

**BE IT RESOLVED** by the Leisure Village Association that the Bylaws of Leisure Village are hereby amended and supplemented as follows”

**ARTICLE I**

**APPLICABILITY, MEMBERS, MEMBERSHIP & DEFINITIONS**

**Section 1**

**(a) Applicability of Bylaws**

These Bylaws shall be applicable to Leisure Village Association (Original), a non-profit corporation of the State of New Jersey, hereinafter referred to as the “Association”, to all of the members thereof, as hereinafter defined, to the community and recreational facilities owned by the Association and to each Leisure Village Horizontal Property Regime which is now, or may hereafter be created, hereafter referred to as the “Condominiums”. Pursuant to N.J.S.A. 46:8B2, Leisure Village Association herein recognizes the provisions of the New Jersey Condominium Act (N.J.S.A. 46:8B-1, et seq.), now in effect and as modified from time to time.

**(b) Occupancy Density**

Not more than two (2) persons shall occupy a one (1) bedroom unit, and not more than three (3) persons shall occupy a two (2) bedroom unit, exclusive of guests temporarily residing therein as may be authorized by the Bylaws or the Rules and Regulations in effect. In no event shall occupancy of a unit or units violate the density requirements of applicable municipal and state laws, ordinances, and regulations.

**(c) Guests**

No guest shall reside in a unit for more than 30 days unless an additional maintenance fee shall be paid for each such guest in excess of 30 days, and for each 30-day period thereafter. No guest occupancy shall exceed six (6) months as provided by the Master Deed. A guest shall not reside therein unless the owner, qualified lessee, or qualified occupant who is over the age of 55 years is also then currently residing therein. A guest cannot reside for more than 30 days within a 45-day calendar period.

**(d) Lease Information Required from Every Owner and Non-Owner of Leased or Non-Owner Occupied Units**

The owner and non-owner occupant, if any, of each unit leased or occupied by any person without the owner residing therein shall file, in the office of the Village Manager, a copy of the lease certified by the owner as a true copy, or if no written lease is in effect, then a statement setting forth the nature of the occupancy arrangement, the names of the owner(s), lessee(s) and occupant(s), the respective ages and relationships to the owner or occupancy of those under 55, if any, and the date when the lease or occupancy commenced and will expire. If such lease/occupancy statement and information is not furnished to the Village Manager's Office within 30 days of the adoption of these Bylaws, or within 30 days of a change in occupancy, whichever occurs later, a penalty of \$500 shall be payable to the Association by the owner, in addition to all other charges due.

**(e) No Occupancy by Persons Under the Age of 55**

No person under the age of 55 years shall occupy a unit unless a qualified occupant over the age of 55 is also in occupancy at the same time, or is then currently residing therein. Under no circumstances will an individual remain an occupant unless he or she is 19 years of age or older.

**(f) Residential Occupancy and Use Required**

The owner and lawful occupants of each residential unit shall occupy and use such unit as a private dwelling (subject to Bylaws, Rules and Regulations, and applicable laws governing density of use) and for no purpose except those specifically permitted.

**(g) 1. Transfer/Lease Information and Approval Required**

Hereafter, no owner may dispose of, lease, or transfer a unit or any interest therein, nor transfer a unit, nor enter into a lease, rental or occupancy arrangement with a non-owner of such unit or renewal thereof, without first having obtained approval from the Association. The required information shall be furnished on a form prepared by the Association at least 10 working days prior to the transfer/lease, consisting of at least the following: the names and addresses of the present and prospective owners, occupants, and tenants; the ages and occupations of the persons who will occupy the premises; the estimated date when the change in occupancy will occur; and a copy of the lease and/or contract, as the case may be. Within ten (10) working days after receipt of such application, the Association or its authorized agent or committee shall either approve or reject the transaction and notify the applicant of the result. If approval is not granted, the applicant may apply in writing for reconsideration by the Board of Trustees within 30 calendar days from the application. If the Association fails to notify the

applicant of approval or rejection within the aforesaid ten (10) day period, the application shall be deemed to have been approved, and the Village Manager shall issue a Certificate of Approval. Occupancy by a seller temporarily in possession following a closing of title, or a buyer temporarily in possession prior to a closing of title shall be exempt from the foregoing requirements, providing a letter is furnished to the Village Manager describing such temporary occupancy. Such temporary occupancy cannot exceed 30 calendar days.

For the purposes of this paragraph, any non-owner occupant or occupancy (other than a temporary guest of less than 30 days), tenant at will or tenant at sufferance shall be included within the meaning of tenant, lessee or lease as used herein.

**(g) 2. Lease of Unit and Ownership of More Than One Unit Prohibited**

Hereafter, the ownership of units for business, including ownership by a charitable or non-profit organization, speculative investment or for other similar commercial purposes, is hereby prohibited. Leasing or rental of a unit is hereby prohibited except as may be permitted in these Bylaws. Except for resident unit owners who have purchased another unit within Leisure Village and intend to immediately reside therein, and resident owners who acquire a unit, or an interest therein through marriage, gift, bequest or intestacy, no transfer shall take place if the effect of such transfer is to result in ownership of more than one unit in any person, corporation, partnership, association or similar entity, their agents, assigns or nominees, either singly or in some combination with another person or entity and which owners do not themselves occupy all of said units.

**(g) 3. Transfer of Part of a Unit Prohibited**

Hereafter, no unit owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to the members unit without including therein the appurtenant interests, it being the intention thereof to prevent any severance of such combined ownership. No part of the appurtenant interests of any unit may be sold, transferred or otherwise disposed of separately.

**(g) 4. Transfer Fee**

- (a) Hereinafter, a non-refundable fee of \$750 shall be paid to the Association by each purchaser of a unit each time a transfer of title occurs. The transfer fee shall be placed in the Membership Capital Fund of the Association. If any purchaser fails to pay said fee within ten (10) days of the transfer, said fee shall be increased to \$1,000 and a lien shall be placed against the unit in said

amount, together with the filing and discharge costs of \$185 or such other amount as hereafter may be provided by the Rules and Regulations in effect.

(b) Any non-owner occupant or occupancy (other than a temporary guests of less than 30 days), tenant at will or tenant at sufferance shall be included within the meaning of tenancy, tenant, and lessee as used herein. Every tenancy shall be subject to an annual fee payable to Leisure Village Association at the inception of the tenancy and on every annual anniversary of the tenancy. Said fee is a charge against and shall be due from the owner of record.

(c) In the event a unit owner receives a bona fide offer for the purchase or lease of the member's unit, opportunity shall be afforded Leisure Village Association to buy or lease the unit on the same terms offered to the purchaser or lessee.

**(g) 5. When Transfer Fee is Not Required**

Payment of a transfer fee shall not be required when lawful transfer of a unit is from an owner to a spouse or owner of the same unit, follows the sale of a unit at which time said owner purchases a different unit in Leisure Village, or transfer by reason of inheritance.

**(g) 6. Transfer to a Corporation Prohibited**

Hereafter, no owner may dispose of, lease or transfer a unit or any interest therein to a corporation, partnership, association or similar entity.

**(g) 7. Term of Authorized Lease**

No authorized lease or lease renewal shall have a term of less than 12 months, nor a term of more than 24 months.

**(h) Hardship and Special Situations**

To meet special situation and to avoid undue hardship or practical difficulty due to medical/health reasons or other justifiable cause constituting a hardship, an owner may apply to the Association for relief from the prohibitions against leasing a unit. If an owner shall be unable to temporarily or permanently occupy the unit for hardship and practical difficulty reasons set forth in the application and the owner desires to lease the unit, the Board of Trustees may, upon such application, grant permission

to an owner to lease a unit to a specified lessee subject to appropriate restriction. All appropriate fees as described herein shall be paid.

**(i) Procedure for Certain Required Approvals**

The procedure for seeking approval of a transfer by sale or lease may be modified from time to time by Rules and Regulations thereafter adopted by the Board of Trustees, including fines or other penalties to be imposed in the event of a violation of these Bylaws and Rules and Regulations in effect.

**(j) Violations**

In the event a tenant fails to comply with any provision of the Master Deed, Bylaws, or Rules and Regulations, the Association shall notify the unit owner of such violation(s) and demand that the same be remedied within thirty (30) days after such notice. If such violation(s) is not remedied within the said thirty (30) day period, the unit owner shall immediately thereafter, at the member's own cost and expense, institute and diligently prosecute an eviction action against the member's tenant on account of such violation(s). Such action shall not be compromised or settled without prior written consent of the Association. In the event the unit owner fails to do so, the Board shall have the right, but not the duty, to institute and prosecute such action as attorney-in-fact for the unit owner at the unit owner's sole cost and expense, including all legal fees incurred. Said cost and expenses shall be deemed to constitute a lien on the particular unit. This procedure shall be in addition to any other procedure or enforcement method provided by law and by the Condominium Bylaws, and Rules and Regulations.

**(k) Disputes by Owners**

The Association shall provide to its members an Alternative Dispute Resolution procedure as an alternative to litigation for disputes between unit owners, and between unit owners and the Association. The form of procedure shall be included in the Rules and Regulations as prescribed by the laws of the State of New Jersey.

**Section 2**

All present and future owners, tenants, future tenants, their guests, licensees, servants, agents, employees, and any other person or persons that shall be permitted to use the facilities of the Association or of the Condominiums, shall be subject to these Bylaws, and to the Rules and Regulations

issued by the Association to govern the conduct of its members. All new residents shall sign the acceptance of the Rules and Regulations and the Bylaws when they receive their gate pass and membership card. Acquisition, rental or occupancy of any of the family units in the Condominiums shall be conclusively deemed to mean that the said owner, tenant or occupant has accepted and ratified these Bylaws and Regulations of the Association and will comply with them.

### Section 3

Unless it is plainly evident from the context that a different meaning is intended, as used throughout these Bylaws:

- a. **“Family unit”** or **“apartment”** means a part of the condominium property, comprising an enclosed space of one or more rooms, designed for independent use as a residence, having a direct exit to a thoroughfare, or to an easement or right of way leading to a thoroughfare, and includes an interest in the common elements.
- b. **“Owner”** means a person or persons who own or owns a family unit.
- c. **“Member”** means an owner or co-owner in any of the Condominiums, his or their heirs, executors, and assigns.
- d. **“Member entitled to vote”** means a member who, under the provisions of these Bylaws, is permitted to occupy a family unit as a permanent resident, and who is a person fifty-five (55) years of age or over and in good standing. Proof of age for all occupants must be on record at the Association offices. Each member shall be entitled to only one vote regardless of the number of units owned by said member.

### Section 4

Except as otherwise provided, membership in the Association shall be limited to the owners of family units in the Condominiums, provided that whenever title to a family unit is vested in two or more persons, such co-owners shall be entitled collectively to not more than one vote.

In the event that a member shall lease or permit another to occupy the member’s family unit, the tenant or occupant shall be permitted to enjoy the recreational and community facilities of the

Association, but *shall not vote* in the affairs of the Association. The community and recreational facilities of the Association shall be limited to occupants of family units and their guests.

Every lawful transfer of the title to the member's family unit shall include membership in the Association, and upon making such transfer, the previous owner's membership shall automatically terminate.

Except as provided above, membership in the Association may not be assigned or transferred, and any attempted assignment or transfer thereof shall be void and of no effect.

## **Section 5**

Evidence of membership and ownership in the Association shall be a membership card issued to each member of the Association. The membership card shall state the address of the family unit, and the names of the owners thereof. Each family unit shall have not more than one vote. In the event there is more than one owner of a particular family unit, the vote to which such family unit is entitled may be voted by any one of such co-owners, and not more than one such co-owners may exercise the vote. Membership cards shall be surrendered to the Manager of the Association whenever ownership of the family unit designated thereon shall terminate.

## **ARTICLE II**

### **PRINCIPAL OFFICE**

#### **Section 1**

The principal office of the Association shall be located at 19 Buckingham Drive, Lakewood, New Jersey, or at such other suitable and convenient place or places as shall be permitted by law and designated by the Trustees.



## ARTICLE III

### MEETING OF MEMBERS - VOTING

#### Section 1

All meetings of the members of the Association shall be held at the principal office of the Association or at such other suitable and convenient place or places as shall be permitted by law and from time to time fixed by the Trustees and designated in the notices of such meetings.

#### Section 2

##### (a) (i) General Nominations

A member in good standing who meets the qualifications enumerated herein shall be eligible to run for Trustee, and shall be presented as a Trustee candidate by the Screening Committee at a special meeting to be held on the first Monday of February of each year for the purpose of receiving all potential Trustee candidates. A candidate shall be qualified, provided they meet the following criteria:

1. Must be at least fifty-five (55) years of age;
2. Must be a resident owner;
3. Must have resided in Leisure Village for a period of a minimum of 12 months immediately preceding the close of nominations;
4. Must present a petition signed by at least 50 members in good standing. (However, there shall be only one vote per unit);
5. Must submit a resume and an approved application.

All general nomination requirements must be submitted to the Screening Committee no later than January 15 of the election year.

##### (a) (ii) Floor Nominations

At the special meeting on the first Monday of February each year, a Trustee Candidate may be nominated from the floor, provided they meet all the qualifications in Section 2 (a)(i), 1~5 above, AND the written consent of the floor nominee. Floor nomination qualifications will be verified by the

Screening Committee within ten (10) days of said meeting. Any candidate who does not meet said qualifications shall be disqualified.

(b) (i) Election – Voting in Person

In the event that the number of candidates exceeds the number of positions up for election, or in the event that the election includes an unexpired term, then the last Saturday of March of each year shall be set aside for the sole purpose of electing candidates nominated to the office of Trustee. The time set for such election shall be designated by the Trustees and shall be held between the hours of 10 a.m. and 4 p.m. at the Dorchester Hall, or any other location as designated by the Board of Trustees.

(b) (ii) Election – Absentee Ballots

A member in good standing and entitled to vote may request of the Secretary of the Association an absentee ballot, which will be counted at the election, provided it is filed with the Secretary no later than noon the day before the election.

The member will also sign a certification on the outside of the return envelope of the absentee ballot, indicating that the member is in good standing and of an age to vote. Ballots without such certification will be void. In the event that the Election Committee requires, in its sole discretion, proof of any matters contained in the certification, the members shall be required to provide same, or the absentee ballot may be discarded.

(c) Candidate’s Night

In the event that an election is needed, the Election Committee shall hold a Candidate’s Night, at least two (2) weeks prior to the election, for the purpose of introducing the candidates and allowing questions from the members of the Association.

(d) Election Books

The Election Committee will be responsible for updating the Election Books of the Association at least seven (7) days before the election. Ballot positions will be selected by lottery on the day of nominations.

(e) Vote Counting & Certification of Results

The Election Committee will be responsible for the counting of all votes and to certify election results to the Trustees with forty-eight (48) hours of the close of polls.

*Only members of the Election Committee will be allowed in the voting area during voting.*

Once the polls are closed, the Election Committee will proceed with the count of votes in the presence of the Secretary of the Board of Trustees (or his/her designee) and the candidates. The Election Committee Chair and designed Trustee will jointly be responsible for the counting of Absentee Ballots.

(f) Results

The candidate or candidates receiving the highest number of votes shall be duly elected as Trustee.

In the event that an election involves *an unexpired term*, the candidates receiving the highest number of votes shall be elected to the complete, three (3) year term. After each full term is filled, the candidate receiving the next highest total will be duly elected to fill the unexpired term.

(g) Grievances

All questions or grievances regarding the election shall be referred to the Association Attorney for immediate decision. The Attorney's decision can be appealed pursuant to the Alternate Dispute Resolution (ADR) procedure then in effect.

### Section 3

The Secretary shall send notices of each Annual Meeting, and of the meeting and date of election referred to in Section 2 of this Article, to each member of the Association, directed to the member's last known prior Post Office address, as shown on the records of the Association.

This can be done:

- a. By regular mail, postage prepaid
- b. Delivered by hand to members or left at their residence.

### Section 4

It shall be the duty of the President to call a Special Meeting of the members of the Association, other than the meeting provided for in Section 2 of this Article, whenever the members are directed to do so by resolution of the Trustees, or upon presentation to the Secretary, of a petition signed by **15%** of the members entitled to vote.

#### **Section 5**

The Secretary shall send notice of each Special Meeting called by the President, to each member of the Association in the manner provided in Section 3 of this Article, except that notice of such Special Meeting shall be sent not less than five (5), nor more than thirty (30) days before the date fixed for such meeting. No business shall be transacted at any such Special Meeting except that stated in the notice thereof.

#### **Section 6**

The Secretary shall compile and keep up to date at the principal office of the Association, a complete list of members and their last known Post Office addresses. Such list shall also show opposite each member's name, the number of the family unit owned by him, the parking space assigned to said family unit, and the percentage of ownership of the member in the common elements in the particular Condominium in which the member's family unit is located. This list shall be open to inspection by all members and other persons lawfully entitled to inspect the same at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the Minute Book of the Association, containing the Minutes of all meetings of the members of the Association and of all resolutions of the Trustees, which shall be made available at the principal office of the Association.

#### **Section 7**

(a) The Annual Meeting of the members of the Association shall be held on the first Monday of May for the submission of reports pertaining to the prior fiscal year and the transaction of such other business as may properly come before the meeting.

(b) The Trustees shall convene a general meeting of members every three months on the first Monday of November, February, and May to report on the Trustees' activities, and to discuss programs and problems of general interest to the members of the Association. Notice of such meeting shall be given each member in the manner provided in Section 5 of this Article.

### **Section 8**

A member shall be deemed to be in good standing for the purpose of voting at any meeting of the members of the Association if, and only if, the members shall have fully paid all assessments made or levied against said members and the member's family unit by the Trustees, as hereinafter provided, together with all interest, costs, reasonable attorney's fees, court costs, penalties and other expenses, if any, properly charged to said member and against the member's family unit, at least ten (10) days prior to the date fixed for such meeting.

### **Section 9**

Except as otherwise provided in these Bylaws, the presence in person or by proxy of one more than one-fifth of the total number of member units of the Association shall constitute a quorum at any meeting of the members. If any meeting of members cannot be organized because a quorum has not attended, the members present, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time of the original meeting was called. In the event that any such adjourned meeting, no further notice of the adjourned date need be given to any of the members.

### **Section 10**

Votes may be cast either in person or by proxy. Proxies must be in writing and filed with the Secretary at least two (2) days before the time appointed for each meeting in the notice thereof.

### **Section 11**

All decisions of the members of the Association, including decisions involving capital expenditures, other than the expenditure of the Association funds for the purposes set forth in Schedule A as published in the Handbook of Leisure Village Association (Original), shall require for passage the affirmative vote of the members entitled to vote and in good standing representing at least a majority of the units of the property. The Trustees shall be governed in the making of capital expenditures, other than expenditures made for the purpose set forth in Schedule A as published in the Handbook of Leisure Village Association (Original), and in other actions by decision made by the members as provided in this Section.

## **ARTICLE IV**

### **OBLIGATIONS OF MEMBERS**

#### **Section 1**

Each member shall perform promptly and at the member's own risk, cost, and expense, all maintenance and repair work with respect to the portion of each family unit owned by said member, which does not comprise a part of the common elements and which, if omitted, would adversely affect or jeopardize the safety of the Condominium in which the member's family unit is located, or any part or parts thereof belonging in whole or in part to other members; and each member shall be liable for any damages, liabilities, costs or expenses, including reasonable attorney's fees and court costs cause by, or arising out of the member's failure to promptly perform any such maintenance and repair work.

#### **Section 2**

Each member shall be obligated to reimburse the Association for any expense incurred by it in repairing or replacing any part or parts of the common elements damaged solely by the member's negligence or by the negligence of the member's tenants, agents, guests, or licensees, promptly upon the receipt of the Association's statement thereof.

#### **Section 3**

Each member must contribute pro rata toward the expenses of administration, maintenance, and repair of the common elements in such amounts as shall from time to time be fixed by the Trustees. No member may exempt himself from contributing toward such expenses by waiver of the use or enjoyment of the common elements or recreational facilities of the Association, or by abandonment of the family unit.

#### **Section 4**

Payment by the member of the monthly association fee shall be made on the first of each month, in the amount fixed by the Trustees.

## **Section 5**

All such charges and expenses chargeable to a member and the member's family unit shall constitute a lien against the said family unit in favor of the Association for the use and benefit of the members of the Association prior to all other liens except (1) assessments, liens and charges for taxes past due and unpaid on the family unit, and (2) payments due under mortgage instruments of encumbrance, if any, duly recorded. The said lien may be foreclosed in the manner provided for the foreclosure and the sale of real estate mortgages; and in the event of foreclosure the Association shall, in addition to the amount due, be entitled to recover the reasonable expenses of the action, including costs and attorney's fees. The right of the Association to foreclose the lien aforesaid shall be in addition to any other remedy which may be available to it at law for the collection of the monthly charges and expenses, including the right to proceed personally against any delinquent member for the recovery of a personal judgment against said member. Any expenses, fees or assessments chargeable to a unit owner may constitute a lien after 15 days from the due date in favor of the Association. The Association shall collect its lien by any means authorized by law.

## **Section 6**

In the event a member shall fail to pay any assessment levied against said member and the family unit owned by said member for the maintenance of the common elements of the Condominium in which the member's family unit is located, for the expenses of administering, maintaining, and operating the community and recreational facilities of the Association or any other expense lawfully agreed upon within 10 days after the same shall become due and payable, the Association shall be entitled to foreclose the lien referred to in the preceding Section.

## **Section 7**



Upon the sale, conveyance or other lawful transfer of title to a family unit, all unpaid assessments against a member for the member's pro rata share in the expenses of administration, maintenance, and repair of the common elements and the community and recreational facilities of the Association and other expensed agreed upon shall first be paid out of the sales price or by the acquirer in preference over any other assessments or other charges of whatever nature, except the following:

- a. Assessments, liens, and charges of taxes past dues and unpaid on the family unit;
- b. Payments due under mortgage instruments of encumbrance, if any, duly recorded.

It shall be the duty of each member to notify the Village Manager when a contract for the sale of the member's unit is to be signed, at which time the Village Manager or the member's designated agent will deliver to the prospective purchaser a copy of our Bylaws and Handbook and ensure that the prospective purchaser will acknowledge, in writing, acceptance of the Rules and Regulations and the Bylaws of the Association.

#### **Section 8**

The acquirer of a family unit shall be jointly and severally liable with the seller for the amounts owing by the latter to the Association up to the time of the conveyance or transfer, without prejudice to the acquirer's right to recover from the seller the amount paid by him as such joint debtor. The Association shall provide for the issuance and shall issue to every acquirer, upon the member's request, a statement of such amounts due by the seller; and the acquirer's liability under this Section shall be limited to the amount as set forth in said statement.

#### **Section 9**

All family units shall be utilized for residential purposes only. A member shall not make structural modifications or alterations in the member's family unit or installations located therein without the written consent of the Trustees.

#### **Section 10**

The Association shall have the irrevocable right, to be exercised by the Trustees or Manager of the Association, to have access to each family unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the common elements or to another family unit or units. In exercising this duty, the member holds the Trustees or Manager harmless from any or all claims.

### **Section 11**

Each member shall comply strictly with these Bylaws and with the administrative Rules and Regulations adopted pursuant thereto, as either of the same may lawfully amended from time to time and with the covenants, conditions, and restrictions set forth in the Master Deed or in the Deed to the member's family unit. Failure to comply with any of the same shall be grounds for a civil action to recover sums due, for damages or injunctive relief, or both, maintainable by the Association or, in a proper case, by an aggrieved member.

Should a member institute a civil action against the Association, and such civil action not result in a judgment against the Association, the member shall be liable to the Association for all costs and expenses incurred by the Association in connection with the defense of the civil action, including reasonable attorney's fees, expert's fees, and court costs. The cost of the defense shall be billed to and paid by said member forthwith, and until paid, shall be assessed to and become part of the monthly maintenance charges against such member

### **STATEMENT**

"Permits Common Interest Communities to provide certain immunities to associations in Bylaws."

This bill would permit Associations which are responsible for the administration of a Common Interest Community to adopt Bylaws which would eliminate the liability of the Association, except in cases in which it is willfully, wantonly, or grossly negligent, with respect to any bodily injury to a unit owner or the owner's spouse which occurs on the premises of the Common Interest Community.

This bill clarifies the fact that no common interest community could establish such a provision in its Bylaws unless at least 75% of the units are owned by unit owners other than the developer. This would

preclude the exemption from liability from attaching to the developer while the major portion of the community was still under construction.

## Section 12

### CIVIL JUSTICE – TORT LIABILITY

On April 13, 1989, the owners (other than the developer of this Qualified Common Interest Community) voted by more than two-thirds majority to adopt the provision of Assembly Bill No. 2443 which reads as follows:

881 – 3 –

C.2A: 62A – 14 &

Note to 46:8B-15

And 46:8D-6

P.L. 1989, CHAPTER 9, APPROVED January 30, 1989

1988 Assembly No. 2443

AN ACT concerning Common Interest Communities

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1) As used in this act:

- a) “Association” means the entity responsible for the administration of a Common Interest Community in which 75% or more units have been conveyed to unit owners other than the developer pursuant to subsection a. of Section 2 P.L. 1979, c.157 (C. 46:8B-12.1), which association may be incorporated or unincorporated.
- b) “Bylaws” mean the governing regulations adopted by a Common Interest Community for the administration and management of the property.
- c) “Common Interest Community” means real estate with respect to which a person, by virtue of the member’s ownership of a unit, is obligated to pay for real estate taxes, insurance premiums, maintenance or improvement of other real estate described in the Declaration. Ownership of a unit does not include holding a leasehold interest of less than 20 years in a unit, including

renewal options. Common Interest Communities shall include, but not be limited to, Condominiums and Cooperatives.

- d) "Declaration" means any instrument, however denominated, which creates a Common Interest Community, including any amendment to that instrument.
  - e) "Bodily injury" means death or bodily injury to a person.
  - f) "Qualified Common Interest Community" means a Common Interest Community which is (1) residential and (2) contains at least four units.
  - g) "Unit" means a physical part of a Common Interest Community designated or separate ownership or occupancy.
  - h) "Unit Owner" means the person owning a unit or that person's spouse.
- 2) a) Where the Bylaws of a qualified Common Interest Community specifically so provide, the Association shall not be liable in any civil action brought by on behalf of a unit owner to respond in damages as a result of bodily injury to the unit owner occurring on the premises of the qualified Common Interest Community.
- b) Nothing in this act shall be deemed to grant immunity to any association causing bodily injury to the unit owner on the premises of the qualified Common Interest Community by its willful, wanton or grossly negligent act of commission or omission.
- 3) a) No Bylaws shall be amended in accordance with Section 2 of this act unless the amendment is approved by the owners of at least two-thirds (2/3) of the units held by unit owners other than the developer in the qualified Common Interest Community.
- b) Bylaws adopted in accordance with Section 2 of this act shall apply to actions for injuries sustained on or after the operative date of thee Bylaws.
- 4) This act shall take effect immediately.

### Section 13

#### **ALTERNATIVE DISPUTE RESOLUTION (ADR) & PROCEDURES**

Pursuant to N.J.S.A. 46:8B-1, et seq., the following was approved on May 28, 1998, by the Board of Trustees:

“The Trustees shall provide a fair and efficient procedure for the resolution of disputes between individual owners and the Association, and between unit owners, which shall be readily available as an alternative to litigation”

#### **VIOLATIONS OF MASTER DEED, BYLAWS OR RULES & REGULATIONS OF THE ASSOCIATION**

1. Any unit owner, Regime Representative, member of the Board of Trustees or agent of the Association has the right to request that a unit owner cease or correct any act or omission which appears to be in violation of the Master Deed, Bylaws, or Rules & Regulations of the Association. Such informal request should be made before any formal mediation process is initiated.
2. When, in the opinion of the Board of Trustees, the health, safety and welfare of the Village is being immediately and adversely affected by a violation of the Rules and Regulations, the right and privilege to use the community facilities may be suspended by the Board of Trustees, without notice, for a period of not greater than seventy-two (72) hours, until a proceeding can be held as hereinafter provided.
3. The Association shall make initial attempts to secure compliance with the Master Deed, Bylaws, or Rules and Regulations of the Association through correspondence to the unit owner which sets forth the time, date, place, and nature of the violation, as well as a time period in which said violation must be corrected. If the unit owner does not respond or make election to proceed to negotiation within five (5) days, the notice shall indicate that all allegations contained therein shall be deemed to be admitted, and the Board of Trustees shall have the right to impose those sanctions set forth in Paragraph 20.
4. If the unit owner responds or otherwise elects to proceed, the parties shall negotiate the dispute with the assistance of the Representative selected from a list of appointed Representatives. This applies to a dispute involving the unit owner and the Association, or where the dispute involves the unit owners.
5. The Representative shall not have the power to bind the parties or make determinations.

6. If the parties agree to a settlement, the Representative shall memorialize that settlement in writing, with copies given to each party and one copy filed with the Association.

### **MEDIATION**

7. If the dispute has not been resolved through negotiation, as set forth above, the parties shall proceed to mediation before electing arbitration or litigation.
8. A formal mediation process shall be initiated upon the written notice of all parties to the dispute or by a unit owner if the dispute is with the Association itself. The notice shall contain a brief statement setting forth the source and nature of the complaint.
9. The mediation shall be conducted in accordance with the Mediation Rules of the American Arbitration Association (AAA) then in effect, and as modified by the mediator(s). The mediation shall be conducted by three members of the Mediation/Grievance Committee ("Committee"). The Committee shall consist of seven (7) members appointed each May for a one-year term. Any resident members in good standing may be appointed or reappointed to this Committee by the Board of Trustees.

Where the dispute involves a complaint against the Association itself, a specially-appointed, limited-term Mediation Committee shall conduct the mediation. Such special committee shall consist of three members of the Association in good standing, who have volunteered their services for the mediation of the dispute. A list of volunteers shall be maintained by the Association and updated annually. Each party to the dispute shall select one volunteer from this list to the special committee. These two people shall then select the third person from the same list. At the conclusion of the mediation process for each dispute, the specially appointed committee shall terminate. Where the dispute involves issues that are deemed by the Medication Committee, either appointed or special, as too complicated, too complex or problematic for the Committee to adequately mediate, the Committee shall have the power to refer the dispute to a professional mediator(s). The cost of such mediation shall be shared equally among the parties.

10. Each party to the mediation may prepare and submit to the Committee, no later than 48 hours prior to the time set for mediation, a written statement setting forth either the violation complained of, or defense thereto. The position statement shall not exceed three (3) typed pages, nor shall is be

construed to limit the evidence the parties may use or seek to introduce in any further proceedings. No responsive or supplemental statements shall be permitted.

11. The Committee shall manage the mediation proceedings as the Committee deems best so as to make it expeditious, economical, and less burdensome than litigation.
12. A hearing on the dispute shall be held within ten (10) days of the receipt of the written statement. Each party shall attend the mediation.
13. If the parties agree to settle the dispute, the Committee shall memorialize the settlement in writing, with copies given to each party and one copy filed with the Association.
14. Mediation proceedings shall be conducted in private, with only the parties to the dispute permitted to attend. Nothing said or disclosed, nor any document produced, which is not independently discoverable, shall be offered or received as evidence, or used to impeach or for any other purpose in any future proceedings or litigation.
15. The Committee shall not have the power to bind either party or issue a determination, but shall make any recommendations necessary to assist in arriving at a settlement. If the parties do not settle the dispute through mediation, the Committee shall write its conclusions and recommendations, with copies forwarded to both parties and filed with the Association. The recommendation shall also be used for any further Alternative Dispute Resolution (ADR) proceedings.

#### **ARBITRATION**

16. If the dispute has not been resolved, the unit owner may elect to proceed to binding arbitration before a sole arbitrator who is designated as such by the American Arbitration Association (AAA). Selection of the sole arbitrator shall be from a panel of six (6) names supplied by the AAA. From that six, each party shall rank in order from one to six its preference. Those names will then be returned to the AAA, who will, in turn, select the arbitrator based on each party's rankings. Referral to arbitration shall be by mutual agreement of the parties, except if the Association is a party to the dispute, the request for arbitration by a unit owner shall be sufficient. All costs of arbitration, including any filing and selection fees, shall be shared by the parties.

17. If the dispute involves the Board of Trustees or Association, the unit owner's election to proceed to arbitration shall control. If the dispute is between two or more unit owners, all parties must agree to arbitration. If arbitration is not chosen, the parties are free to elect litigation or some other form of dispute resolution not adopted herein.
18. A formal arbitration proceeding shall be commenced upon the filing with the Association of a Notice of Intent to Arbitrate by all parties to the dispute, or by the unit owner in the event of a dispute with the Association. The Notice shall contain a brief statement of the source and nature of the dispute. By submission of the Notice, both parties acknowledge and confirm that they intend to give up their rights to have the dispute decided by a court or jury, except as otherwise provided for in Paragraph 23.
19. Arbitration shall be conducted in accordance with the Rules of the AAA then in effect, and as modified by the arbitrator. There shall be no dispositive motion practice, nor shall the arbitrator be bound by the rules of evidence or civil procedure.
20. The arbitrator shall, within ten (10) days of the conclusion of the hearing, determine the claims of the parties and render a final award in writing. The arbitrator may, but is not required to, provide a concise statement of the basis of his/her conclusions. Such conclusions and/or awards may include, but are not limited to:
  - a. A fine not to exceed \$10 for each violation, and \$10 for each day the violation continues after the party has been notified of the determination or as permitted by State law.
  - b. Suspension of the right to use any of the community facilities owned, operated or engaged by the Association for such period as the Board may deem appropriate.
  - c. Injunctive relief or specific performance as obligated by the Master Deed, the Bylaws, or the Rules and Regulations of the Association.
21. Within thirty (30) days of the delivery of an award, the arbitrator may make corrections on his/her own initiative, or as requested by a party, provided that all corrections are made in writing.
22. The arbitrator shall base the award on the applicable provisions of the Master Deed, Bylaws, or Rules and Regulations of the Association.



23. Within forty-five (45) days of the transmittal of the award, a party may seek judicial review of the arbitration award solely and exclusively on the grounds that it was obtained through fraud, corruption, or misconduct, or was in contravention of the Master Deed, Bylaws, or Rules and Regulations of the Association. Any suit, action or procedure seeking such judicial review shall be institutes in the Superior Court of New Jersey. If an award is reviewed, the prevailing party shall be entitled to recover from the non-prevailing party all costs and reasonable attorney's fees incurred in the review proceeding, including those of the Association's counsel.

#### **GENERAL PROVISIONS**

24. No provision or proceeding herein shall be construed to limit a party's rights to be represented by counsel at any stage set forth above.
25. Any inadvertent omission or failure to conduct a proceeding in exact conformity with this Resolution shall not invalidate the results of such proceeding, so long as a prudent and reasonable attempt has been made to ensure due process according to the general steps set forth herein.
26. All administrative costs for mediation or arbitration to which the Association is a party shall be a general common expenses of the Association charged to all unit owners, including any fees and expenses of the mediator and/or arbitrator.
27. Any judicial review, as set forth in Paragraph 23 or otherwise, may not be initiated until the dispute has complete negotiation and mediation stages of the Alternate Dispute Resolution (ADR) process.

#### **Section 14**

Owner agrees to indemnify and hold harmless the Association, Original Leisure Village, from any and all losses, liabilities, claims, damages, costs and expenses, including reimbursement for all legal fees and expenses, court costs, and expert professional fees which may be incurred by the Association as a result of:

- a. Negligence of the owner or owner's tenants, or the owner's servants, agents or employees, alone or in conjunction with the negligence of others, including the damages resulting from an injury to owner's servant, agent or employee;

- b. Any civil action instituted against the Association when such civil action does not result in a judgment against the Association;
- c. Any Alternate Dispute Resolution (ADR) proceeding, whether brought by an owner against the Association, an owner against another owner, or the Association against an owner; and
- d. Any violation of the Rules and Regulations of the Association, the covenants, conditions, and restrictions of the Master Deed, or Deed to the unit, or these Bylaws.

## **ARTICLE V**

### **BOARD OF TRUSTEES**

#### **Section 1**

Commencing with the third Monday of February, 1973, the affairs of the Association shall be governed by a board of Trustees consisting of seven (7) persons, each of whom shall be a resident member of the Association.

#### **Section 2**

On the date for the election of Trustees by the members of the Association, each Trustee to be elected shall be elected to serve a term of three (3) years, effective at the next ensuing annual meeting of members. Each Trustee shall continue to hold office until the member's successor is elected and qualified and the member's term of office becomes effective. Trustees may not serve for more than two (2) complete consecutive terms of office. Trustees shall serve without compensation, but shall be entitled to the reimbursement for all expenses reasonably incurred in the discharge of their duties. A Trustee must be a resident in good standing and at least 55 years old. No tenant shall be allowed to serve as a Trustee.

#### **Section 3**

The first or organizational meeting of each newly elected Board of Trustees shall be held on the first Monday of May each year, immediately upon adjournment of the annual Meeting of members at the principal office of the Association, or at such other suitable and convenient place as may be permitted by law, provided a quorum is present.

If a quorum of the Board is not then present, such first or organizational meeting shall be held as soon thereafter as may be practicable, provided notice is given to each Trustee as set forth in Section 6 of this Article.

#### **Section 4**

If the office of any Trustee shall become vacant by reason of the member's death, resignation, retirement, disqualification, removal from the office or otherwise, the remaining Trustees, at a special meeting duly called for such purpose, shall choose a successor within thirty (30) days of the vacancy, who shall hold office until the next election date, as stipulated in Section 2(b) of Article III for the annual election of Trustees and the member's election or the election of the member's successor on such election date. The person so elected shall serve effective with the date of the member's election for the unexpired term in respect to which such vacancy occurred.

#### **Section 5**

Trustees may be removed, with cause, by the affirmative vote of two-thirds of the members present in person or by proxy, who are entitled to vote and are in good standing at any such meeting of the members of the Association duly called for such purpose, provided a quorum is present.

#### **Section 6**

Regular meetings of the Board of Trustees may be held at such time and place permitted by law, as from time to time may be determined by the Trustees, but at least four (4) such meetings shall be held in each fiscal year. Notice of regular meetings of the Board shall be given to each Trustee personally, by telegram or by United States mail, with postage prepaid, directed to said Trustees at the Trustee's last known post office address as the same appears on the records of the Association, at least five (5) days before the date appointed for such meeting. Such notice shall state date, time, and place of such meeting and the purpose thereof.

#### **Section 7**

Special meetings of the Board of Trustees may be called by the President of the Association on three (3) days' written notice to each Trustee, given in the same manner as provided in Section 6 of this Article.

Special meetings of the Board shall be called by the President or Secretary in like manner, upon the written request of any three (3) of the Trustees then in office.

### **Section 8**

Before any meeting of the Board of Trustees, whether regular or special, 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 likewise constitute a waiver by said Trustee of such notice. If all Trustees are present at any meeting of the Board, no notice of such meeting shall be required and any business may be transacted at such meeting, except as prohibited by law or these Bylaws.

### **Section 9**

All meetings of the Board of Trustees, except conference or working sessions at which no binding votes are taken, shall be open to attendance by all unit owners. Notice of the meetings shall be given to all members of the Association at least forty-eight (48) hours in advance of the meeting. The notice shall contain time, date, and location, and shall be (1) posted prominently in the clubhouses of the Association; (2) mailed, telephoned, telegraphed, or hand delivered to two newspapers (including the Leisure Village News); and (3) filed with the office of the Village Manager.

Annually, within seven (7) days following their organizational meeting, the Board of Trustees shall cause the posting, mailing, and filing of the schedule of the time, date, and location of the meetings for the year. If the schedule is thereafter revised, the Board of Trustees, within seven (7) days following the revision, shall post, deliver and file the revised schedule as hereinabove provided.

In the event that a meeting of the Board of Trustees is required in order to deal with matters of such urgency and importance that delay for the purpose of providing forty-eight (48) hours advance notice would likely result in substantial harm to the interests of the Association, and provided that the meeting is limited to discussion of, and acting with respect to, such matters of urgency and importance, notice of the meeting shall be deemed to be adequate if it is provided as soon and possible following the calling of the meeting by posting, delivering, and filing written notice as hereinabove provided.

Notwithstanding the foregoing, the Board of Trustees may exclude or restrict attendance at any meeting, or portion of any meeting, dealing with (1) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; (2) any pending or anticipated litigation or contract negotiations; (3) any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise the members ethical duties as a lawyer; or (4) any matter involving the employment, promotion, discipline, or dismissal of a specific officer or employee of the Association.

Members attending meetings of the Board of Trustees shall not be entitled to speak or otherwise participate in the meetings. Regular Open Meetings of the Board of Trustees shall be followed by a Question and Answer period for residents, and the subject must pertain to items on the Agenda.

Minutes of the proceedings of each meeting required to be open to the members shall be taken and made available to all members before the next Open Meeting.

Postponed Meetings: In the event any special meeting which requires a quorum and cannot be convened because a quorum has not been obtained, the Board of Trustees shall postpone such meeting to a later date not more than one (1) week from the date of the originally scheduled meeting. Notice thereof shall be forwarded in accordance with the provisions of these Bylaws, except that the said notice shall be effected not less than two (2) days prior to the date for such meeting. At such rescheduled meeting, the presence, either in person or by proxy, of 10% of the members entitled to vote, shall constitute a quorum.

Each resident in good standing, either in person or by proxy, shall have the right to cast one (1) vote. If the unit is registered in more than one (1) name, the persons named thereon shall have only one (1) vote between them. The vote of the majority shall carry any question brought before such meeting. No member shall be eligible to vote if the book or management account of the Association indicates such member is not paid up and a member in good standing.

## **Section 10**

The Board of Trustees shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of the Association and the operation and maintenance of the Condominiums, and may do or cause to be done all such other lawful acts and things as are not by law,

by these Bylaws or otherwise directed or required to be done or exercised by members of the Association or by the co-owners of family units or by others. In the performance of its duties as the administrating body of the Association and of the Condominiums, the Board of Trustees shall have powers and duties including, but not limited to, the following:

- a. The operation, maintenance, renewal, replacement, care, upkeep, protection, and surveillance of the buildings in each Condominium, the general and limited common elements and services, and the community and recreational facilities and all other property, real and personal, of the Association.
- b. The preparation prior to the beginning of each fiscal year, or a budget or estimate which shall include, but not be limited to, reasonable reserves for depreciation, retirements, and renewals. The total amount of such budget or estimate shall be assessed against all the family units and the respective co-owners thereof, in the proportionate shares and percentages applicable to the several family unit owned by them, as set forth in the Master Deed and prorated as necessary to include the owners and family units in all Condominiums which are now, or may hereafter be, governed by the Association. The proportionate amounts thus found applicable to each family unit shall be payable by the co-owner thereof to the Association in twelve (12) equal monthly installments, on the first day of each month of such fiscal year. On or before the due date of the first monthly installment, the Association shall prepare and deliver or mail to each co-owner of a family unit, a statement showing the amount thereof and the estimated amount assessed against such family unit for the entire fiscal year. The Association shall not be obligated to give notice of any subsequently accruing monthly payments for such fiscal year, and the omission of notice of such installments shall not relieve such co-owner from the member's obligation to pay such monthly installments promptly when and as it becomes due and payable. Any such co-owner may, if the member elects to do so, pay two or more of such monthly installments in advance of the date on which they become due and payable; but the Association shall have the right to apply any sums so prepaid either to such monthly installments, or to any special assessments made or levied in such fiscal year against such co-owner or the family unit owned by said member in the manner and percentage as provided and referred to in the following Subsection c, Section 10, of this Article, without relieving or releasing such co-owner from the member's obligation to pay any unpaid amounts or balances due on any such monthly installments or special assessments, or impairing any rights of the Association against such co-owner or any family unit owned by said member.

- c. By majority vote of the Board to adjust or increase the amount of any annual assessment and monthly installment, and to levy and collect in addition thereto, special assessments in such amounts as the Board of Trustees may deem proper, whenever the Board is of the opinion that it is necessary to do so in order to meet increased operating or maintenance costs, or additional capital expenses, or because of emergencies provided, however, that all such increased or special assessments shall be made or levied against such co-owners and the family units owned by them respectively, in the manner set forth in Subsection b, Section 10 of this Article.
- d. To use and expend any sums collected from such assessments or levies for the operation, maintenance, renewal, replacement, care, upkeep, surveillance, and protection of the common elements, community and recreational facilities of the Association, and protection of the common elements, community and recreational facilities of the Association, and all its real and personal property.
- e. To require all officer and employees of the Association handling or responsible for funds of the Association or funds in its possession or under its control, to furnish adequate fidelity bonds in form, penalties, and with corporate surety, satisfactory to the Board of Trustees. The premiums on such bonds shall be paid by the Association as part of the common expense.
- f. To pay all taxes and assessments levied or assessed against any property of the Association, exclusive of any taxes or assessments levied against any family unit or otherwise properly chargeable to the owner or co-owner thereof.
- g. To employ and dismiss such clerks, stenographers, workmen, custodians, gardeners, watchmen, and other personnel, and to purchase or arrange for such services, machinery, equipment, tools, materials, and supplies, as in the opinion of the Board of Trustees may, from time to time, be necessary for the proper operation and maintenance of the Condominiums and the community and recreational facilities of the Association, except the portions thereof required to be maintained by co-owners of family units. The Board of Trustees may also employ a Manager for the Association, at such compensation as may be established by the Board, to perform such duties and services as the Board may lawfully delegate.
- h. To enter, or cause to be entered, any family unit when deemed necessary for the purpose of maintaining the safety, health, and welfare of the co-owners and occupants or in connection with compliance with any Sanitary Code requirement, the operation, maintenance, repair, renewal, or



protection of any common elements, or to prevent damage to the common elements or any family units, or in emergencies, provided that such entry and work shall be done with as little inconvenience as possible to the co-owners and occupants of such family units. Each co-owner shall be deemed to have expressly granted such rights of entry by accepting and recording the Deed to the member's family unit and the adoption of these Bylaws.

- i. To collect delinquent levies or assessments made by the Association through the Board of Trustees against any family units and respective co-owners thereof, together with such costs and expenses incurred in connection, therewith, including but not limited to court costs and attorney's fees, whether by suit or otherwise, to abate nuisances and enforce observance of the Rules and Regulations relating to the Condominiums, by injunction or such other legal actions or means as the Board of Trustees may deem necessary or appropriate.
- j. To employ or retain legal counsel, engineers, and accountants, and to fix their compensation whenever such professional advice or services may be deemed necessary by the Board of any proper purposes of the Association, including, but not limited to, those hereinbefore or hereinafter referred to in these Bylaws.
- k. To cause such operating accounts and escrow and other accounts, if any, to be established and opened as the Board of Trustees may deem appropriate from time to time and as may be consistent with good accounting practices.
- l. (1) To cause a complete audit of the books and accounts of the Association to be made by a competent Certified Public Accountant (CPA) at the end of each fiscal year, and at such time or times as may be deemed necessary. The Board of Trustees shall also prepare at the end of each fiscal year, and make available to the co-owner of each family unit, a report of the business and affairs of the Association, showing its transactions and reflecting fully and accurately its financial condition.  
  
(2) To keep detailed books of account in chronological order of the receipts and expenditures affecting all Condominiums and their administration, and specifying the maintenance and repair expenses of the common elements and all other expenses incurred.
- m. To make and enforce compliance with such reasonable rules and regulations relative to the operation, use and occupancy of the family units, common elements, and Association facilities, to

include the ability to impose monetary fines and/or suspend privileges, and to amend the same from time to time as the Board shall deem necessary or appropriate, which rules and regulations when approved by appropriate resolutions shall be binding on the co-owners and occupants of family units, their successors in the title, and assigns. A copy of such Rules and Regulations and copies of such Amendments thereof shall be delivered or mailed to each co-owner of a family unit promptly upon the adoption thereof. Any fines imposed pursuant to this section may be appealed through the use of the Alternate Dispute Resolution (ADR) procedure then in effect.

n. (1) The Board of Trustees shall keep the Condominium buildings and other improvements, especially including the common elements, and all buildings, fixture, equipment, and personal property owned by the Association, insured for the benefit and protection of the Association and the co-owners of the family units, and their respective mortgagees, as their interests may appear, in amounts equal to their maximum insurable values, excluding foundation and excavation costs, as determined annually by the Board of Trustees, against the following hazard, casualties, and contingencies:

(a) Loss or damage by fire and lightning and other casualties covered by standard extended coverage endorsement.

(b) All such policies shall provide that in the event of loss or damage, the proceeds shall be payable to the Association. There shall be attached to each policy, a mortgagee or lender's loss payable clause in form satisfactory to a majority of the mortgagees or beneficiaries under the first mortgages on family units of the Condominiums. Such majority shall consist of the holders of the bonds or notes representing 51% of the value of the bona fide first mortgages on the respective family units embraced in said Condominiums at the time the policies became effective. The Association shall pay the premiums on such policies as common expenses. Nothing herein contained shall be deemed to prejudice the right of the co-owner of any family unit to take out and maintain at the member's own expenses, any additional insurance on family units owned by him.

(2) The Board of Trustees shall also maintain public liability insurance, insuring the Association against liability for any negligent act of commission or omission, attributable to the Association, and which occurs on or in any of the common elements of the Condominiums or the community or recreational facilities of the Association. The Board shall also maintain Workmen's Compensation

Insurance, liability insurance on the automobiles owned by the Association, and such other insurances as will protect the interest of the Association. All insurance premiums shall be paid by the Association as common expenses.

- o. To bring whatever legal action is necessary or required in order to abate nuisances either in a family unit or on the common elements and/or in order to enforce observance of the Rules and Regulations and/or Bylaws in effect within Leisure Village, whether such enforcement be by injunction or such other legal action, or by means as the Board of Trustees may deem necessary or appropriate, or as may be authorized by law. All costs and expenses incurred in connection with such abatement or enforcement, including but not limited to repairs, restoration, court costs, and reasonable attorney's fees, shall be charged to the member or owner against whom or whose unit is the subject of the action or proceeding so instituted; and such costs and charges shall be billed to and paid by said member or owner forthwith and if not so paid, shall be assessed to, and become part of the monthly maintenance charges against such member or owner. Whenever a family unit is rented to a tenant, the member or owner of such unit shall be responsible for any repairs, renovations, costs and expenses which may be incurred by the Association in any enforcement or abatement which may be undertaken as aforesaid against such tenant.
- p. The Board of Trustees shall, upon written request of a member, provide for the review of the financial documents of the Association. The Board may limit review to a time and place so designated by the Board. The member shall not be entitled to remove the documents from the possession of the Association offices or employees.

## **Section 11**

No later than June 1<sup>st</sup> of each year, the Board of Trustees shall appoint a Screening Committee comprised of resident members of the Association entitled to vote, to approve the proposed candidates for the office of Trustees. The Committee's report, setting forth the names and qualifications of the candidates, shall be presented to the sitting Board of Trustees at the special meeting described in the first paragraph of Section 2, Article II, of these Bylaws.

## **ARTICLE VI**

### **DAMAGE TO BUILDINGS: RECONSTRUCTION ~ SALE ~ OBSOLESCENCE**

#### **Section 1**

In the event of fire or other disaster or casualty resulting in damage to the buildings and common elements of any one or more of the Condominiums less than two-thirds of the value of the Condominium or Condominiums, the net proceeds of any insurance collected shall be made available for the purpose of the restoration or replacement. Where the insurance indemnity is insufficient to cover the cost of reconstruction or replacement, the new building costs shall be paid by all of the owners directly affected by the damage, in proportion to the value of their respective family units. If any one or more of those composing the minority of the owners who were directly affected by the damage shall refuse to make such payments, the Board of Trustees shall levy an assessment in an amount proportionate to the value of the family unit affected by the damage, the proceeds of such assessments being paid, with the insurance indemnity, to the Association for the purpose of covering the costs of repairs and replacement. In the event any owner or owners shall fail to respond to the assessment by payment thereof within a reasonable time, the Association shall have the authority to cause such restoration or reconstruction to be accomplished and to charge the cost thereof, less any applicable insurance credits, to the owners of family units in the proportions mentioned. Such costs, less insurance credit, shall constitute a lien against the family unit of such owner and may be enforced and collected in the same manner as all other liens against the family unit of such owner and may be enforced and collected in the same manner as all other liens as hereinbefore provided. The provisions of this Section may be changed by unanimous resolution of the parties concerned, adopted subsequent to the date on which the fire or other disaster or casualty occurred.

#### **Section 2**

In the event of a total destruction of the entire Condominium or Condominiums, or if the common elements are damaged or destroyed to more than two-thirds of the value of the Condominium or Condominiums, the Board of Trustees of the said Condominium or Condominiums may elect to reconstruct or replace the said buildings and common elements. In the event of an election to

reconstruct or replace, payment of the costs thereof shall be made as provided in the preceding Selection of this Article.

If the Board of Trustees shall elect not to reconstruct or replace, the Board of Trustees of the said Condominium or Condominiums, with the consent of all of the mortgagees holding first mortgages on the family units within said Condominium or Condominiums, may sell for cash and upon terms, the entire Condominium or Condominiums, provided 75% or more of the owners are in accord and so vote at a regular, duly called meeting of the said Board of Trustees. In the event the election is made to sell, the covenants against partition contained in the declaration of restrictive and protective covenants shall become null and void; and said owner or owners shall be entitled to convey their interest in the Condominium or Condominiums and may invoke relief in a Court or Chancery to compel such sale and partition against those owners who shall have refused to approve such sale and partition.

All sums received from insurance shall be combined with proceeds of sale of the Condominium or Condominiums. After providing for all necessary costs and expenses, including court costs and reasonable attorney's fees in the event of any litigation necessary to impel any owner or owners to join in a conveyance of their interests in the Condominium or Condominiums, in accordance with their respective undivided interest in the common elements as set forth in the Master Deed creating the particular Condominium or Condominiums, subject only in the right of outstanding mortgage holders.

Except as provided in this section, the common elements, both general and limited, shall remain undivided and shall not be the subject of an action for partition or division of the co-ownership.

### **Section 3**

In the event the Board of Trustees shall determine that the existing buildings in any Condominium or Condominiums are obsolete, the Board, at any regular or special meeting of the Board of Trustees, may call for a vote by the said Board of Trustees to determine whether or not the entire Condominium or Condominiums should be placed on the market and sold. In the event 90% of the Board of Trustees, with the consent of all first mortgagees, determines that the property should be sold, the applicable provisions of the preceding Section pertaining to the sale of the property shall become effective.

### **Section 4**

In the event that the Board of Trustees shall determine that any of the community and recreational facilities and any other real or personal property of the Association are obsolete, the Board at any regular or special meeting of the Board of Trustees, may call for a vote by the Board of Trustees to determine whether or not the said property should be demolished and replaced. In the event 90% of the Board of Trustees, with the consent of all mortgagees, shall determine that the said property should be demolished and replaced, the costs thereof shall be assessed against all of the members of the Association in accordance with their proportionate share of ownership in the Association.

## ARTICLE VII

### OFFICERS

#### Section 1

The officers of the Association shall be a President, Vice President, Secretary and Treasurer. The Secretary may be eligible to the office of Treasurer. The President and Vic President shall be chosen by the Board of Trustees from its membership.

#### Section 2

The officers of the Association shall be elected annually by the Board of Trustees at the organization of each new Board, and shall hold office until their successors are elected or appointed by the Board and qualify, provided that each officer shall hold office at the pleasure of the Board of Trustees and may be removed, with cause, and the member's successor elected at any regular or special meeting of the Board called for such purpose, upon the affirmative vote of a majority of the members of the Board. The Board of Trustees may, from time to time, appoint such other officers as in its judgment are necessary.

#### Section 3

The **President** shall be the Chief Executive Officer (CEO) of the Association and shall preside at all meetings of the members and of the Board of Trustees. Said President shall have the general powers and duties usually vested in the office of President of an Association, including but not limited to the power to appoint chairmen of committees from among the members, from time to time as the members may deem appropriate, to assist in the conduct of the affairs of the Association, except as provided in Section 11, Article V, of these Bylaws. Said President shall execute such deeds, contracts and other instruments, in the name and behalf of the Association and under its corporate seal when a seal is required, except when such documents are required or permitted by law to be otherwise executed and except when signing and execution thereof shall be delegated by the Board of Trustees to another officer or agent of the Association.

#### Section 4

The **Vice President** shall have such powers and perform such duties as are provided in these Bylaws and as may be assigned to said Vice President from time to time by the Board, by any committee thereunto authorized, or by the President.

#### Section 5

The **Secretary** shall attend all meetings of the Board of Trustees and all meetings of the members, and record all votes and the Minutes of all meetings and proceedings, including resolutions, in a Minute Book to be kept for that purpose. Said Secretary shall have charge of the Minute Book and such records and papers as the Board shall direct, and perform duties incident to the office of Secretary, including the sending of notices of meetings to the members and to the Board of Trustees and such other duties as may be prescribed by the Bylaws or by the Board of Trustees, or the President. Said Secretary shall also have custody of the corporate seal and, when authorized by the Board, shall affix the same to any instrument requiring it and attest the same when appropriate.

#### Section 6

The **Treasurer** shall, as designated by the Board of Trustees, oversee the Association's funds and securities, and insure that full and accurate accounts of receipts and disbursements in books belonging to the Association are kept. Said Treasurer shall insure that all monies, checks, and other valuable effects in the name and to the credit of the Association, are deposited as designated by the Board of Trustees. Said Treasurer shall oversee the disbursement of funds of the Association, as may be ordered by the Board of Trustees. The Treasurer shall insure that proper vouchers for such disbursements are maintained, and render to the President and Trustees, at the regular meetings of the Board or whenever they or either of them shall require, an account of the member's transactions and of the financial condition of the Association.

#### Section 7



Such officers of the Association, as members of the Board of Trustees, shall serve without compensation. Officers shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

## **ARTICLE VIII**

### **INDEMNIFICATION OF OFFICERS AND TRUSTEES**

#### **Section 1**

The Association shall indemnify every Trustee, Pension Fund Trustee, and officer, and the members' heirs, executors, and administrators, against all loss, costs and expenses, including counsel fees reasonably incurred by said Trustee in connection with any action, suit, or proceedings to which the members may be made a party by reason of the members being or having been a Trustee, Pension Fund Trustee, or officer of the Association, except as to matters as to which the members shall be finally adjudged in such action, suit, or proceedings to be liable for gross negligence or willful misconduct. The foregoing rights shall not be exclusive of other rights to which such Trustee, Pension Fund Trustee, or officer shall be entitled. All liability, loss, damage, costs, and expenses incurred or suffered by the Association, by reason or arising out of, or in connection with the foregoing indemnification provisions, shall be treated by the Association as common expenses provided, however, that nothing in this Article contained shall be deemed to obligate the Association to indemnify any member or co-owners of a family unit who is or has been a Trustee, Pension Fund Trustee, or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the member's membership in the Association, or as a member or co-owner of a family unit in any Condominium or Condominiums.

## **ARTICLE IX**

### **FISCAL YEAR**

#### **Section 1**

The fiscal year of the Association shall begin on the first day of December in each year.

## **ARTICLE X**

### **CORPORATE SEAL**

#### **Section 1**

The corporate seal of the Association shall consist of two concentric circles between the circumference of which shall be inscribed the name, "Leisure Village Association", and within the circumference of the inner circle, the words, "Corporate Seal, New Jersey" and the year of incorporation.

## **ARTICLE XI**

### **AMENDMENT TO BYLAWS**

#### **Section 1**

These Bylaws may be amended or repealed from time to time, within the limitations prescribed by law, at any meeting of the members at which a quorum is present, provided notice of proposed change in the Bylaws is contained in the notice of such meeting, by the affirmative vote of a majority of the members present in person or by proxy, which are entitled to vote and are in good standing. No such modification shall be operative until it is embodied in an instrument which has been recorded in the office of the Clerk of Ocean County in the same manner as the Master Deed and original Bylaws.

In the event that amendments are required by operation of local, state, or federal law, said amendments shall be made by the Board of Trustees without the above referenced voting procedure.

## **ARTICLE XII**

### **DISSOLUTION**

#### **Section 1**

In the event it shall be deemed advisable and for the benefit of the members of the Association that the Association should be dissolved, the procedures concerning dissolution set forth in Chapter 1, Section 20, of Title 15 of the Revised Statutes of the State of New Jersey, entitled "Corporations and Associations Not for Profit", shall be followed.

#### **Section 2**

In the event of dissolution, the assets of the Association, after payment of all debts including mortgages and other encumbrances, shall be distributed to the members of the Association in accordance with their percentage of ownership therein.

## ARTICLE XIII

### MEMBER'S PERCENTAGE OF OWNERSHIP

#### Section 1

The percentage of ownership of each member in the Association shall be computed as follows:

- a. Where there is only one Condominium being administered by the Association, by dividing the value of the family unit by the total value of the Condominium and multiplying the result thereof by 100, the final figure being expressed in percentage. The resulting percentage shall be used also to determine the owner's percentage of ownership in the undivided common elements of the particular Condominium in which the member's family unit is located. The percentage of ownership of each owner in the undivided common elements of the Condominium in which the member's family unit is located, shall have a permanent character and shall not be altered except by the affirmative vote of all of the owners or co-owners and their first mortgages, of all of the family units in each particular Condominium.
- b. Where there is more than one Condominium being administered by the Association, by dividing the value of the family unit by the aggregate values of all the Condominiums being thus administered, and multiplying the result thereof by 100, the final figure being expressed in percentage.

#### Section 2

The Number of votes to which each family unit shall be entitled to cast in any of the affairs of the Association requiring a vote, shall be ONE for EACH family unit.

#### Section 3

"Value of Family Unit" as used in this Article shall mean the total sales price set forth in the Agreement of Sale between Leisure Village, Inc., and the owners or co-owners of each family unit, exclusive of closing costs and escrow funds.

#### **Section 4**

“Value of Condominium” as used in this Article shall mean the total sales price, exclusive of closing costs and escrow funds of all of the family units located in the particular Condominium.

#### **Section 5**

“Aggregate Value of Condominiums” as used in this Article shall mean the total sales prices, exclusive of closing costs and escrow funds of all of the family unit in all of the Condominiums being administered by the Association.



## **ARTICLE XIV**

### **PARLIAMENTARY AUTHORITY**

#### **Section 1**

The rules contained in "Robert's Rules of Order, Revised", shall govern the Leisure Village Association in all cases to which they are applicable, and in which they are not inconsistent with these Bylaws.