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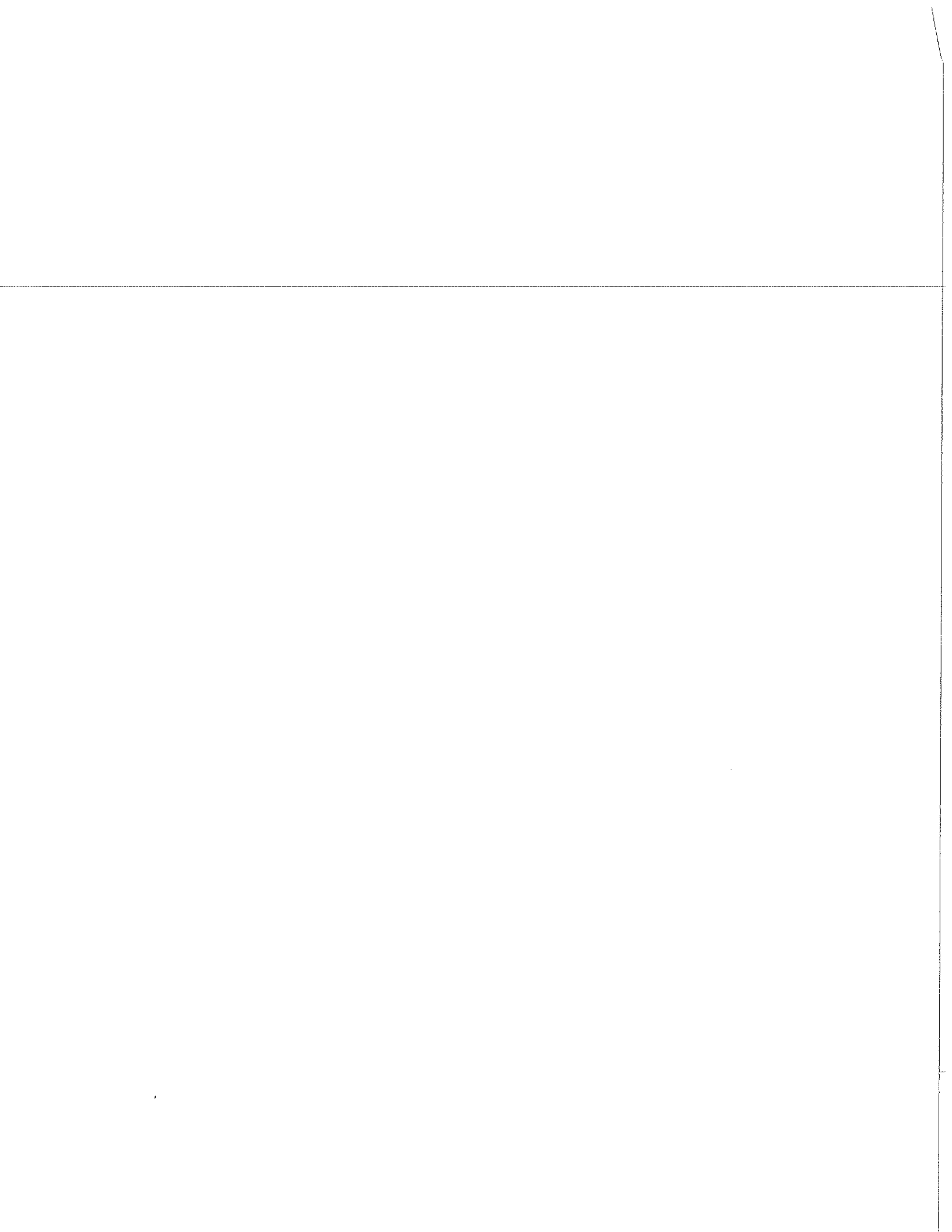


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**AMENDED AND RESTATED BY-LAWS**

**FOR**

**CLEARBROOK GLADSTONE VILLAGE  
CONDOMINIUM ASSOCIATION NO. 7, INC.**

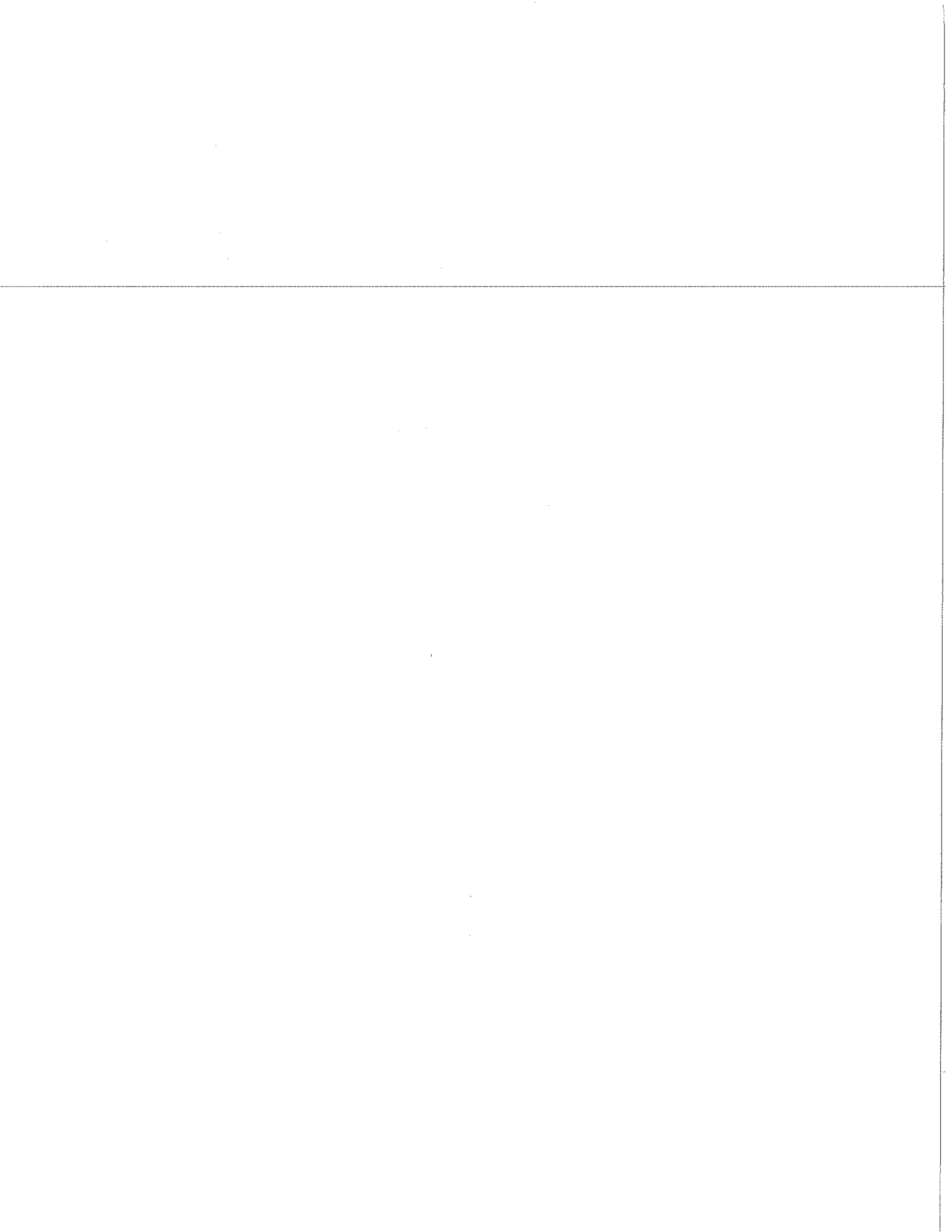
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Prepared by: 

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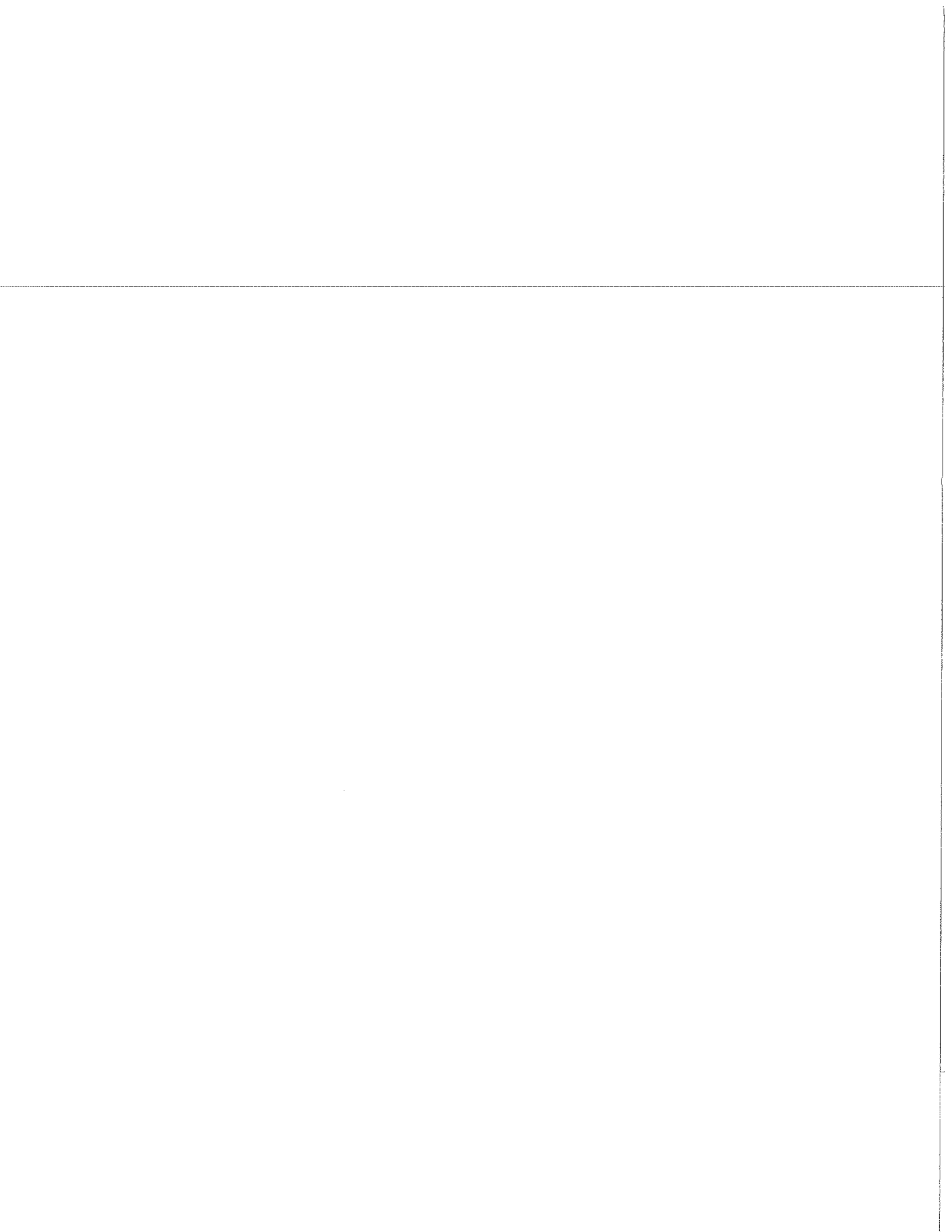
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**AMENDED BY-LAWS**  
**OF THE**  
**CLEARBROOK GLADSTONE VILLAGE**  
**CONDOMINIUM ASSOCIATION NO. 7, INC.**

**ADOPTED AS OF**

**May 28, 2015**



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**AMENDED BY-LAWS**  
**OF**  
**CLEARBROOK GLADSTONE VILLAGE**  
**CONDOMINIUM ASSOCIATION NO. 7**

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**ARTICLE I**  
**NATURE OF BY-LAWS**

1.01.Purpose. These Amended By-Laws are intended to govern the administration of the CLEARBROOK GLADSTONE VILLAGE CONDOMINIUM ASSOCIATION NO. 7, Inc. (hereafter called the “Association”), a nonprofit corporation organized under Title 15A of the New Jersey Statutes Annotated, and to provide for the management, administration, utilization and maintenance of the Common Elements of Clearbrook Gladstone Village, a Condominium, Section No. 7 (hereafter called the “Condominium”) described in the Master Deed for the Condominium (hereafter called the “Master Deed”). They replace and supersede all previous By-Laws for the Association.

1.02.Definitions. Unless the context clearly indicates otherwise, all definitions set forth in the Master Deed or in N.J.S.A. 46:8B-3 are gender neutral and are incorporated herein by reference. In addition, the following definitions shall apply:

- A. **“Amended By-Laws”** means these Amended By-Laws of Clearbrook Gladstone Village Condominium Association No. 7.
- B. **“Annual Assessment” or “Annual Common Expense Assessment”** means the total revenues projected to be collected from all Unit Owners pursuant to the budget adopted by the Board and also means, as the context indicates, each Unit Owner’s pro rata share of the budget.
- C. **“Association”** means Clearbrook Gladstone Village Condominium Association No. 7, a New Jersey nonprofit corporation, formed to administer, manage and operate the common affairs of the Unit Owners of the Condominium and to maintain, repair and replace the Common Elements of the Condominium as provided in these Amended By-

Laws.

D. **“Authorized Votes”** means 62 votes representing one vote for each Unit Owner in Section 7.

E. **“Board”** means the Board of Directors of the Association.

F. **“Capital Improvement”** means the construction of a new improvement of a capital nature, but does not include the maintenance, repair, or replacement of any existing capital Property.

G. **“CCA”** means the Clearbrook Community Association.

H. **“Clearbrook Community”** means the lands, buildings, amenities and other improvements contained within each of the 18 condominiums within Clearbrook; the 18 condominium Associations within Clearbrook; all Unit Owners of condominium Units; the lands, buildings, amenities and other improvements owned or managed by the CCA; and the CCA.

I. **“Common Elements”** means “General Common Elements” and shall have the same meaning as “Common Elements” under N.J.S.A. 46:8B-3(d), except as same may be modified by the provisions of the Master Deed, or the specific definitions set forth herein.

J. **“Governing Documents”** means the Master Deed, these Amended By-Laws, the Articles of Incorporation, any Rules and Regulations adopted by the Board, the CCA By-Laws, and any Rules and Regulations adopted by the CCA Board.

K. **“Member”** means an Owner who has satisfied all of the prerequisites for membership as set forth in the Master Deed and these Amended By-Laws.

L. **“Owner”** means any natural person, corporation, partnership, limited liability company, limited liability partnership, trust, or any other entity recognized by the State of New Jersey, which is authorized to hold record title to real Property, and which appears as the record title Owner of a condominium Unit located within Section 7.

M. **“Property”** means the buildings, the land and all improvements now or hereinafter constructed in, upon, over or through such lands that constitute the

Condominium.

N. **“Rules and Regulation”** means those Rules and Regulations that may be lawfully adopted, amended and repealed by the Board in accordance with the powers granted to it under the Governing Documents or by law.

O. **“Section 7”** means Clearbrook Gladstone Village Condominium Association No. 7.

P. **“Unit Owner” or “Owner”** means one or more persons or entity having fee simple title to a Unit.

1.03.Fiscal Year. The fiscal year of the Association shall be a calendar year.

## ARTICLE II

### MEMBERSHIP AND VOTING RIGHTS

2.01.Members. Every person, firm, Association, corporation or other legal entity that is a record Owner or Co-Owner of the fee simple title to any Unit incorporated within the Condominium shall be a Member of the Association; provided, however, that any person, firm, Association, corporation or other legal entity that holds such title or interest merely as a security for the performance of an obligation (including, but not limited to, mortgagees or trustees under deeds of trust) shall not be a Member of the Association.

2.02.Associate Members. Every person who is entitled to possession and occupancy of a Unit as a tenant or lessee of a Unit Owner shall be an Associate Member of the Association, but shall not be entitled to any vote with respect to Association matters.

2.03.Change of Membership. The transfer of membership in the Association appurtenant to a particular Unit shall be automatically accomplished by recordation in the Middlesex County Clerk’s Office of a deed or other instrument establishing record title to the Unit in a new Owner. The membership of the prior Unit Owner shall thereupon be terminated.

2.04.Rights of Membership. Every person who is entitled to membership in the Association pursuant to the provisions of the Certificate of Incorporation and these By-Laws, including any Associate Member, shall be privileged to use and enjoy the General Common

Elements, subject, however, to the right of the Association to:

- A. promulgate, adopt, publish and enforce Rules and Regulations governing such use and enjoyment;
- B. ~~suspend the use and enjoyment of the General Common Elements as~~ provided in Section 2.05 of this Article II; and
- C. transfer all or part of the General Common Elements, licenses and other Property rights with respect to the General Common Elements as provided in Section 6.01N. of Article VI hereof; and

In spite of the foregoing, any Unit Owner acquiring title to a Unit shall not be privileged to use and enjoy the Common Elements (other than to have access to his/her Unit) or exercise any other rights of membership in the Association until such time as such new Unit Owner serves upon the Association a copy of the deed or other instrument establishing record title to the Unit in the new Owner. Likewise, a Unit Owner shall not be privileged to use and enjoy the Common Elements or exercise any other rights of membership in the Condominium Association until such Unit Owner has paid to the Association the working capital contribution required by Section 2.06 of these By-Laws and any escrow deposit and/or membership fee for the Association that has been imposed pursuant to Section 2.07 of these By-Laws. The failure of a Unit Owner to comply with the foregoing conditions precedent to entitlement to exercise rights of membership shall in no way relieve such Unit Owner from the obligations appurtenant to membership in the Association.

2.05.Suspension of Rights. The membership and voting rights of any Member may be suspended by the Board without the necessity for a prior hearing for any period during which any assessment against the Unit to which his/her membership is appurtenant remains unpaid in part or in full; but, upon payment of such assessments, and any interest accrued thereon, by cash, money order or certified or collected funds, his/her rights and privileges shall be immediately and automatically restored; provided that, Section 2.09 of these By-Laws shall govern the restoration of voting rights.

If Rules and Regulations have been promulgated, adopted and published as authorized by these By-Laws, the membership rights and privileges (other than voting rights) 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. 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, however, be taken by the Board of Directors until the Unit Owner is afforded an opportunity for Alternative Dispute Resolution consistent with the requirements of New Jersey law.

2.06.Contribution to Working Capital. Any person acquiring a unit shall pay to the Association upon acquisition of title to his/her Unit a nonrefundable and non-transferable contribution to the working capital of the Association in the amount of One Thousand Dollars (\$1,000) to provide the Association with a working capital reserve, which may be used toward payment of any budgeted operating expense of the Association or, if not needed for such purposes, may be allocated to the Association's operating contingency or repair and replacement and/or deferred maintenance reserves. Payment of such contribution shall be a condition precedent to the exercise of rights of membership in the Association upon the initial sale or subsequent transfer of title to a Unit. Any unpaid working capital contribution shall be deemed a lien on the Unit in the same manner as any unpaid Common Expenses attributable to such Unit.

2.07.Escrow Deposit. The Board of Directors may at any time require a Unit Owner to deposit and maintain with the Association in escrow an amount not to exceed one-sixth (1/6) of the estimated or then current Annual Common Expense Assessment, which escrow deposit shall be held by the Association and applied in the event of a default by the Unit Owner in the payment of any type of assessment, fine or other charge levied by the Board against his/her Unit. Such escrow, if imposed, shall be held by the Association in an interest-bearing account, with interest to accrue to the benefit of the Association, and shall be refundable or assignable upon the sale of the Unit, without interest, to the extent the deposit is not applied to defaulted Common Expense assessments. The Board of Directors may impose this escrow requirement on less than all of the Unit Owners as it deems appropriate in its sole and absolute discretion.

2.08.Votes. Each Unit Owner shall be entitled to one vote per Unit.

2.09.Member in Good Standing. A Member shall be deemed to be in good standing, entitled to vote in person or by proxy at any meeting of the Association, entitled to vote on any issue submitted to a mail ballot, and eligible for appointment to any committee created by the Board of Directors if, and only if, at least ten (10) calendar days prior to the date fixed for such meeting, the date fixed for the counting of ballots or the date of appointment, as the case may be, he has fully paid, by cash, money order or certified or collected funds, all installments due for assessments made or levied against him/her and/or his/her Unit by the Board of Directors as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him/her and/or his/her Unit as well as any working capital contribution, escrow deposit or membership fee for which he/she is liable.

2.10.Proxies. Proxy ballots shall be permitted with respect to all elections of Directors, all amendments to the Certificate of Incorporation, the Master Deed or these By-Laws, or any other matter which properly comes before the membership of the Association. All proxies shall be in writing, signed by the Unit Owner (or in the case of joint owners by any one of them), or by his/her or their duly authorized representative(s), and delivered to the Secretary of the Association, or such other person as the President may designate, at least 24 hours prior to the opening of the polls or the commencement of the meeting at which ballots are to be cast, whichever is applicable. Proxies may be revoked at any time prior to the opening of the polls or the call for a vote at a meeting, whichever is applicable, and no proxy shall be voted on after eleven (11) months from its date unless said proxy provides for a longer period, not to exceed three (3) years from the date of execution. All proxies shall be substantially in the form prescribed by the Board of Directors, and if not in such form, may be deemed invalid, which determination shall be made in the sole and absolute discretion of the Judges of Election appointed by the Board of Directors of the Association. In spite of the foregoing, the Board of Directors may by its Rules and Regulations or by adoption and publication to the membership of a policy resolution permit proxies to be given by a Member by telegram or cable or their equivalent. Until such time as such a Rule or Regulation or policy resolution so permitting is duly promulgated, adopted and published, no such form of proxy shall be permitted. Any valid proxy given for a meeting of the membership shall remain in full force and effect for any adjourned date of such a meeting and new proxies may be received for an



adjourned meeting.

### ARTICLE III

#### MEETINGS OF UNIT OWNERS

~~3.01.~~Place of Meetings. All meetings of the Unit Owners of the Association shall be held at the Condominium Association or at such other place as may be designated by the Board of Directors.

3.02.Annual Meetings. All annual meetings of the Unit Owners of the Association shall be held on the day and month of the year to be established by the Board. At each annual meeting, the election of Directors shall take place. If the election of Directors shall not be held at the annual meeting or any adjournment of such meeting, the Board shall cause the election to be held at a special meeting as soon thereafter as may be convenient. At such special meeting the Unit Owners may elect the Directors and transact other business with the same force and effect as at an annual meeting duly called and held. All proxies validly received for the originally scheduled meeting shall remain in full force and effect for any such adjourned meeting or special meeting and new proxies may be received for any such subsequent meeting.

3.03.Special Meetings. Special meetings of Unit Owners may be called by the President whenever he/she deems such a meeting advisable, or shall be called by the Secretary upon the order of the Board or upon the written request of Members representing not less than twenty-five (25%) percent of all votes entitled to be cast at such meeting. Such request shall state the purpose(s) of such meeting and the matter(s) proposed to be acted upon. Unless Unit Owners representing at least fifty (50%) percent of all votes entitled to be cast request such a meeting, no special meeting may be called to consider any matter which is substantially the same as a matter voted upon at any meeting of the Unit Owners held during the preceding twelve (12) months, which determination shall be made in the sole and absolute discretion of the Board of Directors.

3.04.Notice of Meeting. Except as otherwise provided by law, notice of each meeting of Unit Owners, whether annual or special, shall be given not less than ten (10) calendar days, nor more than thirty (30) calendar days before the day on which the meeting is to be held, to

each Unit Owner at his/her last known address, by delivering a written or printed notice thereof to said Unit Owner or by mailing such notice via the United States Postal Service, first class mail, postage prepaid. If mailed as aforesaid, notice shall be deemed given when so mailed. Every such notice shall state the time, place and purpose(s) of the meeting. Notice of any meeting of Unit Owners shall not be required to have been sent to any Unit Owners who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the Unit Owners shall not be required to be given except when expressly required by law or in the event the time and place to which the meeting is adjourned is not announced at the meeting adjourned.

3.05. Quorum and Adjourned Meetings. At any meeting of the Unit Owners, Members holding twenty-five percent (25%) of the aggregate Authorized Votes (16 votes) present in person or by proxy shall constitute a quorum for the transaction of business except where otherwise provided by law. In the absence of a quorum, the Members present in person or by proxy and entitled to vote, may, by majority vote, adjourn the meeting from time to time until a quorum shall be present in person or by proxy. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting originally called.

3.06. Organization. At each meeting of the Association, the President, or, in his/her absence, the Vice President, or in the absence of both of them, a person chosen by a majority vote of the Members in good standing, entitled to vote and present in person or represented by proxy, shall act as a chairperson, and the Secretary, or in his/her absence, a person whom the chairperson shall appoint, shall act as Secretary of the meeting.

3.07. Voting on Questions. Only Unit Owners who are Members in good standing shall be entitled to vote on any question submitted to the membership. Unless a different vote is mandated by law, the Master Deed, the Certificate of Incorporation and/or these By-Laws, a majority of votes present in person or by proxy at any duly constituted meeting of the membership and entitled to vote on the question presented shall be sufficient on those questions submitted to a vote of the membership. The vote on any question need not be taken by ballot, unless: (i) the chairperson of the meeting determines a ballot to be advisable; (ii) a majority of the votes present at the meeting and entitled to vote on the question determine that

the vote on the question submitted shall be taken by ballot; or (iii) so required by law or the Association's Governing Documents.

3.08. Voting in Elections of Directors. Only Unit Owners who are Members in good standing shall be entitled to vote. The election of Directors shall be conducted by written ballot.

3.09. Ballot by Mail. The Board of Directors, in lieu of calling a membership meeting, may submit any question or election to a vote of the membership by a ballot by mail. No ballot by mail shall be valid or tabulated unless the signature of the Unit Owner(s) submitting the ballot has been verified on the ballot in accordance with such procedures as may be established by the Board of Directors by a formal policy resolution. The Board of Directors shall appoint judges to tabulate the ballots, whose report shall be included in the minute book. In order to conduct a ballot by mail for a question submitted to a vote of the membership, the Board of Directors shall serve a notice upon all Members in good standing which shall: (i) state with specificity the terms of the motion(s) or question(s) upon which the vote is to be taken; (ii) state the date by which ballots must be received in order to be counted; (iii) provide an official ballot for the purposes of the vote; and (iv) state the date upon which the action contemplated by the motion(s) or question(s) shall be effective, which date shall be not less than ten (10) calendar days after the date ballots must be received. No actions contemplated by a motion or question submitted to a ballot by mail shall be taken unless a majority of all Members in good standing and entitled to vote submit ballots, and a majority of those submitting ballots cast affirmative votes.

In order to conduct a ballot by mail for an election of Directors the Board of Directors shall serve a notice upon all Members which shall: (i) provide an official ballot for the purposes of the election; and (ii) state the date by which the ballot must be received in order to be counted.

3.10. Judges. If at any meeting of the Unit Owners a vote by ballot shall be taken, the chairperson of such meeting shall appoint two (2) persons to act as judges with respect to the ballots. With regard to a ballot by mail, the President of the Association shall appoint two (2) persons to act as judges with respect to same. Each judge so appointed shall first subscribe an oath to execute faithfully the duties of a judge with strict impartiality and according to the best

of his/her ability. Such judges shall decide upon the qualifications of voters and shall report the number of votes represented at the meeting or participating in a mail ballot and entitled to vote on the question presented, shall conduct and accept the votes and, when the voting is completed, shall ascertain and report the number of votes respectively for and against the questions. Reports of judges shall be in writing and subscribed and delivered by them to the Secretary of the meeting or, in the case of a mail ballot, the Secretary of the Board of Directors. The judges need not be Members of the Association and any officer or Director of the Association may be a judge on any question, other than a vote for or against his/her election to any position with the Association or any other question in which he may be directly interested.

3.11.Order of Business. The order of business at the annual meeting of the Unit Owners or at any special meetings insofar as practicable shall be:

- A. calling of the roll and certifying the proxies;
- B. proof of notice of meeting and waiver of notice;
- C. reading and disposal of any unapproved minutes;
- D. appointment of Judges of Election, if appropriate;
- E. election of Directors, if appropriate;
- F. receiving reports of officers;
- G. receiving reports of committees;
- H. old business;
- I. new business; and
- J. adjournment.

#### **ARTICLE IV**

##### **BOARD OF DIRECTORS**

4.01.Qualifications. The following criteria shall be qualifications for nomination, appointment or election to a Directorship:

(a) **Membership in Good Standing:** Membership in Good Standing for at least six (6) months prior to taking office shall be a qualification of any nominee or appointee to a Directorship. Membership in Good Standing shall be required for continued service on the Board.

(b) **Residency:** A Director shall be a resident within the Association for at least six (6) months prior to taking office and at all times thereafter. The term of any director shall terminate and a vacancy shall be created at such time as that Director is no longer a resident. The vacancy shall be filled in accordance with Section 4.05.

(c) **Disqualification of Directors:** After election or appointment, any Director whose membership in the Association is not a Member in Good Standing for thirty (30) consecutive days shall automatically be disqualified as a Director upon expiration of said thirty (30) day period and a replacement shall be appointed by the Board within thirty (30) days thereafter to serve the remainder of the term as contemplated by Section 4.05 hereof. Despite the aforesaid, any Director who conveys title to his/her Unit and no longer holds title to any other Unit is automatically disqualified as a Director, effective on the date of said conveyance.

4.02.Number. The Board shall consist of a minimum of five (5) and a maximum of seven (7) Directorships, designated Directorships "A", "B", "C", "D" and "E" and if applicable, "F" and "G".

4.03.Term of Office. All Directors will serve a three-year term. The terms shall be staggered, so that the terms of Directors A and B shall be concurrent, the terms of C and D shall be concurrent, and the terms of E, F and G shall be concurrent.

4.04.Removal of Board Member. At any duly held and constituted regular or special meeting of the Association any one or more Directors may be removed with or without cause by majority vote of the Unit Owners present, provided that the notice of the meeting expressly includes this item. A successor may then and there be elected by a majority of the remaining Directors to fill the vacancy thus created. Each person so appointed shall be a Director for the remainder of the term of the Director whose term he is filling and until his/her successor is duly elected and qualified. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting but the failure of any Director to be a Member in Good Standing for a period of thirty (30) days or more shall be grounds for automatic removal

without any vote of the Members.

4.05. Vacancies. Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Unit Owners shall be filled by a vote of a majority of the remaining Directors, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy. Each person so elected shall be a Director for the remainder of the term of the Director whose term he is filling and until his/her successor shall have been duly elected and qualified.

## **ARTICLE V**

### **TRANSACTION OF BUSINESS BY THE BOARD OF DIRECTORS**

5.01. Express and Implied Powers and Duties. The Property, affairs and business of the Association shall be managed by the Board of Directors which shall have all those powers granted to it by the Certificate of Incorporation, the Master Deed, these By-Laws, and by law.

5.02. Meeting of the Board of Directors; Notices; Waiver of Notice. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Board of Directors, but at least four (4) meetings shall be held each year. Notice of regular meetings of the Board of Directors shall be given to each Director by telephone, mail, or email at least three (3) days prior to the day of the meeting. Special meetings of the Board of Directors may be called by the President on three (3) calendar days' notice to each Director given by telephone, mail or email, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or the Secretary in like manner and on like notice on the written request of at least three (3) Directors. Any Director may, at any time, waive notice of any meeting of the Board of Directors in writing and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by Directors at any meeting of the Board of Directors shall constitute a waiver of notice by him/her of the time and place thereof. If all the Directors are present at any meeting of the Board of Directors, no notice shall be required as to the Directors and any business may be transacted at such meeting.

5.03. Quorum and Adjourned Meetings. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and the votes of a majority of the Directors present and voting at a meeting at which a quorum is present shall constitute a valid decision. 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 to Directors.

5.04. Joinder in Meetings by Approval of Minutes. 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 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.

5.05. 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.

5.06. Open Meetings; Notice; Minutes. In spite of anything to the contrary herein or in the Master Deed or Certificate of Incorporation, all meetings of the Board of Directors at which binding votes are taken except those expressly exempted by N.J.S.A. 46:8B-13 or N.J.A.C. 5:20-1.1 et seq., as same may be amended from time to time, shall be open to attendance by all Unit Owners. In accordance with N.J.S.A. 46:8B-13, adequate notice of meetings required to be open shall be given by the Board of Directors in the manner specified by N.J.A.C. 5:20-1.1 et seq. In accordance with N.J.S.A. 46:8B-13, minutes of any meeting required thereunder to be open shall be taken and copies of those minutes shall be made available to all Unit Owners before the next open meeting. To the extent that any portion of N.J.S.A. 46:8B-13 is repealed, judicially stayed or adjudicated invalid or to the extent any portion of N.J.A.C. 5:20-1.1 et seq. is repealed, judicially stayed or adjudicated invalid, the

corresponding portion of this Section 5.06 shall be deemed automatically commensurately repealed, stayed or invalidated without the necessity of any action by the Board of Directors of the Association.

## ARTICLE VI

### POWERS AND DUTIES OF BOARD OF DIRECTORS

6.01. General Powers and Privileges. The Board of Directors shall have these powers, which include but which are not necessarily limited to the following, together with such other powers as may be provided herein or in the Master Deed, or the Certificate of Incorporation, or which may be necessarily implied. Any powers contained herein may be delegated by resolution to the Clearbrook Community Association at the discretion of the Board.

- A. to employ, by contract or otherwise, a manager, managing agent or an independent contractor to oversee, supervise and carry out the responsibilities of the Board of Directors. Said manager, managing agent or independent contractor shall be compensated upon such terms as the Board of Directors deems necessary and proper;
- B. to employ any person, firm or corporation to repair, maintain or replace, renovate or improve the Common Elements of the Condominium Association or otherwise do work within the Condominium that the Board deems necessary, in its sole judgment;
- C. to employ professional counsel and to obtain advice from persons, firms or corporations such as, but not limited to, landscape architects, architects, engineers, lawyers and accountants;
- D. to employ or contract for water and sewer, electricity and gas or other forms of utilities, cable or master antenna television;
- E. to promulgate, adopt, amend and publish rules and regulations covering the details of the operation and use of the Units and the Common Elements, including but not limited to rules and procedures governing architectural restrictions as set forth in Article XI, Section 11.03;



- F. to regulate the rental of units so as to insure that the concept of the community is maintained and to comply with community rules and regulations;
- G. to secure full performance by Unit Owners or occupants of all items of maintenance for which they are responsible;
- H. to coordinate the plans of Unit Owners and occupants of Units for moving their personal effects or property into the Unit or out of it, with a view toward scheduling such movements so that there shall be a minimum of inconvenience to others;
- I. to establish and enforce Rules and Regulations for parking by, and the assignment of parking spaces to Unit Owners, subject to the provisions of the Master Deed, Certificate of Incorporation and these By-Laws;
- J. to arrange for security protection as deemed appropriate and desired by the Members; however, the Board of Directors shall not otherwise have any obligation to provide such protection;
- K. to enforce obligations of the Unit Owners and do anything and everything necessary and proper for the sound management of the Condominium Association, including the right to bring or defend lawsuits to enforce the terms, conditions and restrictions contained in the Master Deed, these By-Laws, or any Rules and Regulations;
- L. to borrow and repay monies giving notes, mortgages or other security upon such term or terms as it deems necessary;
- M. to invest and reinvest monies, sue and be sued, collect interest, dividends, and capital gains; exercise rights; pay taxes; make and enter into contracts; enter into leases or concessions; make and execute any and all proper affidavits for various purposes; compromise any action without leave of court; and all other powers contained herein, and those necessary and incidental thereto;

- N. to transfer, grant or obtain easements, licenses and other Property rights with respect to the General Common Elements in a manner not inconsistent with the rights of Unit Owners;
- O. to purchase or lease or otherwise acquire in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners within the Condominium Association, Units offered for sale or lease or surrendered by the Unit Owners to the Board of Directors provided that the foregoing shall not be construed to constitute a right of first refusal;
- P. to purchase Units within the Condominium Association at foreclosure or other judicial sales in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners;
- Q. to sell, lease, mortgage (but not vote the votes appurtenant thereto) or otherwise deal with Units acquired by the Association, and sublease any such Units leased by the Association or its designees, on behalf of all Unit Owners;
- R. to bring and defend actions by or against one or more Unit Owners which are pertinent to the operation of the Condominium Association, the health, safety or general welfare of the Unit Owners, or any other legal action against third parties to protect the interests of the Association and/or its Members;
- S. to create, appoint Members to and disband such committees, other than those otherwise required by these By-Laws, as shall from time to time be deemed appropriate or necessary to aid the Board of Directors in the discharge of its duties, functions and powers;
- T. to impose upon some but not necessarily all Unit Owners the requirement of an escrow deposit as set forth in Article II, Section 2.07 hereof; and

U. to impose upon Unit Owners at the time of acquisition of title to a Unit a one time, nonrefundable, nontransferable fee of up to \$1000 for membership in the Condominium Association as set forth in Article II, Section 2.06 hereof.

V. Subject to law, temporarily or irrevocably delegate any or all of its powers, duties and responsibilities to the Clearbrook Community Association, its successors or assigns.

6.02. Duties and Responsibilities. It shall be the affirmative and perpetual obligation and duty of the Board of Directors to perform the following, provided however that any such duties may be assigned by resolution to the Clearbrook Community Association in the discretion of the Board.

- A. to cause the Common Elements be maintained according to accepted standards and as set forth in the Master Deed, including, but not limited to such maintenance, painting, replacement and repair work as may be necessary, landscaping, lawn maintenance (including the maintenance of proper drainage of all exterior lawn areas, including the areas between and behind the homes), tree maintenance and clearing of snow from roadways and other areas for which the Association is responsible 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. The Association shall have no obligation to: (i) seed or sod any lawns or (ii) replace any trees or shrubs that are removed.
- B. to investigate, hire, pay, supervise and discharge the personnel necessary to be employed, and provide the equipment and materials necessary, in order to properly maintain and operate the Common Elements. Compensation for the services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Association;

- C. to cause to be kept complete records 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 entitled to cast at least twenty-five (25%) percent of the total votes of the Association;
- D. to allocate common surplus or make repairs, additions, improvements to, or restoration of the Common Elements in accordance with the provisions of these By-Laws and the Master Deed after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;
- E. to take such action as may be necessary to comply promptly with any and all orders or requirements affecting the Common Elements placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, and order of the Board of Fire Underwriters or other similar bodies;
- F. to name and designate an Insurance Trustee, who shall not be a Member of the Condominium Association, a principal or employee of the managing agent, for the purpose of receiving and disbursing all insurance proceeds in excess of \$50,000 that are payable to the Condominium Association. In the absence of such an appointment, the Board of Directors shall be responsible for the disposition of all insurance proceeds;
- G. to collect from each Unit Owner at the time he acquires title to his/her Unit a nonrefundable, nontransferable contribution to the working capital of the Association as set forth in Article II, Section 2.06 hereof;
- H. to manage the fiscal affairs of the Association as hereinafter provided in Article VII; and
- I. to place and keep in force all insurance coverage required to be maintained by the Association, and applicable to its Property and

Members, which insurance may at the option of the Board be provided under a blanket policy furnished by the Clearbrook Community Association. Such coverage shall include, but not limited to:

- (i) Physical 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 all risk extended coverage, including vandalism and malicious mischief, insuring all structural portions of the Condominium Property together with all service machinery appurtenant thereto as well as common personalty and supplies belonging to the Association, and covering the interest of the Association, the Board all Unit Owners and any Permitted 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 buildings, without deduction for depreciation. The policy need not insure improvements and betterments installed by the Unit Owners. Each policy shall contain a standard mortgagee clause in favor of each applicable Permitted Mortgage Holder, if any. Prior to obtaining any renewal of a policy of fire insurance, the Board may 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 structural portions of the Condominium Property, without deduction for depreciation, for the purposes of determining the amount of fire insurance to be effected pursuant to this subparagraph. The amount of any deductible (including the deductible on the master policy maintained by the Clearbrook Community Association covering the Common Elements and Property of the Association) and the responsibility for payment of same shall be determined by the

Board, in its sole discretion. Notwithstanding any other provision of this Article, the Unit Owners shall be responsible for any deductible pertaining or relating to damage to a unit element or portion of the building for which the Unit Owner is responsible.

The Unit Owners shall be informed of any changes in the amount of the deductible.

- (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 Condominium Property and the defense of any actions brought by injury or death of a person or damage to Property, occurring within such Condominium Property. 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 one insured against another.
- (iii) Directors and Officers Liability Insurance. Liability insurance indemnifying the Directors and Officers of the Association against the liability for errors and omissions occurring in connection with the performance of their duties, 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) Vehicular Liability Insurance. To the extent obtainable in the normal commercial marketplace, vehicular liability insurance to cover all motor vehicles, if any, owned or operated by the Association.
- (vi) Flood Insurance. Flood hazard insurance in the event any of the insurable Common Elements are located within a federally designated zone of greater than minimal flood hazard.

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

All policies shall: (i) provide 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 physical damage insurance be applied to the restoration of the insured Property as is required by the Master Deed and these By-Laws; (iii) 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; (iv) 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; (v) provide that the policy will be primary, even if insurance covering the same loss is held by any Member(s); (vi) 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 (vii) provide that such policies may not be canceled without at least thirty (30) days prior written notice to all of the named insureds, including all Unit Owners and Notice Mortgagees.

Any insurance maintained by the Board may provide for such deductible amount as the Board may determine. In spite of 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 Association shall be a Common Expense of the Association.

The Board may arrange for the coverage describe herein to be provided through one or more policies secured by the Clearbrook Community Association, as long as the Association is a named party on such policy or policies. The Board may, by regulation, provide for the application of and/or responsibility for any insurance deductibles.

## ARTICLE VII

### FISCAL MANAGEMENT

7.01. Annual Common Expense Assessments. The Board of Directors shall have the duty to collect from each Unit Owner, his/her heirs, administrators, successors and assigns, as Annual Common Expense Assessments, the proportionate part of the Common Expenses assessed against such Unit Owner as provided in the Master Deed, the Certificate of Incorporation, these By-Laws, and in accordance with applicable law.

7.02. Determination of Common Expenses. The amount of monies for Common Expenses deemed necessary by the Board of Directors and the manner of expenditure thereof, including but not limited to the allocation thereof, shall be a matter for the sole discretion of the Board of Directors.

7.03. Disbursements. The Board of Directors 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 the Master Deed, Certificate of Incorporation, and applicable law.

7.04. Depositories. The depository of the Association shall be such a bank or banks as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such parties as are authorized by the Board, 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, if the proper fidelity bond is furnished to the Association. All checks shall require the signature of two (2) authorized individuals: either two officers of the Association or one officer and a managing agent.

7.05. Accounts. The receipts and expenditures of the Association shall be Common Expense assessments and Common Expenses respectively, and shall be credited and charged to accounts under the following classifications as the Board shall deem appropriate, all of which expenditures shall be Common Expenses:



- A. Current expenses, which shall include expenditures within the year for which the budget is made, including reasonable allowances for contingencies and working funds. Current expenses may not include expenditures chargeable to reserves. At the end of each year, the unexpended amount remaining in this account shall be applied to reduce the assessments for current expenses for the succeeding year, distributed to the current membership in the same manner as assessed and/or allocated and transferred to the Association's reserve for deferred maintenance and/or reserve for repair and replacement as the Board shall determine in its sole and absolute discretion.
- B. Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.
- C. Reserve for repair and replacement, which shall include funds for repair or replacement of the Common Elements and those portions of the Common Elements for which repair or replacement is required because of damage, depreciation or obsolescence. The amounts in this account shall be allocated among each of the separate categories of replacement items.
- D. Reserves for Capital Improvements, which shall include the funds to be used for capital expenditures
- E. Operations, which shall include all funds from the use of the Common Elements or from any 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 or otherwise shall be used to reduce the assessments for current expenses for the succeeding year, distributed to the current membership in the same manner as assessed, and/or allocated and transferred to the Association's reserve for deferred maintenance and/or reserve for repair and replacement as the Board shall determine in its sole and absolute discretion. Losses from

operations or otherwise shall be met by special assessments against Unit Owners, which assessments may be made in advance in order to provide a working fund.

- F. Working capital, consisting of those nonrefundable and non-transferable contributions assessed upon each Owner upon acquisition of title to a Unit imposed under Article II, Section 2.06, which may be utilized by the Board in its reasonable discretion to meet unanticipated or other expenses of the Association (but not in order to reduce the Annual Common Expense Assessment).
- G. Escrow deposits paid by each Owner to be applied in the event of a default in payment of Common Expense assessments by that Owner if imposed under Article II, Section 2.07; and

The Board of Directors shall not be required to physically segregate the funds held in the above accounts except for reserves for deferred maintenance, reserves for replacement and repair, escrow deposits, if any, and bulk real estate tax reserves, which funds must be maintained in separate accounts. The Board may, in its sole discretion, maintain the remaining funds in one or more consolidated accounts. As to each consolidated account, the division into the various accounts set forth above need be made only on the Association's records.

7.06. Reserves. The Board of Directors shall not be obligated to expend all of the revenues collected in any accounting period, and must maintain reasonable reserves for, among other things, repairs, replacements, emergencies, contingencies of bad weather or uncollectible accounts. In spite of anything herein to the contrary, the Board of Directors in its determination of the Common Expenses and the preparation of a budget shall specifically designate and identify that portion of the Common Expenses which is to be assessed against the Unit Owners as a capital contribution and is allocable to reserves for each separate Common Element. The amounts assessed and collected for the reserves shall be kept in one or more interest-bearing savings accounts or certificates of deposit and 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 of Directors shall not be permitted to

keep additional cash on hand, in a checking or petty cash account, for the necessary discharge of its functions.

7.07. Notice of Common Expense Assessment. Prior to the due date of the first Common Expense assessment installment for any given fiscal year of the Association, the Board of Directors shall give written notice to each Unit Owner of the amount estimated by the Board of Directors for Common Expenses of the Association for such ensuing fiscal year, which notice shall include the Unit Owner's proportionate liability for such Common Expenses and the amount of monthly installments thereof that the Unit Owner is obligated to pay to the Association. In spite of the foregoing, if no such notice is given prior to the commencement of the fiscal year in question, until such time as notice of an assessment is given, an assessment shall be presumed to have been made in the amount of the last prior year's assessment and installments on such assessment shall be due based upon the same frequency and schedule as previously established until changed by a notice of assessment. In the event the Annual Common Expense Assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board and nothing herein shall serve to prohibit or prevent the Board from imposing an Emergency Common Expense assessment in the case of any immediate need or emergency which cannot be met by reserve funds allocated for such contingency.

7.08. Acceleration of Assessment Installment Upon Default. If a Unit Owner shall be in default in the payment of an installment on any type of assessment, the Board shall notify the delinquent Unit Owner if such default exceeds thirty (30) calendar days that the remaining installments of the assessment shall be accelerated if the delinquent installment has not been paid by a date stated in the notice, which date shall not be less than five (5) business days after personal service of the notice to the Unit Owner or not less than ten (10) business days after the mailing of such notice to him/her by registered or certified mail at the last address that he has officially given to the Association. If such notice is given and the default shall continue for a period of thirty (30) calendar days after the payment date in the notice, then the Board shall be required to accelerate the remaining installments of the assessment and notify the delinquent Unit Owner that a Claim of Lien for the accelerated amount shall be filed on or after a date certain stated in the notice of acceleration if the accelerated balance has not then

been paid. The Claim of Lien for such accelerated assessment as permitted by law shall then be filed if the delinquent assessment has not been theretofore paid and the Board may, if permitted by law, also notify any holder of a Mortgage encumbering the Unit affected by such default and/or publish appropriate notice of such delinquency to the membership of the Association. If said default continues for a period of sixty (60) calendar days after a Claim of Lien is filed, then the Board may foreclose the foregoing lien pursuant to law and/or commence a suit against the appropriate parties to collect the assessment.

7.09. Interest and Cost of Collection, including Counsel Fees. It is the intent of these By-Laws that if a Unit Owner fails to meet his/her obligation to pay assessments or any other charges to the Association (hereafter referred to as "Delinquent Unit Owner"), including but not limited to fines, the Delinquent Unit Owner and not the Association should bear the cost of collection. Therefore, in regard to any delinquent assessments or other charges, the Board may impose a late charge of any reasonable amount and/or interest at the legal maximum rate permitted by law for the payment of delinquent real estate taxes. In addition, to the extent that the Association incurs any expenses in the collection of said assessments or charges, the Delinquent Unit Owner shall be responsible for all such reasonable expenses and the Association shall be entitled to recover reasonable attorneys' fees and other costs of collection in any settlement or litigation involving the delinquent assessments or other charges to the maximum extent permitted by law. The expenses of collection referred to in this paragraph shall be considered an additional assessment imposed upon the Unit.

7.10. Assignment of Rent.

- A. Subject to the rights of holders of first security interests, the Association may collect from the rent due from a tenant to any Delinquent Unit Owner an amount not more than the unpaid assessments, late fees, interest, and costs of collection, including reasonable attorneys' fees (collectively "charges").
- B. Prior to taking any action permitted by this Section 7.10, the Association will give written notice by certified mail, return receipt requested to the Delinquent Unit Owner at the Unit Owner's last known

address of the Association's intent to collect the rent. The notice will set forth the exact amount the Association claims is due and will indicate the intent of the Association to collect the past due charges from rent, along with any other amounts that become due in the future and that remain unpaid for thirty (30) days after becoming due, including any Annual Assessment fees lawfully accelerated pursuant to these Amended By-Laws. A copy of the notice will also be sent to the Unit's First Mortgagee. Any cost incurred by the Association to ascertain the identity of the First Mortgagee, including the cost of the preparation of a title search, will constitute additional charges with respect to the Unit.

- C. A Delinquent Owner will have ten (10) days from receipt of the notice required to be sent pursuant to paragraph (B) above to provide proof of payment or a statement of the grounds upon which the assessment is disputed. Upon the failure of the Delinquent Owner to respond within ten (10) days after receipt of the notice, or within fifteen (15) days of mailing if no receipt is obtained, and provided that no notice is received from the First Mortgagee that it is exercising its right of assignment of rental proceeds, the Association will be entitled to notify and direct each tenant renting a Unit from the Delinquent Owner to pay all or a portion of the rent otherwise due from the Delinquent Owner to the Association. The amount to be applied from the rent will be limited to the lesser of: (i) the amount as stated in the notice to the Delinquent Owner or, (ii) an amount adjusted to reflect any calculation errors sought to be corrected by the Unit Owner, as stated in the response to the Association, if timely sent. No offset will be allowed for amounts that are unrelated to claims of calculation errors. The Association will have a continuing right to collect the rent from the tenant or tenants until the delinquent charges are paid in full.

- D. Nothing in this Section will prevent a Unit Owner or the Association from seeking a judicial remedy in a court of competent jurisdiction.
- E. This Section will not affect the right of a First Mortgagee that is entitled to an assignment of rents and which has exercised its rights by written notice recorded in the Middlesex County Clerk's Office and such First Mortgagee may collect such rents in accordance with an assignment of rents under which it is an assignee.

7.11. Power of Attorney to Permitted Mortgage Holder. In the event the Board shall not cause the enforcement procedures provided in Sections 7.08 through 7.10 of Article VII above to be implemented within the time provided, any Permitted Mortgage Holder for any Unit as to which there shall be such unpaid Common Expense 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.

7.12. Annual Audit. The Board shall submit the books, records, and memoranda of the Association to an annual audit by an independent certified public accountant, which shall audit same and render a report thereon in writing to the Board and, upon written request, shall be provided in summary form to the Unit Owners and such Notice Mortgagees or other persons, firms or corporations as may be entitled to same. The audit shall cover the operating budget and reserve accounts.

7.13. Examination of Books. Each Unit Owner shall be permitted to examine the books of account of the Board by appointment at a reasonable time on business days; provided, however, that the Treasurer has been given at least ten (10) days prior written notice of the Unit Owner's desire to make such an examination.

7.14. Fidelity Bonds. Fidelity bonds shall be required by the Board or CCA on behalf of the Board for all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board. The premiums on such bonds shall be paid by the Association.

## ARTICLE VIII

## OFFICERS

8.01.Designation. The principal officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be Members of the Board, . The Board may also appoint such other Assistant Treasurers and Assistant Secretaries as in its judgment may be necessary. Any two (2) offices, except that of President and Vice-President, may be held by one person.

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

8.03.Removal of Officers. Upon an affirmative vote of a majority of the full number of Directors, any officer may be removed, either with or without cause, after opportunity for a hearing, and his/her successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

8.04.Duties and Responsibilities of Officers.

- A. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an Association.
- B. The Vice-President shall take the place of the President and perform his/her 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 shall appoint some other Director to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him/her by the Board.
- C. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Members of the Association; he shall have charge of such books and papers as the Board may direct; and he

shall, in general, perform all the duties incident to the office of the Secretary.

- D. The Treasurer shall have the responsibility for the custody of 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 name, and to the credit of the Association in such depositories as may from time to time be authorized by the Board.

8.05. 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.

8.06. Eligibility of Directors. Nothing herein contained shall prohibit a Director from being an Officer.

## ARTICLE IX

### COMPENSATION, INDEMNIFICATION AND EXCULPABILITY OF OFFICERS, DIRECTORS, AND COMMITTEE MEMBERS

9.01. Compensation. No compensation shall be paid to the President or the Vice-President, or the Secretary, or any Director, or Committee Member for acting as such Officer, Director, or Committee Member. Nothing herein stated shall 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.

9.02. Committees. The Board of Directors may appoint committees of the Association from time to time as needed. Each committee shall consist of a chairman and two or more Members.



9.03.Subcommittees. Each of the committees shall have power to appoint a subcommittee from among its Members and may delegate to any such subcommittee any of its powers, duties and functions.

9.04.Duties. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Trustee or officers of the Association as is further concerned with the matter presented.

9.05.Indemnification. Each Director, Officer or Committee Member of the Association shall be indemnified by the Association against the actual amount of net loss including counsel fees, reasonably incurred by or imposed upon him/her in connection with any action, suit or proceeding to which he may be a party by reason of his/her being or having been a Director, Officer, or Committee Member of the Association, except as to matters for which he shall be ultimately found in such action to be liable for gross negligence or willful misconduct. In the event of a settlement of any such case, indemnification shall 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.

9.06.Exculpability. In accordance with N.J.S.A. 15A:2-8c, directors and officers of the Association shall not be personally liable to the Association or its Members for damages for breach of any duty owed to the Association or its Members except for any breach of duty based upon an act or omission (1) in breach of such person's duty of loyalty to the Association or its Members, (2) not in good faith or involving a knowing violation of law or (3) resulting in receipt of such person of an improper personal benefit. Committee Members who are not directors and officers of the Association shall be similarly exculpated from liability. Each Unit Owner shall 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 X

### ENFORCEMENT

10.01. Enforcement. The Board of Directors 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: self-help; sending notice to the offending party to cause certain things to be done or undone; restoring the Association to its original position and charging the breaching party with the entire cost or any part thereof; complaint to the duly constituted authorities; or by taking any other action before any court, summary or otherwise, as may be provided by law.

10.02. Fines. If permitted by law, the Board shall have the power to levy fines against any Unit Owner(s) for violation(s) of any rule or regulation of the Association or for any covenants or restrictions contained in the Master Deed or By-Laws, except that no fine may be levied for more than \$25.00 for any one violation; provided, however, that for each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against any Unit Owner(s) involved as if the fine were a Common Expense owed by the particular Unit Owner(s). In spite of the foregoing, before any fine is imposed by the Board, the Unit Owner involved shall be given at least ten (10) days prior written notice and afforded an opportunity to be heard, with or without counsel, with respect to the violation(s) asserted, all as provided for in Section 10.05 of this Article..

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

10.04. Cause of Action Against Association. Unit Owners shall have a cause of action, to the extent permitted by the laws of this State, against the Association for its failure to act in accordance with the Master Deed, Certificate of Incorporation, these By-Laws, any Rules or Regulations governing the Condominium Association or any formal decisions of the Association except as to any enforcement process or procedures or other obligations that have been delegated to the CCA.. In spite of the foregoing, the Association shall not be liable in

any civil action brought by or on behalf of an Owner or by or on behalf of the spouse of that person, to respond in damages as a result of bodily injury to the Owner occurring on or within the Condominium Association unless the Association caused such bodily injury to the Owner within or upon the Condominium Association by its willful, wanton or grossly negligent act of commission or omission. The foregoing shall be construed in accordance with and not in derogation of N.J.S.A. 2A:62A-12 et seq.

10.05. Alternative Dispute Resolution Procedure.

- A. Authority. In addition to the mediation authority granted to it herein, the ADR Committee shall have such additional duties, power and authority as the Board of Directors may from time to time provide by resolution. This shall include the right to resolve disputes arising under and to enforce the provisions of the Governing Documents including the right to (i) impose temporary cease and desist orders and (ii) levy fines pursuant to Section 10.02 hereof to the extent permitted by law. The ADR Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Rules and Regulations or by Resolution of the Board of Directors. Despite the foregoing, no action may be taken by the ADR Committee without giving the Owner(s) involved at least ten (10) days prior written notice and affording the Owner an opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.
- B. Appeal. Any Owner who is aggrieved by any decision of the ADR Committee shall have the right to appeal such decision to a court of competent jurisdiction. Any dispute between or among Owners or with the Association, other than collection matters, must first be submitted to the ADR Committee for mediation or non-binding arbitration before any litigation is commenced with respect to the dispute in question, all as contemplated by N.J.S.A. 45:22A-44(c) and Section 10.02 hereof. If there is not an appeal to a court of competent jurisdiction within forty-five (45) days of the decision by the ADR Committee, the decision of

the ADR Committee shall be binding on all parties and shall have full force and effect under the laws of the State of New Jersey.

- C. Mediation Alternative. Prior to the commencement of any non-binding arbitration hearing by the ADR Committee pursuant to Section 10.05, any party to the dispute, or the Committee on its own motion, may request mediation of the dispute by an impartial mediator appointed by the Committee in order to attempt to settle the dispute in good faith. Such mediator may be a Member of the ADR Committee, its counsel or any other qualified mediator. Any such mediation shall be concluded within fifteen (15) days after such request, unless extended by the mediator for good cause. In the event that no settlement is reached within said fifteen (15) day period, all relevant time periods in the hearing process shall be extended for fifteen (15) days plus any extension period.

10.06. Compliance By Members. Each Member shall comply with and shall assume ownership or occupancy subject to the laws, Rules and Regulations of governmental authorities having jurisdiction over the Community, and the provisions of the Master Deed, the Certificate of Incorporation and By-Laws of the Association, 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 the Master Deed or any covenant contained therein. 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.

10.07. Attorneys Fees To the extent that the Association incurs any expenses in any enforcement proceeding referred to in Paragraph 10.06 or otherwise, the non-complying Unit Owner shall be responsible for all such reasonable expenses and the Association shall be entitled to recover reasonable attorneys' fees and other costs of enforcement in any settlement

or litigation. The expenses of enforcement referred to in this paragraph shall be considered an additional assessment imposed upon the Unit.

10.08. Civil Action for Damages. The Association shall not be liable in any civil action brought by or on behalf of a Owner to respond in damages as a result of bodily injury to the Owner occurring on the premises of the Association except as a result of its willful, wanton or grossly negligent act of commission or omission.

## ARTICLE XI

### RESTRICTIONS AND OBLIGATIONS

11.01. Age Restriction. Each Unit must be occupied by at least one individual age 55 or older. All other individuals residing in the Unit shall be age 48 or older provided, however, that in the event a resident requires full time assistance for a legitimate medical reason, then the Community Association's Board of Directors may grant a waiver.

11.02. Age Restriction Questionnaire. Each Unit Owner shall have the affirmative obligation to complete a census, questionnaire or other documents which the Community Association may distribute from time to time to assure compliance with the age restriction contained in Section 11.01. The failure of any Unit Owner to comply with this requirement or the failure to cause a Tenant to comply with this requirement shall result in the automatic suspension of privileges and a fine to be determined in the discretion of the Community Association's Board of Directors.

11.03. Structural Alterations. No Member shall make any addition, alteration or improvement in or to his/her Unit, including any exterior painting or exterior alteration or addition without the prior written consent of the Association and the Clearbrook Community Association. Each Board of Directors shall have the obligation to respond in writing to any request for consent within sixty (60) days from the date of the request. Failure to respond within the stipulated time shall be deemed a consent by the Board to the request.

11.04. Application to Municipal Authorities. Any application to a municipal authority for a permit in connection with an addition, alteration or improvement shall require the endorsement of the Community Association. Such endorsement shall be without incurring any liability on the part of the Community Association or its Board of Directors to any contractor, subcontractor or material supplier or to any person having any claim for any cause of action relating to the addition, alteration or improvement.

11.05. Certificate of Unpaid Assessments. Each purchaser of a Unit shall request from the Association a certificate showing the amount of unpaid assessments pertaining to such Unit and the Association shall provide such certificate within 10 days after the request. Any person other than the Unit Owner at the time of the issuance of the certificate shall be entitled to rely upon such certificate. The purchaser and the previous Unit Owner shall be jointly and severally liable for all unpaid assessments pertaining to such Unit to through the date of conveyance, but if a certificate is requested and received, the purchaser is only responsible for the amount shown on the certificate as of the date stated in the certificate.

11.06. Maintenance and Repair. Each Unit Owner is responsible for all replacement, maintenance and repair work with respect to his/her unit. Each Unit Owner is also responsible for the Unit's HVAC system, whether or not portions of that system are outside the physical boundaries of the unit. The Unit Owner is also responsible for maintenance and repairs, if applicable, of such patios, patio roofs and enclosures, atrium enclosures, additional windows, extensions, exhaust fans, fireplace fireboxes and flues and any other additions to the home that were not shown on the unit drawings attached to the Master Deed as Exhibits D-1, D-2 and D-3. In the event any Unit Owner fails to perform such work and as a result the Association or another Unit Owner is damaged, the defaulting Unit Owner shall be liable to the Association or other Unit Owner(s) for any damages, liabilities, costs or expenses, including attorneys' fees, caused by or arising out of his/her failure to promptly perform such replacement, repair and/or maintenance work. If a Unit Owner fails to perform maintenance or repair work, the Association may, but has no obligation to, do so on the owner's behalf and charge the reasonable expenses thereof to the defaulting Unit Owner.

11.07. Nuisances Prohibited. No Unit Owner, or any other person in occupancy of a unit, shall commit any act or omission that results in a nuisance or disturbance to any other Unit Owner or resident. The terms “nuisance or disturbance” shall include, but not be limited to, the use of anything which creates noise, smoke, odor, soot or vibrations in such a way as to interfere with the use, occupancy and/or enjoyment of a Unit or Common Element by another resident.

11.08. Signs, Flags and Exterior Objects. The display of the American Flag and other patriotic-type flags are permitted to be flown or displayed on appropriate occasions, but may not interfere with the use, occupancy and/or enjoyment of a Unit or Common Element by another resident. Also, lights of a steady or non-flashing nature are permitted to be display on the exterior of a Unit Owner’s Unit during the year-end holiday season. All other exterior displays, objects or things, including signs, are prohibited.

11.09. Exclusive Use Areas. Fences approved by the Association in accordance with established standards may only be installed within the exclusive easement area located to the rear of a unit and shall thereafter be the sole responsibility of the Unit Owner for maintenance, repair and replacement. In addition, upon installation of an approved fence, the Unit Owner shall be responsible for the lawn area contained within the fence. Further, the maintenance of all balconies, patios and doorsteps and the watering of all lawns, plants and landscaping within the exclusive easement areas shall be performed by each Unit Owner at its sole expense. The Unit Owner shall also be responsible for the clearing of snow and ice from all private walks within the exclusive use area.

11.10. Activities Prohibited on Common Elements. No person shall build, plant or maintain anything on, over, or under the Common Elements without the express, written permission of the Board of Directors of the Community Association. In addition, the following are prohibited on the Common Elements: (1) the placement of trash, garbage or excess materials; (2) chopping, burning or cutting anything; (3) repairing any motor vehicle; or (4) parking or keeping abandoned, inoperable, unregistered or uninsured motor vehicles on driveways.

11.11. Vacant Units. Any owner leaving a Unit vacant for more than ten (10)

consecutive days between November 1 and March 31 shall either winterize the Unit or leave the Unit at a static temperature of at least 55 degrees Fahrenheit. In addition, all Unit Owners must make arrangements to have their Units inspected at least once every week when no person is present in the Unit. Any Unit Owner who fails to comply with these requirements shall be strictly liable, whether or not negligent, for any and all damages occurring to the Unit, to any other Unit and/or to the Common Elements as the result of such failure. The Association shall have the authority, but not the obligation, to enter a vacant unit for the purpose of winterization in order to protect persons and Property.

11.12. Rental of Units

- A. At no time may more than ten (10) percent of the Units be leased, rented, licensed or let (collectively referred to as "leased") at any one time. To ensure that this limitation is not exceeded, a Unit Owner who intends to lease his/her Unit shall first seek the consent of the Board to lease, whereupon the Board will notify the Unit Owner if this limitation has been met. In such event, the Unit Owner shall not seek to or let the Unit. If this limit has not been met, permission shall not be unreasonably withheld. All such requests shall be granted upon a first come/first serve basis; provided, however, that the Board shall endeavor to ensure that all Unit Owners who so desire are granted an opportunity to lease their Unit with the aforesaid limitation for which purpose they may establish Rules and Regulations.
- B. Units leased at the time of the recording of this instrument shall be defined as "Grandfathered Units." Such Grandfathered Units shall be exempt from the lease restrictions as set forth in this section subject to the following conditions and such reasonable conditions as the Board may by rule and regulation impose and:
  - a. Unit Owners may extend the tenancy of a Grandfathered Unit to the present tenants/occupants and new, additional or replacement tenants of that Grandfathered Unit.
  - b. Upon conveyance or transfer of title to the Leased Unit the Unit shall no longer be determined to be a Grandfathered Unit and thereafter shall be subject to the terms of this section..
- C. A Unit Owner suffering from a financial or personal hardship, which renders the Unit Owner unable to reside in their Unit, may apply to the Board to lease their Unit even though the limitation has been met. In such cases the Board, in its sole discretion, shall be authorized to permit the Unit Owner to the same manner as a Grandfathered Unit.
- D. The provisions and restriction on leasing as contained in this Section shall not apply to foreclosing lenders or impair the right of First Mortgagees to:



- a. foreclose or take title to a Unit; or
  - b. accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor; or
  - c. take possession and lease an acquired Unit even though the limitation has been met; or
  - d. otherwise act upon their mortgage.
- E. A Unit that is permitted to be rented 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. 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. 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 Master Deed, these Amended By-Laws and the Association’s Articles of Incorporation and other 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 Master Deed, or these Amended By-Laws or the Association’s Articles of Incorporation shall constitute a default under the lease.

11.13. Tenants. Unit Owners are liable and responsible for the conduct of their tenants and any damage caused by their tenants. A fully executed lease and a completed Intent to Rent form must be submitted to the Clearbrook Community Association in accordance with the rules of the Clearbrook Community Association. In addition, each lease

must provide that a material violation or repeated violations of the Declaration of the Clearbrook Community Association or the Master Deed, Bylaws or Rules and Regulations of the Association shall constitute grounds for eviction. Upon written notice by the Association, the Unit Owner shall have the affirmative obligation to attempt to secure compliance by the Tenant. If compliance is not achieved within 30 days of notice, the Unit Owner shall promptly pursue eviction proceedings. The eviction action shall not be compromised or settled without the prior consent of the Association. Should the Unit Owner fail to secure compliance or initiate such proceedings within a total of 60 days from notice, the Association may initiate eviction proceedings as Attorney in Fact for the Unit Owner and at the Unit Owner's expense.

11.14. Hazards 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.

11.15. Megan's Law

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 following 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 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 XI. This power of attorney is expressly declared and acknowledged to run with the title of any and all Units and will be binding upon 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, or not more than seven percent (7%) 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 percent (1%) of the appraisal value.

D. The Association will not be liable to any Unit Owner, anyone occupying or visiting Clearbrook Condominium Association No. 7 as the result of the Association's failure to dispossess a Tier-3 Megan's Law Registrant.

11.16. Clotheslines, etc. 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 the 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.

11.17. Pets 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 pet to cause any injury to any persons or other animals, or to cause damage to any Common Elements or to 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 the 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 pet 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. The Board may, in its sole discretion, adjust the number of dogs or further restrict the 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/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, leak-proof container. Animal waste shall not be disposed in any catch basin, detention basin or other Common Element. This provision shall not apply to blind persons using dogs as guides.

## ARTICLE XII

### ARCHITECTURAL REVIEW COMMITTEE

12.01. The Association. Each Owner, by accepting a deed or other instrument

conveying any interest in a Unit acknowledges that the Association has a substantial interest in ensuring that the improvements within the Condominium Association's reputation as a first class residential community and do not impair the Members; ability to mortgage, sell or lease their properties. Each Owner agrees that no Work shall be commenced on such Owner's Unit, with "Work" being defined as any alteration, addition, repair or replacement, unless and until the Association has given its prior written approval for such Work, which approval may be granted or withheld in the Association's sole discretion. In reviewing and acting upon any request for approval, the Association shall be acting in its own interest and shall owe no duty to any other entity or person. The Board may adopt procedures to be utilized by Section 7's own architectural review committee to expedite review and approval wherever emergency repairs are required to be made. Each Unit Owner shall further obtain written approval from Section 7, the CCA and ARC (as defined in paragraph 12.02 below) before undertaking any addition, alteration or improvement to a Unit.

12.02. Architectural Review Committee. The Association may delegate its reserved rights under this Article or other recorded instrument's to an architectural review committee appointed by the CCA Board of Directors (the "ARC"), subject to (i) the right of the Association to revoke such delegates and (ii) the condition that regardless of whether the Association delegates its right to review any application for additions, alterations or improvements to a unit, the Unit Owner must obtain written approval of his or her plans from the CCA before beginning the work; and (iii) the right of the Association to reject any decision of the ARC which the Association determines, in its sole discretion, to be inappropriate or inadvisable for any reason. Until such time as the Association delegates all or a portion of its reserved rights, the ARC shall have no jurisdiction over architectural matters, upon any such delegation, the ARC shall accept and exercise the jurisdiction so delegated in accordance with this Article.

12.03. Design Guidelines. The Association, or the ARC, if review functions have been delegated to it, (the entity having jurisdiction at any particular time is referred to in this Article as the "reviewing entity") may but shall not be required to establish design and construction guidelines and review procedures (the "Design Guidelines") to provide guidance

to Unit Owners regarding matters of particular concern to the Association in considering applications for architectural approval. The Design Guidelines shall not be the exclusive basis for decisions hereunder and compliance with the Design Guidelines shall not guarantee approval of any application. If prepared by the ARC, the Design Guidelines may contain general provisions applicable to all of the Clearbrook Condominium Associations who have delegated review authority to the Board, as well as specific provisions which vary from one condominium Association to another depending upon the location, type of construction or use, and unique characteristics of the Property.

Any Design Guidelines adopted pursuant to this Section shall be subject to amendments from time to time in the sole discretion of the entity adopting them. Amendments to the Design Guidelines shall not apply to required modifications to or removal of structures previously approved once the approved construction to modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines; amendments may remove requirements previously imposed or otherwise to make the Design Guidelines more or less restrictive in whole or in part.

12.04. Procedures. Prior to commencing any Work for which review and approval is required under this Article, an application for approval of such Work shall be submitted to the reviewing entity in such form as may be required by the reviewing entity or the Design Guidelines. The application shall include plans showing the site layout, exterior elevations, exterior materials and , where applicable, colors, landscaping, drainage, lighting, irrigation, and other features of the proposed construction, as required but the Design Guidelines and as applicable (“Plans”). The reviewing entity may require the submission of such additional information as it deems necessary to consider any application.

The reviewing entity may consider (but shall not be restricted to) the visual and environmental impact, ecological compatibility, finish grade elevation, harmony of external design with surrounding structures and environment, location in relation to surrounding structures and plant life, compliance with the general intent of the Design Guidelines, if any, and architectural merit. Decisions may be based on purely aesthetic considerations. Each Unit Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements.

The reviewing entity shall, within thirty (30) days after receipt of each submission of the Plans, advise the party submitting the same, in writing, at an address specified by such party at the time of submission, of (i) the approval of Plans, or (ii) the disapproval of such Plans, specifying the segments or features of the Plans which are objectionable and suggestions, if any, for the curing of such objections. In the event the reviewing entity fails to advise the submitting party by written notice within the time set forth above the either the approval or disapproval of the Plans, the applicant may give the reviewing entity written notice of such failure to respond stating that unless the reviewing entity responds within ten (10) days of receipt of such notice, approval shall be deemed granted. Upon such further failure, approval shall be deemed to have been given, subject to the right of the Association, if it has delegated its review authority, to veto approvals by the ARC as set forth in this Section. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines. Notice shall be deemed to have been given at the time the envelope containing such notice, properly addressed, and postage prepaid, is deposited with the U.S. Postal Service, registered or certified mail, return receipt requested. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery.

Within five (5) business days after the ARC has approved any application relating to proposed Work within the scope of matters delegated to the ARC by the Association, the ARC shall give written notice to the Association of such action, together with such other information as the Association may require. The Association shall have ten (10) days after receipt of such notice to veto any such action, in its sole discretion, by written notice to the ARC and the applicant.

If construction does not commence on any Work for which approval has been granted within twelve (12) months of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Unit Owner to re-submit the Plans for reconsideration in accordance with such Design Guidelines as are then in effect prior to commencing such Work. All Work shall be completed within sixty (60) days of commencement or such other period as may be specified in the notice of approval, unless completion is delayed due to causes beyond the reasonable control of the Unit Owner, as determined in the sole discretion of the reviewing entity.

12.05. No Waiver of Future Approvals. Each Owner acknowledges that the persons reviewing applications under the Article will change from time to time and that decisions regarding aesthetic matters and interpretation and application of the Design Guidelines, if any, may vary accordingly. In addition, each Unit Owner acknowledges that it may not always be possible to identify objectionable features of proposed Work until the Work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the reviewing entity may refuse to approve similar proposals in the future. Approval of proposals, plans, and specifications, or drawings for any Work done or proposed, or in connection with any matter requiring approval, shall not be deemed a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings or other matters whatever subsequently or additionally submitted for approval.

12.06. Variances. The reviewing entity may, but shall not be required to, authorize variances from compliance with any of the provisions of the Design Guidelines when circumstances such as topography, nature obstruction, hardships, or aesthetic or environmental considerations require, or when architectural merit warrants such variance, as it may determine in its sole discretion. Such variances shall be granted only when, in the sole judgment of the reviewing entity, unique circumstances exist, and no Unit Owner shall have any right to demand to obtain a variance. No variance shall (a) be effective unless in writing, (b) by contrary to the Master Deed or these Amended By-Laws, or (c) stop the reviewing entity from denying a variance in other circumstances.

12.07. Generators: No generators of any kind shall be installed anywhere within the Condominium except in accordance with regulations that may be adopted from time to time by the Board of Directors.

12.08. Limitation of Liability. The standards and procedures established by this Article are intended to provide a mechanism for maintaining and enhancing the overall aesthetics of Section 7 but shall not create any duty to any person. Neither the Association nor the ARC shall bear any responsibility for ensuring structural integrity or soundness, or compliance with building codes and other governmental requirements, or ensuring that modifications to Units are located so as to avoid impairing views from or that negative impact on neighboring Units. No representation is made that all structures and improvements constructed within the Clearbrook



Community or Section 7 are or will be of comparable quality, value, size, or design. Neither the Association, the Board, the ARC, nor any Member of any of the foregoing shall be held liable for soil conditions, drainage problems or other general site work, nor for defects in any plans or specifications submitted, nor for any structural or other defects in work done according to approved plans, nor for any injury, damages, or loss arising out of the manner, design or quality of approved construction on or modifications to any Unit.

12.09. Enforcement. Any work performed in violation of this Article or in a manner inconsistent with the approval Plans shall be deemed to be nonconforming. Upon written request from the Association, the Board, the ARC, Unit Owners shall, at their own cost and expense, remove any non-confirming structure or improvement and restore the Property to substantially the same condition as existed prior to the nonconforming Work. Should a Unit Owner fail to remove and restore as required, the Association, the Board or their designees shall have the right to enter the Property, remove the violation and restore the Property to substantially the same condition as previously existed and any such action shall not be deemed a trespass. Upon demand, the Unit Owner shall reimburse all costs incurred by any of the foregoing exercising its rights under this Section. The Association may assess any costs incurred in taking enforcement action under this Section, together with interest at the maximum rate then allowed by law, against the benefited Unit as a Special Assessment.

The Association may preclude any contractor, subcontractor, agent, employee or other invitee of a Unit Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines from continuing or performing any further activities in Clearbrook Condominium Association No. 7, subject to the notice and hearing procedures contained in these By-Laws.

Neither the Association, nor its officers, directors or agents shall be held liable to any person for exercising the rights granted by this paragraph. In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decision of the reviewing entities under this Article.

12.10. Delegation. The Association is not required to provide any of the foregoing

powers, duties and responsibilities of the Architectural Review Committee to the extent that they have been previously delegated to the CCA.

### **ARTICLE XIII**

#### **AMENDMENTS**

Subject to the restrictions, if any, in the Master Deed regarding the rights of Notice Mortgagees, these By-Laws, or any of them, may be altered 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. The quorum for such meeting shall be Owners representing at least twenty-one (21) units attending in person or by proxy. The amendment shall require the affirmative vote of a majority of those attending in person or by proxy provided that there are at least twenty-one (21) affirmative votes for the amendment. In other words, for an amendment to pass: (a) there must be a quorum; (b) a majority of those attending in person or by proxy must vote "yes"; and (c) there must be at least twenty-one (21) "yes" votes. The obligation or the proportionate responsibility for the payment of Common Expenses with respect to Units or the Common Elements may not be changed by reason of any such new By-Law, amendment or repeal.

### **ARTICLE XIV**

#### **CONFLICT; INVALIDITY**

14.01. Conflict. In spite of anything to the contrary herein, if any provision of these By-Laws is in conflict with or contradiction of the Master Deed, the Certificate of Incorporation or with the requirements of any law, then the requirements of said Master Deed or law shall be deemed controlling.

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

## **ARTICLE XV**

### **ARBITRATION**

Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in Middlesex County, New Jersey by a sole arbitrator with knowledge of Condominium Association law appointed by the assignment judge of Middlesex County, New Jersey, in accordance with its rules then obtaining and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. All expenses of arbitration hereunder including the fees and expenses of counsel and experts shall be Common Expenses.

## **ARTICLE XVI**

### **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.A. 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 Eligible Votes at a special meeting duly called in accordance with Article III, 3.03, of these By-Laws.

## **ARTICLE XVII**

### **CORPORATE SEAL**

The Association shall have a seal in circular form having within its circumference the words the "CLEARBROOK GLADSTONE VILLAGE CONDOMINIUM ASSOCIATION NO. 7, INC."