

**Amended and Restated Bylaws of
Longwood Lake Cabin Owners Association, Inc.
A New Jersey Not-for-Profit Corporation**

Table of Contents

ARTICLE I NATURE OF BYLAWS	2
ARTICLE II DEFINITIONS.	2
ARTICLE III PLAN OF UNIT OWNERSHIP.....	3
ARTICLE IV MEMBERSHIP AND ASSESSMENTS	3
ARTICLE V MEETINGS OF MEMBERS	6
ARTICLE VI BOARD OF TRUSTEES.....	10
ARTICLE VII OFFICERS	16
ARTICLE VIII INDEMNITY	19
ARTICLE IX FISCAL MANAGEMENT AND OPERATION OF THE PROPERTY	20
ARTICLE X RIGHTS OF HOLDERS OF FIRST MORTGAGE LIENS.....	22
ARTICLE XI RECORDS	23
ARTICLE XII TERMINATION OF THE CONDOMINIUM AND THE ASSOCIATION.....	23
ARTICLE XIII COMPLIANCE WITH BYLAWS, THE MASTER DEED AND THE RULES AND REGULATIONS OF THE ASSOCIATION	24
ARTICLE XIV MISCELLANY	25
ARTICLE XV AMENDMENTS TO BYLAWS	26
ARTICLE XVI CONFLICTS.....	26
ARTICLE XVII CORPORATE SEAL.....	26

ARTICLE I

Nature of Bylaws

Section 1. Name and Principal Office. These are the Amended and Restated Bylaws of the LONGWOOD LAKE CABIN OWNERS ASSOCIATION, INC., a not-for profit corporation organized under Title 15 of the New Jersey Statutes Annotated (hereinafter called the “Association”). These Amended and Restated Bylaws hereinafter called the “Bylaws”) supersede and replace all previous versions of the Bylaws. The principal office of the Association shall be located at 184 Blue Road, Oak Ridge, New Jersey 07438.

Section 2. Purpose. These By-laws are intended to govern the administration of the Association, the purpose of which is as stated in its Restated Certificate of Incorporation adopted by the Members on June 5, 1995, including serving as a means through which the Unit Owners (hereinafter defined) of Longwood Lake Cabins, a Condominium may take action with regard to the administration, management and operation of Longwood Lake Cabins, a Condominium which was formed by a Master Deed (hereinafter called the “Master Deed”) recorded in the Office of the Clerk of Morris County, located in the State of New Jersey.

The Statute relating to the formation of condominiums in the State of New Jersey, pursuant to which Longwood Lake Cabins, a Condominium was formed and governed is P.L. 1969, Ch. 257 (N.J.S.A. 46:8B-1, et seq.) (hereinafter called the “Condominium Act”), as supplemented by the Planned Real Estate Full Disclosure Act “PREDFDA” (N.J.S.A. 45:22A-1, et seq.).

Section 3. Fiscal Year. The fiscal year of the Association shall be the twelve-month period commencing July 1 and continuing through June 30 of the following calendar year.

ARTICLE II

Definitions.

Section 1. Definitions. The words defined in Article 2 of the Master Deed, when used in these Bylaws, shall have the same meanings herein as set forth in the Master Deed, unless otherwise defined herein.

Section 2. Good Standing. “Good Standing” means the status applicable to a Member who is current on the payment of Common Expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed. A Member is in Good Standing if he or she is in full compliance with a settlement agreement with respect to the payments of assessments, legal fees or other charges lawfully assessed, or the Member has a pending, unresolved dispute concerning charges assessed which dispute has been initiated: (a) through a valid alternative to litigation pursuant to PREDFDA subsection 45:22A-44(c) and Condominium Act subsection 46:8B-14(k); or (b) through a pertinent court action or proceeding.

Section 3. Indemnifiable Person. “Indemnifiable Person” means a current or former (1) Trustee or Officer, (2) member of any Committee established by the Association, (3) or Member acting on behalf or for the benefit of the Association at the request of the President, Board of Trustees or resolution of the Members. Notwithstanding the foregoing, any Person accepting compensation from the Association for services rendered or products sold to the Association shall not be an Indemnifiable Person with respect to such services or products unless the Association agrees otherwise in a written agreement executed on behalf of the Association by the President.

ARTICLE III **Plan of Unit Ownership**

Section 1. Applicability of Bylaws. The provisions of these Bylaws are applicable to Longwood Lake Cabins, a Condominium, its Condominium Property and to the ownership, use and occupancy thereof, and to the governance of the Association.

Section 2. Application. All present and future Owners, mortgagees and occupants of Units and their employees, and any other Persons who may use the facilities of the Condominium Property in any manner are subject to these Bylaws, the Rules and Regulations of the Association adopted pursuant to Article XIII below (hereinafter called the “Rules and Regulations”) and the Master Deed.

The acceptance of a Unit Deed or the entering into the physical act of occupancy of a Unit or part thereof shall constitute an agreement by said Owner/Occupant and/or Occupant that these Bylaws, the Rules and Regulations and the provisions of the Master Deed, as they may be amended from the time to time, are accepted, ratified and will be complied with by such Person.

ARTICLE IV **Membership and Assessments**

Section 1. Membership. There shall be one (1) membership in the Association per Unit Owner; provided, however, that any such Person who holds such title merely as a security for the performance of an obligation (including, but not limited to, mortgagees or trustees under deeds of trust) shall not be a Member. Such membership shall be appurtenant to and may not be separated from such ownership of Unit, and, as a condition precedent to the sale, conveyance or other transfer of such Unit, shall, simultaneously therewith, be assigned to the purchaser, grantee or other transferee of such Unit.

Section 2. Use of Common Elements by Non-Members. Every non-Member Person who is entitled to possession and occupancy of a Unit shall be privileged to use its Common Elements, subject, however, to the provisions of the Master Deed, the Articles of Incorporation, these Bylaws, the Rules and Regulations governing such use and enjoyment, and the terms of any agreement with a Member; but such non-Member shall not be entitled to any vote with respect to Association matters.

Section 3. Change of Membership. Change of membership shall be accomplished by recording with the Office of the Clerk of Morris County a Unit Deed or other instrument establishing a record title to a Unit. The membership of the prior Unit Owner shall thereby be automatically terminated.

Section 4. Rights of Membership. Every Person who is entitled to membership in the Association shall be privileged to use and enjoy the Common Elements, subject, however, to the provisions of Master Deed, the Articles of Incorporation, these Bylaws and the Rules and Regulations governing such use and enjoyment.

Section 5. Assessments. The rights of membership in the Association are subject to the payment of annual and special assessments levied by the Association with respect to Common Expenses, the obligation of which assessments is imposed against each Unit Owner and said assessments shall be a lien upon the Owner's Unit, as provided by the Master Deed.

(A) Creation of the Lien and Personal Obligation of Assessments. Each Owner of each Unit by acceptance of a Unit Deed or other conveyance therefor (whether or not it shall be so expressed in any such Unit Deed or other form of conveyance) shall be deemed to hereby covenant and agree to pay to the Association: (i) annual assessments; (ii) special assessments for capital improvements and temporary tax assessments; and (iii) assessments, special or otherwise, for a reserve fund or for such other charges as are provided for under the provisions of the Master Deed, these Bylaws or otherwise expressly authorized by the Members; such assessments to be fixed, established and collected from time to time, as hereinafter provided, to pay Common Expenses. The aforesaid assessments, together with interest thereon and reasonable late fees, reasonable counsel fees, expert's fees and court costs ("Costs of Collection"), shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each such assessment is made. Each such assessment, together with interest and Costs of Collection, shall also be the obligation of the Person (or Persons) who was (or were) the Owner of such Unit at the time when the assessment fell due. In case of co-ownership of a Unit, all co-owners of the Unit shall be jointly and severally liable for such assessments.

(B) Purpose of Assessments. The assessments levied by the Association shall be used to pay Common Expenses including, but not limited to, the costs of operation and maintenance of the Common Elements, the payment of taxes and insurance thereon, costs of repair, replacement, and additions thereto, costs of labor, equipment, materials, management and supervision thereof, and all costs and expenses incidental to the operation and administration of the Association or to fulfilling the purposes of the Association as specified in the Articles of Incorporation, the Master Deed or Bylaws.

(C) Basis and Maximum of Annual Assessments. The annual assessment shall be established at the annual meeting by a vote of the Members for each fiscal year of the Association.

(D) Special Assessment for Unexpected Expenses. In addition to the annual assessments authorized by Paragraph (C) of this Section 5, the Board of Trustees may, if expressly authorized by the Members, levy special assessments, applicable to one (1) or more fiscal years, for the purposes of defraying in whole or in part, unexpected expenses with respect to the Common Elements or administration of the Association.

(E) Date of Commencement of Annual Assessments; Due Dates. The annual assessment for each fiscal year shall be due and payable in accordance with such terms as may be established by the resolution of the Members establishing such assessment (including, but not limited to due date, late fees and interest on unpaid dues), or if no specific terms are specified in the resolution establishing such assessment, in accordance with such terms as set by the Board of Trustees. The due dates(s) of any special assessment under Paragraph (D) of this Section 5 shall be fixed in the resolution authorizing such assessment.

Section 6. Reserve Account. (A) The Association, through its Board of Trustees, may establish and maintain a reserve fund for purposes of defraying the costs of maintenance, repair, or replacement of the improvements or other property constituting or affecting the Common Elements.

(B) Such monies shall be collected as part of the annual assessment of each fiscal year, but all monies so collected shall be established in a separate fund.

(C) In accordance with the provisions of Article IV, Section 5 (D), the Board of Trustees shall have the right, during any fiscal year, to levy a special assessment for the purpose of adding to the reserve fund account established in Paragraph (A) of this Section 6 for the purposes set forth therein. In determining the special assessment to be so levied, the Board of Trustees shall take into consideration the existing capital improvements and their respective useful lives.

Section 7. Liability of Members. Unless acting in willful misconduct, no Member shall be personally liable to any other Member in any respect for any action or lack of action arising out of such Member's service on an Association Committee or acting in any manner on behalf or for the benefit of the Association at the request of the President, Board of Trustees or resolution of the Members. Each Member shall be bound by the good faith actions of the Members of the Association taken in the execution of the rights and duties of said Members on behalf or for the benefit of the Association.

Section 8. Approval of New Members and of Transfer of Membership. The Board of Trustees may promulgate such rules and regulations as it shall deem advisable in order to establish and administer an approval process with respect to the transfer of Memberships or for the admission of new Members, to include but not be limited to requiring the prospective Member to submit an application to the Board of Trustees, or to such committee as the Board of Trustees may designate for the purpose of reviewing such applications. In the event that a

prospective or current Member is not a natural person (such as a partnership, corporation, limited liability company or trust), the Board of Trustees may require that such Member identify all partners, shareholders, members, beneficiaries or equivalents of such entity and may deny approval of Membership to such entity based on objections or concerns regarding such partners, shareholders, members, beneficiaries or equivalents. The Board of Trustees may condition approval of Membership to a non-natural person on agreement by such entity that any change in ownership or beneficiary shall be subject to further approval by the Board of Trustees.

ARTICLE V

Meetings of Members

Section 1. Annual Meeting. Unless otherwise set at a different date and time by the Board of Trustees upon notice to the Members, an annual meeting of the Members shall be held on the second Saturday in the month of June in each year, beginning with the year 2021 at the hour of 10:00 a.m., for the purpose of electing Trustees and for the transaction of such other business as may come before the meeting. If the election of Trustees shall not be held on the day designated pursuant to this Section 1 for any annual meeting, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the Members as soon thereafter as practicable may be arranged.

Section 2. Remote Participation at Meetings of Members. (a) During a state of emergency declared by the Governor, a meeting of Members may be scheduled and held by means of remote communication to the extent the Board authorizes and adopts guidelines and procedures governing such a meeting. In the absence of a declared state of emergency, scheduled meetings of Members must allow for in-person attendance; however, the Board may also allow for attendance at such an otherwise in-person meeting by means of remote communication. In the event that a Meeting of Members has been scheduled to be conducted remotely at the time of a declared emergency and that emergency declaration is lifted prior to said meeting the Board shall be permitted, in its discretion, to conduct such scheduled meeting remotely as if the declaration of emergency were still in effect.

(b) Where the regular date for the annual meeting (specified in Section 1 of this Article) falls during a period of a state of emergency declared by the Governor, and the Board in its reasonable judgment determines that it is unlikely that such state of emergency shall terminate within 60 days of the regular date for the annual meeting, the Board shall use its best efforts to schedule the annual meeting as near as practicable to the regular date for the annual meeting and to arrange for such annual meeting to be held by means of remote communication. In the event that attendance in person by Members at a meeting presents significant concerns regarding risk to the health or safety of Members, irrespective of whether the Governor has declared a state of emergency, the Board shall use its best efforts to permit remote participation of Members at the meeting.

(c) Meetings conducted in part or solely by means of remote communication and any Member's remote participation in those meetings shall be subject to those guidelines and procedures as the Board adopts, and shall be in conformity with subsection (d) of this Section 2.

(d) A Member participating in a meeting of Members by means of remote communication shall be deemed present in person and shall be entitled to vote at the meeting regardless of whether that meeting is held at a designated place or solely by means of remote communication. In any meeting conducted in part or solely by means of remote communication, the Association shall implement reasonable measures to:

(1) verify that each person participating remotely is a Member or holds a proxy of a Member;

(2) provide each Member participating remotely with a reasonable opportunity to participate in the meeting, including an opportunity to vote (including by secret ballot if otherwise called for) on matters submitted to the Members, and to read or hear the proceedings of the meeting substantially concurrently with those proceedings; and

(3) record and maintain a record of any votes or other actions taken by remote communication at the meeting.

Section 3. Special Meetings. Special Meetings of the Members, including a special meeting to conduct a vote on amendment of Bylaws, may be called by the President, the Board of Trustees, or by a group of Members having no less than one-tenth (1/10) of the voting rights. For the purposes of this Section 2, the number of total authorized votes in the Association shall be based on the whole number of units owned by the Members after subtracting those Members who are ineligible to vote because they are not in Good Standing.

Section 4. Notice of Meetings. Written notice stating the place, day and hour of any meeting of Members shall be delivered, either personally, by mail, or by email or other electronic means as may be approved by the Board, to each Member entitled to vote at such meeting, not less than fourteen (14) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the officers or Persons calling the meeting. If the Board has authorized participation by members by means of remote communication, the notice to members shall describe the means of remote communication to be used. In case of a Special Meeting or when required by statute or by these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If the meeting is an annual meeting, the notice shall state which Officer positions will be subject to election. If a purpose of the meeting triggers a longer minimum notice period under another provision of these Bylaws or under applicable law than the period stated in this Section 3, then such longer minimum notice period shall apply. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of Association, with postage thereon prepaid. If emailed or electronically sent, the notice of a meeting shall be deemed to be delivered when sent by email or other electronic means. Email or electronic notification may be provided to all Members who have agreed to accept notification by email or by another Board-approved electronic means.

Section 5. Quorum. The Members holding one-half (1/2) of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any

meetings of Members, a majority of the Members present may adjourn the meeting from time to time without further notice. For the purposes of determining whether a quorum is satisfied, Members voting by proxy or by absentee ballot shall be included in the count. In the event that a proxy or absentee ballot applies only to a particular matter, such as for election of Trustees, the quorum count shall only apply to such a matter with respect to such proxy or absentee ballot.

Section 6. Proxies. Subject to the provisions of this Section 5, at any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by his or her duly authorized attorney-in-fact. No proxy shall be valid after three (3) months from the date of its execution, unless otherwise provided in the proxy. The maximum number of proxies that may be held by any Member shall be four (4). For the purposes of counting proxies attributable to a Member, all proxies held by any Member associated with a Unit shall be included in the count. The notice of the meeting shall include a proxy form and shall indicate the availability of an absentee ballot for election of Officers and Trustees and for any proposed amendments to the Bylaws, with instructions for the return of same, which instructions shall permit facsimile or electronic mail delivery of the proxy or absentee ballot, and shall not require receipt of the proxy or absentee ballot more than one business day prior to the meeting.

Section 67 Manner of Acting. A majority of the votes entitled to be cast on a matter to be voted upon by the Members present or represented by proxy at a meeting at which a quorum is present at the time of such vote shall be necessary for the adoption thereof unless a greater proportion is required by law or by these Bylaws or by the Master Deed or Articles of Incorporation.

Section 8. Voting. The Association may, but shall not be required to, issue certificates or other evidence of membership. The aggregate number of votes for all Members shall be equal to the total number of Units and each Member shall have a number of votes equal to the number Units such Member owns. If a Unit is owned by more than one (1) Person, the vote allocable to such Unit may be cast in any manner as the Persons owning the same shall determine, provided that such vote shall be cast as a single vote and not as a fractional vote. A Unit which has been acquired by the Association in its own name or in the name of its agent, designee or nominee on behalf of all of the Members shall not be entitled to be voted as long as it continues to be so held. Votes may be cast by each Member in person, by his or her proxy, or by absentee ballot. In the event that a Member is not a natural person (such as a partnership, corporation, limited liability company or trust), such entity shall designate a partner, shareholder, member, beneficiary or equivalent to attend and vote at a meeting of Members, provided that such partner, shareholder, member, beneficiary or equivalent provide a written authorization of the Member to the Secretary of the Association, in such form as the Secretary shall deem proper, showing such Person's authority to act for the Member.

Section 9. Written Consent of Members. Any action that may be taken by a vote of the Members may be taken without a meeting (provided the law of the State of New Jersey so permits) on written consent of all of the Members duly acknowledged setting forth the action so taken or to be taken. Any written consent required or permitted by the Master Deed, by these

Bylaws or by law must be evidenced by an original signature on a paper document. Where a Unit is owned by more than one Member, a written consent by any one Member Unit Owner shall be deemed to be the written consent of all of the owners of such Unit, unless another Member Unit Owner of such Unit provides a signed written objection to such consent within ten (10) days of the provision to the Association of the original written consent; in such event, written consent of the owners of such Unit shall not be deemed to have been given unless written consent is given by all Member Unit Owners of such Unit.

Section 10. Organization. At each meeting of the Association, the President, or, in his or her absence or inability to chair, the President may designate another Trustee to chair the meeting. If the President has not designated such a Trustee, the Vice Presidents at Large shall assume presidential chairperson duties in order of the dates of their initial election to the position in which they are then serving. If none of the foregoing are available to chair the meeting, a Member entitled to vote thereat, may act as a chairperson, and the Secretary, or in his or her absence a person whom the chairperson shall appoint, shall act as secretary of the meeting.

Section 11. Judges. If, at any meeting of Members, a vote by ballot shall be taken on any question, the chairperson of such meeting may appoint two (2) judges to act with respect to such vote. Each judge so appointed shall first subscribe an oath faithfully to execute the duties of judge at such meeting with strict impartiality and according to the best of his or her ability. Such judges shall report the number of votes, and when the voting is completed, shall ascertain and report the number of votes respectively for and against the questions. Reports of judges shall be in writing and subscribed and delivered by them to the secretary of the meeting. The judges shall be Members of the Association, and any officer or member of the Board of Trustees of the Association may be a judge on any question, other than a vote for or against his or her election or any position with the Association or any other question in which he or she may be directly interested.

Section 12. Order of Business. The order of business at the annual meeting of the Members or at any special meetings insofar as practicable shall be.

- (A) Calling of the roll and certifying the proxies.
- (B) Proof of notice of meeting and waiver of notice.
- (C) Reading and disposition of any unapproved minutes.
- (D) Appointment of Judges of Election, if appropriate.
- (E) Receipt of reports of officers.
- (F) Receipt of reports of committees, if any.
- (G) Old Business.

- (H) New Business.
- (I) Election of members of Board Trustees, if appropriate.
- (J) Adjournment.

Section 13. Authorization by Members. Whenever the express authorization of the Members is required under the Master Deed, these Bylaws or by law, such authorization shall be evidenced only by resolutions duly adopted by the Members in accordance with these Bylaws.

ARTICLE VI **Board of Trustees**

Section 1. Express and Implied Powers and Duties. The property, affairs and business of the Association shall be managed by the Board of Trustees, which shall have all those powers granted to it by the Articles of Incorporation, the Master Deed, these Bylaws and by law.

Section 2. Number, Tenure and Qualifications. Each Trustee must be a Member and a natural person. For the avoidance of doubt, in the event that the Member is not a natural person, no natural person associated with the Member (such as a partner, shareholder, member, beneficiary or equivalent) may serve as a Trustee, because such natural person is not a Member. (Such partner, shareholder, member, beneficiary or equivalent, however, shall not be prohibited from serving on a committee of the Association.) The number of Trustees shall be seven (7), except in the circumstances of temporary vacancies or if despite good faith efforts by the Board to conduct elections to fill seven (7) Trustee positions, less than that number are able to be filled. Each Trustee shall hold office for a two (2) year term, measured from the adjournment of the annual meeting at which such Trustee has been elected until the adjournment of the annual meeting two years thereafter (recognizing that such interval may not be precisely two years). If no Trustee is elected at such annual meeting to fill the position of a Trustee's expiring term, the Trustee holding the position at the commencement of said meeting shall continue in office until his or her successor shall have been elected and qualified in accordance with Article VII. If any time during the term of office of a Trustee, such Trustee fails to continue to meet the qualifications for Trustee under the Articles of Incorporation, Master Deed, these Bylaws or law, such Trustee shall immediately and automatically cease to be a Trustee without need for any formal action by the Board or Members, and such Trustee's position shall become vacant. Such vacancy can only be filled in accordance with these Bylaws.

Section 3. Regular Meetings; Open Meetings. All meetings of the Board of Trustees, except conference or working sessions at which no binding votes are to be taken, shall be open to attendance by all Members, provided, however, that 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; or

- (B) Any pending or anticipated litigation or contract negotiations; or
- (C) Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his or her ethical duties as a lawyer; or
- (D) Any matter involving the employment, promotion, discipline, or dismissal of a specific Officer or employee of the Association.

To the extent that it can be done without compromising the confidentiality concerns implicit in items (A) through (D), above, any vote or other official action taken by the Board in a closed meeting session shall be reflected in the minutes of the meeting available to the Members; otherwise any such vote or official action of the Board shall be reflected in a confidential portion of the minutes.

At each meeting required to be open to all Members, there shall be a public comment session during which Members may speak to issues relevant to the affairs of the Association. The specific parameters of the public session, including time allotted to it and any requirement of advance identification of topics that may be addressed in the public session, shall be at the discretion of the Board. Similarly, participation of Members in the proceedings of a meeting generally shall also be at the discretion of the Board. Minutes of the proceedings shall be taken, and copies of those minutes (except for any confidential portion as provided above) shall be made available to all Members before the next open meeting. The Board of Trustees shall keep reasonably comprehensive minutes of all its meetings showing the time and place, the Trustees present, the subjects considered, the actions taken, the vote of each Trustee, and any other information required to be shown in the minutes by the Bylaws. Such minutes (except for any confidential portion as provided above) shall be made available to Members in a manner not requiring request for access by the Members, such as, for example, by posting such minutes on the Members-only section of the official Association website. In the event that the minutes have not been approved by the Board prior to the next open meeting, draft minutes shall be made available to the Members, with such draft being replaced by final minutes once approved by the Board.

Section 4. Special Meetings. Special meetings of the Board of Trustees may be called by or at the request of the President or any two (2) Trustees. The Person and Persons authorized to call special meetings of the Board may fix any place for in person attendance within a fifty (50) mile radius as the crow flies from the principal office of the Association, within or without the State of New Jersey, as the place for holding any special meetings of the Board called by them.

Section 5. Notice. Adequate notice of any open meeting shall be given to all Members. Adequate notice means written advance notice of at least forty-eight (48) hours, giving the date, time, location and, to the extent known, the agenda of any regular, special, or rescheduled meeting. Such notice shall accurately state whether formal action may or may not be taken. This notice shall be:

- (A) Prominently posted on the official Association website, provided that such posting may be on a portion of such website that is open only to Members;

- (B) Mailed, telephoned, emailed or otherwise electronically communicated, or hand delivered to an address, telephone number or email address maintained by the Secretary as the Member's designated notification address, telephone number or email address; and
- (C) Filed with the Association Secretary or administrative officer responsible for administering the Association's records.

At least once each year, within twenty-one (21) days following the annual meeting of the Association, the Board of Trustees shall post and maintain posted throughout the year, notice of meetings in those locations set forth above. This list shall be updated from time to time to reflect changes that may be made in the information contained in the list. In the event that the Board of Trustees is required to deal with such matters of urgency and importance that delay for the purpose of providing forty-eight (48) hours' advance notice would be likely to result in substantial harm to the interests of the Association, the notice shall be deemed adequate if it is provided as soon as possible following the calling of the meeting.

Section 6. Quorum. A majority of the Board of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Trustees are present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice.

Section 7. Telephonic Meetings. Any one (1) or more members of the Board of Trustees or any committee thereof may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting. In the event that any Trustee may be attending telephonically, the Members wishing to attend shall also be permitted to attend telephonically. For the avoidance of doubt, permitted telephonic meetings require simultaneous audio connection of all Trustees and Members attending such meeting.

Section 8. Manner of Acting. The act of a majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees, unless the act of a greater number is required by law or by these Bylaws.

Section 9. Vacancies. Any vacancy occurring in the Board of Trustees may be filled by the affirmative vote of a majority of the remaining Trustees, though less than a quorum of the Board of Trustees. A Trustee elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. Notwithstanding the foregoing, and in the event that the vacancy occurs prior to January 1 of the year in which the vacant Trusteeship term expires, prior to taking such vote, the Trustees shall conduct an email poll of the Members in Good Standing to ascertain the preference of a majority of the Members in Good Standing for the replacement or additional Trustee. In conducting such poll, the following steps shall be taken: (1) a notice of vacancy shall be sent to all Members in Good Standing, with such notice including a request for nominations to fill the vacancy, and providing at least fourteen (14) days to respond with nominations; (2) a polling communication shall be thereafter sent to the Members including the

names of all Members in Good Standing nominated to fill the vacancy, together with a candidacy statement by each candidate; (3) such polling communication shall provide for a means by which the Members may express their choice of candidate, using a mechanism assuring (a) reasonable secrecy as to the Member's polling preference, (b) that only one preference per Unit may be expressed, and (c) providing a deadline of not less than fourteen (14) days for responding to the polling communication. Absent exceptional circumstances, the Trustees shall fill the vacancy with the candidate shown to have been preferred by a majority of the Members in Good Standing responding by the deadline, provided that a quorum of Members in Good Standing shall have responded. If a quorum has not responded by the deadline, the Trustees shall exercise their reasonable judgment in determining the person to fill the vacancy.

Section 10. Compensation. Trustees as such shall not receive any stated salaries for their services, but by resolution of the Members, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any Trustee from serving the Association in any other capacity and receiving compensation therefor.

Section 11. Written Consent of Trustees. Any action permitted to be addressed in a closed session of a meeting of Trustees in accordance with Section 5 of this Article VI may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Trustees. Electronic signatures delivered by email or other electronic means shall satisfy the signature requirement of this Section 11. For the avoidance of doubt, email votes of Trustees are expressly prohibited for any matter for which an open meeting is required under Section 5 of this Article VI; for any matter for which written consent is permitted, such consent must be unanimous, whether collected by email or otherwise.

Section 12. Powers and Duties. The Association, by its Board of Trustees, shall have only the powers and duties expressly granted by the Members for the administration of the affairs of the Association, which, unless expressly modified by members, shall include the following, together with such other powers as may be expressly granted by the Members as provided herein or in the Master Deed.

(A) Operation, care, upkeep, repair and replacement of the Common Elements, together with the right to use all funds collected by the Association to effectuate the foregoing;

(B) Determination of the Common Expenses required for the affairs and duties of the Association, including, without limitation, the establishment of reasonable reserves for depreciation, retirement and renewals;

(C) Collection, including by means of litigation, of assessments levied against Units and Unit Owners pursuant to these Bylaws, together with any costs and expenses of collection thereof, for the purpose of paying Common Expenses;

(D) Opening of bank accounts on behalf of the Association and designation of the signatories required therefor;

(E) Publication of Rules and Regulations covering the details of the operation and use of the Condominium Property, provided that such have been properly adopted in accordance with Article XIII of these Bylaws;

(F) Purchase, employment and contracting or arranging for such services, machinery, tools, supplies and the like, as the Board of Trustees deem from time to time necessary and proper for the maintenance and repair of the Common Elements and other property of the Association and the performance of the Association's powers and duties;

(G) Employment of professional counsel and obtaining of advice from persons, firms or corporations such as, but not limited to, engineers, lawyers and accountants;

(H) Maintenance of detailed books of account with respect to the receipts and expenditures of the Association. The books of account and supporting documentation shall be made available for examination by a Member upon request at convenient hours on business days and in accordance with reasonable policies adopted and published to the Members from time to time by the Board;

(I) Payment of all taxes, assessments, utility charges and the like assessed against property of the Association, including any Common Elements, but exclusive of any taxes or assessments levied against any Unit;

(J) The powers and duties of the Trustees that may be stated in the Master Deed or Articles of Incorporation;

(K) Making of repairs, additions and improvements to, or alterations of, the Condominium Property, and the making of repairs to and restoration of the Condominium Property in accordance with the provisions of the Master Deed and these Bylaws after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

(L) Maintenance of insurance with respect to the Common Elements, the Association's property and the operations of the Condominium in general.

Section 13. Powers and Duties only if Expressly Granted by the Members. The Association, by its Board of Trustees, shall have the following powers and duties only if expressly authorized by the Members pursuant to Article V, Section 13 of these Bylaws:

(A) Limiting rights and privileges of Members who are not in Good Standing to the enjoyment of benefits of Membership, including participation in Association events, and obtaining approval of proposed improvements to or construction on Unit property;

(B) Employment of managerial personnel for the Association at such compensation as the Board of Trustees, deems appropriate, to perform such duties as the Board, consistent with the express authorization of the Members, may so designate and may lawfully delegate;

(C) Adjustments of the amount of any assessment for the payment of Common Expenses and collection of special assessments;

(D) Borrowing and repaying monies;

(E) Allocation of any Common Surplus to the Unit owners in accordance with their respective Proportionate Share of Common Expenses, to the extent that such can be done without compromising the Association's tax-exempt status;

(F) Any and all powers, rights and privileges which a corporation organized under the New Jersey Non-Profit Corporation Act shall have now or hereafter by law other than those identified in Article VI, Section 12.

Section 14. Non-Waiver. All the rights, duties and privileges of the Board of Trustees shall be deemed to be continuing and shall not be exhausted by any single act or series of acts. To the same extent, the failure to use or employ any remedy or right hereunder or hereafter granted shall not preclude its exercise in the future nor shall any custom bind the Board of Trustees.

Section 15. Fidelity Bond. The Board of Trustees, with express authorization of the Members therefor, may obtain for the Association adequate fidelity bonds covering dishonest acts of all officers, directors, trustees and employees of the Association and all others responsible for handling funds of the Association. The premiums on such bonds shall constitute a Common Expense. All such fidelity bonds shall (a) name the Association as an obligee, (b) be written in an amount equal to at least one hundred fifty (150%) percent of the estimated annual operating expenses of the Association, including reserves, if in the judgment of the Board of Trustees it is economically practical to do so, and (c) contain waivers of any defense based on the exclusion of Persons who serve without compensation from any definition of "employee" or similar expression, and shall provide that they may not be cancelled or substantially modified without at least thirty (30) days' prior written notice.

Section 16. Conflict of Interest.

- a. A Trustee is considered to have a conflict of interest with respect to a matter before the Board of Trustees if the Trustee or a member of the Trustee's Immediate Family has a direct or indirect financial interest in such matter distinct from the general financial interest that all Members may have in such matter. "Immediate Family" as used in this Section 16 shall mean the Trustee's parents, parents-in-law, siblings, siblings-in-law, spouse, children, grandchildren, domestic partner or member of the Trustee's household. A Trustee must disclose his or her conflict to the Board. He or she may then take part in discussion surrounding the issue but is prohibited from voting on that matter. A Trustee with a conflict of interest in a matter shall be counted as "recused" on any vote on the

matter; the Trustee shall also be counted for purposes of a quorum, but not for purposes of determining a majority.

- b. The Board of Trustees may establish additional conflict of interest policies applicable to Trustees, Officers, Association committee members, or Members otherwise acting on behalf or for the benefit of the Association, provided that any such additional policies shall not be inconsistent with subsection (a) of this Section 16.

Section 17. Liability of Trustees. Unless acting in willful misconduct, no Trustee shall be personally liable to any Member in any respect for any action or lack of action arising out of the execution of his or her office. Each Member shall be bound by the good faith actions of the Trustees taken in the execution of the duties of said Trustees.

Section 18. Liability of Members for Actions of Board of Trustees. No Member shall have any personal liability for any wrongdoing or damages caused by the Board of Trustees or any Trustee acting on behalf of the Association. Every contract entered into by the Board of Trustees on behalf of the Association shall provide that the members of the Board of Trustees are acting only as agents for the Association and that the Members shall have no personal liability thereunder. In the event, however, that the Association is held to have breached its obligations, contractual or otherwise, to any Person, the damages resulting from such breach shall be deemed a Common Expense.

ARTICLE VII **Officers**

Section 1. Officers.- The officers of the Association shall be a President, three (3) Vice Presidents at Large, a Vice President of Property maintenance, a Secretary, and a Treasurer (collectively, the “Officers”).

Section 2. Election and Term of Office. The Officers of the Association shall be elected by secret ballot for two (2) year terms by the Members at the regular annual meeting of the Members. The Officers so elected by the Members shall be the same individuals who are elected as Trustees. Each Officer shall hold office until his or her successor shall have been duly elected and shall have qualified. The President, Vice President of Property Maintenance, and two (2) Vice Presidents at Large shall be elected during even numbered years. The Secretary, Treasurer, and one (1) Vice President at Large shall be elected in odd numbered years.

Section 3. Nominations.

- a. Any Member in Good Standing may nominate himself or herself, or any other Member in Good Standing as a candidate for any Officer and Trustee position.
- b. Not later than thirty (30) days prior to the sending of notice of a meeting at which Officers and Trustee will be elected, written notice shall be sent to the Members informing them of the right to nominate themselves or other Members in Good Standing for candidacy to serve on the executive board.
- c. The period for submitting nominations for inclusion on written ballots shall be stated in the notice referenced in subsection (b), above, which period shall end not less than fourteen (14) days after the mailing of such notice, nor later than one (1) day before the notice of elections is to be sent to the Members.

- d. If no one is nominated for a position within the timeframe specified in subsection (c) of this Section, nominations shall be permitted from the floor for that position at the annual meeting. Nominations from the floor shall also be permitted if a majority of the members present vote to re-open nominations at that meeting.

Section 4. Notice of Elections; proxies and absentee ballots. The provisions of Article V, Section 3 of these Bylaws shall apply to the notice and to the use of proxies and absentee ballots for the election of Officers and Trustees. Absentee ballots shall be collected in such a manner as to reasonably result in a secret ballot.

Section 5. Ballots for Election of Officers and Trustees. The election of Officers and Trustees shall be conducted by the use of ballots that contain the names of all persons nominated as a candidate for the position of Officer and Trustee, with the names of the candidates for each position listed in alphabetical order by last name. Such ballots shall also include one blank line for each position for the purpose of permitting the writing in of candidates who have not been nominated prior to the sending of the notice of election.

Section 6. Vacancies. Any vacancy occurring for an Officer position may be filled by the affirmative vote of a majority of the remaining Trustees, though less than a quorum of the Board of Trustees. An Officer elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office, and shall assume the position of Trustee as well as Officer. Notwithstanding the foregoing, and in the event that the vacancy occurs prior to January 1 of the year in which the vacant Officer position term expires, prior to taking such vote, the Trustees shall conduct an email poll of the Members in Good Standing to ascertain the preference of a majority of the Members in Good Standing for the replacement or additional Officer. In conducting such poll, the procedures specified in Article VI, Section 9 shall be followed. Absent exceptional circumstances, the Trustees shall fill the vacancy with the candidate shown to have been preferred by a majority of the Members in Good Standing responding by the deadline, provided that a quorum of Members in Good Standing shall have responded. If a quorum has not responded by the deadline, the Trustees shall exercise their reasonable judgment in determining the person to fill the vacancy.

Section 7. Removal. Any Officer elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever, in its judgment, the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the Officer so removed. Any Officer elected by the Members may only be removed by a vote of the Members, but his or her authority to act as an Officer and Trustee may be suspended by the Board for malfeasance or mental incapacitation. Notwithstanding the foregoing, if at any time during the term of office of an Officer, such Officer dies; becomes permanently incapacitated in a manner that precludes such Officer from exercising his or her duties; or fails to continue to meet the qualifications for Trustee under the Articles of Incorporation, Master Deed, these Bylaws or law, such Officer shall immediately and automatically cease to be an Officer without need for any formal action by the Board or Members, and such Officer's position shall become vacant. Such vacancy may only be filled in accordance with these Bylaws. Upon removal as an Officer, such Officer shall also cease to be a Trustee.

Section 8. President. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He or she shall preside at all meetings of the Members and of the Board of Trustees. He or she may sign, with the Treasurer or any other proper officer of the Association authorized by the Board of Trustees, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Trustees has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Trustees or by these Bylaws or by statute to some other officer or agent of the Association, and in general he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Trustees from time to time.

Section 9. Vice President at Large. In the absence of the President or in the event of his or her inability or refusal to act, a Vice President at Large shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents at Large shall assume presidential duties in order of the dates of their initial election to the position in which they are then serving. Any Vice President at Large shall perform such other duties as from time to time may be assigned to him or her by the President or by the Board of Trustees. The presidential succession provisions of this Section 9 shall be subject to the provisions of Article V, Section 9 of these Bylaws.

Section 10. Vice President of Property Maintenance. The Vice President of Property Maintenance shall be responsible for the maintenance of the Common Elements, including the supervision of any contractors retained by the Association for maintenance services, and such other duties as from time to time may be assigned to him or her by the President or by the Board of Trustees.

Section 11. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies or other depositaries as shall be selected in accordance with the provisions of Article VI of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Trustees.

Section 12. Secretary. The secretary shall keep the minutes of the meetings of the Members and of the Board of Trustees in one (1) or more books or electronic file systems provided for that purpose, see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, be custodian of the corporate records, keep a register of the post office address, telephone number and email address of each Member which shall be furnished to the Secretary by such member, and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Trustees.

Section 13. Other Duties and Powers. The Officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Members.

Section 14. Liability of Officers. Unless acting in willful misconduct, no officer shall be personally liable to any Member in any respect for any action or lack of action arising out of the execution of his or her office. Each Member shall be bound by the good faith actions of the officers of the Association taken in the execution of the duties of said officers.

Section 15. Liability of Members for Actions of Officers. No Member shall have any personal liability for any wrongdoing or damages caused by an Officer acting on behalf of the Association. Every contract entered into by an officer on behalf of the Association shall provide that the Officer is acting only as agent for the Association and that the Members shall have no personal liability thereunder. In the event, however, that the Association is held to have breached its obligation, contractual or otherwise, to any Person, the damages resulting from such breach shall be deemed a Common Expense.

ARTICLE VIII **Indemnity**

Section 1. Indemnification. Subject to the other provisions of this Article, the Association shall indemnify and advance expenses to every Indemnifiable Person in the manner and to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Association to provide broader indemnification rights than such law permitted the Association to provide prior to such amendment), against any and all amounts (including judgments, fines, payments in settlement, attorneys' fees and other expenses) reasonably incurred or suffered by or on behalf of such person in connection with any threatened, pending, or completed investigation, action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), in which such Indemnifiable Person was or is made or is threatened to be made a party or called as a witness or is otherwise involved by reason of the fact that such person is or was an Indemnifiable Person (hereinafter, an "indemnitee"), whether the basis of such proceeding is an alleged action of the Indemnifiable Person in an official capacity or in any other capacity while acting on behalf or at the request of the Association. Except as provided in Section 3 of this article with respect to proceedings to enforce rights to indemnification, the Association shall not be required to indemnify a person in connection with a proceeding (or part thereof) initiated by such person if the proceeding (or part thereof) was not authorized by the Board of Trustees.

Section 2. Advancement of Expenses. The Association shall pay the expenses of an indemnitee incurred in defending any proceeding in advance of its final disposition ("advancement of expenses"); provided, however, that the payment of expenses incurred by an indemnitee in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the indemnitee to repay all amounts advanced if it should be ultimately determined that by final judicial decision from which there is no further right of appeal the indemnitee is not entitled to be indemnified under this article or applicable law.

Section 3. Claims for Indemnity. If a claim for indemnification or advancement of expenses by an indemnitee under this article is not paid in full within 90 days after a written claim therefor has been received by the Association, the indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action, the Association shall have the burden of

proving that the indemnitee was not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 4. Costs Associated with Indemnification. The payment of costs relating to the performance of indemnification pursuant to this Article shall be deemed a Common Expense.

Section 5. Insurance. The Board of Trustees shall obtain insurance coverage to the maximum extent that is commercially reasonable (a) to insure Indemnifiable Persons against their liabilities as Indemnifiable Persons; and (b) to insure the Association against its costs associated with indemnification pursuant to this Article.

ARTICLE IX

Fiscal Management and Operation of the Property

Section 1. Common Receipts. The Board of Trustees shall have the duty to collect from each unit owner, its heirs, administrators, successors and assigns, as "Common Receipts," assessments for the Proportionate Share of the Common Expenses levied against such Unit owner pursuant to the Master Deed, these Bylaws, and in accordance with applicable law.

Section 2. Determination and Establishment of Common Expenses. The Board of Trustees shall, in accordance with Article IV, Section 5, prior to the beginning of each fiscal year of the Association, prepare a proposed budget which shall determine the amount of annual assessments payable by each Unit Owner to meet the Common Expenses of the Association for such fiscal year, including, without limitation, amounts for reserves and for any deficit in the payment of Common Expenses for any prior fiscal year. The proposed budget and assessments shall become the approved budget and assessments upon a vote of the Members at the annual meeting. If the Board and Members fail to so establish a budget and so determine such assessments for any fiscal year, an assessment shall be presumed to have been made against each Unit in the amount of the prior year's assessment, and such presumed annual assessment shall be due upon the first day of the new fiscal year subject to revision by the Board of Trustees.

The Board of Trustees shall levy such approved assessments for the Common Expenses among the Unit Owners according to, and in the percentage of, their respective Proportionate Share of Common Expenses. Each Unit Owner shall be advised, in writing, of the Association's budget and the assessment for Common Expenses levied against its Unit payable by said Unit Owner for the ensuing fiscal year prior to the commencement of such fiscal year and all in accordance with the notice provisions of these Bylaws. Such assessments shall be payable in advance to the Association by the Unit Owners in accordance with the due date schedule set by the Members in their resolution approving the annual assessment. A statement of the aforesaid yearly assessments shall be mailed or emailed to each Unit Owner at the commencement of each fiscal year and no further billing by the Association shall be required.

The Common Expenses for which annual assessments are made shall include such items as the Board of Trustees, subject to approval of the Members as provided in Article IV, Section 5 and Section 2 of this Article IX, may deem proper for the operation and maintenance of the Condominium, including, but not limited to, the cost of premiums on all insurance policies authorized to be procured by these Bylaws and the Master Deed, an amount for working capital of the Association, an amount for a general operating reserve, an amount for a reserve for

replacements, and an amount to pay any deficit in payment of the Common Expenses for any prior year. As part of the aforesaid notice to each Unit Owner of the Association's budget and the assessment levied against its Unit for the ensuing fiscal year, the Board of Trustees shall advise each Unit owner of the amount of Common Expenses payable by the Unit Owner, as determined by the Board of Trustees as aforesaid. Neither the abandonment of a Unit by its Owner nor the waiver of the use and enjoyment of any of the Common Elements shall exempt or excuse any Unit Owner from paying its assessment for the Common Expenses.

Section 3. Collections and Disbursements. The Board of Trustees, acting through the Officers of the Association, shall take and hold the monies of the Association as collected and shall disburse the same for the purposes and in the manner set forth herein and as required by the Master Deed, the Articles of Incorporation and applicable law. Notwithstanding anything to the contrary contained in these Bylaws, all monies collected or received and disbursed by the Association shall be collected or received and disbursed for the benefit of the Members as trust funds.

Section 4. Depositories. The depository of the funds of the Association shall be such bank or banks as shall be designated from time to time by the Board of Trustees. Withdrawals of monies from such accounts shall be made only by checks signed by such Persons as are authorized by the Board of Trustees.

Section 5. Accounts. The receipts and expenditures for Common Expenses of the Association shall be credited and charged to accounts as the Board of Trustees shall deem appropriate

Section 6. Payment of Special Assessments. Special assessments, when levied by the Board of Trustees pursuant to these Bylaws, shall be payable by the Members in such manner as may be determined by the Board of Trustees, subject to approval of the Members as provided in Article IV, Section 5.

Section 7. Default in payment of Common Expenses and Assessments. The Association shall have a lien on each Unit for any unpaid assessment duly made by the Association for the Common Expenses and Assessments together with interest thereon and any late fees, fines, expenses and reasonable attorney's fees imposed or incurred in the collection of the unpaid assessment. If a Unit Owner shall be in default in the payment of an assessment, the lien against its Unit therefor may be recorded in the public records of Morris County and may be foreclosed or otherwise exercised or acted upon only with, and in such manner as authorized by, the Board of Trustees in accordance with these Bylaws. If any such default continues for more than one hundred and eighty (180) days, such defaulting Member's voting privileges under these Bylaws shall be suspended until all defaults by such Member are cured. Such suspension shall be effective five (5) days after written notice of suspension of voting rights is given to such Member. The aforesaid lien shall have priority over all other liens on the Unit as provided by law.

Section 8. Litigation. (A) In the case of any action or proceeding brought or defended by the Association or the Board of Trustees, which actions and proceedings shall be commenced

and defended only after notice to the Members; the costs and expenses of such litigation, including, without limitation, attorneys' fees and expenses, shall be a Common Expense.

(B) Money judgments recovered by the Association or the Board of Trustees in any action or proceeding, including, without limitation, costs, penalties and damages, shall be deemed a special fund to be applied to (i) the payment of unpaid litigation expenses, (ii) reimbursement to the Association of litigation expenses paid by it; (iii) refunding to the Unit owners the costs and expenses of litigation advanced by them, (iv) assessments for Common Expenses if the recovery thereof was the purpose of the litigation, (v) repair or reconstruction of the Common Elements if recovery for damages to same was the purpose of the litigation, and (vi) any amount not applied to (i), (ii), (iii), (iv) and (v) above shall remain in the special fund pending express authorization by the Members for the proper application thereof consistent with the purposes of the Association.

(C) All assessments received and to be received by the Board of Trustees for the purpose of paying any judgment obtained against the Association or the Board of Trustees or any party indemnified by the Association, and the right to receive such funds, shall constitute trust funds and the same shall be expended first for such purpose before being expended for any other purpose.

Section 9. Maintenance and Repair. (A) All maintenance of, and repairs and replacements to, the Common Elements shall be done by the Association and the cost thereof shall be a Common Expense.

(B) All maintenance and repairs, reconstruction and replacements to any portion of any Unit which does not comprise a part of the Common Elements shall be done by the Owner of such Unit at its own risk, cost and expense.

Section 10. Additions, Alterations or Modifications. Each Unit Owner shall have the right in accordance with the Master Deed, these Bylaws, Rules and Regulations adopted pursuant to these Bylaws, and applicable law to make additions, alterations, changes and improvements in or to its unit, structural or otherwise.

Section 11. Additions, Alterations or Improvements by Association. The Association shall have the right, if expressly authorized by the Members, to make or cause to be made such additions, alterations and improvements to the Common Elements which do not adversely affect the right of any Unit Owner unless the Owner has given its written consent thereto.

ARTICLE X

Rights of Holders of First Mortgage Liens on any of the Units

Section 1. Certain Activities of the Association which Require the Prior Approval of the Holders of Mortgage Liens of all Units. Each holder of a mortgage of record encumbering a Unit shall be afforded the right to approve any action to terminate the legal status of the Condominium as a condominium, in accordance with Article I of the Master Deed, which

approval, or waiver thereof, must be evidenced in writing, and the right to approve certain amendments of the Master Deed in accordance with Article 20 thereof.

Section 2. Certain other Rights of Mortgagees. Each holder of a mortgage of record encumbering a Unit shall have the rights afforded to him or her under Article 18 of the Master Deed.

ARTICLE XI **Records**

Section 1. Records. The Board of Trustees shall keep records of its actions, minutes of the meetings of the Board of Trustees, minutes of the meetings of the Members, and financial records and books of account of the Association in accordance with generally accepted accounting principles, including, without limitation, a chronological listing of receipts and expenditures as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment against such Unit, the date when due, the amounts paid thereon, the balance remaining unpaid, and any interest of the Owner of such Unit in Common Surplus.

Section 2. Access to Financial Records. On a monthly basis, the Treasurer shall distribute to each Trustee a copy of all current statements of any Association bank and investment account.

Section 3. Annual Report and Audit. An annual report of the receipts and expenditures of the Association shall be rendered by the Board of Trustees to all Unit Owners within ninety (90) days following the end of each fiscal year. If requested by a vote of the Board of Trustees or of the Members, such annual report shall be certified by an independent certified public accountant, and such certified public accountant shall perform such other auditing services as may be requested in the resolution by which the Trustees or Members requested such certification or audit.

ARTICLE XII **Termination of the Condominium and the Association**

Section 1. Procedure. (A) Upon termination of "the Condominium in accordance with the Master Deed, the Condominium Property Shall be removed from the provisions of these Bylaws and the provisions of the Condominium Act, by a deed of revocation duly executed by all of the Unit Owners and by each holder of a mortgage or other lien affecting any unit, which deed of revocation shall be recorded in the same office as the Master Deed. The consent of all Owners of Units shall be deemed to have been given but the approval of each holder of a mortgage on any Unit shall be required in order to terminate the legal status of the Condominium as a condominium, and this provision shall apply to termination of the Condominium as a result of condemnation, damage or destruction.

(B) The Association shall thereupon be dissolved in accordance with the procedures therefor under the New Jersey Non-Profit corporation Act and as part of effecting such dissolution, the assets of the Association shall be distributed to the Members in accordance with their respective Proportionate Undivided Interests in the Common Elements.

Section 2. Effect of Deed of Revocation. Upon the recording of such deed of revocation, the Unit owners, as of the date of recording of such deed, shall become fee owners of the property, improvements, easements and rights constituting their former respective Units and joint tenants of the former Common Elements.

ARTICLE XIII **Compliance with Bylaws, The Master Deed and the** **Rules and Regulations of the Association**

Section 1. Adoption or Amendment of Rules and Regulations. Rules and Regulations covering the details of the operation and use of the Condominium Property may only be adopted or amended by an affirmative vote of the Members at an annual meeting or special meeting called for that purpose. The language of a proposed Rule or Regulation, or any amendment to the Rules and Regulations shall be unambiguous and consistent with applicable law, with the Bylaws, and with the provisions of any existing Rules and Regulations that are not proposed to be amended. The proposed Rule or Regulation or amendment shall be mailed, hand-delivered, or emailed to the Members, together with the notice of the meeting at which the Rule or Regulation or amendment is to be considered at least thirty (30) days prior to the meeting.

Section 2. Enforcement. The within Bylaws, the Rules and Regulations adopted pursuant hereto, all future amendments hereof and thereof, and the covenants and restrictions in the Master Deed shall be strictly complied with by each Unit owner. Subject to the alternative dispute procedure referenced in Section 5 of this Article, nothing herein shall be deemed to preclude any Unit Owner, whether or not his or her Unit is directly affected by such violation, from bringing an action for relief against another Unit Owner for a violation of these Bylaws, the Master Deed or the Rules and Regulations. Subject to the provisions of these Bylaws, the Master Deed or the Rules and Regulations, including the alternative dispute procedure referenced in Section 5 of this Article, the Board of Trustees shall be permitted to bring an action for relief against a Unit Owner for a violation of these Bylaws, the Master Deed or the Rules and Regulations, including, but not limited to: lien foreclosure; removal of an Occupant from possession; collection of unpaid assessments; fines; penalty amounts; interest; reasonable legal fees; and costs as permitted by law.

Section 3. Penalty Assessments. The Board of Trustees, if expressly authorized by a vote of the Members therefor, shall have the power, and is authorized, to impose special assessments in the form of penalty amounts for violations of the Bylaws, Rules and Regulations and covenants of the Master Deed, now in force and as may from time to time be amended. Such penalty amounts shall be set by a vote of the Members in the text of a Rule or Regulation, Bylaw or Master Deed provision. The provisions of Article IV, Section 5 of these Bylaws shall apply to such penalty special assessments, and such assessments shall be a lien upon the Owner's Unit, in accordance with such section. The Board of Trustees shall have the power, and is authorized, to exercise such remedies as are specified in the Master Deed, Bylaws, or otherwise available at law or equity with respect to defaults by any Unit Owner in the payment of penalty special assessments levied against it and its Unit, including, without limitation, the right to file claims of lien therefore in the Office of the Clerk of Morris County and to foreclose the lien on its Unit therefor in like manner as a mortgage on real property. The Board of Trustees shall also have the power, and is authorized, to recover all costs incurred with respect to such remedies, including,

without limitation, reasonable counsel fees, which costs shall also be secured by the aforesaid lien.

Section 4. Abatement. The Board of Trustees, if expressly authorized by a vote of the Members therefor, shall have the power, and is authorized, to employ abatement remedies for violations of the Bylaws, Rules and Regulations and covenants of the Master Deed, now in force and as may from time to time be amended. The availability and nature of an abatement remedy shall be set by a vote of the Members in the text of a Rule or Regulation, Bylaw or Master Deed provision.

Section 5. Alternative Dispute Resolution. The Association shall provide a fair and efficient procedure for the resolution of disputes between individual Unit Owners and the Association, and between Unit Owners, which shall be readily available as an alternative to litigation.

ARTICLE XIV

Miscellany

Section 1. Notices. All notices to be given to the Association shall be sent by email or other electronic means as may be approved by the Board, or by certified mail to the Association, care of the Secretary, at the office of the Association, or to such other address as the Board of Trustees may hereafter designate from time to time in writing to all Unit Owners and to all holders of mortgages on a Unit(s). All notices to any Unit Owner shall be delivered, either personally, by mail, or by email or other electronic means as may be approved by the Board, to the address designated by such Unit Owner from time to time in writing to the Association. All notices to holders of mortgages on any Unit(s) shall be sent by certified mail to their respective addresses as designated by them from time to time in writing to the Association. All notices shall be deemed to have been given when mailed or emailed or sent other electronic means, except notices of change of address which shall be deemed to have been given when received. It shall be the obligation of every unit owner to immediately notify the Secretary of the Association in writing of any change of address. Email or electronic notification may be provided to all Members who have agreed to accept notification by email or by another Board-approved electronic means.

Section 2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity or enforceability or effect of the balance of these Bylaws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience or reference and in no way define, limit or describe the scope of the Bylaws or the intent of any provision thereof.

Section 4. Gender. The use of any gender in these Bylaws shall be deemed to include the masculine, feminine, neuter or other genders, and the use of the singular shall be deemed to include the plural, in each case whenever the context so requires.

Section 5. Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XV

Amendments to Bylaws

Section 1. Amendments to Bylaws. Except as herein provided otherwise, these Bylaws may be modified, altered or amended by the affirmative vote of a majority of a quorum of the Members, at any regular or special meeting of the Members, provided that (a) no amendment shall be effective until recorded with the Office of the Clerk of Morris County, and (b) no such modification, alteration or amendment may adversely affect the holders of mortgage liens on Unit(s).

Section 2. Notice of Proposed Amendment. The language of a proposed amendment to the Bylaws shall be unambiguous and consistent with applicable law and with the provisions of the Bylaws that are not proposed to be amended. The amendment shall be provided to the Members together with the notice of the meeting at which the amendment is to be considered at least thirty (30) days prior to the meeting.

Section 3. Proxies and Absentee Ballots. The notice of the meeting shall include a proxy form and shall indicate the availability of an absentee ballot, with instructions for the return of same, which instructions shall permit facsimile or electronic mail delivery of the proxy or absentee ballot, and shall not require receipt of the proxy or absentee ballot more than one business day prior to the meeting.

Section 4. Recording of Amendment. When an amendment is approved, a copy of the approved amendment shall be provided to all Members, and the Association shall promptly record the amendment in the county recording office where the Bylaws were recorded.

ARTICLE XVI

Conflicts

Section 1. Conflicts. In case any of these Bylaws conflict with the provisions of the Master Deed, the Condominium Act or PREFDA, the provisions of said Master Deed the Condominium Act or PREFDA, as the case may be, shall control.

ARTICLE XVII

Corporate Seal

Section 1. Corporate Seal. The Association shall have a seal in such form as is required by law, but in the absence of such requirement, the Association shall not have a seal.