

BYLAWS

WHITING STATION at CRESTWOOD
HOMEOWNERS ASSOCIATION, Inc.

Membership Approval March 24, 2003


Filed Ocean County April 16, 2003

WHITING STATION AT CRESTWOOD HOME OWNERS ASSOCIATION, INC.
323 Gardenia Drive, Whiting, N. J. 08759

STATEMENT OF FILING

Bylaws

I, Harold E. Weber, Jr. Chairman of the Bylaws Committee of Whiting Station at Crestwood Homeowners Association, Inc. do hereby state that in accordance with the Bylaws of the Association, I have filed a true copy of the Third Amendment to the Declaration of Covenants, revised Bylaws and Rules & Regulations of Whiting Station at Crestwood Homeowners Association, Inc. which were duly adopted by ballot on March 24, 2003 at a Special Meeting of the Association, approved by the Board of Trustees and filed with the Office of the County Clerk, Ocean County, State of New Jersey, on April 16, 2003.


Harold E. Weber, Jr.

Sworn and subscribed to before me
this 11th day of April 2003.


Eileen Thompson

Notary Public of New Jersey.
Ocean County.
My commission expires

 MY COMMISSION EXPIRES
9-3-2006



BYLAWS

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
I	<u>Nature of Bylaws</u>	1
II	<u>Membership</u>	1
II-1	Rights and Allocation of Votes	1
II-2	Definitions	1
III	<u>Election and Meetings of Members</u>	2
III-1	Annual Meetings	2
III-2	Special Meetings	2
III-3	Notice of Meetings	3
III-4	Quorum	3
III-5	Organization	3
III-6	Voting	4
IV	<u>Board of Trustees</u>	5
IV-1	Number, Qualification and Term of Office	5
IV-2	Removal of Trustee(s)	5
IV-3	Vacancy on the Board of Trustees	5
IV-4	Regular Meetings	5
IV-5	Special Meetings	5
IV-6	Forums	6
IV-7	Waiver of Notice	6
IV-8	Quorum	6
IV-9	General Powers and Duties	6
IV-10	Rules & Regulations	11
IV-11	Fiscal Management	11
V	<u>Officers</u>	14
V-1	Designation	14
V-2	Organizational Meeting and Election of Officers	14
V-3	Removal of Officer(s)	14
V-4	President	14
V-5	Vice President	15
V-6	Secretary	15
V-7	Treasurer	15
V-8	Other Duties and Powers	15

BYLAWS

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
VI	<u>Architectural and Covenant Committees</u>	15
VI-1	Architectural Committee	15
VI-2	Covenants Committee	15
VII	<u>Fiscal Year</u>	15
VIII	<u>Amendments</u>	16
IX	<u>Enforcement</u>	16
X	<u>Notice</u>	16

WHITING STATION AT CRESTWOOD HOMEOWNERS ASSOCIATION, INC.

BYLAWS

ARTICLE I – NATURE OF BYLAWS

These Bylaws are intended to govern the administration of Whiting Station At Crestwood Homeowners Association, Inc., its successors and assigns, hereinafter referred to as the "Homeowners Association", a non-profit membership corporation organized under Title 15A of the Revised Statutes of New Jersey, together with the management and administration of the improvements, recreation and community facilities located within that development known as Whiting Station At Crestwood located in Manchester Township, Ocean County, New Jersey, hereinafter referred to as the "Community".

ARTICLE II – MEMBERSHIP

SECTION 1. Rights and Allocation of Votes. All owner(s) of record of homes in the Community shall be Members of the Homeowners Association, as provided in Article V of the Articles of Incorporation. There shall be only one vote for each Home in the Community. Members in good standing shall be eligible to vote at all meetings of the Members and to participate and utilize all of the recreational facilities available to the Community subject to the Declaration of Covenants and Restrictions, as amended, these Bylaws and the Rules & Regulations of the Homeowners Association.

SECTION 2. Definitions. The terms as used in these Bylaws, unless specifically provided otherwise, are as follows:

"Homeowners Association" is a non-profit membership corporation organized under Title 15A and identified in Article I of these Bylaws.

"Community" means the planned adult community known as Whiting Station At Crestwood and identified in Article I of these Bylaws.

"Member" means the owner(s) of record of a residential home located within the Community as identified in Article II, Section I of these Bylaws.

"Good Standing" means all dues, assessments, fines and penalties shall be current and no outstanding violations of the Declaration of Covenants and Restrictions, as amended, Bylaws or Rules & Regulations exist.

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

"Common Property" means all those non-home building lots and roadways which are located within the Community, 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).

"Declaration of Covenants and Restrictions" means the document made and signed by Union Valley Corporation and recorded on February 18, 1988 in the Ocean County Clerk's Office, and any amendment thereto.

Rules & Regulations means the Rules & Regulations adopted by the Board of Trustees pursuant to the Declaration of Covenants and Restrictions, as amended, of Whiting Station At Crestwood.

"Governing Documents" means the Articles of Incorporation, Declaration of Covenants and Restrictions, Bylaws, Rules & Regulations and any amendments to these documents.

"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.

"Officers" means such Trustees appointed by the Board of Trustees to serve as President, Vice President, Secretary and Treasurer of the Homeowners Association.

ARTICLE III – ELECTIONS AND MEETINGS OF MEMBERS

SECTION 1. Annual Meetings. The Annual Meeting of Members of the Homeowners Association shall be held in Manchester Township, New Jersey on the first Monday in October in each year. At such meeting, the Members shall elect the Board of Trustees and transact such other business as may be appropriate. If such meeting cannot be held on the day designated herein for the Annual Meeting, the Annual Meeting shall be adjourned and a new date for the Annual Meeting shall be set within fifteen (15) days of the original date. At such adjourned Annual Meeting, the Members shall elect the Board of Trustees and transact any other business with the same force and effect as at the Annual Meeting duly called and held.

SECTION 2. Special Meetings. Special Meetings of Members may be called by the President whenever it is deemed advisable and shall be called by the Secretary when so ordered by the Board of Trustees or upon the written request to the President of fifty-one (51%) percent of all the Members eligible to vote at such meeting. Such request shall state the purpose of such meeting and the matters to be acted upon. The Secretary shall give notice stating the purpose of the meeting to all Members eligible to vote at such meeting. No special meeting need be called upon the request of Members if the purpose

thereof is to consider any matter which is substantially the same as a matter voted upon at any meeting of the Members held during the preceding twelve (12) months.

SECTION 3. Notice of Meetings. Except as otherwise provided by law, Notice of each meeting, whether Annual or Special, shall be given not less than ten (10) days, nor more than ninety (90) days before the day on which the meeting is to be held, to each Member's last known address, by delivering a written Notice thereof to each member. Except where expressly required by law, no publication of any Notice of a meeting of Members shall be required. Every notice shall state the time and place of the meeting and shall state briefly the purposes thereof. Notice of any adjourned meeting of the Members shall not be required to be given, except when expressly required by law.

SECTION 4. Quorum. At each meeting of the Members, representation of one-third (1/3rd) of the votes eligible to be cast, in person or by absentee ballot, shall constitute a quorum for the transaction of business, except where otherwise provided by law. In the absence of a quorum, the representatives present, in person, and eligible to vote, by majority vote, may adjourn the meeting from time to time until a quorum shall be present or represented. At any such adjourned meeting at which a quorum may be present, any business may be transacted that might have been transacted at the meeting as originally called.

SECTION 5. Organization. At each meeting of the Members, the President shall act as Chairperson. In the absence of the President, the Vice President shall act as Chairperson. In the absence of the President and Vice President, a Chairperson chosen by a majority vote of those votes eligible to be cast shall act as Chairperson. The Secretary, or in the absence of the Secretary, a person whom the Chairperson shall appoint shall act as secretary of the meeting.

The rules contained in the current edition of Robert's Rules of Order shall govern the conduct of any meeting in all cases in which they are applicable and in which they are not inconsistent with these Bylaws.

The Order of Business of all meetings of the Members of the Homeowners Association shall be as follows:

- Proof of Notice of Meeting or Waiver of Notice (Annual Meeting only).
- Reading of Minutes of Preceding Meeting, Corrections, Additions, and Acceptance thereof.
- Presentation of Financial Report by Treasurer.
- Discussion of Fiscal Budget (Annual Meetings only)
- Correspondence.
- Reports of Officers.
- Reports of Committees.
- Report of Judge of Election (Annual Meeting only).

Introduction of New Trustees (Annual Meetings only).
 Unfinished Business.
 New Business.
 Motion to Adjourn.

SECTION 6. Voting. Except as otherwise required by law, a quorum being present, a majority of all those votes eligible to be cast, in person or by absentee ballot, shall be sufficient on those matters which are to be voted upon. Absentee Ballots will be collected up to twenty-four (24) hours prior to the commencement of the meeting at which ballots are to be cast.

The Board of Trustees shall appoint an Election Committee Chairperson during the first quarter of the new term. Trustees and trustee-candidates shall not serve as a member of this Committee. The Election Committee shall have complete charge of all elections, including but not limited to, notification of election; presentation of slate of candidate(s); conduction of election; preparation, distribution and counting of ballots; and certification of results. All pertinent documentation, including ballots, shall be retained for safekeeping by the Homeowners Association for a period of one (1) year.

The Election Committee Chairperson shall follow the Election Guidelines, which are on file at the Homeowners Association's Office in the Station Hall Clubhouse. The Election Committee Chairperson will designate six (6) additional members to the Committee, identifying a Judge of Elections and four (4) Tellers. The Election Committee Chairperson may designate additional members to the Committee. This Committee shall be a standing committee.

The election of the Board of Trustees shall be conducted by the Election Committee and shall be by ballot. Unless demanded by a Member present in person at such meeting and eligible to vote thereat or determined by the Chairperson of the meeting to be advisable, the vote on any other question need not be by ballot.

Any challenge to the election results shall be made in writing within forty-eight (48) hours following the election results. The challenge shall be considered by the Election Committee; a "recount" of the ballots will be initiated; and the results submitted to the President of the Board of Trustees for announcement. If the procedural requirements were found to be improper, the Election Committee will submit its report to the Committee for Alternative Dispute Resolution (hereinafter "ADR Committee") who shall review the Election Committee Report and by a simple majority vote decide upon any further action to be taken regarding the challenge. Should the ADR Committee decide that a Replacement Election is necessary the Election Committee shall, given the required ten (10) days notice, hold a "Special Meeting" of all Homeowners and with a quorum, conduct a second election.

ARTICLE IV – BOARD OF TRUSTEES

SECTION 1. Number, Qualification and Term of Office. The Board of Trustees shall consist of seven (7) members to serve for a period of two (2) years. The election to the Board of Trustees will be held at the Annual Meeting of the Homeowners Association. The term of office of each Trustee shall become effective on January 1st following the Annual Meeting. A candidate for Trustee must be a Member of the Homeowners Association in good standing. Only one person from each Home in the Community is eligible to be a member of the Board of Trustees at any given time. In order to continue the orderly transmission of office, three (3) or four (4) Trustees, as needed, will be elected each year to fill the vacancies of the Trustees whose term of office expires. A Trustee shall only serve for three (3) consecutive terms.

SECTION 2. Removal of Trustee(s). At any Regular or Special Meeting of the Homeowners Association duly called, any one or more of the Trustees may be removed with or without cause by a two-thirds (2/3rds) vote of the membership of those votes eligible to be cast. Any Trustee whose removal has been proposed shall be given an opportunity to be heard at the meeting

SECTION 3. Vacancy on the Board of Trustees. If a vacancy on the Board of Trustees shall occur by failure to complete a term of office, such as by resignation, death or otherwise, the Board of Trustees shall appoint a replacement who shall serve until the next election of the Board of Trustees to be held at the following Annual Meeting of the Homeowners Association. The person so elected shall serve for the unexpired term of the vacated office of Trustee.

SECTION 4. Regular Meetings. Regular Meetings of the Board of Trustees may be held at such times and places as shall be determined from time to time by a majority of the Trustees, but at least twelve (12) such meetings shall be held during each fiscal year. Notice of Regular Meetings of the Board of Trustees shall be given to each Trustee, personally, at least five (5) days prior to the date named for such meeting as required by law, and the meetings shall be open to the public.

SECTION 5. Special Meetings. Special Meetings of the Board of Trustees may be called by the President on three (3) days notice to each Trustee, given personally, which notice shall state the time, place and purpose of the meeting. Special Meetings of the Board shall be called by the President or Secretary, in like manner and on like notice, on the written request of at least three (3) Trustees.

At any Regular or Special Meeting, the Board of Trustees may exclude or restrict attendance at those meetings or portions of meetings dealing with the following:

- (a) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- (b) Any pending or anticipated litigation or contract negotiations;
- (c) Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise the ethical duties of a lawyer; and
- (d) Any matter involving the employment, promotion, discipline or dismissal of a specific officer or employee of the Association.

At any Regular or Special Meeting of the Board of Trustees, the participation of the Members in the proceedings or the provisions of a public comment session shall be at the discretion of the Board of Trustees.

SECTION 6. Forums. A minimum of four (4) meetings or Forums shall be conducted by the Board of Trustees during a year. The purpose of such Forums is to provide an opportunity for Members to express their personal opinions regarding matters pertaining to the Whiting Station At Crestwood Community.

SECTION 7. Waiver of Notice. Before or at any meeting of the Board of Trustees, any Trustee may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Trustee at any meeting of the Board shall be deemed a waiver of notice by the Trustee of the time and place thereof. If all Trustees are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 8. Quorum. At all meetings of the Board of Trustees, a majority of Trustees, four (4) or more, shall constitute a quorum for the transaction of business, except as otherwise expressly provided in these Bylaws or by law. The acts of the majority of the Trustees present at such meeting at which a quorum is present shall be the acts of the Board of Trustees. If at any meeting of the Board of Trustees there shall be less than a quorum present, the Trustee or Trustees present may adjourn the meeting from time to time. At the reconvened meeting at which a quorum is present, any business that might have been transacted at the meeting as originally called, may be transacted without further notice to any Trustee.

SECTION 9. General Powers and Duties. The property, affairs and business of the Homeowners Association shall be managed by the Board of Trustees, which shall have all those powers granted to it by law, the Articles of Incorporation, Declaration of Covenants and Restrictions, these Bylaws or other instrument which vests any rights or obligations in the Homeowners Association

with respect to the Community or otherwise. In the performance of its duties as the administering body of the Homeowners Association, the Board of Trustees shall have powers and duties including, but not limited to, the following:

(a) Employ, by contract or otherwise, a manager or an independent contractor to oversee, supervise and follow out the responsibilities of the Board of Trustees. Said manager or said independent contractor shall be compensated upon such term or terms as the Board of Trustees deems necessary and proper; and

(b) Employ any person, firm or corporation to repair, maintain and renovate, seed, sod, plant, transplant, prune, fertilize, water, cut, destroy, pull plants up or out, spray substances, put pesticides or other chemical or biological agents in, under or above the water or grounds, grass, trees, streams, waterways, and the right to dam or alter the flow thereon on the Community lands; build, erect, repair, maintain and renovate recreation facilities; build, erect, repair, maintain and renovate roads, walks or paths; lay pipes, culverts; bury utilities; put up lights or poles; erect signs and traffic and safety controls of various sorts; and

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

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

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

(f) Investigate, hire, pay, supervise and discharge the personnel necessary to be employed in order to properly maintain and operate the Common Property. Compensation for services of such employees shall be considered an operating expense of the Homeowners Association; and

(g) Cause all facilities, buildings and improvements, which the Board of Trustees is responsible to maintain according to accepted standards, including but not limited to, interior and exterior cleaning, painting and decorating, plumbing, steam cleaning, carpentry and such other normal maintenance and repair work as may be necessary; and

(h) Take such actions as may be necessary to enforce the provisions of the Governing Documents or to comply properly with any and all orders or requirements affecting the premises maintained by the Homeowners Association placed hereon by any federal, state, county or municipal authority having

jurisdiction thereof and by order of the Board of Fire Underwriters or other similar bodies; and

- (i) Arrange for maintenance of roads, walkways and parking areas; and
- (j) Arrange for the removal of refuse; and
- (k) Arrange for security protection as necessary; and

(l) Place and keep in force all insurance coverage required to be maintained by the Homeowners Association. All insurance premiums shall be paid by the Homeowners Association as common expenses and the Board of Trustees shall review all policies and limits once a year and the limits increased as deemed necessary. All such policies shall provide that adjustment of loss shall be payable to the Homeowners Association. The following coverage is applicable to the Homeowners Association, its Members and the Common Property:

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

All policies of physical damage insurance shall, to the extent obtainable, contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insurance, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insured. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Trustees shall obtain a qualified appraisal of the full replacement value of all the Common Property that the Homeowners Association is responsible to insure, without deduction for depreciation, for the purposes of determining the amount of fire insurance to be effected pursuant to this section.

- (2) All public liability insurance to the extent obtainable in such limits as determined by the Board of Trustees shall cover each member of the Board of Trustees, the managing agent, the manager and each Member and guest while utilizing Common Property. Such public liability coverage shall also cover cross liability claims of one insured against another. Liability insurance shall be amounts not less than \$1,000,000.00 for claims for bodily injury and property damage and in no event shall said coverage be reduced without approval by at least two-thirds (2/3rds) vote of the membership of those votes eligible to be cast.

The Board of Trustees shall also maintain public liability insurance insuring the Homeowners Association and its members against liability for any negligent act of commission or omission attributable to the Homeowners Association or any of its members and which occurs on or in any of the community or recreational facilities of the Homeowners Association. Such public liability insurance shall be an amount not less than \$1,000,000 for claims for bodily injury and property damage and in no event shall said coverage be reduced without approval by at least two-thirds (2/3rds) vote of the membership of those votes eligible to be cast. The Board of Trustees shall also maintain workmen's compensation insurance, boiler, glass, burglary, theft, oil tank insurance, and such other insurance as will protect the interest of the Homeowners Association, its employees and members; and

(m) The Homeowners Association shall indemnify every Trustee, Officer and Committee Member, their heirs, executors and administrators, against all loss, costs and expenses, including counsel fees, reasonably incurred by them in connection with any actions, suit or proceeding to which they may be made a party by reason of their being or having been a Trustee, Officer or Committee Member of the Homeowners Association except as to matters as to which they shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Homeowners Association is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct in the performance of their duty as such Trustee, Officer or Committee Member in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Trustee, Officer or Committee Member may be entitled. All liability, loss, damage, cost and expenses incurred or suffered by the Homeowners Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Homeowners Association as common expenses provided, however, that nothing in this section shall be deemed to obligate the Homeowners Association to indemnify any Member, who is or has been a Trustee, Officer or Committee Member of the Homeowners Association, with respect to any duties or obligations assumed or liabilities incurred by them under and by virtue of their membership in the Homeowners Association; and.

(n) Unless acting in bad faith, neither the Board of Trustees as a body nor any Trustee, Officer or Committee Member of the Homeowners Association, shall be personally liable to any Member, in any respect, for any action or lack of action arising out of the execution of such office. Each Member shall be bound by the good faith actions of the Board of Trustees, Officers and Committee Members of the Homeowners Association, in the execution of the duties of said Trustees, Officers and Committee Members; and.

(o) Except where there is a willful, wanton or grossly negligent act or omission by the Homeowners Association, the Homeowners Association shall not be liable in any civil action brought by or on behalf of a Member, or by or on behalf of the spouse of that person or co-occupant of the Home, to respond in damages as a result of bodily injury, including death resulting from bodily injury, to the Member or to the spouse of that person or co-occupant of the Home, occurring on the Homeowners Association premises, i.e., the community and recreational facilities owned by the Homeowners Association; and

(p) Borrow and repay monies, giving notes, mortgages or security upon such term or terms as Board of Trustees deems necessary; and

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

(r) The power granted to the Board of Trustees herein to borrow money on a real estate mortgage, pass title to real estate or purchase real estate shall only be exercised by the Board of Trustees with the assent of two-thirds vote of the membership of those votes eligible to be cast; and

(s) The powers herein granted or necessarily implied shall be construed to favor the broadest discretion of the Board of Trustees, except that in addition to all other duties lawfully imposed upon it and the Homeowners Association, the Board of Trustees shall have the duty to exercise all of such powers as required by law and of this Section 9 of Article IV; and

(t) Subject to the Governing Documents 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; and

(u) 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; and

(v) 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.

SECTION 10. Rules & Regulations. Without limiting the foregoing, the Board of Trustees shall have the right to make reasonable rules and regulations as to the conduct of the Members, occupants or others, with respect to the Common Property and facilities to preserve, protect and enhance the same, to regulate the use and appearance of homes, to prevent waste, erosion, depletion to protect plantings, to protect seeded areas, trees, shrubs, grass, bushes, wildlife, water, banks, streams, dams, bridges, fish, birds, to destroy pests and pursuant to such authority, to temporarily prohibit the Members, occupants or others, from the enjoyment of access to or over such Common Property and facilities for such reasonable periods as the Board of Trustees, in its sole discretion, shall deem necessary from time to time.

The Board of Trustees shall have the further right, upon the same terms and conditions as set forth in this paragraph, to make and enforce reasonable rules for the use of the recreational facilities and the conduct, dress, manner and deportment of the Members, occupants and others, including the scheduling of use and other rules and regulations as may be necessary for the health, safety and welfare of the users thereof. This power shall be deemed to include the power to bar, limit or charge for the use of recreational facilities. Action by any manager, or managing agent, shall be deemed to be action by the Board of Trustees. Nothing contained herein to the contrary shall serve to exculpate members of the Board of Trustees from their fiduciary responsibilities.

SECTION 11. Fiscal Management.

A. Member's Annual Assessment. The Board of Trustees shall have the duty to collect from each Member, or their heirs, administrators, successors or assigns, sufficient funds to operate the Community. This Annual Assessment shall be prorated evenly to all Members and collected monthly until paid in full. If the Member's Annual Assessment is not approved by the Board of Trustees by the 1st of December preceding the year in which the assessment will be due, the previous year's assessment, increased by ten percent (10%), shall be due and payable, monthly, until changed by the Board of Trustees' action.

If the Member's Annual Assessment proves to be insufficient, it may be amended at any time by the Board of Trustees, or, the Board of Trustees may impose a lump-sum assessment in case of any immediate need or emergency.

B. Budget. An annual Operating Budget, detailing the estimated revenue and expenses and Homeowner's Annual Assessment, shall be prepared by the Budget & Finance Committee (consisting of at least five (5) members), which shall be appointed by the Board of Trustees in January of each year. Members of the Homeowners Association shall receive a copy of the Budget, approved by the Board of Trustees at least fifteen (15) days prior to the Annual Meeting.

C. Receipts. Money received by the Homeowners Association shall be deposited in a manner set forth herein or as required by the Governing Documents or in accordance with applicable law.

"Depositories" shall be such bank(s), brokerage firm(s) or other institutions as deemed necessary and designated by the Board of Trustees.

D. Disbursements. All disbursements require two (2) signatories one of whom should be a Trustee (Treasurer) and the other an individual authorized by the Board of Trustees. Funds withdrawn from Depositories shall only be by checks signed by authorized parties or by other means of withdrawal as may be authorized by the Board of Trustees. If a Management Agreement is in effect, it may include authority for the Manager to sign checks and make withdrawals on behalf of the Homeowners Association, as noted above, if proper protective bond is furnished to the Homeowners Association.

The records of Receipts and Disbursements shall be maintained in accordance with N.J.S.A. 46:8B-14(g).

E. Fund Classifications:

1. Operating Fund. This fund shall include revenue, expenses and Members' Assessments for the year for which the Budget was prepared including reasonable allowances for contingencies and working funds. This fund shall not include revenue and expenses chargeable to other funds. The Board of Trustees shall not be obligated to expend all the revenue collected in any accounting period. Should there be excess revenue in the budget year, it shall be applied to revenue in the budget of the second year following the year of occurrence.

2. Discretionary Fund. Disbursements from this fund may be utilized at the discretion of the Board of Trustees for any lawful purpose which they may deem appropriate. Funding is provided by a one-time working capital assessment to new Members, an amount equal to one-sixth (1/6) of the current annual assessment which contribution shall not be refundable or transferable.

3. Fixed Asset Fund. This fund represents tangible personal property not an integral part of the Common Property.

4. Replacement Reserve Fund. Funds are to be used for major repairs or for the replacement of Common Property items as determined by the Board of Trustees. Replacement may be necessary due to damage, depreciation, obsolescence, etc.

5. Maintenance Reserve Fund. Funds are to be used for maintenance items that occur less frequently than annually. (This fund may be incorporated into the Replacement Reserve Fund at the discretion of the Board of Trustees.)

6. Capital Improvement Fund. Funds for capital expenditures or for the acquisition of additional real property that will become part of the Common Property.

7. Emergency Reserves. The Board of Trustees may reserve funds for unforeseen expenditures. The assessment for such funds shall be identified by line item in the Operating Budget.

The Board of Trustees shall not be required to physically segregate the funds one from the other but may, in its sole discretion, maintain the funds in one or more consolidated accounts. If there is consolidation, the division into the various funds set forth herein need only be made in the Homeowners Association's records.

F. Capital Improvements. Any Capital Improvement up to Fifty Thousand Dollars (\$50,000) (as of 1/1/2003, plus the Consumer Price Index in future years), can be made by a majority vote of the entire Board of Trustees. Any Capital Improvement over Fifty Thousand Dollars (\$50,000) (as of 1/1/2003, plus the Consumer Price Index in future years), shall require a majority vote of the entire Board of Trustees and then approved by a two-thirds (2/3rds) vote of the Members.

G. Fidelity Bonds. Adequate fidelity bonds shall be required by the Board of Trustees for all persons handling or responsible for the Homeowners Association's funds. The Homeowners Association shall pay the premiums for such bonds.

H. Annual Audit. The Board of Trustees shall submit the books, records and memoranda of the Homeowners Association to an independent Certified Public Accountant for annual audit. The auditor shall render a report, in writing, to the Board of Trustees within a reasonable time period for filing in the Homeowners Association's Office, available for review by any Member.

I. Examination of Books. Upon ten (10) days written notice to the Board of Trustees, a Member shall be permitted to examine the Homeowners Association's books of accounts at a reasonable time on business days.

J. Acceleration of Assessment Installment upon Default. If a Member shall be in default in payment of an assessment installment or a special assessment duly authorized, the Board of Trustees shall advise the Member of the delinquency within thirty (30) days of the due date. When two (2) monthly assessments become past due, the Member 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 by written notice to the Member 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 Members, all notices will be sent by registered or certified mail.

K. 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 assessments or charges by resorting to counsel, and/or filing of a lien, the Board of Trustees may add to the aforesaid assessments 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.

ARTICLE V. – OFFICERS

SECTION 1. Designation. The principal officers of the Homeowners Association shall be President, Vice President, Secretary and Treasurer, who shall all be members of the Board of Trustees. The Board of Trustees may also appoint such other Assistant Treasurers and Assistant Secretaries as in their judgment may be necessary. One person shall hold only one office at any one time. Only one person from each Home shall serve as an Officer at any given time.

SECTION 2. Organizational Meeting and Election of Officers. The officers of the Homeowners Association shall be elected annually by the Board of Trustees. The election shall occur at the Organizational Meeting held within ten (10) days after the Annual Meeting of the Members of the Homeowners Association. Such officers shall hold office at the pleasure of the Board of Trustees.

SECTION 3. Removal of Officer(s). Upon affirmative vote of a two-thirds (2/3rds) majority of the members of the Board of Trustees, any officer may be removed, either with or without cause, and that officer's successor elected at any regular meeting of the Board of Trustees called for such purpose.

SECTION 4. President. The President shall be the chief executive officer of the Homeowners Association. The President shall preside at all meetings of the Homeowners Association and of the Board of Trustees. The President shall have all of the general powers and duties which are usually vested in the Office of the President of the Homeowners Association, including but not limited to the power to appoint committees from among the Members of the Homeowners Association, from time to time as the President may deem appropriate, to assist in the conduct of the affairs of the Homeowners Association, with the exception of the ADR Committee and the Architectural or Covenant Committees. The President shall only serve for two (2) consecutive years.

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

SECTION 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Trustees and the minutes of all meetings of the Members of the Homeowners Association. The Secretary shall have charge of such books and papers as the Board of Trustees may direct and shall, in general, perform all the duties incident to the office of Secretary.

SECTION 7. Treasurer. The Treasurer shall have the responsibility for the Homeowners Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Homeowners Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the same, and to the credit of the Homeowners Association in such depositories as may from time to time be designated by the Board of Trustees.

SECTION 8. Other Duties and Powers. The officers shall have such other duties, powers, and responsibilities as shall, from time to time, be authorized by the Board of Trustees.

ARTICLE VI - ARCHITECTURAL AND COVENANTS COMMITTEES

SECTION 1. Architectural Committee. The Board of Trustees shall appoint an Architectural Committee consisting of not less than five (5) persons and they shall advise the Board of Trustees regarding any requests for modifications, uses and additions in or to any Home or Lot or to the Common Property or evidence of any changes made without the approval of the Board of Trustees in accordance with the standards and guidelines contained in the Governing Documents and as otherwise adopted by the Board of Trustees

SECTION 2. Covenants Committee. The Board of Trustees shall appoint a Covenants Committee consisting of not less than five (5) persons and they shall advise the Board of Trustees regarding the appearance, use and maintenance of all properties within the Whiting Station At Crestwood Community in accordance with the standards and guidelines contained in the Declaration of Covenants and Restrictions, the other Governing Documents, and any amendments thereto, and as otherwise adopted by the Board of Trustees.

ARTICLE VII – FISCAL YEAR

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

ARTICLE VIII - AMENDMENTS

The Bylaws or any of them may be altered, amended or repealed, or new Bylaws may be made, at any meeting of the Homeowners Association duly constituted for such purpose, a quorum being present, by affirmative vote of two-thirds (2/3rds) of the votes eligible to be cast, in person or by absentee ballot. Any such altered, amended, repealed or new Bylaws shall be effective when recorded in the Ocean County Clerk's Office. The Bylaws may be amended by the Board of Trustees to comply with statutory changes in the laws of the State of New Jersey.

ARTICLE IX - ENFORCEMENT

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

ARTICLE X - NOTICE

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

[Date]

RR WHITING STATION
323 GARDENIA DRIVE
WHITING, N.J. 08759

Bylaws

16

3/24/2003