

BY-LAWS

CARRIAGE STOP HOMEOWNERS ASSOCIATION, INC.

Attachment "B"

DB4762-0735

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BY-LAWS

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BY-LAWS
CARRIAGE STOP HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
APPLICABILITY, MEMBERS, MEMBERSHIP AND DEFINITIONS

Section 1. These By-Laws shall be applicable to Carriage Stop Homeowners Association, Inc., a non-profit corporation of the State of New Jersey, hereinafter referred to as the "Community Association," and to all of the members thereof as hereinafter defined, and to the Carriage Stop development, hereinafter referred to as the "Development."

Section 2. Every home owner in the Development shall be a member of Community Association. All present and future owners, tenants, guests, licensees, servants, agents, employees and any other person or persons that shall be permitted to use the facilities of Community Association, shall be subject to these By-Laws and to the rules and regulations, if any, issued by Community Association to govern the conduct of its members. Acquisition, rental, or occupancy of any of the units in Development shall be conclusively deemed to mean that the said owner, tenant or occupant has accepted and ratified the Declaration, these By-Laws and the rules and regulations of Community Association, if any, and will comply with them.

Section 3. Unless it is plainly evident from the context that a different meaning is intended, as used throughout these By-Laws "Member" means the owner or co-owner of a dwelling unit located within the Carriage Stop Development as described on Exhibits A and B to the Declaration of Covenants, Restrictions, Easements, Charges and Liens, and, more specifically, includes an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof.

Section 4. Membership in the Community Association shall be limited to the owners or co-owners of units in Development, provided that whenever title to a unit is vested in two (2) or more persons, such co-owners shall be entitled jointly to only one (1) vote for their particular unit as designated on the membership card and records of Community Association.

In the event that a member shall lease or permit another to occupy his unit, the tenant or occupant shall be permitted to enjoy the facilities of Community Association, but shall not vote in the affairs of Community Association, unless the member shall permit the tenant or occupant to exercise the proxy vote of such member.

In the event that a member shall mortgage his unit, the lien of the mortgage shall be deemed to attach to the member's rights, privileges, and obligations in Community Association,

including his right to vote in the affairs of Community Association to the extent that if the member shall be in default of any of the terms of the mortgage and such default shall result in foreclosure, the member's membership in Community Association shall automatically terminate and all of the rights, privileges and obligations of membership shall inure to the mortgagee or its assigns.

Every lawful transfer of title to the member's unit shall include membership in Community Association and, upon making such transfer, the previous owner's membership shall terminate.

Except as provided above, membership in Community Association shall not be assigned or transferred and any attempted assignment or transfer shall be void and of no effect.

ARTICLE II PRINCIPAL OFFICE

The principal office of Community Association shall be located initially at 1 Lincoln Lane, Box 560, Berlin, New Jersey 08009, but, thereafter, may be located at such other suitable and convenient place or places as shall be permitted by law and designated by the Trustees.

ARTICLE III MEETINGS OF MEMBERS: VOTING

Section 1. All annual and special meetings of Community Association shall be held at the principal office of Community Association or at such other suitable and convenient place as may be permitted by law and, from time to time, fixed by the Trustees and designated in the notice of such meetings.

Section 2. The first annual meeting of the members of Community Association shall be held on December 1, 1995 or as provided in ARTICLE V of these By-Laws. Subsequent annual meetings shall be held on the third Monday in December of each succeeding year. At each annual meeting, there shall be elected by a ballot of a majority of the members entitled to vote, the Trustees of Community Association in accordance with the provisions of these By-Laws. The members may also transact such other business as may properly come before the meeting.

Section 3. The Secretary shall mail notices of annual meetings to each member of Community Association, directed to his last-known post office address as shown on the records of Community Association, by regular mail, postage prepaid. Such notice shall be mailed not less than seven (7) days before the date of such meeting and shall state the date, time and place of the meeting.

Section 4. It shall be the duty of the President to call

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a special meeting of the members of Community Association whenever he is directed to do so by resolution of the Trustees or upon presentation to the Secretary of a request for meeting signed by thirty (30%) percent of the members entitled to vote at such meeting.

Section 5. The Secretary shall mail notice of such meeting to each member of Community Association in the manner provided in Section 3 of this Article, except that notice of special meetings shall be mailed not less than five (5) days before the date fixed for such meeting.

Section 6. The Secretary shall compile and keep up to date at the principal office of Community Association, a complete list of the members and their last-known post office addresses. Such list shall also show the number of the unit owned by each member. This list shall be open to inspection by all members and other persons lawfully entitled to inspect the same, at reasonable hours during business days. The Secretary shall also keep current and retain custody of, the minute book of Community Association, containing the minutes of all annual and special meetings of Community Association and all resolutions of the Trustees.

Section 7. Each member in good standing and entitled to vote shall be entitled to vote, on the basis of one vote for each dwelling unit, as established in the Declaration, with respect to all decisions to be voted upon by the Community Association membership.

Section 8. At all elections of Trustees, each member shall be entitled to vote for each Trustee to be elected, cumulative voting not being permitted.

Section 9. A member shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of Community Association if, and only if, he shall have fully paid all assessments made or levied against him and his unit by the Trustees as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and to his unit, at least three (3) days prior to the date fixed for such meeting.

Section 10. Except as otherwise provided in these By-Laws, the presence (in person or by proxy) of forty (40%) percent of votes available of Community Association shall constitute a quorum at any annual or special meeting of members. If any meeting of members cannot be organized because a quorum has not attended, the members present or by proxy may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called. In the event of any such adjourned meeting, no further notice of the adjourned date need be given to any of the members. Thereafter, business may be transacted at the adjourned

meeting by a majority of the members present at such meeting.

Section 11. Except as otherwise provided in these By-Laws, the Declaration, or the Planned Real Estate Full Disclosure Act, all decisions shall require for passage the affirmative vote of at least a majority of the members in good standing and entitled to vote in attendance at a meeting, or a majority of the members present at an adjourned meeting. Any action which may be taken at a meeting of members may be taken without a meeting if authorized by a writing signed by the required percentage of members entitled to vote for that particular matter.

Section 12. The order of business at all meetings of the members of the Community Association shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meetings.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of inspectors of election.
- (g) Election of officers or trustees.
- (h) Unfinished business.
- (i) New business.

ARTICLE IV OBLIGATIONS OF MEMBERS

Section 1. Each member shall be obligated to reimburse Community Association for any expenses incurred by it in repairing or replacing any part or parts of the common areas damaged solely by his negligence or by the negligence of his tenants, agents, guests or licensees, promptly upon the receipt of Community Association's statement therefor. Such damages shall constitute a lien against the unit in favor of Community Association.

Section 2. Each member is bound to contribute pro rata as set forth in the Declaration, toward the expenses of administration and of maintenance and repair of the common areas, to the expenses of administering and maintaining Community Association and all of its real and personal property in such amounts as shall from time to time be fixed by the Trustees, and to any other expenses which may be lawfully agreed upon. No member may exempt himself or be exempted from contributing toward such

(a) Within sixty (60) days after the initial conveyance of twenty-five (25%) percent of the total number of units, the President shall call either the first annual meeting or a special meeting of the membership of the Community Association for the purpose of holding the first election of Owners to the Board ("Transition Election"). At the meeting, Owners other than Developer shall be entitled to vote for and elect two (2) Trustees from among such Owners in accordance with the provisions of ARTICLE III of these By-Laws, and the Developer shall be entitled to appoint five (5) Trustees.

(b) Within sixty (60) days after the initial conveyance of fifty (50%) percent of the total number of units, the President shall call a meeting of the membership of the Community Association for the purpose of holding a second Transition Election. At this meeting, Owners other than Developer shall be entitled to vote for and elect three (3) Trustees from among such Owners in accordance with the provisions of ARTICLE III of these By-Laws, and the Developer shall be entitled to appoint four (4) Trustees.

(c) Within sixty (60) days after the initial conveyance of seventy-five (75%) percent of the total number of units, the President shall call a meeting of the membership of the Community Association for the purpose of holding a third Transition Election. At this meeting, Owners other than Developer shall be entitled to vote for and elect six (6) Trustees from among such Owners in accordance with the provisions of ARTICLE III of these By-Laws, and the Developer shall be entitled to appoint one (1) Trustee. Developer shall have the right to appoint one (1) Trustee so long as there are any units remaining unsold in the regular course of business.

(d) Within sixty (60) days after the conveyance of the last unit, the President shall call a meeting of the membership of the Community Association for the purpose of holding a fourth Transition Election. At this meeting, Owners other than Developer shall be entitled to vote for and elect the seventh (7th) and final Trustee from among such Owners in accordance with the provisions of ARTICLE III of these By-Laws. From and after the fourth Transition Election the Owners shall have the right to vote for and elect all the Trustees, provided that Developer shall be entitled in its discretion to relinquish the seventh trusteeship at the time of the third Transition Election or any time thereafter prior to the conveyance of the last unit.

(e) Notice of all special meetings called pursuant to this Section for the purpose of holding Transition Elections shall be given not less than twenty (20) days nor more than thirty (30) days prior to the date of the meeting.

Section 3. All Trustees shall be elected to serve for a term of one (1) year. Election of Trustees shall be held at the

annual meeting. Each Trustee shall continue to hold office until the Trustee's successor is elected. Trustees shall serve without compensation.

Section 4. If any office of any Trustee shall become vacant by reason of his death, resignation, disqualification, removal from office or otherwise, the remaining Trustees shall appoint a member to the Board of Trustees to serve for the unexpired term in respect to which such vacancy occurred. When a member of the Board of Trustees who has been elected by unit Owners other than Developer is removed or resigns, that vacancy shall be filled by a unit Owner other than Developer.

Section 5. Trustees may be removed with or without cause by the affirmative vote of fifty-one (51) per cent of the votes available at any annual or special meeting of members duly called for such purpose.

Section 6. The first or organizational meeting of each newly elected Board of Trustees shall be held immediately upon adjournment of the meeting of the members at which they were elected and at the same place where the meeting of members was held, provided a quorum is present. If a quorum of the Board is not then present, such first or organizational meeting shall be held as soon thereafter as may be practicable provided notice is given to each Trustee as set forth in Section 7 of this Article unless waived as provided in Section 9 of this Article.

Section 7. Regular meetings of the Board of Trustees may be held at such time and place as permitted by law as from time to time may be determined by the Trustees, but at least two (2) such meetings shall be held in each fiscal year. Notice of regular meetings of the Board shall be given to each Trustee by United States regular mail, with postage prepaid, directed to him at his last-known post office address as the same appears on the records of Community Association, at least five (5) days before the date appointed for such meeting. Such notice shall state the date, time and place of such meeting and, if possible, the purpose thereof.

Section 8. Special meetings of the Board of Trustees may be called by the President of Association on three (3) day's notice to each Trustee, given in the same manner as provided by the President or Secretary in like manner upon the written request of any three (3) Trustees.

Section 9. Before any meeting of the Board of Trustees, whether regular or special, any Trustee may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Trustee at any meeting of the Board shall likewise constitute a waiver by him of such notice. If all Trustees are present, no notice of such meeting shall be required and any business may be transacted at

such meeting, except as prohibited by law or these By-Laws.

Section 10. At all duly convened meetings of the Board of Trustees, a majority of the Trustees shall constitute a quorum for the transaction of business, except as otherwise provided in these By-Laws or by law, and the act of the majority of the Trustees present at such meeting shall be the act of the Board of Trustees. If at any meeting of the Board of Trustees there shall be less than a quorum present, the Trustee or Trustees present may adjourn the meeting from time to time, and at any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting as originally called, may be transacted without further notice to any Trustee.

Section 11. Open meetings of Association:

(a) All meetings of the Community Association's Board, except conference or working sessions at which no binding votes are to be taken, shall be open to attendance by all unit owners.

(b) Despite (a) above, the Community Association's Board may exclude or restrict attendance at those meetings or portions of meetings dealing with the following:

- (1) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- (2) Any pending or anticipated litigation or contract negotiations;
- (3) Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer; or
- (4) Any matter involving the employment, promotion, discipline, or dismissal of a specific employee of the Community Association.

(c) At each meeting required to be open to all unit owners, minutes of the proceedings shall be taken, and copies of those minutes shall be made available to all unit owners before the next open meeting.

- (1) Community Association shall keep reasonably comprehensive minutes of all its meetings showing the time and place, the members present, the subjects considered, the actions taken, the vote of each member, and any other information required to be shown in the

minutes by the By-Laws. Such minutes shall be made available to the public in the Community Association office within thirty (30) days.

- (2) At each open meeting, the participation of unit owners in the proceedings or the provision of a public comment session shall be at the discretion of the Board.

(d) Adequate notice of any open meeting shall be given to all unit owners. Adequate notice means written advance notice of a least 48 hours, giving the date, time, location and, to the extent known, the agenda of any regular, special, or rescheduled meeting. Such notice shall accurately state whether formal action may or may not be taken. This notice shall be mailed, first-class mail, postage prepaid, or hand-delivered to each Owner at his last-known post office address.

(e) At least once each year, within seven (7) days following the annual meeting of the Community Association, the Board shall mail, first-class mail, postage prepaid, to each owner at his last known post office address, notice of meetings scheduled for the year.

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

Section 12. The Board of Trustees shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of Community Association and the operation and maintenance of the common areas and may do or cause to be done, all such other lawful acts and things as are not by law or by these By-Laws, directed or required to be done or exercised by members of Community Association or owners of units, or by others. In the performance of its duties as the administering body of Community Association, the Board of Trustees shall have powers and duties including, but not limited to, the following which can be exercised by the Board at its sole discretion:

- A. To operate, maintain, repair, replace, clean, care for, and protect the common areas and the facilities and all other property, real or personal, of Community Association.
- B. To make, levy, assess and collect funds for the sinking fund and for common expenses and the

payment thereof. The total amount of such assessment shall be assessed against all of the units and their respective owners thereof, in the proportionate shares applicable to the units owned by them as set forth in the Declaration.

- C. To adjust or increase the amount of any annual assessments and periodic installments, and to levy and collect, in addition thereto, special assessments in such amounts as the Board may deem proper whenever the Board is of the opinion it is necessary to do so in order to meet increased operating or maintenance costs or because of emergencies, provided, however, that all such increased or special assessments shall be made or levied against such owners and units owned by them respectively, in the same proportions as provided in the Declaration.
- D. To use and expend any sums collected from such assessments or levies for the operation, maintenance, renewal, care, upkeep, surveillance and protection of the common areas, facilities of Community Association and all of its real or personal property.
- E. To pay all taxes and assessments levied or assessed against any property of Community Association, exclusive of any taxes or assessments levied against any unit or otherwise properly chargeable to the owner of such unit.
- F. To employ such personnel and to purchase such equipment and supplies and arrange for such services as in the opinion of the Board may from time to time be necessary for the proper operation and maintenance of the common areas, and the facilities of Community Association, except the portions thereof required to be maintained by the owner of a unit. The Board may employ a manager for Community Association, at such compensation as may be established by the Board, to perform such duties and services as the Board may delegate.
- G. To collect delinquent levies or assessments made by Community Association through the Board against any units and their respective owners, together with such costs and expenses incurred in connection therewith, including but not limited to court costs and attorney's fees whether by suit or otherwise, to abate nuisances and enforce the provisions of the Declaration, By-Laws or rules and regulations

relating to Development, by injunction or such other legal action or means as the Board may deem necessary or appropriate.

- H. To enter into contracts, be sued or bring suit and to employ or retain legal counsel, engineers and accountants and such other professional employees, and to fix their compensation whenever such professional advice or services may be deemed necessary by the Board for any proper purposes of Community Association.
 - I. To cause such operating accounts and escrow or other accounts, if any, to be established and opened as the Board may deem appropriate from time to time and as may be consistent with good accounting practices.
 - J. To maintain accounting records, in accordance with generally accepted accounting principles which records shall include:
 - (1) A record of all receipts and expenditures;
 - (2) An account for each unit setting forth the shares of common expenses or other charges due, the due dates thereof, the present balance due, and any interest in common surplus;
 - (3) A record of all maintenance and repairs made to the common areas.
- Such account records shall be open to inspection to unit owners at reasonable times upon request.
- K. To adopt, distribute, amend and enforce compliance with such reasonable rules and regulations relative to the operation, use and occupancy of the common areas and facilities of Community Association, and to amend the same from time to time as the Board shall deem necessary or appropriate, which rules and regulations, when approved by appropriate resolutions, shall be binding upon the owners and occupants of the units, their successors in title and assigns, subject, however, to the right of a majority of unit owners to change any such rules.
 - L. To insure the premises as required or authorized by the Declaration.
 - M. To temporarily close the common areas when required

for a special use.

- N. To do any and all things which prudent operation of Community Association would require.

ARTICLE VI
FISCAL MANAGEMENT

Section 1. The Board shall have the duty to collect from each unit owner, his, her or their heirs, administrators, successors and assigns, as "Common Receipts", a proportionate part of the common expenses assessed against such unit owner as provided in the Declaration, the Articles of Incorporation, these By-Laws, and in accordance with applicable law.

Section 2. The amount of monies for common expenses deemed necessary by the Board and the manner of expenditure thereof, including but not limited to the allocation thereof, shall be a matter for the sole discretion of the Board. The Board shall take the funds as collected and shall disburse the same for the purposes and in the manner set forth herein and as required by the Declaration, Articles of Incorporation, and applicable law.

Section 3. The depository of Community Association shall be at such bank or banks as shall be designated from time to time by the Board and in which the monies of the Community Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by two (2) authorized Trustees from the Board, or their assignees, provided that a management agreement may include among its provisions authority for the manager to sign checks on behalf of Community Association for payment of the obligations of Community Association, if the proper fidelity bond is furnished to Community Association. Any instrument in which Community Association funds are invested must be rated AAA or higher.

Section 4. The receipts and expenditures of the Community Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

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

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

annually (on approximately a two to five year frequency).

(c) Reserves for replacement, which shall include funds for repair or replacement of common areas or other facilities of Community Association required because of damage, depreciation or obsolescence, and which shall be allocated among each of the separate categories of replacement items, generally on a frequency of five years or longer.

(d) Reserves for capital improvements, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common areas.

(e) Operations, which shall include any gross revenue from the use of the common areas 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 year in which the surplus is realized, or at the discretion of the Board, in the year following the one in which the surplus is realized. Losses from operations or otherwise shall be met by added assessments against unit owners, which assessments may be made in advance in order to provide a working fund.

Section 5. The Board 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, bad weather, or uncollected accounts. Despite anything herein to the contrary, the Board in its determination of the common expenses and the preparation of a budget, shall specifically designate and identify what portion of the common expenses to be assessed against the owners is allocable to reserves for each separate item of repair and improvement to said property. The amounts thus assessed and collected for each such separate item of repair and improvement shall be kept in an interest-bearing savings account, appropriately designated for such category. The Board may keep additional cash on hand, not to exceed \$2500.00, in a checking or petty cash account, for the necessary discharge of its function.

Section 6. The Board shall give notice in writing to each owner, and to any mortgagee who requires same, of the amount estimated by the Board for common expenses for the forthcoming budget year, directed to the owner at his last known address by ordinary mail, or by hand delivery. Said notice shall be conclusively presumed to have been made in the amount of the last prior year's assessment, and periodic installments on such assessment shall be due and payable upon each installment payment date, until changed by an amended 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, provided that nothing herein shall prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency which cannot be met by reserve funds designated for such contingency. The mortgagee shall be notified of any owner who is in default of maintenance or assessment payments for a period in excess of sixty (60) days. Community Association shall, upon the request of any owner or any mortgagee, furnish to such owner or mortgagee, a certificate in writing, signed by an officer of Community Association, setting forth whether common expense assessments have been paid. Such certificate shall constitute conclusive evidence of the payment of any common expense assessments therein stated to have been paid.

Section 7. If an owner shall be in default in the payment of a common expense assessment installment, the Board may accelerate the remaining installments for the remaining term of the assessment, upon notice to the owner, and the then unpaid balance of the common expense assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery or mailing of the notice to the owner. Notice shall also be mailed to the mortgagee of record, if any. The Board at its option shall have the right in connection with the collection of any common expense assessment, or other charge, to impose a late charge up to the legal maximum if such payment is made after the due date of the assessment, and the Board may assess fines, liens, costs of collection, and interest at 10% per annum. In the event the Board does not collect the unpaid assessment from the Unit owner, a power of attorney will be granted to any holder of an institutional mortgage covering a unit. In the event that the Board shall effectuate collection of said charges by resort to legal counsel, the Board may add to the aforesaid charges reasonable attorneys' fees and other costs of collection.

Section 8. While the Developer maintains a majority of the Board, he shall have an annual audit of Community Association funds prepared by an independent accountant, a copy of which shall be delivered to each owner within 90 days of the expiration of the fiscal year of the Community Association. The audit shall cover the operating budget and reserve accounts. After the owners assume control, the Board shall have an annual audit of Community Association funds prepared by an independent public accountant, a copy of which shall be delivered to each Owner within 90 days of the expiration of the fiscal year of the Community Association. The audit shall cover the operating budget and reserve accounts. Any owner shall be permitted to examine the books of account of the Board at a reasonable time on business days; provided, however, that the Treasurer has been given at least 10 days prior written notice of the owner's desire to make such an examination.

Section 9. While the developer maintains a majority of the Board, he shall post a fidelity bond or other guarantee

acceptable to the Agency, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves. After the owners assume control, fidelity bonds shall be required by the Board from all persons handling or responsible for Community Association funds. The amount of such bonds shall be determined by the Trustees. The premiums on such bonds shall be paid by Community Association.

ARTICLE VII OFFICERS

Section 1. The officers of Community Association shall be a President, Vice-President, Secretary and Treasurer. The President shall be a member of the Board of Trustees. The same person may hold the office of Vice President and Secretary or Secretary and Treasurer.

Section 2. The officers of Community Association shall be elected annually by the Board of Trustees at the organization of each new Board and shall hold office until their successors are elected or appointed by the Board and qualify, provided that each officer shall hold office at the pleasure of the Board and may be removed with or without cause and his successor elected at any meeting of the Board, called for such purpose, upon the affirmative vote of a majority of the members of the Board. This provision does not apply to any officer elected while Developer maintains a majority of the Board; those officers may be removed only by Developer. The Board may, from time to time, appoint such other officers as in its judgment are necessary. Nothing herein contained shall prohibit a Trustee from being an officer.

Section 3. The President shall be the chief executive officer of Community Association and shall preside at all meetings of the members and of the Board of Trustees. He shall have the general powers and duties usually vested in the office of President of an association, including but not limited to, the power to appoint committees from among the members as he may deem appropriate to assist in the conduct of the affairs of Community Association. He shall execute deeds, contracts and other instruments in the name of and on behalf of Community Association and under its seal, except when such documents are required or permitted by law to be otherwise executed and except when the signing and execution thereof shall be delegated by the Board to another officer or agent of Community Association.

Section 4. The Vice-President shall act in the place of the President when the President is absent and shall perform all duties as shall be delegated to him by the President. He shall serve as chairman of the respective committees which the Trustees shall deem appropriate.

Section 5. The Secretary shall attend all meetings of

the Board of Trustees and all meetings of the members and record all votes and the minutes of all meetings and proceedings, including resolutions, in a minute book to be kept for that purpose and shall perform like duties for any committees when required. He shall have charge of the minute book and such records and papers as the Board shall direct and perform all duties incident to the office of Secretary, including the sending of notices of meetings to members, the Board and committees and such other duties as may be prescribed by these By-Laws or by the Board or the President. He shall also have custody of the seal of Community Association and, when authorized by the Board, affix the same to any instrument requiring it and attest the same when appropriate.

Section 6. The Treasurer shall have the responsibility for Community Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in the books of Community Association and shall deposit all monies, checks and other valuable effects in the name and to the credit of Community Association in such depositories as may from time to time be designated by the Board of Trustees. He shall disburse the funds of Community Association as may be ordered by the Board or the President and shall render to the President and Trustees an account of his transactions as Treasurer and of the financial condition of Community Association.

Section 7. The officers of Community Association shall serve without compensation except that they shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties. The officers shall have such other duties, powers, and responsibilities as shall be authorized by the Board.

ARTICLE VIII INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. No Trustee or officer shall be personally liable for damages to Community Association, its members, or any other person or entity for breach of any duty owed to Community Association or its members, or resulting from the exercise of judgment or discretion in connection with the duties of his office, unless caused by a willful, wanton, or grossly negligent act of commission or omission, breach of the duty of loyalty to Community Association or its members, involves a knowing violation of law, or results in receipt of an improper personal benefit. Nothing contained herein to the contrary shall serve to exculpate members of the Board appointed by the Developer from their fiduciary responsibilities.

Section 2. Community Association shall indemnify every Trustee and officer, his heirs, executors and assigns against all loss, costs and expenses including counsel fees reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a

Trustee or officer of Community Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which Community Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duties as such Trustee or officer in relation to the matter involved. The foregoing rights shall not be exclusive of all other rights to which such Trustees or officers may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by Community Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated by Community Association as common expenses, provided, however, that nothing in this Article shall be deemed to obligate Community Association to indemnify any member or owner who is or has been a Trustee or officer of Community Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of his membership in Community Association or as an owner in Development.

ARTICLE IX FISCAL YEAR

The fiscal year of Community Association shall begin on the first day of January in each year.

ARTICLE X CORPORATE SEAL

The corporate seal of Community Association shall consist of two (2) concentric circles, between the circumference of which shall be inscribed the name "Carriage Stop Homeowners Association" and within the circumference of the inner circle, the words "Incorporated", "New Jersey" and the year of incorporation.

ARTICLE XI AMENDMENTS TO BY-LAWS

These By-Laws may be amended, altered or repealed at any Community Association meeting upon which previous notice to amend, alter or repeal has been given to unit owners. These By-Laws may be amended with an affirmative vote in person or by proxy of a majority of the Community Association members in good standing, except as otherwise provided in the Declaration or these By-Laws. No amendment of these By-Laws shall be effective until recorded in the Office of the Camden County Register of Deeds. Despite anything to the contrary herein, no amendment may be made to these By-Laws that will impair or adversely affect the rights of Developer or cause Developer to suffer any financial, legal, or other detriment, including but not limited to any direct or

indirect interference with Developer's right to build, develop, sell or lease any units, so long as Developer holds any units and until Developer is released by Berlin Borough from all performance and maintenance guarantees.

ARTICLE XII DISSOLUTION

Section 1. In the event it shall be deemed advisable by and for the benefit of the members of Community Association that Community Association should be dissolved, the procedures concerning dissolution set forth in N.J.S.A. 15A:12-1 et seq. shall be followed.

Section 2. In the event of dissolution, the assets of Community Association, after the payment of all debts, shall be distributed to the members of Community Association in accordance with their proportionate share of ownership therein.

ARTICLE XIII COVENANTS REGARDING USE OF PREMISES

Section 1. There shall be no obstruction of the common areas nor shall anything be stored in the common areas without the prior consent of the Board of Trustees. Each owner shall be obligated to maintain and keep in good order and repair his own unit.

Section 2. Nothing shall be done or kept in the common areas which will increase the rate of insurance without the prior written consent of the Board. No waste shall be committed in the common areas.

Section 3. No owner shall contract for or perform any maintenance, repair, replacement, alteration or modification of the common areas or any additions thereto. No owner shall take or cause to be taken, any action within his unit which would affect the common areas.

ARTICLE XIV ENFORCEMENT

Section 1. The Community Association shall provide a fair and efficient procedure for the resolution of disputes between individual unit owners and the Community Association, and between different unit owners, that shall be readily available as an alternative to litigation.

Section 2. Community Association shall have the power, at its sole option, to enforce the terms of these By-Laws 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 Community Association to its original position and charging the breaching party with the entire cost of any part thereof; complaint to the duly constituted authorities; or by taking any other action before any court or other governmental or private entity, summary or otherwise, as may be provided by law. Any attorneys' fees incurred by reason of enforcement of the Declaration, By-Laws or any rule or regulation promulgated pursuant thereto shall be charged to the breaching party. Collection of the attorneys' fees may be enforced against the Unit owner involved as if the attorneys' fees were a common expense owed by the particular owner.

Section 3. Community Association shall also have the power to levy fines against any owner for violations of any rule, regulation or restriction contained in the Declaration or By-Laws, except that no fine may be levied for more than \$100.00 for any one violation; but for each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against the owner involved as if the fine were a common expense owed by the particular owner.

Section 4. 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.

ARTICLE XV MISCELLANEOUS

Section 1. Community Association is required to keep an updated list of all members in Association and a list of all mortgagees. This list will contain the names, addresses and telephone numbers of the owners and mortgagees in Development.

Section 2. Despite anything to the contrary herein, if any provision of these By-Laws is in conflict with the Declaration, or with the requirements of any law, then the requirements of said Declaration or law shall be deemed controlling.

Section 3. The invalidity of any part of these By-Laws shall not impair or affect in any manner the enforceability or affect the balance of the By-Laws.

Section 4. Any notice required to be sent to any owner under the provisions of the Declaration or Articles of Incorporation or these By-Laws shall be deemed to have been properly sent and notice hereby given, when mailed, by regular post with postage prepaid, addressed to the owner at the last known post office address of the person who appears as a member on the records of Community Association at the time of such mailing. Notice to one of two or more co-owners of a Unit shall constitute notice to

all co-owners. It shall be the obligation of every owner to immediately notify the Secretary of Community Association in writing of any change of address.

Red Book

Record and return to:

Robert M. Washburn, Esq.
SHERMAN, SILVERSTEIN, KOHL, ROSE & PODOLSKY
4300 Haddonfield Road, Suite 311
Pennsauken, NJ 08109

John R. Rose
REGISTER

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