

BY LAWS OF SEA VIEW VILLAGE ASSOCIATION

ARTICLE I — NATURE OF BY LAWS

Section 1. These By Laws are intended to govern the administration of Sea View Village Association, a non-profit membership corporation organized under Title 15 of the Revised Statutes of New Jersey, together with the management and administration of the common elements, to which this Association has title and which were established for the benefit of a Planned Residential Retirement Community, and governed in part by those provisions contained in a Declaration of Covenants and Restrictions, hereinafter referred to as Declaration, recorded in the Ocean County Clerk's Office in Deed Book 3934 page 483 on July 28th 1980.

ARTICLE II — MEETINGS OF UNIT OWNERS

Section 1. All meetings of the members of the Association shall be held on the 1st Friday of April of each year, the first Meeting to be held within ninety days after the closing of the first Lot or Living Unit, as defined in the Declaration. If the election of trustees shall not be held on the day designated herein for any annual meeting or at any adjournment of such meeting, the Board of Trustees shall cause the election to be held at a special meeting as soon thereafter as conveniently may be. At such special meeting the members may elect the trustees and transact other business with the same force and effect as at an annual meeting duly called and held.

Section 2. Special Meetings. Special meetings of members may be called by the President whenever he deems such a meeting advisable, and shall be called by the Secretary when so ordered by the Board of Trustees or upon the written request of members entitled to not less than twenty-five (25%) percent of all the votes entitled to be cast at such meeting. Such request shall state the purpose or purposes of such meeting and the matter proposed to be acted on thereat. The Secretary shall give notice stating the purpose or purposes of the meeting to all members entitled to vote at such meeting. No special meeting need be called upon the request of members entitled to cast less than fifty (50%) of all votes entitled to be cast at such meeting to consider any matter which is substantially the same as a matter voted upon at any meeting of the members held during the preceding twelve months.

Section 3. Notice of Meeting. Except as otherwise provided by law, notice of each meeting of members, whether annual or special, shall be given not less than ten (10) days nor more than ninety (90) days before the day on which the meeting is to be held, to the representative of each unit owner at the address of its unit, by delivering a written or printed notice thereof to him personally, or by mailing such notice, postage prepaid. Except where expressly required by law, no publication of any notice of a meeting of members shall be required. Every such notice shall state the time and place of the meeting and shall state briefly the purpose thereof. Notice of

any meeting of members shall not be required to be given to any members who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the members shall not be required to be given, except when expressly required by law.

Section 4. Quorum. At each meeting of the members, a majority of unit owners, present in person or represented by proxy, shall constitute a quorum for the transaction of business except where otherwise provided by law. In the absence of a quorum, the unit owners present in person or represented by proxy and entitled to vote, by majority vote, may adjourn the meeting from time to time, until a quorum shall be present or represented. At any such adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally called.

Section 5. Organization. At each meeting of the Association, the President, or, in his absence, the Vice President, or in the absence of both of them, a Chairman chosen by a majority vote of the unit owners Present in person or represented by proxy and entitled to vote thereat, shall act as Chairman, and the Secretary, or in his absence, a person whom the Chairman shall appoint, shall act as Secretary of the meeting.

Section 6 Voting. Except as otherwise required by law, (a) The owner or owners of each Lot or Living Unit shall have one vote per unit, as set forth in the Declaration, and (b) A quorum being present, a majority of all those voting in person or by proxy shall be sufficient on those matters which are to be voted on by the unit owners.

All proxies shall be in writing, signed by all individual owners of each unit or by his or their duly authorized representative(s), and delivered to the Secretary of the meeting, but no proxy shall be voted on after eleven months from its date unless said proxy provides for a longer period. The election of trustees shall be by secret ballot. Unless demanded by a member present in person or by proxy at such meeting and entitled to vote thereat or determined by the Chairman of the meeting to be advisable, the vote on any other question need not be by ballot.

Section 7. Judges. If at any meeting of the members a vole by ballot shall be taken on any question, the Chairman of such meeting shall appoint two Judges to act thereat with respect to such vote. Each Judge so appointed shall first subscribe an oath faithfully to execute the duties of a Judge at such meeting with strict impartiality and according to the best of his ability. Such Judges shall decide upon the qualifications of voters and shall report the number of shares represented at the meeting and entitled to vote on such question, shall conduct and accept the votes, and, when the voting is completed, shall ascertain and report the number of shares voted respectively for and against the question. Reports of judges shall be in writing and subscribed and delivered by them to the Secretary of the meeting. The Judges need not be members of the Association, and any Officer of the Association may be a Judge on any question other than a vote for or against his election to any position

with the Association or on any other question in which he may be directly interested.

ARTICLE III — BOARD OF TRUSTEES

Section 1. General Powers. The Property, affairs and business of the Association shall be managed by the Board of Trustees which shall have all those powers granted to it by law and by the Articles of Incorporation of the Association and Declaration of Covenants and Restrictions. In addition it shall have the following powers herein granted or necessarily implied which it shall exercise in its sole discretion:

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

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

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

(d) Employ or contract for water and Sewer, electricity, gas or other forms of utilities, snow plowing or removal, painting, building, repairing, renovating, remodeling; and

(e) Employ or seek the advice and guidance of an Advisory Board: which shall be organized in accordance with the terms hereof; and

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

(g) Investigate, hire, pay, supervise and discharge the personnel necessary to be employed in order to properly maintain and operate the properties and pay compensation for services of such employees (as evidenced by certified payroll);

(h) Coordinate the plans of owners and occupants of living units for moving their personal effects into the properties or out of it, with a view towards scheduling such movements so that there shall be a minimum of inconvenience to other owners or occupants;

(i) Maintain businesslike relations with 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 by such owners or occupants of all such items and

maintenance for which they are responsible;

(j) Cause the common properties to be maintained according to acceptable standards, including, but not limited to interior and exterior cleaning, painting and decorating, plumbing, steam cleaning, carpentry, and such other normal maintenance and repair work as may be necessary;

(k) Take such action as may be necessary to comply promptly with any and all orders or requirement affecting the premises placed hereon by any federal, state, county or municipal authority having jurisdiction thereover and order of the Board of Fire Underwriters or other similar bodies;

(l) Arrange for maintenance of all roads, walkways and parking areas;

(m) Arrange for the removal of refuse from all buildings and recreation areas;

(n) Arrange for security protection for all units and common properties;

(o) Place and keep in force all of the following insurance coverages:

(1) Broad form insurance against loss by fire and against loss by earthquake, lightning, windstorm, overflow or other hazards of the sea, and other risks normally included within extended coverage, insuring the entire common Properties, together with all service machinery contained therein and covering the interest of the Association, the Board of Trustees and all members and their mortgagees as their interests may appear, in an amount equal to the full replacement value of the buildings, without deduction for depreciation: workmen's compensation insurance; and such other insurance as the Board of Trustees may determine.

All policies of physical damage insurance shall, to the extent obtainable, contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of dwelling units. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Trustees shall obtain a qualified appraisal of the full replacement value of the buildings, including all of the dwelling units, common areas and facilities therein, without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this section.

(2) To the extent obtainable, public liability insurance in such limits as the Board of Trustees may from time to time, determine covering each member of the Board of Trustees, the managing agent, the manager, and each member. Such public liability coverage shall also cover gross liability claims on one insured against another. The Board of Trustees shall review such limits once a year. Until the first meeting of the Board of Trustees following the first annual meeting of the members, such public liability insurance shall be amounts not less than \$250,000.00/\$1,000,000.00 for claims for bodily injury and \$25,000.00 for claims for property damage.

(p) The powers herein granted or necessarily implied shall be construed to favor the broadest discretion of the Board of Trustees, except that the Board of

Trustees shall have the duty to exercise all of such powers as required by law and by subparagraphs (i), (j), (k), (1), and (o) of this Section 1. of Article III and shall be governed by the following with respect to its fiscal duties and responsibilities:

(1) Common Receipts. The Board shall have the duty to collect "common receipts" assessed against each unit owner, his, her or their heirs, administrators, successors and assigns, a proportionate part of the common expense of the common properties as provided in the Declaration and in accordance with applicable law. The Board shall have the power to estimate the cost in advance on an annual basis and to give notice thereof to the individual unit owners in the manner herein provided and the same shall be a lien against each living unit.

(2) Notice. The Board shall give notice to each unit owner in writing of the amount estimated by the Board, of common expenses for the management of the Association for the ensuing period, directed to the member at the address known to the Board by ordinary mail. The said notice shall be conclusively presumed to have been delivered five (5) days after deposit in the United States mails. In the event that no objection is made by the unit owners on or before the twentieth (20) day after receipt of such notice, the amount shall be deemed to be conclusive and binding. If an annual 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 an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Trustees, provided that nothing herein shall serve to prohibit or prevent the Board of Trustees from imposing a lump sum assessment in the case of any immediate need or emergency.

While the sponsor maintains a majority of the Board of Directors, it shall make no additions, alterations, improvements or purchases which could necessitate special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender or in the event of an emergency.

(3) The method of collection, the establishment of liens, and other provisions relating to assessments, are set forth in the Declaration and incorporated herein by reference. .

(4) Bank Accounts, The depository of the Association shall be such a bank or banks as shall be designated from time to time by the Board and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts by the Board of Trustees, provided that a Management Agreement may include among its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association.

(5) Interest and Counsel Fees. The Board, at its option, shall have the right in connection with the collection of this, or any other charge, to impose an interest charge at the legal maximum, if such payment is made after a certain date stated in such notice. In the event that the Board shall effectuate collection of said charges by resort to counsel, the Board may add to the aforesaid charge or charges a sum or

sums of twenty (20%) percent of the gross amount due as counsel fees, in addition to such costs allowable by law.

(6) Expenditure of Funds. The amount of monies for common expenses deemed necessary by the Board and the manner of expenditure thereof, including but not limited to, the allocation thereof shall be a matter for the discretion of the Board.

(7) Disbursement. The Board shall take 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 law.

(8) Reserves. The Board shall not be obligated to expend all of the revenues collected in any accounting period, but may maintain a reasonable reserve for, among other things, emergencies, contingencies of bad weather or uncollected accounts. Said reserve fund or funds shall, however, be kept in interest bearing securities either short or long term, or in an insured interest bearing savings account. The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand, in checking or petty cash account for the necessary discharge of its function.

(9) Annual Audit. The Board shall submit the books, records and memoranda for an annual audit by a disinterested certified public accountant who shall audit the same and render a report thereon in writing to the Board and in summary form to the members and such other persons, firms, or corporations as may be entitled to same.

(10) Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(i) Current expenses, which shall include all receipts and expenditures within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvement or to operations. The balance of this fund at the end of each year shall be applied to reduce the assessments for current expenses for the succeeding year, or may be distributed to the membership as the directors shall determine.

(ii) Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually;

(iii) Reserve for replacement, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence;

(iv) Capital expenditures, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common properties;

(v) Operations, which shall include the gross revenues from the use of common properties and from other sources. Only the additional direct expense required by any revenue-producing operation will be charged to this account, and any surplus from any operation shall be used to reduce the assessments for current expenses for the year during which the surplus is realized, or at the discretion of the Board of Trustees, in the year following in which the surplus is realized, losses from the operations shall be met by special assessment against members, which assessments may be made in advance in order to provide a working fund for anticipated losses

Section 2. Trustees. Number, Qualification and Term of Office._

The Board of Trustees shall be composed of five (5) members. Until such time as Developer has conveyed title to twenty-five percent (25%) of the units, not less than twenty-five percent (25%) of the Board of Trustees shall be elected by the members. Thereafter, when Developer has conveyed fifty percent (50%) of the units, not less than forty percent (40%) of the Board of Trustees shall be elected by the members. Thereafter, after Developer has conveyed seventy-five percent (75%) of the units, the Developer's control of the Board of Trustees. shall terminate, at which time, the members shall elect the entire Board of Trustees. However, Developer May retain one member of the Board of Trustees so long as there are any units remaining unsold in the regular course of business. Immediately after Developer's control of the Association terminates, elections for the Board of Trustees shall be conducted. In calculating the above percentages, it is presumed that they are calculated on the basis of the entire number of units entitled to membership in the Association.

The Developer may surrender control of the executive board of the Association prior to the time as specified, provided the members agree by a majority vote to assume control.

Upon assumption by the members of control of the executive board of the Association, the Developer shall forthwith deliver to the Association all items and documents pertinent to the Association such as, but not limited to, declaration of covenants and restrictions, documents of creation in the Association, by-laws, minute book, including all minutes, any rules and regulations, an accounting of association funds, association funds, all personal property, insurance policies, government permits, a membership roster and all contracts and agreements relative to the Association.

The Association, when controlled by the members, shall not take any action that would be detrimental to the sales of units by the Developer and shall continue the same level of maintenance, operation and services as immediately prior to their assumption of controls, until the last unit is sold.

During the time the Developer controls the majority of the Board of Trustees, the minority members shall be nominated and elected solely by the residents of the project, the Developer having no vote in the nomination or election of the minority trustees. All trustees whether majority or minority trustees shall be non-salaried. The majority trustees appointed by the Developer may be employees or officers of the developer and/or non-homeowners. The term of the initial appointees to the Board of Trustees shall be staggered among terms of not less than one (1) and not more than three (3) years. Thereafter, all appointed or elected terms shall be three (3) years. Trustees may be removed for good cause by a majority of the Trustees, or without good cause by a two-thirds vote of all the members, provided that the Trustees designated by the Developer may only be removed by those Trustees appointed by the Developer.

Section 3. Regular Meetings. Regular meetings of the Board of Trustees may be held at such times and places as shall be determined from time to time by a majority of the trustees, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Trustees shall be given to each trustee, personally, by mail, telephone or telegraph, at least five (5) days prior to the date named for such meeting.

Section 4. Special Meetings. Special meetings of the Board of Trustees may be called by the President on three (3) days notice to each trustee, given personally, by mail, telephone or telegraph, which notice shall state the time, place and Purpose of the meeting. Special meetings of the Board of Trustees shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) trustees.

Section 5. Waiver of Notice. Before or at any meeting of the Board of Trustees, any Trustee may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Trustee at any meeting of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the Trustees are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting,

Section 6. Quorum. At all meetings of the Board of Trustees a majority of the Trustees shall constitute a quorum for the transaction of business, and the acts of the majority of the Trustees present at a meeting at which a quorum is present shall be the acts of the Board of Trustees. If, at any meeting of the Board of Trustees, there be less than a quorum present the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 7. Rules and Regulations. Without limiting the generality of the foregoing, the Board of Trustees shall have the right to make reasonable rules and regulations as to the conduct of the unit owners or occupants with respect to the aforementioned common properties, to preserve, protect and enhance the same, to prevent waste, erosion, depletion, to protect plantings, to protect seeded areas, trees, shrubs, grass, bushes, wildlife, water, banks, streams, dams, bridges, fish, birds, to destroy pests and pursuant to such authority to temporarily prohibit the unit owners or occupants from the enjoyment of access to or over such common elements for such reasonable periods as the Board in its sole discretion shall deem necessary from time to time. The Board shall have the further right, upon the same terms and conditions as set forth in the paragraph to make and enforce reasonable rules for the use of recreational facilities and the conduct, dress, manner of deportment of the members, including the scheduling of use and such other rules and regulations as may be necessary for the health, safety and welfare of the users thereof. This power shall be deemed to include the power to bar, limit or charge fees for the use of

recreational facilities by bona fide guests of members and to limit their number, time, use or deportment upon the facilities. Action by the manager shall be deemed to be action by the Board.

Section 8. Aesthetics. Without limiting any other term, condition or paragraph herein, the Board of Trustees shall be deemed to be the final judge of all aesthetic matters and shall act in its sole discretion, without liability to any unit owner or occupant.

Section 9. Advisory Board. The Board may, at its sole discretion, appoint an Advisory Board of from three to seven members to guide and advise the Board in the allocation of monies and other matters pertinent to the Association, but the Board shall not be bound by such advise.

Section 10. Non-Waiver. All the 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.

Section 11. Conflict. Anything to the contrary notwithstanding, if any provision of this instrument is in conflict with or contradiction of the Declaration, or with the requirements of any other law, then the requirements of said Declaration or other law shall be deemed to be controlling,

ARTICLE IV — OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, who shall be a member of the Board of Trustees, and a Secretary and a Treasurer. The Board may also appoint such other Assistant Treasurers and Assistant Secretaries as in their judgment may be necessary. Any two officers, except that of President and Vice President, may be held by one person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Trustees at the first Board of Trustees meeting following each annual meeting and such officers shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a two-thirds majority of the Board of Trustees, any officer maybe removed, either with or without cause, and his successor elected at any regular meeting of the Board of Trustees, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of

Trustees. He shall have all of the general powers and duties which are usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

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

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

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

ARTICLE V — FISCAL YEAR

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

ARTICLE VI — AMENDMENTS

Except for Article III, Section 2 above, 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 unit owners duly constituted for such purpose, a quorum being present by an affirmative vote of seventy-five (75%) percent of the unit owners voting in person or by proxy, except that the first annual meeting may not be advanced and the first Board of Trustees (including substitutes) may not be removed by reason of any such amendment or repeal. "

ARTICLE VII — ENFORCEMENT

The Trustees shall have the power, at its sole option, to enforce the terms of this instrument or any rule or regulation promulgated pursuant hereto, by any or all of the following: self-help; by sending notice to the offending person to cause certain things to be done or undone; by restoring the trust to its original position and charging the breaching party with the entire cost or any part thereof treating the same as a user charge in default; by taking any other action before a court, summary or otherwise, as may be provided by law; by complaint to the duly constituted authorities.

ARTICLE VIII — MISCELLANEOUS PROVISIONS

Section 1. Each member of the Association, upon acquiring title to his unit, shall cause to be paid and continuously maintained, two (2) months' advance maintenance fees and the prorated share of the month of closing. The advance maintenance fees so paid shall not bear interest and may be utilized by the Association to discharge the obligations of the Association provided for in the budget and planning of the Association.

Section 2. Each member of the Association shall be required to pay a one time non-refundable membership fee of \$100.00 to the Association at the time of becoming a member in the Association. The membership fee shall be assigned to any future member of the Association upon receipt by the Treasurer, or other fiscal officer of the Association, or written notice of assignment from the member assigning the membership fee or his heirs, successors or attorney in law or in fact.