwise. Should either the Homeowners Association or any of its Members at any time fail to enforce the provisions hereof, the Township of Manchester, upon thirty (30) days notice to the Homeowners Association, shall have the right to institute appropriate legal proceedings in the name of the Homeowners Association to effect such enforcement.

Section 4. Severability. Should any covenant or restriction herein contained, or any Article, subsection, sentence, clause, phrase or term of this document 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 way affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.

Section 5. Amendment. This document may be amended at any time after the date hereof by two-thirds (2/3rds) vote of the fully authorized membership of the Homeowners Association at any meeting of the membership called pursuant to Article III of the By-Laws by the Board of Trustees or the Members for such purpose. Written notice to every Owner of the exact language of the amendment shall have been sent at least fifteen (15) days in advance except as contemplated by Article VI, Section 2 of this document. It is further provided that no amendment may permit (i) any Owner to be exempted from the payment of any assessment; (ii) the obligation or proportionate responsibility for payment of assessments with respect to Homes or Common Property to be changed; or (iii) modifying any easements or restrictions in the above Sections 3 or 4 hereof. It is also 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 or otherwise, of the governing body of the Township of Manchester. Notwithstanding the foregoing, the Homeowners Association hereby expressly reserves the right to amend and supplement this document from time to time. No amendment shall be effective until recorded in the Ocean County Clerk's Office. This paragraph is by way of supplement to and not in derogation of the powers of amendment reserved pursuant to Section 6 hereof. In the alternative, an amendment may be made by an agreement, signed and acknowledged by all the Owners, in the manner required for execution of a deed, and such amendment shall be effective when recorded in the Office of the Clerk of Ocean County, New Jersey.

Section 6. Bylaws and Administration; Changes in Documents. The Homeowners Association released Union Valley Corporation, the developer of Whiting Station at Crestwood, through the process of "transition" on December 11, 1998. Therefore, the administration of the Common Property shall be by the Homeowners Association in accordance with the provisions of this document, the Certificate of Incorporation, the Bylaws and of any other agreements, documents, amendments or supplements to the foregoing which may be duly adopted or subsequently be required by any governmental agency having regulatory jurisdiction over the Common Property. It is provided, however, that no such agreement, document, amendment or supplement which adversely affects the value or increases the financial obligations of the Owners or reserves any additional or special privileges, shall not be made without the prior written consent of the affected Owner(s).

Subject to this document, or other instruments of creation, the Homeowners Association may do all that it is legally entitled to do under the laws applicable to its form of organization.

The Homeowners Association shall discharge its powers in a manner that protects and furthers the health, safety, and general welfare of the residents of the Community.

The Homeowners Association shall provide a copy of the Article of Incorporation, Declaration of Covenants and Restrictions, Bylaws, and Rules & Regulations without cost to every Homeowner.

The Homeowners Association shall provide a fair and efficient procedure for the resolution of disputes as provided in NJ Statute 45:22, New Jersey Condominium Act N.J.S.A. 46:8B-14(k) adopted January 5, 1996 and as proposed June 7, 1999 (Uniform Common Interest Ownership Act) under paragraph 46:8E-413, Alternative Dispute Resolution. Homeowners shall exhaust all available remedies before any Homeowner may resort to a court of law for relief with respect to any alleged violation.

Section 7. Waiver. No provision contained in this document shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 8. Ratification, Confirmation and Approval of Agreements. The fact that some or all the officers, trustees, members or employees of the Homeowners Association may be identical, and the fact that Union Valley Corporation and its nominees, have heretofore entered into agreements with the Homeowners Association or with third parties, will not invalidate any such agreements and the Homeowners Association, and its members, from time to time, will be obligated to abide by and comply with the terms and conditions thereof. The purchase of a Home, and the acceptance of the Deed therefore by

any party, shall constitute the ratification, confirmation and approval by such purchaser, their heirs, legal representatives, successors and assigns, of the propriety and legality of said agreement or agreements, or any other agreements authorized and permitted by this document, the Articles of Incorporation or the Bylaws of the Homeowners Association.

Section 9. Protective Provisions for the Benefit of Institutional Lenders. Anything to the contrary in this document, the Articles of Incorporation, Bylaws or Rules & Regulations of the Homeowners Association notwithstanding the following, shall apply with respect to each Institutional Lender who holds a permitted mortgage on any Home.

The prior written approval of each such Institutional Lender is required for the following:

(a) Any material amendment to this document or to the Articles of Incorporation or Bylaws of the Homeowners Association, which materially and adversely affects the priority of the lien or value of the security encumbered by its mortgage.

(b) Any lien the Homeowners Association may have on any Home for the payment of any assessments attributed to such Home shall be subordinate to any lien for past due and unpaid taxes and the lien or equivalent security interest of any mortgage on any Home recorded prior to the date any such common expense assessments became due.

(c) Any such Institutional Lender shall upon request, be entitled to: (i) inspect the books and records of the Homeowners Association during normal business hours; (ii) receive an annual audited financial statement of the Homeowners Association within ninety (90) days following the end of the fiscal year of the Homeowners Association and be permitted to designate a representative to attend all such meetings; and (iii) receive written notice of default in the payment of any installment of the Annual Assessment.

(d) Any Institutional Lender who obtains title to any Home as a result of foreclosure of a Mortgage on any Home recorded prior to the date any assessment became due, or by deed or assignment in lieu of foreclosure, or any purchaser in such a foreclosure sale, (pursuant to such mortgage), or their respective successors and assigns, is not liable for the share of Homeowners Association expenses or other assessments by the Homeowners Association pertaining to such Home or chargeable to the former Owner which became due prior to such acquisition of title. Such unpaid share of Homeowners Association expenses and other assessments shall be deemed to be Homeowners Association expenses collectable from all of the remaining Owners including such acquirer, and their successors and assigns.

(e) In the event of substantial damage to or destruction of any Home or any part of the Common Property, any Institutional lender which may be affected shall be entitled to timely written notice from the Homeowners Association of any such damage or destruction. No Homeowner or other party shall have priority over such Institutional Lender with respect to the distribution of any such insurance proceeds.

In the event of substantial fire damage or destruction of any Home, it is the responsibility of the Homeowner, their heir or heirs, successors or assigns, to rebuild the Home or clear and sod the land within twelve (12) months.

IN WITNESS WHEREOF WHITING STATION HOMEOWNERS ASSOCIATION, INC. have caused this instrument to be executed on the _____ day of _____, 2003, by the President of Whiting Station Homeowners Association, Inc., and attested to by the Secretary of the Whiting Station Homeowners Association, Inc., and the corporate seal affixed, pursuant to a resolution duly and unanimously adopted by Whiting Station Homeowners Association, Inc.

WHITING STATION HOMEOWNERS ASSOCIATION, INC.

By _____
President

ATTEST:

Secretary

STATE OF NEW JERSEY:)
: ss.:
COUNTY OF OCEAN)

BE IT REMEMBERED, that on this day of ,2003, before me, a Notary Public of the State of New Jersey, personally appeared who, being by me duly sworn on oath doth depose and make proof to my satisfaction that is the Secretary of WHITING STATION HOMEOWNERS ASSOCIATION, INC., named in the within instrument, that is the President of said company; that the execution, as well as the making of this instrument, had been duly authorized by a proper resolution of the Board of Trustees of the said corporation; and the seal affixed to said instrument, signed and delivered by the President as for his voluntary act and deed and as and for voluntary act and deed of said corporation, in the presence of the Secretary, who thereupon subscribed her name thereto as witness.

Notary Public