

BAYBERRY COVE-CAMPGROUND CONDOMINIUM ASSOCIATION

BY-LAWS

Revised April 2018 Recorded 2018

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BY-LAWS OF
BAYBERRY COVE CAMPGROUND, A CONDOMINIUM
BAYBERRY COVE CAMPGROUND CONDOMINIUM ASSOCIATION

These By-Laws were updated and approved by the vote of the membership on April ___ 2015. . All decisions made prior to the effective date that may be contrary to these By-Laws are grandfathered.

ARTICLE I

APPLICABILITY, MEMBERS, MEMBERSHIP AND DEFINITIONS

#1. These are the By-Laws of the Bayberry Cove Campground Condominium Association, a non-profit corporation of the State of New Jersey (hereinafter referred to as “the Association”). The By-Laws shall govern the administration and management of the Condominium and the Condominium Property and the actions of the Association and the Members thereof.

#2. All present and future Unit Owners, their licensees, invitees, servants, agents, employees and any other person or persons that shall be permitted to use the Condominium Property of the Association and the condominium units therein, shall be subject to the Master Deed, these By-Laws and the Rules and Regulations of the Association. Acquisition and occupancy of any of the Units in the Association shall be conclusively deemed to mean that the Unit Owner has accepted and ratified the Master Deed, these By-Laws and the Rules and Regulations of the Association and will comply with them.

#3. As used in these By-Laws, the term “Member” means the Unit Owner of a Unit in the Association. Other terms used herein shall have the same meanings set forth in the Master Deed and/or the Condominium Act of the State of New Jersey, N.J.S.A. 46:8B-1 et seq. (“the Condominium Act”).

#4. Membership in the Association shall be limited to the Owner of any of the 307 Units in the Association, provided that when title to a Unit is vested in two or more persons or in a corporation, only the Entitled Party, as defined in paragraph 9B of the Master Deed, shall be permitted to cast the votes allocated to the particular Unit. In the event that a Unit Owner shall lease or permit another to occupy his Unit, the tenant or occupant shall be permitted to enjoy the Condominium Property to the extent that such Unit Owner shall be entitled, but shall not be a member of the Association and shall not vote in the affairs of the Association unless he shall be designated an Entitled Party by the Unit Owner in the manner provided in paragraph 9B of the Master Deed. The use of the Condominium Property shall be limited to Unit Owners, tenants and occupants of Units and their licensees, invitees, servants, agents and employees. If a Unit is owned by more than one individual, or is owned by a corporation or partnership, or if a Unit is under a lease, then the individual entitled to cast the vote for the Unit shall be the individual named in the certificate given pursuant to paragraph 8B of the Master Deed (said individual being in the Master Deed and in these By-Laws called the “Entitled Party”).

#5. Every lawful transfer of title to the Unit Owner of a Unit shall include membership in the Association, and upon making such transfer, the previous Unit Owner's membership shall be automatically terminated. Except as aforesaid, membership in the Association may not be assigned or transferred, and any attempted assignment or transfer thereof shall be void and of no effect.

#6. Every person who is entitled to membership in the Association, pursuant to the provisions of the Master Deed and these By-Laws, shall be privileged to use and enjoy the Common Property, subject, however, to the right of the Association to:

- (a) Promulgate rules and regulations governing such use and enjoyment; and
- (b) Suspend the use and enjoyment of the Common Property as provided in Section #7 of this Article.

#7. The membership privileges and voting rights of any Member may be suspended by the Board for any period during which any assessment against the Unit to which his membership is appurtenant remains unpaid; but upon payment of such assessments, and any interest accrued thereon, his rights and privileges shall be restored. Further, if rules and regulations governing the use of the Common Property and the conduct of persons thereon have been adopted and published, as authorized in the By-Laws, the privileges and rights (including vehicle access to the Park) of any person in violation thereof may be suspended at the discretion of the Board for a period not to exceed thirty (30) days for any single violation, but if the violation is of a continuing nature, such rights and privileges may be suspended indefinitely until such time as the violation is abated. No such action shall be taken by the Board until the Unit Owner is afforded an opportunity for an Alternative Dispute Resolution (ADR) hearing in accordance with the Association's dispute resolution policy.

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association shall be located at the office of Bayberry Cove Campground, 435 U.S. Route 9, Marmora, New Jersey 08223.

ARTICLE III

MEETINGS

#1. All regular and special meetings of the Members of the Association shall be held at the principal office of the Association, or at such other suitable and convenient place as may be permitted by law and, from time to time, fixed by the Trustees and designated in the notices of such meetings. All meetings are open to Unit Owners only.

#2. There shall be one annual meeting for Members of the Association. This meeting will be held on the last Saturday in the month of August. The meeting will consist of the following:

- a. Review of the past season
- b. Review plans and present the budget for the coming calendar year
- c. Conduct elections for Members of the Board of Trustees
- d. Transacting such other business as may properly come before the meeting

#3. Special meetings of the Members shall be called by the President when so directed by a resolution of the Board of Trustees, or by a petition signed by Entitled Parties on behalf of Unit Owners having Proportionate Voting Interests aggregating 25% (77 Units) or more, specifying in each case, the purpose thereof. No business shall be transacted at a special meeting other than as specified in the notice thereof.

#4. The Secretary of the Association shall give notice of each regular and each special meeting of the Members to the Entitled Party representing each Unit Owner and to the holder of any Permitted Mortgage, in accordance with the further provisions hereof, not less than 7 nor more than 30 days prior to the meeting date specifying therein the time and place of the meeting and, in the case of a special meeting, the purpose thereof. The attendance at a meeting by any Entitled Party or any party, or the agent representing holders of Permissible Mortgages, without protesting prior to the conclusion of the meeting the lack of prior notice of such meeting shall constitute a Waiver of Notice of the meeting by such party.

#5. A majority of the Trustees shall constitute a quorum to convene meetings and a majority of those present shall be sufficient to conduct normal Association business. When a quorum is once present to organize the meeting, it cannot be broken by a subsequent withdrawal of an Entitled Party. If less than a quorum is present at any meeting, a majority of the total votes there represented in person may adjourn such meeting.

#6. To authorize actions binding upon the Association and all Unit Owners, there shall be required at any meeting at which a quorum is present, an affirmative vote by Entitled Parties in person or by mail-in ballot, representing Unit Owners in good standing, casting (i) a majority of the total votes represented at such meetings; or (ii) such higher percentage of the total votes encompassed by Unit Ownership as may be required by the Act or by the Master Deed. Any action involving the disposition of assets, the granting of rights or easements in the Condominium Property, or the amendment of these By-Laws, may not be taken without a meeting on such matter, or written consent setting forth the action so taken or to be taken, given in the required number of votes by Entitled Parties representing Unit Owners in good standing (accompanied by the consent either of the holders of the Permissible Mortgages on the Units with respect to which such affirmative votes shall have been given or of the agents of such holders).

#7. Only Unit Owners who hold memberships in good standing at least five (5) days prior to any meeting at which a vote is to occur shall be entitled to vote on questions or at any Association election. A Unit Owner shall be deemed to be in "good standing" if, and only if, he shall have fully paid all assessments made or levied against him and his unit or units by the trustees as hereinafter provided, together with all interest costs, attorney's fees, penalties and other expenses, if any properly chargeable to him and against his unit or units at least five (5)

days prior to the date fixed for such regular or special meeting, and if he/she shall not be in violation of any Association rule, regulation or restriction. For meetings held during the first fifteen (15) days of the fiscal quarter, the financial records of the previous quarter will determine a Unit Owner in good standing. A unit which has been acquired by the Association in its own name or name of its agent, designee or nominee on behalf of all of the Unit Owners shall not be entitled to vote so long as it continues to be so held.

#8. The order of business at the annual meeting of the Bayberry Cove Condominium Association shall, to the extent appropriate and in discretion of the board, shall be:

- (a) Introduction of the Board of Trustees & the Association Staff.
- (b) Proof of Notice of the meeting or certification as to waivers.
- (c) Elections and announcement of the names of those newly elected.
- (d) Reports of the Trustees.
- (e) Presentation of the five-year plan.
- (f) Presentation of the budget for the coming calendar year.
- (g) Reports of the Committees.
- (h) Resident's issues.
- (i) New Business.
- (j) Review of the major projects on the action item list.
- (k) Adjournment.

ARTICLE IV

BOARD OF TRUSTEES **Nominations, Elections and Meetings**

#1. The Condominium shall be administered and managed, and the affairs of the Condominium Association shall be governed by a Board of Trustees consisting of seven persons. No Trustee shall be compensated.

#2. In all odd numbered years, the Members of the Association shall elect four (4) Members of the Board of Trustees. In even numbered years, the Members of the Association shall elect three (3) Members of the Board of Trustees. Succeeding years will follow as stated.

#3. The term of each Member of the Board of Trustees shall be two (2) years. There shall be no term limits for Members of the Board of Trustees.

#4. A Nomination Committee is to be appointed by the President of the Board of Trustees in June of each year whose duty it shall be to present to the members at the July meeting a list of qualified candidates as nominees for the Board of Trustees to be balloted. After the names of each candidate are read, additional nominees may be made from the floor if desired.

#5. The Nomination Committee shall provide a form (Candidate Data Sheet – Board of Trustees) requesting background data from all Unit Owners standing seeking nomination to the

Board of Trustees. This form shall be returned to the Committee at least thirty (30) days prior to the election meeting at which time they will be posted on the Parks bulletin boards.

#6. Nominations to the Board of Trustees may be made only at the stated meeting in July and in no event will nominations be recognized on the day of elections.

#7. No member of the Association may be nominated or elected to the Board of Trustees unless they are in good standing, as defined in Article III, No. 7 of these By-laws.

#8. The Election Board shall consist of a Judge of Elections and two (2) Tellers who shall be elected by majority of the members present at the July meeting and shall not be a candidate for Trustee. The candidate receiving the highest number of votes shall be declared the Judge of Elections.

#9. The annual Election of Trustees shall be held at the August meeting. The place of polling shall be open from 8:30 a.m. to 10:00 a.m. to issue and receive ballots.

#10. The Judge of Elections shall check, or cause to be checked, each Unit Owner certified to vote and if such Owner is qualified, issue or cause to be issued a ballot to the voter.

#11. In the event that a qualified voter cannot legitimately be present at the stated meeting at which the Election of Trustees is held, he shall be qualified to receive an absentee ballot. Each person desiring an absentee ballot must contact the Election Board in writing requesting a ballot. These ballots are to be returned to the Election Board in a sealed envelope plainly marked "Absentee Ballot" before 10:00 a.m. on the day of the election. It shall be the duty of the Judge of Elections, whenever possible, to see that the ballots are in the hands of the voters in sufficient time to allow normal processing by mail. A record must be kept of the absentee ballots issued, to whom and the number received. The decision of the Election Board on all absentee ballots shall be final.

#12. At the time specified, the Judge of Elections shall close the polls. The Election Board shall retire in private, count the ballots, and certify from their records the maximum number of ballots, which should legally be in the ballot box. In the event that the count of the ballots is greater than the certified count, the Judge of Elections shall declare the election null and void.

#13. The election shall be by ballot and by a plurality of votes cast, determined as herein before provided, each Entitled Party in good standing being authorized to cast a vote for each of as many nominees as there are vacancies to be filled. Cumulative voting shall not be permitted.

#14. Upon completion of the tally of all ballots and final check, the Judge of Elections shall announce the results at the meeting immediately after the count is complete. He shall turn over to the Secretary all ballots and tally sheets who shall retain custody of them until after the next stated meeting, at which time they may be destroyed. The election results will be posted on the Park Bulletin Board(s).

#15. In the event the election is contested, each candidate concerned shall meet with the Election Board and review the ballots. Any findings shall be announced at the next stated meeting.

#16. In the event of a tie, a run-off election between only the tying candidates shall immediately be held. The candidate from this run-off election receiving the most votes shall be deemed the winner. Balloting for any run-off election shall be done by those qualified voters in attendance who participated in the original balloting. Absentee ballots shall not be counted in a run-off election.

#17. Within twenty-four (24) hours following the announcement of the election results, the new Board of Trustees will meet and may at its discretion reorganize.

#18. All Trustees must be Unit Owners. Any Trustee may resign from the Board of Trustees at any time by written notice to the Board. A Trustee who ceases to be a Unit Owner and does not resign from the Board will be terminated from the Board of Trustees by the remaining Board members. The termination will take effect at the next regularly scheduled Board meeting.

#19. Vacancies on the Board caused by any reason shall be filled by a vote of the majority of the remaining trustees at a special meeting of the Board held for that purpose within thirty (30) days of the occurrence of any such vacancy, except that if the remainder of the vacant term is less than ninety (90) days, such appointment is at the sole discretion of the Board and need not be held. Each person so designated or elected shall be a trustee for the remainder of the term of trustee whose term he is filling and until his successor shall have been duly elected and qualified.

#20. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Board, but at least two (2) meetings shall be held each year. Notice of regular meetings of the Board shall be given to each Director by telephone, regular mail, electronic mail or in person at least three (3) days prior to the date of the meeting. Special meetings of the Board may be called by the President on three (3) days notice to each Director given by telephone, regular mail, email or in person which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or the Secretary in like manner and on like notice upon the written request of at least one (1) Director. Any Director may, at any time, waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. Meetings of the Board or portions of such meetings shall be open to Members or other persons for observation or participation in such manner and to the extent required by law or as the Board deems appropriate. Notice to Members of any regular or special meetings of the Board shall be given to the extent required by law and in the manner prescribed by law.

#21. At all meetings of the Board, a majority of Directors shall constitute a quorum for the transaction of business, and the votes of a majority of Directors present and voting at a meeting at which a quorum is present shall be necessary for valid action by the Board on any matter. If at any meeting of the Board there shall be less than a quorum present, the majority of those present shall adjourn the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be transacted without further notice.

#22. Unless prohibited by law, the transaction of any business at any meeting of the Board, however called and noticed, or wherever held, shall be as valid as if transacted at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) 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 to act adopted at such meeting. All such waivers, consents or approvals shall be in writing and filed with the Secretary and made a part of the minutes of the meeting even though filed subsequent thereto.

#23. All rights, duties and privileges of the Board 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.

#24. Despite anything to the contrary in these By-Laws or any of the other Condominium Documents and to the extent not prohibited by law, the entire Board 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 Directors empowered to act, whichever the case may be, shall consent in writing to such action.

#25. All meetings of the Board, except conference or working sessions at which no binding votes are to be taken, shall be open to attendance by all Unit Owners.

#26. Despite #25 above, the Board may exclude or restrict attendance at those meetings or portions of meetings dealing with any of the following:

(a) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;

(b) any pending or anticipated litigation or contract negotiations;

(c) any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his or her ethical duties as a lawyer; or

(d) any matter involving the employment, promotion, discipline, or dismissal of a specific employee of the Condominium Association.

#27. Adequate notice of any open meeting shall be given to all Unit Owners. Adequate notice means written advance notice of at least 48 hours, giving the date, time, location of any

regular, special, or rescheduled meeting of the Board. Such notice shall accurately state whether formal action may or may not be taken. This notice shall be:

(a) prominently posted in at least one place within the Condominium property reserved for such or similar announcements if such a place exists; and

(c) filed with the Secretary of the Association.

#28. At least once a year within seven (7) days following the annual meeting of the Association, the Board shall have available and shall maintain throughout the year, notice of meetings in such location reserved for such announcements.

#29. In the event that a meeting of the Board is required to deal with such matters of urgency and importance that delay in providing 48 hours advance notice would result in substantial harm to the interests of the Condominium Association, notice shall be deemed adequate if it is provided as soon as possible following the calling of the meeting.

ARTICLE V

OFFICERS

#1. The Officers of the Association shall be a President, Vice-President, a Secretary and a Treasurer, who shall be elected regularly by the Board of Trustees from among its Trustees at the organization of each new Board, and shall hold office until their successors are elected or appointed by the Board and qualify. The positions of President, Vice-President, Secretary and Treasurer must be filled by a minimum of three duly elected members of the Board of Trustees.

#2. From time to time, the Board may create other offices, to include expansion of the Board of Trustees, prescribe the duties pertaining thereto and elect the holders thereof from among its members, or from other Unit Owners.

#3. No Officer shall be compensated for acting as such.

#4. The following Officers shall have the duties set forth below:

(1) The President shall be the Chief Executive Officer of the Association, and shall preside at all meetings of the members and of the Board of Trustees. The President shall have the general powers and duties usually vested in the office of President of an association, including, but not limited to, the power to appoint committees from among the Members and Voting Representatives from time to time, as the President may deem appropriate to assist in the conduct of the affairs of the Association. The President shall, together with either the Secretary or Treasurer, have the power and authority to execute deeds, leases, mortgages, bonds, notes, contracts and other instruments, in the name and on behalf of the Association, except when the signing and execution thereof shall be delegated by the Board of Trustees to another Officer or Officers of the Association.

(2) The Vice-President shall assume all of the duties of the President in the absence or in capacitance of the President. The VP shall serve at the pleasure of the President and shall perform duties and assignments, as directed by the President. The VP shall be cognizant of the duties and responsibilities of the President.

(3) The Secretary shall have joint power with the President to execute deeds, leases, mortgages, bonds, notes, contracts and other instruments on behalf of the Association and be responsible for giving any Requisite Notice and for keeping the minutes of all meetings of the Board of Trustees and the Condominium Association, and have custody of all correspondence, papers and records, other than financial records. The Secretary shall also keep up-to-date at the principal office of the Association, a complete list of the Members and their last known post office addresses. Such list shall also show each Member's name and Unit number. The Secretary shall also keep current and retain custody of the minute book of the Association, containing the minutes of all regular and special meetings of the Association and all resolutions of the Trustees. The list of Association Members and the minute book shall be open to inspection by all Association Members and other persons lawfully entitled to inspect the same at reasonable hours during regular business days.

(4) The Treasurer shall have joint power with the President to execute deeds, leases, mortgages, bonds, notes, contracts and other instruments on behalf of the Association and cause to be maintained full and accurate records and books of account of all receipts and disbursements of funds by the Board or at its direction, which shall be available to Unit Owners during regular business hours, shall receive and receipt for funds assessed or collected by the Board, and shall deposit the same in such depository as may be selected by the Board, and render to the Board, on request, an accounting of all his transactions as Treasurer and of the financial condition of the Association. A member of the Board of Trustees must be present for examination of records. Copies of selected financial records (in accordance with GAAP general ledger, year-end compilation, and year-end budget) are permitted.

#5. No agreement, check, contract, deed, lease, mortgage or other written instrument or document shall be binding upon the Association unless entered into by or approved by Resolution of the Board of Trustees and signed by any two (2) Officers of the Association as provided above, except as such power, may be delegated to the Manager as provided in Article VI, No. 2 thereof. The Officers shall be covered by fidelity bonds of a corporate surety, and the premium costs shall be a Common Expense.

#6. Any Officer may be removed at any time, with just cause, by the Board of Trustees. Any Trustee who resigns or is removed as a Trustee shall also be deemed to resign or be removed from any Association office he may hold. Any vacancy in any office by reason of

death, resignation, removal or otherwise, shall be promptly filled by the Board of Trustees, the successor to serve the balance of the term so filled.

ARTICLE VI

POWERS AND DUTIES OF BOARD OF TRUSTEES, AND RESTRICTIONS ON THE EXERCISE THEREOF

#1. The Board of Trustees shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of the Association and the administration and management of the Condominium and Condominium Property, and may do or cause to be done all such other lawful acts and things as are not by law, by these By-Laws, or otherwise, directed or required to be done or exercised by the Unit Owners, or by others. In the performance of its duties as the administering body of the Association and of the Condominium, the Board of Trustees shall have powers and duties set forth in the Master Deed and these By-Laws, including, but not limited to, the following:

Duties and powers of the Board of Trustees:

A. The operation, management, maintenance, cleaning, protection and replacement of the Common Elements. In connection therewith, the Board of Trustees:

(1) is authorized to contract on behalf of all Unit Owners for water, sewer, electrical and other utility services provided to any of the Common Elements and, to the extent not separately metered and/or charged, to the Units, and for management, custodial, maintenance, extermination, snow removal, exterior window cleaning, painting, repairs and such other services, as well as such equipment, materials and supplies, as are deemed necessary or desirable by the Board for the proper performance of its duties hereunder;

(2) shall have an easement of access for itself or its agents, to any Unit for the purpose of accomplishing the foregoing; and

(3) shall charge the cost of such operation, maintenance, repair and/or replacement, to all Unit Owners as a Common Expense. Other than in the normal course of repairing and replacing existing improvements, there shall be no additions, alterations or further improvements made to the Common Elements without the prior approval in writing of Unit owners having Proportionate Interests aggregating not less than 25% (77 Units).

B. The placement and purchase of, and payment of premium for, a policy or policies of insurance and fidelity bonds providing coverage of the following types and amounts for the Board of Trustees, each member thereof, the Officers, and all Unit Owners, and the holder of each Permitted Mortgage (as defined in paragraph 14B of the Master Deed): (i) insurance against loss or damage by fire and such other risks as may be covered by extended coverage

insurance covering the entire Property in an amount representing the full insurable replacement value thereof, without deduction for depreciation, together with coverage for the payment of Common Expenses with respect to damaged Units during the period of reconstruction ("Fire Insurance Policy"); and (ii) insurance against liability for injury or death to persons or damage or loss of property with such limits as shall be established, from time to time, by the Board of Trustees, covering occurrences and accidents in or about the Property with coverage of the cross-liability claims of any one or more or group of insured, but excluding coverage for the liability of any Unit Owner for acts occurring solely within his Unit or away from the Property ("Liability Insurance Policy"):

(1) The Fire Insurance Policy shall contain mortgagee endorsements in favor of the holder of each Permitted Mortgage, but all payments on account of loss or damage covered by such policy for repairs and restoration shall be made to the Board of Trustees and shall be applied as directed by the Board of Trustees, unless, as provided in Section 24 of the Condominium Act, such damages shall constitute a substantially total destruction of the Commons Elements or, seventy-five percent (75%) of the Unit Owners directly affected thereby shall determine not to proceed with the work of repairs and restoration, in either of which events such sums shall be disbursed as therein provided. Such Policy shall contain waivers of subrogation and waivers of any defenses based on co-insurance or invalidity, arising from any acts of those whose interests are covered thereby. The Board of Trustees shall charge and assess the cost of insuring the Common Elements as a Common Expense; and

(2) The Liability Insurance Policy shall name the Board of Trustees as the party insured and the net proceeds thereof shall be paid to Board of Trustees, which shall thereafter distribute the same to those whose interests are covered thereby, as their respective interests shall appear. The entire premiums for such Policy shall be charged as Common Expense.

(3) The officers are those individuals as outlined in ARTICLE V.

(4) All policies of insurance carried under this subparagraph B shall: (i) provide that all adjustments of loss shall be made only by the Board of Trustees; (ii) contain waivers by the insurers of all rights by way of subrogation or otherwise to the claims or rights of any one or more named insured or persons otherwise covered or benefited by such policies against any one or more other named insured or persons so covered or benefited thereby including the Association and the Board of Trustees and their respective agents and employees and the Unit Owners and their respective agents and employees; (iii) provide that the coverage afforded to any and all other named insured or persons otherwise covered or benefited by such policies shall not be affected by the acts or omissions of any one or more named insured or persons otherwise covered or benefited thereby; (iv) provide that they shall not be canceled or modified without at least ten (10) days prior written notice to all those whose interests are covered thereby, including, without limitation, all holders of Permitted Mortgages in the

case of the Fire Insurance Policy; (v) provide that the coverage afforded thereby shall not be affected or diminished or result in contribution by reason of any additional insurance separately carried by any Unit Owner as permitted by the further terms hereof or by any other person or entity; and (vi) provide that the insurer shall not have the option to restore the insured premises in lieu of making a cash payment of the proceeds without the approval of the Association. Duplicate originals of all such insurance policies and renewals shall be delivered by the insurers (at least ten (10) days prior to the renewal in case of each renewal) to the Board, and duplicate originals or certificates or memorandums of insurance shall be issued by the insurers to all others whose interest are covered thereby, including, without limitation, the Unit Owners and the holders of Permitted Mortgages. In the case of the Fire Insurance Policy no Unit Owner shall do or permit any act which would void or impair the coverage afforded by said policies or would result in an increase in the premium therefor, and shall be liable to the Board for the amount of any such increase. The provisions of this subparagraph shall not be construed to prohibit any Unit Owner from carrying other, separate insurance for his own benefit, such as, by way of illustration and not of limitation, public liability insurance covering liabilities occurring solely within his Unit or away from the Property, which liabilities will not be covered by the insurance to be carried by the Board of Trustees under the terms thereof, provided that all such policies shall be obtained either from an insurer with which like coverage is at the time of reference being carried pursuant to the foregoing provisions or from another insurer approved by the Board of Trustees, which approval shall not be unreasonably withheld, and shall contain waivers of subrogation (having the same scope as that required with respect to the insurance to be carried by the Board thereunder) and provided that the insurance carried by such Unit Owner shall not affect, alter or diminish the coverage under the policies being so carried by the Board. Copies of proposed policies of insurance shall, before being effected, be delivered to the Board for approval pursuant to the terms thereof, which approval shall not be unreasonably withheld, and the policies actually issued following such approval shall provide that they shall not be modified or canceled without ten (10) days prior written notice to the Board and copies thereof shall be provided to the Board when issued. If a casualty loss is sustained and there is a reduction in the amount of the proceeds which would otherwise be payable on the insurance purchased by the Board of Trustees hereunder, due to proration of insurance purchased by the Unit Owner, the Unit Owner agrees to assign the proceeds of this latter insurance, to the extent of the amount of such reduction, to the Association to be distributed as herein provided.

C. The preparation of an operating budget covering expenditures in connection with maintenance, repair and replacement of the Common Elements, costs of insurance and any other Common Expense, the amount and period to be covered by the assessment including the Common Expenses to be levied against all Unit Owners and the time for its payment. For this purpose, the Board of Trustees is expressly empowered to make the regular and special determinations and assessments on behalf of the Association that are authorized by the terms of paragraph 8A of the Master Deed, with particular reference to the following powers and duties:

(1) The Board shall assess the total amount of its regular determination of the estimated Common Expenses for the ensuing fiscal year against all of the Units and the respective Unit Owners thereof, in the same proportion as their respective undivided interests in the Common Elements as set forth in the Master Deed. The proportionate amounts thus found applicable to each Unit shall be payable by the Unit Owner thereof to the Association in quarterly installments as provided in paragraph 10 of the Master Deed. The Board of Trustees approved budget, fees and assessments will be presented at the Annual Meeting of the Members of the Condominium Association. The approved budget, as well as fees and assessments, presented at this meeting may be changed by the Board at any time as requirements and conditions change.

(2) By majority vote of the Board, to make interim determinations adjusting or increasing the amount of any regular assessment for Common Expenses and the installments thereof, and to levy and collect in addition thereto, special assessments for Common Expenses in such amounts as the Board may deem proper, whenever the Board is of the opinion it is necessary to do so in order to meet increased operating or maintenance costs, or additional capital expenses, or because of emergencies; provided, however, that all such increased or special assessments shall be made or levied against the Unit Owners and the Units owned by them respectively, in the same proportions or percentages as provided in paragraph 1, Subsection C (1), of this Article VI.

(3) It shall be the obligation of the Board to take prompt action to collect assessments for Common Expenses and for any expense incurred or advances made by the Board under paragraph 1, Subsection (1) of this Article VI, together with accrued interest, from the date incurred or advanced, as the case may be. The delinquent Unit Owner shall be obligated to pay (i) all expenses of the Board, including attorney's fees, incurred in the collection of the delinquent assessment by legal proceedings or otherwise, and (ii) any amounts paid by the Board for taxes or on account of Superior liens or otherwise to protect its lien; which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessment and shall be collectible as such.

D. The determination of all other costs and expenses due from each Unit Owner other than such Unit Owner's share of the Common Expense; the manner of the assessment therefor; and the time for its payment. The following applications of these provisions are intended to define, but not by way of limitation, the scope of Board's powers hereunder:

(1) Each Unit Owner shall deliver to the Secretary original receipt bills evidencing the payment of all charges, claims, taxes and assessments against a Unit for which a lien could be filed, including by way of illustration and not limitation, real estate taxes, and assessments for municipal improvements, at least five (5) days prior to the date on which any penalty shall accrue for the non-payment thereof and shall give the Board written notice within five (5) days of the

receipt by such Unit Owner of notice or of actual knowledge of the attaching of any lien (other than the lien of a Permitted Mortgage) or the filing of any suit or other proceeding against his Unit. The Board may, but shall not be obligated to, advance any sums necessary to prevent the attaching of lien against any Unit (except the lien of Permitted Mortgage).

(2) In the event of the failure or the threatened failure of any Unit Owner to comply with these By-Laws, with the Association's Rules and Regulations as hereinafter defined, or with the covenants, conditions and restriction set forth in the Master Deed or in the deed of each Unit, the Board may, but shall not be obligated to, advance any funds necessary to correct or prevent any failure or threatened failure to so comply.

(3) The amounts and expenses advanced under the foregoing subsection, together in each case with interest at the rate of 3% above the current prime rate per annum, shall be promptly assessed by the Board against the Unit Owner, and shall be collectible and enforceable in accordance with the provisions of paragraph 1, Subsection C of this Article VI.

E. Promulgation, distribution, amendment and enforcement of Rules and Regulations of the Association governing the details of the use and operation of the Property and the use of the Common Elements by the Unit Owners and their families, lessees, guests, invitees, and licensees.

(1) The Rules and Regulations as adopted and/or as amended, from time to time, by the Board (the "Rules and Regulations") by resolution duly adopted, shall be subject to the right of the Unit Owners having Proportionate Interests aggregating more than 25% (77 units) by the voting interests thereof at any meeting of Unit Owners, duly recorded in the minutes of the Association, to amend, delete or add to the Rules and Regulations.

(2) Association Rules and Regulations respecting the use and operation of the Units other than the Common Elements therein shall be limited to the interpretation and implementation of the restrictive use standards prescribed in paragraph 6 of the Master Deed.

(3) Each Unit Owner shall keep in a good state of preservation, and cleanliness, and shall be responsible at such Owner's expense, of the unit. Complying with the requirements of any governmental or quasi-governmental body or agency for maintenance, modification or repairs of, or additions to the Property, shall be the responsibility of the Unit Owners, or the Association, whichever has the obligation under this subparagraph to maintain and repair the portions of the Property affected thereby. Each Unit Owner shall be liable to the Association for all damage to any of the Common Elements whether within or without his Unit, and to any fixtures or personal property contained within the Common Elements, caused by the act, omission or negligence of the Unit Owner, his family, guests, employees, agents, lessees or licensees, to the extent not covered by the proceeds of any insurance carried by the Board.

F. Preparation of a yearly compilation by a public accountant of all books and records of the Association pertaining to the property, Common Expenses and expenses of or advances made by the Board pursuant to #1, of Subsection D of this Article VI. A copy of the yearly compilation is available in the office and may be reviewed by any Unit Owner. The foregoing shall not limit the right of any Unit Owner to inspect the books and records of the Association, as aforesaid, during business hours and upon prior notice to the Board.

#2. The Board is hereby authorized to delegate, as and to the extent it deems appropriate and permitted by the Act and the Master Deed, the powers and duties conferred upon the Board by the Terms of #1 of this Article, to one or more persons or business entities (the "STAFF") subject, at all times, to the control of the Board and the Unit Owners. The Board shall have the power to fix the compensation (such compensation to be assessed as a Common Expense) and to set forth the details of the STAFF duties and responsibilities, including by way of illustration and not limitation, the power of the STAFF to engage employees and agents, who may or may not be independent contractors and to define and limit the liability of the STAFF, if any. The Board shall not be liable for the STAFF's wrongful exercise of any power or duty.

#3. The Board shall appoint committees as it deems appropriate to carry out its purpose in addition to the following standing Committees:

- A. Social
- B. Environmental
- C. Others as they deem necessary

Each committee shall consist of a chairperson, who may not be a Trustee, a recorder, and a Trustee who will act as the liaison between the Committee and the Board, and as many members as the Chairperson and the Trustee deem necessary to carry out its purpose. Minutes will be taken of every meeting by the recorder and forwarded to the Board within twenty (20) days of the meeting. The minutes shall contain recommendations from the Committee to the Board. Minutes shall reside in the Association office, and will be available for all Unit Owners to read. Responsibilities for the Committees are as follows:

Social

The Social Committee shall coordinate and conduct social and recreational activities during the season. The Committee shall publish a calendar of social events for the season in the May newsletter, post the calendar on the bulletin board(s) and report to the Board of Trustees the result of each event along with any recommendation to improve or enhance the social activities and events of the Park. The Committee shall also submit a year-end report of the events during the season.

Environmental

The Environmental Committee shall make recommendations to the Board regarding the protection of the safety, health, and security of residents and employees. This Committee shall also recommend to the Board actions to protect, preserve and utilize the natural environment of

the Park, including the lakes and common elements, so that they comply with all local, state and federal regulations.

ARTICLE VII

INDEMNIFICATION OF OFFICERS AND TRUSTEES

#1. The members of the Board and/or the Officers acting in such capacity: (i) shall not be liable for the failure of any service to be obtained and paid for by the Board hereunder, or for injury or damages to persons or property caused by the elements or by another Unit Owner or person on the Property; or resulting from electricity, water, rain, dust or sand which may leak or flow from the outside or any parts of the Building, or from any of its pipes, drains, conduits, appliances or equipment, or from any other places, unless caused by their own willful misconduct or bad faith; (ii) shall not be liable to the Unit Owners as a result of the performance of their duties for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; (iii) shall have no personal liability, in contract or otherwise, to a Unit Owner or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Board or Unit Owners in the performance of their duties; (iv) shall have no personal liability in tort to a Unit Owner or any other person or entity, direct or imputed, by virtue of acts performed by or for them, except for their own willful misconduct or bad faith, in the performance of their duties; (v) shall not be liable to a Unit Owner for loss or damage caused by theft of or damage to personal property left by such Unit Owner or his tenants or guests in a Unit or in the Common Elements, except for their own willful misconduct or bad faith; and (vi) shall have no personal liability arising out of the use, misuse or condition of the Property, or which might in any other way be assessed against or imputed to them as a result or by virtue of their performance of their duties, except for their own willful misconduct or gross negligence.

#2. The Unit Owners shall indemnify the Board and/or Officers and hold harmless any person, his heirs and personal representative, from and against any and all personal liability, and all expenses, including counsel fees, incurred or imposed, or arising out of a settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by any one or more Unit Owners or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Board or an Officer, other than to the extent, if any, that such liability or expense shall be attributable to his willful misconduct or bad faith, in the performance of his duties, provided, in the case of any settlement, that the Board shall have approved the settlement, which approval shall not be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such Board member and/or Officer may be entitled as a matter of law or agreement or vote of Unit Owners or of the Board, or otherwise. The indemnification by the Unit Owners set forth in this section of Article VII shall be paid by the Board on behalf of the Unit Owners and shall constitute Common Expense and shall be assessed and collectible as such. Written notice of complaints brought against all of the Unit Owners, or the Board, or the Officers, employees or agents thereof, in their respective capacities as to the Board, shall promptly be given to the Unit Owners and the holders of any Permitted Mortgages, and shall be defended by the Board, and the Unit Owners shall have no

right to participate other than through the Board in such defense. Complaints brought against one or more but less than all Unit Owners or Units, for an asserted liability arising out of the ownership, occupancy, use, misuse or condition of such Unit, shall be defended by such Unit Owners, who shall promptly give a written notice thereof to the Board and to the holders of any Permitted Mortgages affecting such Units.

ARTICLE VIII

RIGHT OF ACCESS TO UNITS; COSTS; INJUNCTION

#1. The Association shall have a right of access to each Unit to: (i) inspect the Unit; (ii) remove, correct or abate violations of the Act, the Master Deed, these By-Laws, the Rules and Regulations, or of law, or of any rules, regulations, orders, decrees or requirements of any governmental or quasi-governmental body or agency or board of fire underwriters, or any mortgage affecting another Unit; (iii) make repairs to the Unit if such repairs are reasonably necessary for public safety or to prevent damage to other Units or to the Commons Elements; and (iv) maintain, repair or replace the Common Elements contained therein, or elsewhere in the Buildings to which access can be had therefrom. Except as set forth in #1 of Subsection A of Article VI hereof with respect to the repair of Common Elements, the costs of removing, correcting or abating any such violations and of making any such repairs to the Unit shall be paid by the Unit Owner to the Association on demand. Requests for access shall be made in advance, except in cases of emergency when such right of access shall be immediate, whether the Unit Owner is present or not.

ARTICLE IX

NOTICES

#1. All notices to the Association shall be sent by registered or certified mail to the office of the Association or to such other address as the Association may hereafter designate, from time to time. All notices to any Unit Owner shall be sent by registered or certified mail to the Unit or to such other address as may have been designated by the Unit Owner from time to time, in writing, to the Association. All notices to mortgagees of Units shall be sent by registered or 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, except notices of change of address which shall be deemed to have been given when received. [CONSIDER ADDING COMMUNICATION BY ELECTRONIC MAIL]

ARTICLE X

AMENDMENTS TO BY-LAWS

#1. These By-Laws, or any of them, may be altered, amended or repealed, or new By-Laws may be made, at any meeting of the Association duly held for such purpose, and previous to which written notice to Unit Owners of the exact language of the amendment or of the repeal shall have been sent, a quorum being present, by affirmative vote of 51% (157 units) of the votes

entitled to be cast in person or by mail-in ballot. Amendments to the By-Laws may be proposed by either the Board of Trustees or by the Unit Owners of at least six units.

ARTICLE XI

PARLIAMENTARY RULES

#1. Roberts Rules of Order (latest edition) shall govern the conduct of all meetings and proceedings of the Association and the Board of Trustees.

ARTICLE XII

DISSOLUTION

#1. In the event it shall be deemed advisable and for the benefit of the Members of the Association that the Association shall be dissolved, the procedures concerning dissolution and winding up set forth in Title 42 of the Revised Statutes of the State of New Jersey, dealing with Partnerships, shall be followed, to the extent they apply to the Association.

#2. 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 the same proportion as their respective Common Interests in the Common Elements.

ARTICLE XIII

RULES AND REGULATIONS

#1. In accordance with Article VI Section 1(E) of these By-laws, the Board of Trustees shall have the power to promulgate, distribute, amend and enforce the Rules and Regulations of the Association governing the details of the use and operation of the Property and the use of the Common Elements by the Unit Owners and their families, lessees, guests, invitees, and licensees. These Rules and Regulations, originally contained within the By-laws, have by amendment been removed from the By-laws and established as a separate document to be adopted, distributed, amended and enforced as the Board sees fit, subject to the rights of the Unit Owners to amend that document in accordance with subsection (1) of the above-noted section of these By-laws.

ARTICLE XIV

ENFORCEMENT/DISPUTE RESOLUTION

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

#2. Fines. To the extent now or hereinafter permitted by the laws of the State of New Jersey, the Board of Trustees shall have the power to levy fines against any Owners for violations of any rules or regulations of the Association or for any covenants or restrictions contained in the Declaration and/or the By-Laws. Collection of fines may be enforced against any Owner involved as if the fine were a common expense owed by the particular Owner. Despite the foregoing, before the Board of Trustees imposes any fine, the Owner involved shall be given at least ten (10) days prior written notice and afforded an opportunity to be heard with respect to the violations asserted.

#3. Waiver. No restriction, condition, obligation or covenant contained in these By-Laws shall have deemed to have been aggregated or waived by reason of the failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

#4. Alternative Dispute Resolution (“ADR”) Procedure. The Association shall provide a fair and efficient procedure for the resolution of housing-related disputes between individual unit owners and the association, and between unit owners, which shall be readily available as an alternative to litigation. A person other than an officer of the association, a member of the governing board or a unit owner involved in the dispute shall be made available to resolve the dispute.

#5. Compliance by Members. Each Member shall comply with and shall assume ownership or occupancy subject to the laws, rules and regulations of government authorities having jurisdiction over the community, the Articles of Incorporation, the By-Laws of the Association, and rules and regulations or any other documents, amendments or supplements to the foregoing. Failure to comply with any of the foregoing shall be grounds for commencement of action for the recovery of damages, or for injunctive relief, or both, by the Association, or any Member, in any court or administrative tribunal having jurisdiction, against any person or persons, firm or corporation violating or attempting to violate or circumvent any of the aforesaid, and against any Member, to enforce any lien created by any covenant contained herein. Failure by the Association or any Member to enforce any covenant therein contained for any period of time, shall in no event be deemed a waiver or estoppel of the right to thereafter enforce same.

ARTICLE XV

RENTAL POLICIES

#1. The Board of Trustees of the Bayberry Cove Condominium Association shall have the authority to promulgate and enforce reasonable restrictions on the leasing/renting of units within the Community, to include but not be limited to, the duration of lease agreements, the form and substance of lease agreements, and the maximum number of units within the Community which may be leased/rented at any given time.

ARTICLE XVI

CIVIL ACTION FOR DAMAGES

#1. Pursuant to N.J.S.A. 2A: 62A-12 through 2A: 62A-14, as may be amended from time to time, the Bayberry Cove Condominium Association shall not be liable in any civil action brought by or on behalf of a unit owner to respond in damages as a result of bodily injury to the unit owner occurring on the Association's premises except to the extent that said bodily injury occurred by the Association's willful, wanton or grossly negligent act of commission or omission.