

Section 2. Meetings Open to Unit Owners; Notice. No less than four (4) meetings of the Board each year shall be open to attendance by the Unit Owners. All other meetings of the Board except conference or working sessions at which no binding votes are taken, will also be open to attendance by all members, except that the Board may, at its discretion, exclude or restrict attendance at those meetings, or portions of meetings, dealing with:

- a. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy, including, without limitation, records, data, reports or information relating to an individual's personal or family circumstances, unless the individual concerned or the individual's representative consents, in writing, to public disclosure;
- b. Any pending or anticipated litigation or contract negotiations;
- c. Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise the ethical duties of a lawyer; or
- d. Any matter involving the employment, promotion, discipline or dismissal of any employee or officer of the Association.

Written notice of the date, time, place and the agenda, to the extent known, of all open meetings of the Board of Directors shall be given by the Board to all Unit Owners at least seven (7) days prior to a regular meeting and three (3) days prior to a special meeting. Notice shall also be posted in at least one (1) place on the Condominium property that is accessible at all times to all Unit Owners and be published in one (1) or more newspapers of general circulation if required by law. Moreover, the Board shall also, at the beginning of each calendar year, post in at least one (1) place on the Condominium property, a schedule of the regular Board meetings to be held in the succeeding year, and make appropriate revisions thereto, as required. The date, time and location of each meeting shall be contained in the notice.

The foregoing notice will not be required in the event of an emergency, provided that only emergent matters may be voted upon at such meeting. Further, to the extent that any of the foregoing means of providing notice prove impracticable, the Board shall undertake alternative measures to carry out the intent of these terms in good faith.

Section 3. Organization. The presiding officer of the Board of Directors meetings shall be the President, or in his absence, the Vice President, or in the absence of both of them a Director selected by the majority of the remaining Directors. The presiding officer will act as the chair of the meeting. The Secretary, or in his or her absence, such other Director as appointed by the chair, shall act as Secretary of the meeting.

Section 4. Minutes. Minutes of the Board meetings will be taken, and copies of minutes will be made available to Members at the meeting following their approval by the Board, within seven (7) days following receipt of a written request by a Member. Minutes of

closed meetings will be taken separately, and will not be available to Unit Owners, until the need for confidentiality no longer applies. Thereafter such minutes will be available on the same basis as other minutes of the Board.

Section 5. Agenda. An agenda shall be followed for each meeting and copies of the agenda shall be made available to the Unit Owners at the beginning of each meeting. The agenda shall include, in order:

- a. Calling of the roll; Certification of quorum;
- b. Proof of notice of meeting or waiver;
- c. Approval of minutes of previous meeting;
- d. Membership comments;
- e. Specific topics of business;
- f. Approval of Treasurer's report and bills for payment;
- g. Acceptance of reports of officers;
- h. Acceptance of reports of committees;
- i. Old Business;
- j. New Business;
- k. Adjournment.

Upon motion and approval by a majority of the Board, the order of the agenda may be amended in the discretion of the Board. Each open meeting of the Board will provide for a period of Unit Owner comment following the calling of the roll, which period of Unit Owner comment may not exceed forty-five (45) minutes in its entirety, or such longer time as the Board may determine, and the President or acting chair of the meeting may place reasonable limitations upon the time given to each Unit Owner seeking to comment to allow sufficient time for all Unit Owners seeking to comment. The Board will also provide a Unit Owner comment period prior to any vote of the Board concerning: (i) the adoption of rules or regulations; or (ii) the adoption of a budget, provided that the presiding officer may, at the officer's discretion, limit the total comment period to not less than forty-five (45) minutes and may reasonably limit comments in such a manner so as to provide each Unit Owner seeking to comment with an opportunity to do so. The failure to provide an adequate comment period or opportunity for each Unit Owner wishing to comment to do so will not be a basis upon which any action otherwise properly taken by the Board may be voided.

Section 6. Quorum, Voting and Adjourned Meetings. A majority of the Directors serving on the Board who are present in person at a Board meeting will constitute a quorum for the transaction of business. The vote of a majority of those present at a Board meeting at which a quorum is present shall be necessary for valid action by the Board on any matter, unless otherwise set forth in these Amended By-Laws. After a quorum of the Board of Directors has been established, the quorum will remain in effect, despite the subsequent departure or absence of one or more Directors thereafter, provided that any action taken is approved by at least a majority of the required quorum. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting to a new date. At any

such adjourned meeting at which a quorum is present, any business that may have been transacted at the original meeting may be transacted without further notice.

Section 7. Joinder in Meetings by Approval of Minutes. The transaction of any business at any meeting of the Board, however called and noticed or whenever held, will be valid as though a meeting duly held after regular call and notice, if a quorum is present; and if either before or after the meeting, each Director signs a written waiver of notice, or a consent to the holding of the meeting, or an approval of the minutes thereof or of the resolution or act adopted at such meeting. All such waivers, consents or approval, shall be in writing and filed with the Secretary and made a part of the minutes of the meeting even though filed subsequent thereto.

Section 8. Non-Waiver. All the rights, duties and privileges of the Board will 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.

Section 9. Consent in Lieu of Meeting and Vote. Despite anything to the contrary in these Amended By-Laws, the Articles of Incorporation or the Master Deed, the entire Board of Directors shall have the power to take action on any matter on which it is authorized to act, without the necessity of a formal meeting and vote, if the entire Board, or all the Directors empowered to act, whichever the case may be, shall consent in writing to such action.

Section 10. Procedures. All Board meetings will be conducted according to the 21st Century Robert's Rules of Order (current edition), by the Princeton Language Institute (Robert's Rules). In the event of any dispute concerning the application of Robert's Rules, the Chair's interpretation will be final and binding. The Board may, by resolution, adopt a different set of procedures for conducting Board meetings than that specified in this section.

ARTICLE VIII

Powers, Duties of Board of Directors

Section 1. Powers, Duties and Responsibilities. Except to the extent that such powers have been previously delegated to the CCA Board, it shall be the affirmative and perpetual obligation and duty of the Section 17 Board to perform the following:

- (a) Cause the Common Elements to be maintained according to accepted standards as set forth in the Master Deed and including, but not limited to, such maintenance, painting, replacement and repair work as may be necessary, as the Board may deem appropriate. All repairs and replacements shall be substantially similar to the original application and installation and shall be of first-class quality; and
- (b) Investigate, hire, pay, supervise and discharge the personnel necessary to be employed, including professionals, property managers and all other persons, and provide the equipment and materials necessary, in order to properly maintain and

operate the Common Elements and administer the affairs of the Association. Compensation for the services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Association; and

- (c) Cause to be kept a complete record of all its acts and corporate affairs and to present a summary report thereof to the Members at the annual meeting or at any special meeting when requested in writing at least twenty-one (21) days in advance by Members representing at least fifteen (15%) percent of the Eligible Votes of the Association; and
- (d) Allocate common surplus or make repairs, additions, improvements to, or restoration of the Common Elements in accordance with the provisions of these Amended By-Laws, the Master Deed and the after damage or destruction by fire or other casualty, or as a result of the condemnation or eminent domain proceedings; and
- (e) Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises maintained by the Association placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, and by order of the Board of Fire Underwriters or other similar bodies; and
- (f) Place and keep in force all insurance coverages required to be maintained by the Association, applicable to its property and members including, but not limited to:
 - (i) *Property Damage Insurance.* To the extent available in the normal commercial marketplace, broad form insurance against loss by fire and against loss by lightning, windstorm and other risks normally included within risk of loss extended coverage, including vandalism and malicious mischief, insuring all Common Elements and Unit betterments together with all service machinery appurtenant thereto, as well as common personalty belonging to the Association, and covering the interest of the Association, the Board, and all Unit Owners and any Mortgage Holder who has requested the Association in writing to be named as loss payee, as their respective interests may appear, in an amount equal to the full replacement value of the Common Elements and Unit betterments. Each policy shall contain a standard mortgagee clause in favor of each applicable Mortgage Holder which shall provide that the loss, if any, thereunder, shall be payable to each applicable Mortgage Holder, its successors and assigns, as its interest may appear. The aforesaid mortgage clause shall name as mortgagee either the Federal National Mortgage Association (FNMA) or its servicers in the event FNMA holds mortgages on any Units. When a servicer is named as the mortgagee, its name must be followed by the phrase "its successors and assigns." Prior to obtaining any renewal of a policy of fire insurance, the Board shall obtain an

appraisal or other written evaluation of an insurance broker licensed to conduct business in New Jersey or other qualified expert as to the full replacement value of the Common Elements and Unit betterments without deduction for depreciation, for the purposes of determining the amount of fire insurance to be obtained pursuant to this subparagraph. The amount of any deductible and the responsibility for payment of same shall be determined by the Board, in its sole discretion. The property damage coverage shall, to the extent obtainable, contain agreed amount and inflation guard endorsements; construction code endorsement; demolition cost endorsement; contingent liability from operation of building laws endorsement and increased cost of construction endorsement.

- (ii) *Public Liability Insurance.* To the extent obtainable in the normal commercial marketplace, public liability insurance for personal injury and death from accidents occurring within the Common Elements (and any other areas which the Board may deem advisable), and the defense of any actions brought by injury or death of a person or damage to property, occurring within such Common Elements, and not arising by reason of any act or negligence of any individual Unit Owner. Said insurance shall be in such limits as the Board may, from time to time, determine, covering each member of the Board, the managing agent, the manager, and each member, and shall also cover cross liability claims of an insured against another. Such public liability insurance shall be in a single limit of not less than \$1,000,000.00 (\$2,000,000.00 in the aggregate) covering all claims for personal injury or property damage arising out of any one occurrence. The Board shall review such limits once a year.
- (iii) *Directors, Officers, and Committee Members Liability Insurance.* To the extent obtainable in the normal commercial marketplace, liability insurance indemnifying the Directors, Officers and committee members of the Association against liability for errors and omissions occurring in connection with the performance of their duties in an amount of at least \$1,000,000.00 with any deductible amount to be in the sole discretion of the Board.
- (iv) *Workers' Compensation Insurance.* Workers' compensation and New Jersey disability benefits insurance as required by law.
- (v) *Water Damage.* Water damage legal liability insurance.
- (vi) *Flood Insurance.* Flood hazard insurance in the event any of the insurable Common elements are located within a federally designated zone of the greater than minimal flood hazard.

- (vii) *Other Insurance.* Such other insurance as the Board may determine to be appropriate.

All policies shall: (i) provide, if possible, for recognition of any insurance trust agreement of the Association and that adjustment of loss shall be made by the Board of Directors with the approval of the Insurance Trustee, if any, and that the net proceeds thereof, if \$50,000.00 or less shall be payable to the Board, and if more than \$50,000.00 shall be payable to the Insurance Trustee, if any; (ii) require that the proceeds of property damage insurance be applied to the restoration of such Common Elements and structural portions and service machinery as is required by the Master Deed and these Amended By-Laws; (iii) provide that the insurance will not be prejudiced by any act or omission of individual members that are not under the control of the Association; (iv) provide that the policy will be primary, even if insurance covering the same loss is held by any member(s); (v) to the extent obtainable, contain waivers of subrogation and waivers of any defense based on coinsurance or of invalidity arising from any acts of the insured; and (vi) provide that such policies may not be canceled without at least thirty (30) days' prior written notice to all the named insureds, including all Unit Owners and known Eligible Mortgage Holders.

All policies shall show the named insured as: "Clearbrook Regency Village Condominium Association No. 17, Inc., for the use and benefit of the individual owners" or the Association's Insurance Trustee, if any. The "loss payable" clause must show the Association or the Insurance Trustee, as a Trustee for each Unit Owner, mortgage holder or other loss payee. Also, the policies must require that the insurer notify in writing the Association, its Insurance Trustee, if any, and each known Eligible Mortgage Holder or other entity named in the mortgage clause at least thirty (30) days before it substantially changes the Association's coverage.

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

The premiums for any and all insurance coverage maintained by the CCA on behalf of the Association shall be a Common Expense of the CCA.

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

- (g) Manage the fiscal affairs of the Association as hereinafter provided in Article IX.
- (h) Adopt, amend, repeal and publish rules and regulations necessary for the administration of the affairs of the Association, including, but not limited to,

securing full performance of the Unit Owners' obligations regarding their Units and the Owners' use of the Common Elements.

- (i) Maintain businesslike relations with Unit Owners or occupants whose service requests shall be received, considered and recorded in systematic fashion, in order to show the action taken with respect to each. As part of a continuing program, secure full performance of such Unit Owners or occupants of all such items and maintenance for which they are responsible.
- (j) Borrow and repay monies giving notes, mortgages or other security upon such term or terms as the Board deems necessary. The powers granted to the Board herein to borrow money on a real estate mortgage, pass title to real estate, or purchase real estate shall only be exercised by the Board with the assent of no less than two-thirds of the Eligible Votes present in person or by proxy at a meeting of the Association's members, with the quorum requirement for the membership meeting being fifty (50%) percent of the Eligible Votes present in person or by proxy.
- (k) Invest and reinvest monies, sue and be sued; collect interest, dividends, capital gains, exercise rights, pay taxes; make and enter into contracts (including agreements with utility companies like cable television and satellite service providers and other service providers); insure, enter into leases or concessions, and to pass good and marketable title without the necessity of any third party seeing to the application of the funds; make and execute any and all proper affidavits for various purposes, including, but not limited to, title to real estate, compromise any action without leave of court; insure its own liability for claims against it or for damage to the Condominium Association, including moral claims; and all other powers contained herein, and those necessary and incidental thereto.

Section 2. Revocable Delegation of Powers, Duties and Responsibilities. The Board may, by resolution, delegate any of the powers, duties or responsibilities of the Board set forth in this Article VIII to the CCA, provided the delegation procedures set forth in the CCA By-Laws have been complied with, and the CCA Board has accepted, by resolution, any such delegation. The delegation of such powers, duties and responsibilities may be revoked in its entirety by the Board without consent of the CCA Board, with the assent of no less than two-thirds of the Eligible Votes present in person or by proxy at a meeting of the Association's members, with the quorum requirement for the membership meeting being fifty (50%) percent of the Eligible Votes present in person or by proxy. No vote is required if the CCA Board consents to the revocation of all previously delegated powers, duties and responsibilities. The delegation provided for hereunder may be partially revoked by a vote of a majority of the Eligible Votes at a duly held membership meeting provided the CCA has, through its Board of Directors, consented to the partial revocation. No revocation shall be effective until January 1 of the year following the year in which the revocation vote is approved, provided that no revocation vote shall be effective unless taken on or before September 30. Any revocation approved between October 1 and December 31 shall not become effective until January 1 of the next following year.

Notwithstanding any revocation, if the CCA has entered into any binding contracts for providing maintenance or service to Section 17, the Unit Owners shall continue to be responsible for their pro rata share of the costs of such contract until the contract is terminated or expires. Those powers, duties and responsibilities that have previously been delegated to the CCA are set forth in Schedule "A" of the CCA By-Laws.

Section 17 is not obligated to administer or manage those functions, duties or responsibilities that are required by the Condominium Act to the extent that they have been previously delegated to the CCA unless and to the extent that the delegation is revoked. The cost of providing such services and administering these functions is charged by the CCA to the Owners as a Common Expense.

ARTICLE IX

Fiscal Management

Section 1. Annual Assessments/Fiscal Year. It shall be an affirmative and perpetual obligation of the Association to fix Common Expense assessments in an amount at least sufficient to maintain the exterior of the Units and maintain and operate the other Common Elements. The amount of monies for Common Expenses of the Association deemed necessary by the Board and the manner of its expenditure shall be a matter for its sole discretion. Annual assessments shall be made for the fiscal year of the Association, and shall be due at the commencement of the fiscal year, with the privilege of paying in monthly installments, due on the first day of the month, if payments are made on a current basis. Each Unit will pay an annual assessment that is based on the total Common Expenses for the year divided equally among the 105 Units in Section 17. The Board shall cause to be prepared, at least thirty (30) days in advance of the commencement of the fiscal year, the amount of the Common Expense assessment for each Unit, which shall be kept in the administrative offices of the CCA and shall be open to inspection, upon request, by any Unit Owner. Written notice of the Common Expense assessments shall be sent to every Unit Owner. The fiscal year of the Association shall be determined by the Board of Directors.

Section 2. Default Assessment. If an Annual Common Expense Assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior year's assessment, and monthly installments on such assessment shall be due upon each installment payment date until changed by the Board by an amended assessment.

Section 3. Budget; Notice of Budget. The budget for each fiscal year shall be approved by the Board of Directors no later than sixty (60) days before the beginning of the fiscal year, to permit each Unit Owner to be advised of the Annual Assessment allocable to each unit in a timely manner. A copy of any proposed budget shall be available at a Board meeting prior to the meeting at which the Board is scheduled to vote on the budget, and the Unit Owners shall be given the opportunity to comment on the budget or its component parts. If any budget is amended after the opportunity for Unit Owner comment, the budget need not be presented to the Unit Owners for additional comment before the Board votes on the budget. Members shall be

allowed a comment period of not less than forty-five (45) minutes, and reasonable limitations may be placed upon the comment time given each Unit Owner seeking to comment, to allow sufficient time for all Unit Owners seeking to comment. The Board shall give written notice to each Unit Owner and to any Eligible Mortgage Holder who requests same, of the budget adopted by the Board for the management and operation of the Association for the next ensuing budget period. The notice setting forth the amount of the Annual Assessment shall include a copy of the budget, directed to the Unit Owners in accordance with the notice provision contained in Article XVIII of these Amended By-Laws. The notice, if mailed, shall be conclusively presumed to have been delivered five (5) days after deposit in United States mails, postage pre-paid.

Section 4. Amendment of Budget and Assessments. In the event that the annual Common Expense assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board, provided that nothing in these Amended By-Laws shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency that cannot be met by funds earmarked for the matter requiring maintenance.

Section 5. Common Receipts. The Board shall have the duty to collect from each Unit Owner, his, her, or their heirs, administrators, successors and assigns, as "Common Receipts," the Owner's equal share of the Annual and Special Assessments assessed against the Unit as provided in the Master Deed, the Articles of Incorporation, these Amended By-Laws, and in accordance with applicable law, in that the Master Deed states the proportional liability of the Unit Owner for all Common Expenses is an equal amount of the total divided by the one hundred five (105) Units within Section 17.

Section 6. Special Assessments. The Board may levy, in any assessment year, a special Common Expense assessment, for the purpose of defraying in whole or in part, the cost of Capital Improvements and any reconstruction, repair or replacement of an existing Common Element, including the necessary furniture, fixtures, equipment, and other personal property of the Condominium Association, or for any other lawful purpose. Nothing in this Article will be deemed to require approval by the membership in connection with the maintenance, repair or replacement of an existing Common Element, including Special Assessments for Capital Improvements, as defined in Article I, Section 4 of these Amended By-Laws.

Section 7. Assessment Collection; Notice of Assessment. Annual Assessments shall be payable by Unit Owners upon the commencement of the fiscal year, with the privilege of paying in monthly installments, due on the first day of each month, provided that all payments are made on a current basis. The Board shall notify each Unit Owner, as specified in Article XVIII of these Amended By-Laws, within the thirty (30) days preceding the commencement of the fiscal year, of the Owner's proportionate share of the Annual Assessment for the assessment period. Notices of Special Assessments will be made in the same fashion when imposed, but not less than thirty (30) days in advance of the first specified payment date.

Section 8. Disbursements. The Board will collect and hold the funds as collected and shall disburse the same for the purposes and in the manner set forth herein and as required by the Master Deed, the Articles of Incorporation, and applicable law.

Section 9. Depositories. The depository of the Association will be a bank or banks, or other financial institutions providing a reasonably secure depository for the funds of the Association as will be designated from time to time by the Board and in which the monies of the Association will be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such parties as are authorized by the Board.

Section 10. Accounts. The receipts and expenditures of the Association shall be Common Expense assessments and Common Expenses. Common Expense funds of the Association shall be budgeted and maintained in the following separate accounts:

- (a) Operating Account. The Operating Account shall be utilized for, without limitation, expenditures for the year in which the budget is adopted and will include general common element maintenance, professional fees, and the like, and including reasonable allowances for contingencies and working funds. The Operating Account will not include expenditures chargeable to reserves. At the end of each fiscal year, the unexpended amount remaining in the annual expense fund shall be applied to reduce the assessments for current expenses for the succeeding year as the Board may determine by resolution, or as otherwise may be required to be determined in accordance with the regulations promulgated by the Internal Revenue Service.
- (b) Replacement Fund. The Replacement Fund may include money accumulated over more than one fiscal year and will be used for repairs to, or replacements of, capital assets of the Association. The capital assets are those that the Association is obligated to maintain or repair, and those that the Association is required to replace as a result of damage, depreciation or obsolescence as per the Capital Reserve study. The amounts deposited in the Replacement Fund shall include the Membership Fees collected from new owners as established in Article IX, Section 13, below.
- (c) Capital Improvement Fund. At the election of the Board, a Capital Improvement Fund may be established, which may include money accumulated over more than one fiscal year and which shall be used for the construction of new Capital Improvements, as defined in Article I, Section 4(h) of these Amended By-Laws. Repair and/or maintenance, or replacement of the buildings, Common Elements, recreation facilities and all other property, real or personal, of the CCA shall not be subject to provisions of this paragraph.
- (d) Deferred Maintenance Reserve Fund. The Association may, but shall not be obligated to, maintain a Deferred Maintenance Reserve Fund that may include money accumulated over more than one fiscal year, and will be used for

preservation efforts and maintenance which would occur less frequently than annually (e.g. exterior painting, staining, and caulking; waterproofing all exterior wood surfaces). The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand, in a checking or petty cash account, for the necessary discharge of its functions.

- (e) The four funds shall be maintained separately on the books of the Association, and shall be prudently invested. The amounts assessed and collected for the reserves shall be invested in one or more interest-bearing savings accounts, certificates of deposit, treasury bills, or other instruments where the principal is guaranteed by the full faith and credit of the United States or one of its individual states. Any funds so invested shall not be utilized for any purpose other than that which was contemplated at the time of the assessment. The Board may expend monies out of the Deferred Maintenance Reserve Fund only for deferred maintenance expenses; may expend monies out of the Replacement Fund only for repair, replacement and maintenance expenses related to capital items; and may expend monies out of the Capital Improvement Fund only for construction of new capital improvements, provided, however, that in the case of an emergency, or other urgent circumstance, the Board, acting in accordance with its fiduciary responsibilities, may use the monies in the Deferred Maintenance Reserve Fund, Replacement Fund or Capital Improvement Fund to meet unexpected operating expenses.
- (f) The amount to be set aside for the Replacement Fund and the Deferred Maintenance Reserve Fund will be determined by periodic reserve analysis to be conducted every three to five years, but in no event more than seven years, which shall identify items for which reserve funds are to be accumulated, their useful lives and anticipated replacement or repair costs. Expenditures from the reserve accounts for a particular item will not be limited to the amount allocated to that item.

Section 11. Deficits in the Operating Account. Any deficit in the Operating Account at the end of an assessment period shall be recovered through appropriate adjustments to the annual budget in not more than three (3) years. Nothing herein is intended to prohibit the Board from recovering the deficit in a shorter period of time including, without limitation, adopting a special assessment payable over the remaining months of the annual assessment period following the fiscal year during which the deficit was created.

Section 12. Reserve Funds. The Board will not be obligated to expend all of the revenues collected in any accounting period, and must maintain reasonable reserves for, among other things, deferred maintenance repairs and capital replacements. Notwithstanding anything herein to the contrary, the Board in its determination of the annual assessment and the preparation of a budget shall specifically designate and identify that portion of the annual assessment that is to be assessed against the Unit Owners for capital replacement and deferred maintenance reserves. The amounts assessed and collected for the reserves shall be invested in

one or more interest-bearing savings accounts, certificates of deposit, treasury bills, or other instruments where the principal is guaranteed by the full faith and credit of the United States or one of its individual states. Except as provided in Section 14 of this Article IX, funds so invested shall not be utilized for any purpose other than that which was contemplated at the time of the assessment. The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand, in a checking or petty cash account, for the necessary discharge of its functions.

Section 13. Membership Fees. Each purchaser, upon acquiring title to a Unit, shall, as a condition of membership in the Association, pay to the Association, a membership fee equal to \$1,000.00. The amount of the Section 17 Membership Fee may be amended by resolution of the Board, at the Board members' sole discretion.

The Membership Fee is nonrefundable, nontransferable and shall not be credited to the purchaser by the Association upon sale by the purchaser of his, her, or their unit. Any unpaid Membership Fee, as set forth in this section, shall be a lien on the Unit and collectable in the same manner as any unpaid Common Expense assessment attributable to the Unit.

The Board may reduce, increase or eliminate the Membership Fee if, in the Board's sole discretion, the Board determines that the amount of the Fee may have a negative impact upon the sale of units within Section 17. If, at any time, the Board reduces or eliminates the Membership Fee, it may reinstate it at any time thereafter if the Board determines that such charges will not negatively impact the sale of Units. In no event will the Association be obligated to rebate the Membership Fees previously paid as a result of the Board having, on one or more occasions, reduced or otherwise eliminated the requirement that the Membership Fee be paid.

Section 14. Emergencies. In the event the Annual Assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board, provided that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency which cannot be met by funds earmarked for such contingency.

Section 15. Power of Attorney to Institutional Lender. In the event the Board shall not cause the enforcement procedures provided in the Master Deed to be implemented within the time provided, any Eligible Mortgage Holder for any Unit as to which there shall be such unpaid Annual or Special Assessments is hereby irrevocably granted a power of attorney to commence such actions and to invoke such other remedies, all in the name of the Association. This power of attorney is expressly stipulated to be coupled with an interest in the subject matter.

Section 16. Annual Audit. An audited financial statement prepared by an independent public accountant consisting of at least the following shall, if practically feasible, be made available to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year.

Section 17. Access to Records. The audited books, as well as all records and papers of the Association, shall be made available for examination or for copying by any Member and his authorized agents, during reasonable business hours, in such place that is reasonably convenient to both the Association and the requesting Member, within ten (10) business days of written request by the Member, except any records: (1) the disclosure of which would constitute an unwarranted invasion of individual privacy; (2) concerning pending or anticipated litigation or contract negotiations; (3) falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer; or (4) involving the employment, promotion, discipline or dismissal of a specific officer or employee of the Association; however, increases in the amounts of compensation awarded to an employee of or under contract with the Board shall not be deemed a matter of personal privacy. If a Member requests copies of any documents required to be made available under this Section, the Association shall make a copy for the Member at a reasonable cost to the Member, or may permit the Member to make copies, at the discretion of the Association. Notwithstanding the ten (10) business days' notice requirement of this section, the Association shall be entitled to respond within a reasonable time period for requests for records spanning more than one (1) year, or for requests which will require the copying of voluminous documents.

Section 18. Delinquent Unit Owner. "A Delinquent Unit Owner" means a Unit Owner who owes any annual or special assessment, fines, or any other charges to the Association that are thirty (30) or more days past due. Late fees may be levied on a Unit in accordance with the procedures adopted by the CCA Board. All costs and legal fees incurred by the Association to recover any past due installment shall be paid by the Delinquent Unit Owner and will be assessed against the Unit and may be collected in the same manner as the collection of the Unit Owner's allocable share of the Annual Assessment.

Section 19. Assignment of Rent. Subject to the rights of holders of first security interests, the Association may collect from the rent due from a tenant to a Delinquent Unit Owner in accordance with the procedures adopted by the CCA Board.

Section 20. Termination of Membership. No obligation or liability of a Unit Owner that accrued during ownership of a Unit shall expire, terminate or be waived upon termination of membership, nor shall termination of membership impair any rights or remedies that the Association may have against any former owner.

Section 21. No Avoidance of Liability. No Unit Owner may waive or otherwise avoid liability for Common Expenses by non-use of the Common Elements. Each assessment shall be a continuing lien upon the Unit against which it was made and shall also be the personal obligation of the Owner of the Unit at the time when the Common Expense assessment fell due,

together with interest thereon and cost of collection thereof (including attorney's fees). Liens for unpaid Common Expense assessments may be foreclosed by suit brought in the name of the Condominium Association in the same manner as a foreclosure of a mortgage on real property. Suit to recover a money judgment for unpaid Common Expense assessments may be maintained without waiving the lien securing them.

Section 22. Additional Assessments to Units Uniquely Benefited. In addition to other assessments authorized in this section, the Board may levy an additional assessment applicable only to all Owners in a specific building or buildings in connection with annually recurring, non-routine, maintenance charges related to such building or buildings that are not common to all Units in the Condominium. The determination of the Board concerning the classification of expenses that may be specially assessed under this paragraph will be final and binding upon all Unit Owners.

ARTICLE X

Merger of Associations

The Association shall have the authority to participate in mergers and consolidations with other sections within the Clearbrook Community provided that any such merger or consolidation shall be subject to the terms, conditions, covenants and restrictions set forth in the Master Deed and these Amended By-Laws, as the same may be lawfully amended, and to the terms and conditions set forth under N.J.S. 15A:9-5 for the restatement and integration in a single certificate of incorporation the provisions of the associations' certificates of incorporation. No such merger or consolidation may take effect unless and until it is approved by a majority of all Eligible Votes at a special meeting duly called in accordance with Article IV, Section 3, of these By-Laws.

ARTICLE XI

Corporate Seal

The Association shall have a seal in circular form having within its circumference the words "Clearbrook Regency Village Condominium Association No. 17, Inc."

ARTICLE XII

Compensation, Indemnification and Exculpability of Officers, Directors, and Committee Members

Section 1. Compensation. No compensation will be paid to any officer, Director, or committee member for acting as such officer, Director, or committee member. Nothing herein stated will prevent any officer or Director, or committee member from being reimbursed for out-of-pocket expenses or compensated for services rendered in any other capacity to or for the

Association, provided however that any such expenses incurred or services rendered shall have been authorized in advance by the Board.

Section 2. Indemnification. Each Director, officer or committee member of the Association will be indemnified by the Association as previously delegated to the CCA, against the actual amount of net loss including counsel fees, reasonably incurred by or imposed upon him in connection with any wrongful acts to which a Board Member may be a party by reason of his being or having been a Director, officer, or committee member of the Association, or delegee, except as to matters as to which he will be ultimately found in such action to be liable for gross negligence or willful misconduct subject to any additional exclusions set forth in the CCA's Directors and Officers Liability policy. In the event of a settlement of any such case, indemnification will be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct.

Section 3. Exculpability. Unless acting in bad faith, neither the Board as a body nor any Director, officer, or any committee member of the Association, shall be personally liable to any Unit Owner in any respect for any action or lack of action arising out of the execution of his office. Each Unit Owner will be bound by the good faith actions of the Board, officers and committee members of the Association in the execution of the duties of said Directors, officers and committee members.

ARTICLE XIII

Alternative Dispute Resolution ("ADR")

ADR shall be made available to all Unit Owners in accordance with the procedures and guidelines set forth under Article X of the CCA By-Laws, and any rules and regulations adopted by the CCA Board as part of the CCA's ADR policy.

ARTICLE XIV

Enforcement Procedures

Section 1. Fines; Suspension of Privileges. In addition to such other rights as are specifically granted under the Master Deed and these Amended By-Laws, all Members shall be subject to fines and other penalties for violations of the Governing Documents by the CCA Board, after the CCA Board provides proper notice and an opportunity to be heard to the offending Member, in accordance with Article XIII.

ARTICLE XV

Amendments

(1) General. The provisions of these Amended By-Laws may be amended or repealed by an instrument in writing, signed and acknowledged by the President and Secretary of the Association, certifying that such amendment has been approved by one of the following methods:

- (a) By the affirmative vote of all members of the fully constituted Board of Directors, provided the Board notifies the Unit Owners of the proposed amendment and includes a written ballot with the notice. The amendment will be deemed rejected, and of no force or effect, if ten (10%) percent or more of the Eligible Votes reject the proposed amendment and the Association receives, at the address stipulated in the notice, the ballots rejecting the proposed amendment within thirty (30) days following the mailing of the notice. Otherwise, the amendment will be effective on the 31st day following the mailing of the notice to the Unit Owners and its subsequent recording in the office of the Middlesex County Clerk.
- (b) By the vote of two-thirds (2/3) of the Eligible Votes present in person or by proxy at a duly held annual or special meeting of the Members upon which proper notification of the intent to amend has been given to the Owners and at which a quorum is present. Notice of the meeting shall include the exact language of the amendment or proposed repeal. Amended text may be proposed by the Board or by written petition of twenty (20%) percent of Units in good standing. A duly approved amendment shall be effective upon its recordation in the Middlesex County Clerk's Office.
- (c) By the Board upon approval by a vote of all members of the fully constituted Board, solely when necessary to render these Amended By-Laws in compliance with any applicable law as set forth in a written opinion issued by the Association's attorney, but only to the extent necessary to render the Amended By-Laws compliant.
- (d) An amendment will be effective upon its recordation in the Middlesex County Clerk's Office. Notice of any amendment adopted under this provision shall be distributed to the Unit Owners within thirty (30) days of receipt of the recorded amendment, provided, however, that the failure to distribute the recorded amendment will not render the amendment ineffective and void.
- (e) The quorum requirement for a membership meeting where a vote regarding an amendment to the Governing Documents will be taken is fifty (50%) percent of the Eligible Votes present in person or by proxy.

(2) No amendment that affects the relationship between the Association and the CCA or the rights or privileges of the CCA may be adopted unless the approval of the CCA is endorsed thereon.

ARTICLE XVI

Conflict; Invalidity

Section 1. Conflict. Anything to the contrary herein notwithstanding, if any provision of these Amended By-Laws is in conflict with or in contradiction of the Master Deed, the Articles of Incorporation or with the requirements of any applicable law, then the requirements of the Master Deed, the Articles of Incorporation or law shall be deemed controlling.

Section 2. Invalidity. The invalidity of any part of these Amended By-Laws shall not impair or affect in any manner the enforceability or affect the remaining provisions of the Amended By-Laws.

ARTICLE XVII

Dissolution

Section 1. Procedure. In the event it is 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 the New Jersey Nonprofit Corporation Act, N.J.S.A. 15A:1-1 et seq., shall be followed.

Section 2. Distribution of Assets. In the event of dissolution, the assets of the Association, after the payment of all debts including mortgages and other encumbrances, shall be distributed to the Unit Owners in proportion to the fair market value of their respective Units.

ARTICLE XVIII

Notice

Any notice required to be sent to any Unit Owner under the provisions of the Master Deed, the Articles of Incorporation or these Amended By-Laws shall be deemed to have been properly sent and notice thereby given, when sent by U.S. mail, regular post with postage prepaid, addressed to the Unit Owner at the address on the records of the Association at the time of such mailing, unless otherwise set forth in the Master Deed or in these Amended By-Laws. Notice to one (1) of two (2) or more owners of a Unit shall constitute notice to all owners. Notice shall be deemed to have been received five (5) days after mailing in a regular depository of the United States mail. It shall be the obligation of every Unit Owner to immediately notify the Board in writing of any change of address. Valid notice, which shall be effective upon delivery, may also be given to a member by (i) personal delivery to any occupant of a Unit over

fourteen (14) years of age or (ii) by affixing the notice to or sliding same under the front door of any Unit.

ARTICLE XIX

Gender and Number

The use of the masculine gender in these Amended By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

ARTICLE XX

Immunity

In accordance with N.J.S.A. 2A:62A-13, the Association will not be liable in any civil action brought by or on behalf of a Unit Owner to respond to damages as a result of bodily injury to the Unit Owner occurring on the Property, the Common Elements or within a Unit. This grant of immunity from liability will not be effective if the Association causes bodily injury to a Unit Owner by its willful, wanton or grossly negligent act of commission or omission.

ARTICLE XXI

Rules and Regulations

RULES AND REGULATIONS. The Unit Owners have adopted the following Rules and Regulations for their common benefit and the benefit of Clearbrook Regency Village Condominium Association No. 17, Inc.:

- (a) Age Restriction. Any person using and occupying a Unit must comply with one of the following standards: (a) be 55 years of age or older; (b) be 48 years of age or older provided at least one other person residing in the Unit is 55 years of age or older; (c) person, regardless of age, residing with and providing physical or medical assistance to an occupant who satisfies the standard contained in either subpart (a) or (b) of this sentence ("Permissible Occupant"), provided (i) such person is necessary in accordance with a medical doctor's certification to allow the Permissible Occupant to have full use and enjoyment of the Unit; and (ii) where the Permissible Occupant suffers from a handicap, as defined under the federal Fair Housing Act and the regulations promulgated thereunder.

Visitor occupants of any age shall be permitted to visit a Unit for up to three months in any calendar year.

In order to qualify as a valid age-restricted community under the federal Fair Housing Amendments Act each Owner shall complete a survey or census

concerning the age of the residents occupying each Unit. Each Owner shall promptly respond to any survey or census provided by the Condominium Association in compliance with law and any other requirements as may hereafter be imposed by the state or federal government to maintain its qualified age-restricted status.

- (b) Units shall be used primarily as private single-family residences and such other uses as may be permitted under the zoning ordinances of the Township of Monroe provided that no business, trade, or similar activity, may be conducted in any Unit, except that an Owner or occupant residing in a Unit may conduct "discrete business activities" within the Unit so long as the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; the business activity does not involve regular visitation of the Unit or door-to-door solicitation of residents of the Properties; and the business activity is consistent with the residential character of the Properties and does not violate these Rules and Regulations. Examples of "discrete business activities" include, but are not limited to, computer-based telecommunications and literary, artistic, or craft activities. The Board may restrict any business activities that it determines interfere with the enjoyment or residential purpose of the Properties in its sole and absolute discretion.
- (c) No clothes poles or lines shall be installed or maintained. No clothes, sheets, blankets, or laundry of any kind or other articles may be hung or displayed on the outside of windows or placed on the outside window sills, walls or balconies of any Unit or in any parking area or hung or displayed in the interior of a Unit in such a way or in such a location as to be fully visible from the Common Elements.
- (d) No animal may be kept, bred, harbored or maintained in any Unit except customary household pets as defined by the Board, in its sole discretion, by adoption of a resolution. No Unit Owner shall permit any dog to cause any injury to any persons or other animals, or to cause damage to any Common Elements or any property of any other Unit Owner. Owners shall be solely liable for any and all damage to the Common Elements or other property and any injuries to persons caused by the Owners' pets. All pets must be leashed at all times and kept under control so as not to disturb the peace of residents. Cats must be kept indoors or leashed as they are not permitted to roam free across the Common Elements. Owners are not permitted to tie pets or leave pets unattended outside on patios, stoops or stairways or any Common or Limited Common Elements. No more than one (1) dog may be kept or maintained in a Unit at one time, provided, however, that in no event may the Association, by its Board members, require the removal of pets validly kept or maintained within a Unit pursuant to a resolution of the Board that pre-dates the effective date of these Amended By-Laws. Further, the Board may, in its sole discretion, amend the number of dogs or other types of pets permitted to be kept or maintained in a Unit by resolution following

the effective date of these Amended By-Laws. However, if the Board determines, in its sole discretion, that any particular breed of dog constitutes a safety or health hazard to other owners or occupants ("malicious breed"), the Board may prohibit the keeping of such malicious breeds or require an Owner to remove it from the Condominium within thirty (30) days of the effective date of the resolution. No Unit Owner shall permit a pet to relieve itself upon the sidewalks, driveways, flower beds, or on any landscaped area more than three (3) feet from any street curb. The Unit Owner shall be responsible for cleaning up after his or her dog or other pet and this shall include an obligation to immediately remove all waste deposited on the Common Elements in a sanitary manner. Animal waste shall be removed and disposed by placing it in a sealed, nonabsorbent, leakproof container. Animal waste shall not be disposed in any catchbasin, detention basin or other Common Element. This provision shall not apply to blind persons using dogs as guides.

- (e) Except as may be permitted by Board resolution, no trailer, tractor, truck (used for commercial purposes), mobile home, recreation vehicle (other than golf carts), boat, boat trailer, school bus, inoperable vehicle, unregistered vehicle, vehicle containing any commercial message or lettering, or containing ladder racks, tool storage racks or other fixtures of similar type, or the like, shall be stored or housed on the Property.
- (f) No vehicle shall be repaired or rebuilt on any portion of the Common Elements or other portion of the Property thereof.
- (g) Parking of permitted vehicles (i.e. golf carts and non-commercial passenger vehicles), shall be in accordance with the CCA's Rules and Regulations.
- (h) No exterior loudspeakers other than as contained in portable radios or television sets shall be permitted. No floodlights shall be installed in any exterior area of any Unit, except as approved in writing by the Board.
- (i) No sign of any kind shall be permitted upon a Unit or within a Unit that is visible upon the Common Elements, except pursuant to the Rules and Regulations now or hereafter adopted by the Board.
- (j) No portion of the Common Elements or other portion of the Property thereof shall be used or maintained for storing residents' personal property or dumping rubbish or debris. Trash, garbage or other waste shall be kept in covered hard plastic trash containers on the Property for weekly or more frequent collection.
- (k) No Unit Owner or occupant shall build, plant, or maintain any matter or thing upon, in, over or under the Common Elements without the prior written consent of the Board, including, without limitation, antennas, satellite dishes or other receiving or transmission devices, except: (i) as expressly permitted under the

federal Telecommunications Act of 1996, as amended, and the regulations promulgated under the Act; or (ii) as the Board may permit in accordance with a duly adopted resolution.

- (l) Unit Owners or occupants shall not paint or otherwise decorate or change the appearance of any portion of the exterior of any Unit, without the express written consent of the Board.
- (m) Each Unit Owner shall promptly perform at his own risk, cost and expense all maintenance and repair work with respect to the portions of each Unit owned by him which does not comprise a part of the Common Elements and which, if omitted, would adversely affect the safety or general welfare of the Condominium in which his 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 attorney fees, caused by or arising out of his failure to promptly perform any such maintenance and repair work. In addition, if any Unit Owner fails to perform such work, the Association may do so on the owner's behalf and charge the reasonable expenses thereof to the Unit Owner.
- (n) For those units with patios, privacy fences approved by the Association, the CCA and the ARC in accordance with established standards may only be installed around the immediate perimeter of the patios located to the rear of the Units and the Unit Owner will thereafter be responsible at his or her sole expense for all maintenance of said fence and patio. Further, the removal of all snow up to two (2") inches in depth shall be the Owners' sole obligation and expense. Owners are also responsible for watering the lawn, plants and other landscaping within the exclusive easement area and maintaining any plants or other landscaping in the exclusive easement area. For these purposes and for the purposes of subparagraph "p" below, the "exclusive easement area" is defined as a parcel of land surrounding the Unit, with the boundaries thereof being defined, respectively, by lines running parallel to the front and rear of the Unit, and side lines extending perpendicularly from, respectively, the front and rear of the Unit, with all lines extending to a maximum, uniform width of 3 feet from, respectively, the front, rear and sides of the Unit, with the front and rear lines being boundary lines connecting the rear most terminus of each side line. No Unit Owner shall construct any improvement whatsoever nor install any landscape material in the exclusive easement area without following the proper procedures outlined in CCA's rules and regulations.
- (o) Except as herein provided or as may be otherwise permitted by the CCA rules and regulations, no Unit Owner or group of Owners shall build, plant or maintain any matter or thing upon, over or under the Common Elements, except with the express permission of the Board as previously described in these Amended By-Laws, nor shall any Unit Owner place trash, garbage, excess materials of any kind

on or about the Common Elements, nor burn, chop, or cut anything on, over or above the Common Elements.

- (p) The Board, may, by resolution, permit Owners to install certain types of landscaping within the exclusive easement area around the perimeter of each Unit, setting forth the Owners' maintenance obligations for their own plantings (including watering, pruning and replacing dead or unsightly plantings).
- (q) To the extent that equipment, facilities and fixtures within any Unit(s) shall be connected to similar equipment, facilities or fixtures affecting or serving other Unit(s) or the Common Elements, then the use thereof by the individual Unit Owners shall be subject to the Governing Documents of the Condominium Association.
- (r) Nothing shall be done or kept in any Unit or in or upon the Common Elements which will increase the rates of insurance of the Unit(s) beyond the rates applicable for Units, without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his or her Unit or in or upon the Common Elements that will result in the cancellation of insurance on any Units, or that will be in violation of any law.
- (s) No noxious or offensive activities shall be carried on, in or upon the Common Elements or in any such Unit nor shall anything be done therein which may be or become an annoyance or nuisance to the others in the Condominium. (Whether a particular activity constitutes a "nuisance" will be determined by the Board, whose determination will be final and binding.) At no time shall an Owner, Resident Spouse, Resident Relative or other occupant, guest or agent of an Owner, Resident Spouse or Resident Relative use any object or thing which creates noise, smoke, odor, soot or vibrations in such a manner as to disturb any other Member or lawful user of the Common Elements nor shall they have any signs, flags, banners, pennants, flashing lights, wire, clothes or any other unsightly object kept, stored or maintained in a Unit in such a way that is in any way visible from the Common Elements; provided, however, that American flags will be permitted to be flown or displayed, and further provided that lights of a steady or flashing nature will be permitted to be used during the year-end holiday season, defined as from December 1 through January 15.
- (t) No immoral, improper, offensive or unlawful use shall be made of any Unit; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction over a Unit shall be observed.
- (u) Nothing shall be done to any Unit or on or in the Common Elements which will impair the structural integrity of any Unit or which will structurally change a Unit. No Unit Owner may make any additions, alterations or improvements to the Common Elements, without the prior written approval of the Board and in

accordance with procedures set forth in these Amended By-Laws and Rules and Regulations. Board approval, however, shall not incur any liability on the part of the Condominium Association to any contractor, subcontractor or materialman on account of the addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The Unit Owner shall furnish the Condominium Association with a copy of any permit procured for non-structural changes to the Unit or for Board-approved changes to the Common Elements, if such permit is required by a municipal authority. All costs incidental to the approval, including any consultant's fees, shall be paid by the Unit Owner.

- (v) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably intended and suited and that are incident to the use and occupancy of the Units.
- (w) In order to provide an orderly procedure in the case of title transfers, and to assist in the maintenance of a current, up-to-date roster of Unit Owners, the Owner of a Unit shall give the Association and the CCA, timely notice of his intent to list his or her Unit for sale and, upon closing of title, shall immediately notify the Board of the names and home addresses of the purchasers.
- (x) A Unit may be rented by the Owner(s) for a term of a) one (1) year or more; or b) if less than one (1) year, then only one (1) time in any twelve (12) month period, provided, however, that no Unit may be rented at any time for a period of less than thirty (30) days. Units may not be rented by the Owner(s) more than once in any twelve (12) month period for less than one (1) year (except a lender in possession of such Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure) or otherwise utilized for transient or hotel purposes, which shall be defined as "(i) rental for any additional rental period of less than one (1) year in one(1) twelve (12) month period; or (ii) any rental if the occupants of the Unit are provided customary hotel services, such as room service for food and beverages, maid service, furnishing laundry or linen, and bellboy service. No Unit Owner may lease less than an entire Unit. Any person not an Owner who resides in a Unit for more than thirty (30) days (whether or not the Owner is present) will be deemed a tenant and the Owner must comply with all use restrictions under the Master Deed and these Rules and Regulations, if any, applying to tenancies, unless the Owner provides proof to the reasonable satisfaction of the Board that the person residing in the Unit is not a tenant. Other than the foregoing obligations, the Unit Owners shall have the right to lease provided that: (i) the lease is in writing and made subject to all the provisions of the Governing Documents referred to herein; (ii) a copy of the written lease, containing the foregoing provision has been delivered to the Board; and (iii) that any failure of a tenant to comply fully with the terms and conditions of the Governing Documents shall constitute a default under the lease.

- (y) In the event a tenant of a Unit defaults under his or her lease by failure to comply with the provisions of the Governing Documents, then, in addition to all other remedies which it may have, the Condominium Association or its representative shall notify the Unit Owner of the default(s) and demand that they be cured through the Unit Owner's efforts within thirty (30) days after such notice. If the default(s) is not cured within the thirty (30) day period, then the Unit Owner shall immediately thereafter, at his or her own cost and expense, institute and diligently prosecute an eviction action against the tenant on account of the default(s). The eviction action shall not be compromised or settled without the prior consent of the Condominium Association or its representative. In the event the Unit Owner fails to fulfill the foregoing obligation, then the Board shall have the right, but not the duty, to institute and prosecute an action as attorney-in-fact for the Unit Owner, at the Unit Owner's sole cost and expense, including all legal fees incurred. The costs and expenses shall be deemed to constitute a lien on the particular Unit involved, and collection thereof may be enforced by the Condominium Association in the same manner as the collection of Common Expenses. By acceptance of a deed to any home, each and every Unit Owner automatically and irrevocably names, constitutes, appoints and confirms the Board as his or her attorney-in-fact for the purposes described in this paragraph. Whenever a tenancy terminates in less than one (1) year, there shall be a rebuttable presumption that the owner has violated the terms of this restriction and the owner may not re-lease the Unit for the balance of the one (1) year term (beginning with the commencement date set forth in the written lease) unless the owner demonstrates to the reasonable satisfaction of the Board, that the termination of the prior tenancy was due to factors beyond the control of the owner.
- (z) Every owner leasing a Unit must, prior to the commencement of the tenancy, provide a copy of a written lease, consistent with the terms set forth in these Rules and Regulations, and a processing and administration fee, payable to the Association, in an amount to be determined by the Board, to cover the costs of reviewing the lease and inspection of any Common Elements located within or about the Unit being leased. If the leasehold remains in effect for more than one (1) year, the owner must pay an additional processing and administration fee to be determined by the Board on the anniversary date of the lease, which fee will not be pro-rated if the remaining term is less than one (1) year. Other than the foregoing obligations, any owner shall have the right to lease his or her Unit subject to the limitations set forth in this section, provided that the lease is in writing for a term of no less than one (1) year and made subject to all provisions of the Governing Documents, and provided further that any failure of the tenant to fully comply with the terms and conditions of such documents shall constitute a default under the lease.
- (aa) Upon the commencement of each leasehold a refundable security deposit in an amount to be determined by resolution of the Board but not to exceed \$1,000 will

be payable to the Association to secure conformity with the terms of the Governing Documents. In the event, following an appropriate hearing as required by law or pursuant to the Governing Documents, it is determined that a tenant has caused any damage to the Common Elements, or there remains any unpaid fine due the Association, the Association may retain from the security deposit the amount necessary to reimburse it for the costs of repair to the Common Elements, or for any unpaid fines. Upon the termination of the leasehold, and the vacation of the Unit, the balance of the security deposit will be refunded to the owner. The amount of the security deposit will not limit the responsibility of the owner for any damage to the Common Elements, or for any fines resulting from a violation of the Governing Documents.

- (bb) No hazardous substance or hazardous waste (as those terms are defined pursuant to regulations issued by the New Jersey Department of Environmental Protection) may be stored in any Unit, except hazardous substances that are used in connection with commonly available household products intended for interior use and storage.
- (cc) Nothing in these Rules and Regulations or in the Master Deed generally shall be construed to prohibit the reasonable adaptation of any Unit for handicapped use.
- (dd) No garage may be modified, altered or used in a manner that prevents the parking of a motor vehicle.
- (ee) No Unit Owner shall have the right to mortgage or encumber his Unit, unless such mortgage or encumbrance is permitted under the terms and conditions of the Master Deed.
- (ff) Each Unit Owner shall pay for his own telephone, and other utilities, if any, which are separately metered or billed to each user by the respective utility company. Utilities that are not separately metered or billed shall be treated as part of the CCA's Common Expenses.
- (gg) Any Owner leaving a Unit vacant for more than ten (10) consecutive days between November 1 and March 31 of any year, who fails to either winterize his Unit or leave the Unit at a static temperature of at least 55 degrees Fahrenheit, shall be strictly liable, whether or not negligent, for any and all damages occurring to the Unit, to any other Unit or to the Common Elements as a result.
- (hh) MEGAN'S LAW REGISTRATION.
 - A. No person required to register with a designated registering agency pursuant to N.J.S.A. 2C:7-3, and who is thereafter determined to be a Tier-3 registrant pursuant to N.J.S.A. 2C:7-8(c)(3) ("Tier-3 Megan's Law Registrant"), may permanently or temporarily reside in a Unit. As used in this section "resides" means living in or

possessing any portion of a Unit for more than fourteen (14) days out of any thirty (30) consecutive-day period.

B. If, subsequent to the recording of these Amended By-Laws in the records of the Clerk of Middlesex County, a Tier-3 Megan's Law Registrant resides in a Unit as a tenant, or under any other possessory interest, the Unit Owner must immediately cause the person to vacate the Unit and, if the person does not vacate the Unit within thirty (30) days of the date the Unit Owner was notified by the Association of the presence of a Tier-3 Megan's Law Registrant, then the Unit Owner will immediately commence eviction proceedings. If the Unit Owner fails to commence the eviction proceeding within thirty (30) days following the date the Unit Owner is required to do so and diligently pursue the eviction to conclusion, then the Association may act as attorney-in-fact for the Unit Owner and pursue the eviction action at the Unit Owner's cost and expense. If any action seeking eviction of a Tier-3 tenant does not result in a judgment of possession in favor of the Unit Owner, the Association may, but will not be obligated to, prosecute an appeal seeking the eviction of the tenant. In the event the Association obtains a final judgment resulting in the eviction of the tenant the Unit Owner will be responsible for all reasonable fees and costs of the Association in prosecuting the appeal.

Each Unit Owner hereby appoints the Association as the Unit Owner's attorney-in-fact for the purpose of commencing eviction proceedings, executing any and all documents pertaining to the proceedings or performing any or all responsibilities as may be required or necessary to be performed pursuant to this Article XXI. This power of attorney is expressly declared and acknowledged to run with the title of any and all Units and will be binding upon the heirs, personal representatives, successors and assigns of the Unit Owner.

C. Any Unit Owner, who by virtue of residing in a Unit, has been notified by the Association that he is in violation of this Section, must vacate the Unit within ninety (90) days of receipt of the Association's notice. If the Unit Owner fails to vacate the Unit within ninety (90) days, the Association may, in addition to all other remedies available to the Association, purchase the Unit at a purchase price equal to the average of two (2) independent appraisals to be obtained by the Association, less the Association's anticipated costs of selling the Unit, including, without limitation, brokerage fees, of not more than seven (7%) percent of the appraisal value, the cost of the appraisal, the realty transfer tax (based on the appraisal value), and other customary and incidental selling costs not in excess of one (1%) percent of the appraisal value.

D. The Association will not be liable to any Unit Owner, anyone occupying or visiting Clearbrook Regency Village Condominium Association No. 17, Inc. as the result of the Association's failure to dispossess a Tier-3 Megan's Law Registrant.

CLEARBROOK REGENCY VILLAGE CONDOMINIUM ASSOCIATION NO. 17, INC.

RESOLUTION ADOPTING AMENDED BY-LAWS

PREAMBLE

WHEREAS, the By-Laws for the Clearbrook Regency Village Condominium Association No. 17, Inc., dated June 16, 1987, were recorded in Deed Book 3622, Page 83 et. seq. in the Middlesex County Clerk's office (hereinafter, the "Original By-Laws").

WHEREAS, the Board of Directors of Clearbrook Regency Village Condominium Association No. 17 (hereinafter "the Board") has unanimously recommended the adoption of Amended By-Laws, a copy of which is attached hereto as **Exhibit A**.

WHEREAS, upon the effective date of this Resolution, the Original By-Laws will no longer be of any legal force or effect.

WHEREAS, Article VII of the Original By-Laws provides that the By-Laws may be amended at a regular or special meeting of the Board by the affirmative vote of 75% or 79 of the 105 votes entitled to be cast.

WHEREAS, this Resolution was duly introduced and was thereafter adopted in accordance with the Original By-Laws of the Association at a regular, scheduled meeting of the Board, at which a quorum was present, by a majority vote of the members of the Board present and eligible to vote on this matter.

NOW, THEREFORE, BE IT RESOLVED, on this 20th day of June, 2007, that the Association Board of Directors hereby:

1. Adopts in full the Amended By-Laws attached hereto as **Exhibit A**.
2. Confirms that the Original By-Laws will be no longer valid, or of any legal force or effect, upon the effective date of this Resolution.
3. This Resolution will be effective immediately upon its adoption by the majority vote of the Board representing 75% of the total voting strength of the Association, which is defined under Article VII of the Original By-Laws.

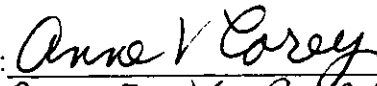
This Resolution is effective as of this 20th day of June, 2007.

NOTICE AND RECORDING. The Board shall prepare correspondence, in appropriate form and substance, and thereafter circulate same, along with a copy of this fully executed Resolution, to all Association Unit Owners. The Board also authorizes and directs its legal counsel to arrange for recordation of a copy of this Resolution with the Middlesex County Clerk's Office in order to establish the existence of this Resolution in the chain of title.

ATTEST:

**CLEARBROOK REGENCY VILLAGE
CONDOMINIUM ASSOCIATION NO. 17, INC.**


CAROL FLORIO, Secretary

By: 
ANNE V. COREY, President

STATE OF NEW JERSEY }
 }
COUNTY OF MIDDLESEX }

I CERTIFY that on June 22, 2007, Carol Florio
personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person is the Secretary of the Clearbrook Regency Village Condominium Association No. 17, Inc., a nonprofit corporation of the State of New Jersey, named in this document;

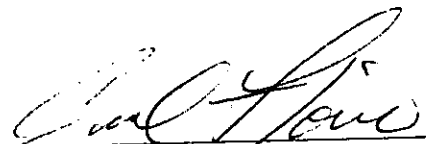
(b) this person signed this document as attesting witness for the proper corporate officer who is Anne V Carey, President of the Association;

(c) this person knows the proper corporate seal of the Association and the proper corporate seal was affixed;

(d) this document was signed and delivered by the Association as its voluntary act and deed by virtue of authority from its Board of Directors (the "Board");

(e) this person signed this acknowledgment to attest to the truth of these facts;
and,

(f) this Resolution was duly introduced and was thereafter adopted at a regular scheduled meeting of the Board at which a quorum was present, by a majority vote of the members of the Board eligible to vote on this matter.


CAROL FLORIO, Secretary

Signed and sworn to before me on the
22 day of June, 2007.


Notary Public of the State of New Jersey

DAISY HENDERSON
NOTARY PUBLIC STATE OF NEW JERSEY
MY COMMISSION EXPIRES OCT 17, 2010

Record and Return to:
Jennifer A. Loheac, Esq.
RAMSEY BERMAN, P.C.
P.O. Box 2249
Morristown, NJ 07962-2249
#215684