Bylaws of Leisure Village West Association, Inc.

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[Restated to incorporate the May 12, 2022 Amendment relating to Electronic Notices — see Article III, Section 12]

TABLE OF CONTENTS

Article 1: Applicability, Members, Membership and Definitions	5
Section 1.	5
Section 2.	5
Section 3. Definitions	5
Section 4. Association Membership	7
Section 5. Associate Members	7
Section 6. Leasing or Rental of Units	7
Section 7. Change of Membership	10
Section 8. Rights of Membership	10
Section 9. Suspension of Rights	10
Section 10. Administrative Transfer Fee	11
Section 11. Member on Good Standing	12
Section 12. Tort Immunity	12
Article II: Principal Office	12
Section 1. Location of Principal Office	13
Article III: Meetings of Members; Voting	13
Section 1. Place of Meetings	13
Section 2. Annual and Special Association Meetings	13
Section 3. Notice of Meetings	13
Section 4.	14
Section 5.	14
Section 6.	14
Section 7. Voting in General	14
Section 8. Quorum and Adjourned Meetings	14
Section 9. Voting on Questions	14
Section 10.	15
Section 11.	15
Section 12. Electronic Notices	15
Article IV: Obligation of Members	15
Section 1.	16
Section 2.	16
Section 3. Common Expense Assessments	16
Section 4.	16
Section 5. Methodology for Computing Annual Common Expense Assessments	16
Section 6.	16
Section 7.	17
Section 8.	17
Section 9.	17
Section 10.	17

Section 11. Current Common Expense Assessments	17
Section 12. Changes to Unit	17
Section 13. Compliance with Rules, Regulations and Policies.	17
Article V: Board of Trustees	18
Section 1. Governance by Trustees	18
Section 2. Term of Office and Disqualification of Trustees	18
Section 3. Filling of Vacancies	18
Section 4. Candidates for Election	18
Section 5. Election Procedure	19
Section 6. Removal of Trustees	19
Section 7.	20
Section 8.	20
Section 9.	20
Section 10.	20
Section 11.	20
Section 12.	20
Section 13. Attendance by Unit Owners	20
Section 14. Trustees' Open Forum	21
Article VI: Powers and Duties of the Board of Trustees	21
Section 1.	21
Section 2. Acceleration of Assessment Installment Upon Default	23
Section 3. Interest and Counsel Fees	24
Section 4. Assessment of Expenses in Action by or Against Association; Allocation of Awards	24
Section 5. Determination of Annual Common Expenses	25
Article VII: Officers	25
Section 1.	25
Section 2. Officers of Association	25
Section 3. Duties of President	25
Section 4. Duties of Vice President	26
Section 5. Duties of Secretary	26
Section 6. Duties and Responsibilities of Treasurer	26
Section 7.	26
Article VIII: Indemnification of Officers and Trustees	26
Section 1.	26
Article IX: Enforcement	27
Section 1. Enforcement	27
Section 2. Fines	27
Section 3. Waiver	27
Article X: Damage to Buildings, Reconstruction, Sale Obsolescence	27
Section 1.	28
Section 2.	28

Section 3.	28
Section 4.	29
Article XI: Fiscal Year	29
Section 1.	29
Article XII: Corporate Seal	29
Section 1.	29
Article XIII: Amendments to Bylaws	29
Section 1. Procedure for Amendment	29
Article XIV: Dissolution	29
Section 1.	30
Section 2.	30
Article XV: Member's Percentage of Ownership	30
Section 1.	30
Section 2.	30
Section 3.	30
Article XVI: Committees	30
Section 1. Standing Committees	30
Section 2. Appointment of Committee Chairpersons	31
Article XVII: Miscellaneous	31
Section 1.	31
Section 2.	31
Section 3.	31
Section 4.	31
Section 5. Amendment of Schedules	31
Section 6.	31
Section 7. Conflict	31
Section 8. Invalidity	31

BYLAWS OF LEISURE VILLAGE WEST ASSOCIATION, INC.

ARTICLE I

APPLICABILITY, MEMBERS, MEMBERSHIP AND DEFINITIONS

SECTION 1. These Bylaws shall be applicable to Leisure Village West Association, a non-profit corporation of the State of New Jersey, hereinafter defined, to the community and recreational facilities owned by the Association and to each Condominium which is now or may hereafter be created and declared as part of the Condominium known as Leisure Village West in Manchester Township, New Jersey, hereinafter referred to as the "Condominium."

SECTION 2. All present and future owners and tenants, their guests, licensees, servants, agents, employees and any other person or persons that shall be permitted to use the facilities of the Association or of the Condominiums, shall be subject to these Bylaws and to the rules and regulations issued by the Association to govern the conduct of its members. Ownership, rental or occupancy of any of the units in the Condominiums shall be conclusively deemed to mean that said owner, tenant or occupant has accepted and ratified these Bylaws and the rules and regulations of the Association and will comply with them.

SECTION 3. DEFINITIONS. Unless indicated otherwise, all definitions set forth in the Master Deeds of the Condominiums or in N.J.S. 46:8B-3, are incorporated herein by reference. Additionally, common definitions as used throughout these Bylaws are:

(a) “Association” means Leisure Village West Association, Inc., a New Jersey non-profit corporation, formed to administer, manage and operate the common affairs of the Unit Owners of the Condominiums and to maintain, repair and replace the general and limited common elements of the Condominiums as provided for in the Master Deeds and these Bylaws.

(b) “Board” means the Board of Trustees of the Association, and any reference herein or in the Certificate of Incorporation, Master Deeds, Bylaws, or Rules or Regulations to any power, duty, right of approval or any other right of the Association shall refer to the Board and not to the membership of the Association, unless the context expressly indicates to the contrary.

(c) “Common elements” means “general common elements” and “limited common elements”, as defined in the Master Deeds of the Condominiums.

(d) “Common expenses” means all those expenses anticipated by N.J.S. 46:8B-3(e), in addition to all expenses including reserves incurred or assessed by the Association, and/or its Trustees, officers, agents or employees, in the lawful performance of their duties and powers.

(e) “Eligible Mortgage Holder” means any holder of a first mortgage on a Unit which has requested that the Association notify it of any proposed action that requires the consent of a specific percentage of Eligible Mortgage Holders.

(f) "Lease" means any agreement for the leasing or rental of any unit in the Condominium.

(g) "Member" means the owner or co-owners of a unit in any of the Condominiums, subject to Article I, Section 4 of these Bylaws.

(h) "Manager of the Association" means one or more persons duly authorized by the Board of Trustees of the Association to act as its duly authorized representative for specified purposes.

(i) "Owner" or "Unit Owner" means and refers to those persons or entities in whom record (fee simple) title to any unit is vested as shown in the records of the Ocean County Clerk, unless the context expressly indicates otherwise. This shall not mean or refer to any mortgagee or trustee under a deed of trust unless and until such mortgagee or trustee has acquired title to any such unit pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure, nor shall the term "Unit Owner" refer to any lessee or tenant of a "Unit Owner".

(j) "Permitted Mortgage" means and refers to any first mortgage lien encumbering a Unit held by any Lender, or to a purchase money mortgage held by the seller of a Unit, or to any mortgage lien which is expressly subordinate to any existing or future Common Expense liens imposed against the Unit by the Association.

(k) "Rules and Regulations" means those Rules and Regulations adopted by the Association, together with all future amendments or supplements thereto.

(l) "Unit" means a part of the Condominium designated and intended for independent ownership and use, regardless of type, and shall not be deemed to include any part of the general common elements or limited common elements situated within or attached to a Unit, as defined in the Master Deeds for the Condominiums.

(m) “Membership Card” means any form of identification provided by the Association to the members for membership identification

(n) “Special Ballot” means voting by mail or any other alternate method approved by the Board of Trustees.

(o) “Associate Member” means a tenant who does not own the unit in which he resides but has, through a lease agreement, the right to use the common elements as if he were a unit owner.

(p) “Member In Good Standing” The definition of “Good Standing” as it relates to use and access to common amenities:

> “Good Standing” shall mean the status applicable to an association member who is current on the payment of common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed, and which association member has not failed to satisfy a judgment for common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed. The Association may restrict use and access to common amenities for any unit owner not current on the payment of common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed.

The definition of “Good Standing” as it relates to (1) voting in board elections, (2) voting to amend the By-Laws, and (3) nominating or running for any membership position on the Board of Trustees.:

> An association member who is: 1) current on the payment of common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed; or 2) in full compliance with a settlement agreement with respect to the payments of assessments, legal fees or other charges

lawfully assessed; or 3) has a pending, unresolved dispute concerning charges assessed which dispute has been initiated through a valid alternative to litigation pursuant to N.J.S.A. 46:45:22A-44.2(c), through N.J.S.A. 46:8B-14(k), or through a pertinent court action. A member who meets this definition shall be entitled to vote in a board election, vote to amend the By-Laws, and nominate or run for any membership position on the Board of Trustees.

SECTION 4. ASSOCIATION MEMBERSHIP. Except as otherwise provided, membership in the Association shall be limited to the owners or co-owners of units in the Condominium

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

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

SECTION 5. ASSOCIATE MEMBERS. Every person who is entitled to possession and occupancy of a Unit as a tenant or lessee of a Unit Owner (pursuant to the Master Deeds and these Bylaws) may be an associate member of the Association, but shall not be entitled to any vote with respect to Association matters unless the Unit Owner provides the Association with written consent permitting the tenant or lessee to exercise a vote. Official notification will be sent to these associate members. Associate members shall not be eligible for any Association office.

SECTION 6. LEASING OR RENTAL OF UNITS.

A. All rental or lease agreements shall be for a one, two, or three year term. No leases with any other fixed-terms or month-to-month terms are permissible. All tenants and occupants shall be governed by the Master Deeds, Bylaws and Rules and Regulations. In every tenancy created pursuant to these Bylaws, at least one occupant of the premises must meet the 55-year old restriction provided for in the Master Deeds, unless the occupancy is pre-approved by the Board of Trustees. Unit Owners must file a certified copy of the lease or permit to occupy with the Association at or before the commencement of the lease or occupancy.

B. In the event that a member leases his unit to his parent or parents or child that complies with the Association's age restrictions, or permits his parent or parents or of-age child to occupy the unit, such rental or occupancy may be of unlimited duration. The tenant or occupant-parent or parents shall be treated as an associate member of the Association. The member shall have the burden of providing sufficient evidence to the Association that the resident(s) is his parents, and upon providing sufficient evidence as determined by the Association, no lease agreement shall be required.

C. No Unit Owner may lease less than the entire Unit. Units shall not be rented or used by the owners thereof for transient or hotel purposes, which is defined as (a) rental for any period of less than twelve (12) months, or (b) rental if the occupants of the Unit are provided customary hotel services, such as room services for food and beverages, maid service, furnishing laundry and linen, bell boy service, etc.

D. No more than eight percent (8%) of Units in the Association shall be permitted to be leased at any given time. The Association shall maintain a current list of leased Units throughout the community.

E. A Unit Owner desiring to lease his or her Unit may do so only if the Unit Owner has received a permit to do so from the Association (a "Leasing Permit"). Upon receiving a Leasing Permit, the Unit Owner may lease his or her Unit (but not less than his or her entire Unit) provided that such leasing shall be in strict accordance with the terms and conditions of this Master Deed, the Bylaws, and the Association's Rules and Regulations. All Leasing Permits shall be valid only as to the particular Unit Owner, Unit, tenant, and lease to which they are issued and shall not be transferable between Unit Owners or Units or tenants or leases.

F. A Unit Owner shall be given a Leasing Permit so long as (1) the Unit Owner has acted in compliance with the Association's Bylaws, Master Deed, and Rules and Regulations; (2) the proposed lease is provided to the Association and is in compliance with the Association's Bylaws, Master Deed and Rules and Regulations; (3) the Unit Owner provides proof that the Landlord Identity Registration Statement has been filed with the municipal clerk; (4) Leasing Permits are not currently issued and in effect for eight percent (8%) or more Units within the Association; and (5) the Unit Owner has owned and personally resided within the Unit for at least two (2) years. If Leasing Permits have been issued for eight percent (8%) or more Units, then no additional Leasing Permits shall be issued until the number of outstanding current Leasing Permits falls below eight percent (8%) of Units. Any Unit Owner who wishes to obtain a Leasing Permit, but cannot because the maximum number of Leasing Permits are already issued may be placed upon a waiting list. Once a current Leasing Permit expires, the next Unit Owner on the waiting list that meets all of the requirements of this Paragraph shall be given a Leasing Permit.

G. To meet special situations and to avoid undue hardship or practical difficulties, the Board of Trustees may grant permission to a Unit Owner to lease his Unit to a specified lessee even if doing so will cause the Association to exceed the eight percent (8%) rental cap. A Unit Owner that seeks such permission shall submit a written request to the Association's property manager which shall be granted or denied in the sole discretion of the Association's Board of Trustees.

H. The Association does not require a Leasing Permit in order to rent out a Residential Unit which is owned by the Association. Furthermore, the leasing out of Residential Units, which are owned by the Association, shall not count toward the eight percent (8%) rental cap, and the Association shall not be required to lease the unit for a one, two, or three year term.

I. A Mortgagee, which is limited to an institutional lender and professional financial corporation, and which is either in possession or is a purchaser at judicial sale does not require a Leasing Permit in order to rent out a Residential Unit which is owned by the Mortgagee, or is in the Mortgagee's possession. Furthermore, the leasing out of Residential Units, which are owned by the Mortgagee as a result of obtaining title to the Residential Unit at a judicial sale, or is in the Mortgagee's possession, shall not count toward the eight percent (8%) rental cap.

J. A Leasing Permit shall be automatically revoked without notice upon the occurrence of any of the following:

1. The sale or transfer of the Unit to a third party; or

2. The expiration and non-renewal of a tenant's lease; or

3. The failure of the Unit Owner to lease the Unit for any period of one-hundred eighty (180) days after receiving a Leasing Permit.

K. In enforcing any provisions set forth in this Section, the Association may recover from the non-complying Unit Owner all of its costs, including self-help costs, court costs, reasonable attorney's fees and reasonable expert fees. These costs and/or damages shall be a continuing lien on the Unit that shall bind the Unit in the hands of the then Unit Owner and the Unit Owner's successors and assigns and collection thereof may be enforced by the Board in the same manner as the Board is entitled to enforce collection of Common Expenses.

L. The rental restrictions shall not apply to a Unit that is leased before the date this amendment to the Bylaws is passed and recorded, except that the two (2) year ownership and occupancy requirement shall apply to all current owners. Therefore, the Owner of such Unit shall be permitted to continue leasing his or her Unit as long as the lease agreement otherwise conforms with the previous Rules and Regulations pertaining to leasing a Unit that were in effect at the time this amendment was enacted and the Unit Owner has owned and personally resided within the Unit for at least two (2) years. However, except in the limited instances described above, once the current Unit Owner transfers the Unit to any new owner, any new Unit Owner must apply for a Leasing Permit.

M. By renting a Unit within the Association, that Unit Owner assigns the rents from that Unit to the Association. This assignment shall only become effective if the Unit Owner fails to pay any obligation to the Association, in which case the Association shall collect the rent directly from the tenant and apply it to the Unit Owner's obligations to the Association until they are paid in full. The Unit Owner agrees that payments made by the tenant to the Association shall reduce the tenant's obligations to the Unit Owner under the lease to the extent of the amounts paid. The Unit Owner further agrees that the Association is not responsible for the control, care, and/or management of the Unit or for carrying out any of the Unit Owner's duties as landlord. The Unit Owner agrees to defend, indemnify and hold harmless the Association from and against any loss, liability, or damage (including reasonable counsel fees and reasonable expert fees) arising from any claim by any tenant or any other party arising under or in connection with the lease or assignment.

N. To ensure the Association can obtain and maintain approval for FHA and VA backed mortgages, if any government entity determines any portion of these Bylaws and its subsections disqualifies the Association from any mortgage-insurance or mortgage-subsidy program(s), the Board shall have the power to amend the Bylaws via an administrative amendment, without a vote of the Unit Owners, but only to the extent required to qualify for said mortgage program(s).

O. Seasoning Period. <u>Seasoning Period.</u>

i. In addition to the leasing requirements set forth in the Bylaws and Master Deed, a Unit Owner must own and personally reside in the Unit for at least two (2) consecutive years prior to the Unit being eligible to be rented. If the Unit is owned by a company, then at least one (1) owner, shareholder, member and/or partner of that company must personally reside in the Unit for at least two (2) consecutive years prior to the Unit being eligible to be rented.

ii. The Association's Board of Trustees acknowledges that it is a fact sensitive issue as to whether a Unit is rented where a family member of the Unit Owner resides in the Unit and where there is not a written rental agreement. The Association shall conclude that a Unit is deemed rented for the purposes of the rental restrictions if the family member is providing money or other compensation for the use of the Unit.

iii. To meet special situations and to avoid undue hardship or practical difficulties, the Board of Trustees may grant permission to a Unit Owner to lease his Unit to a specified lessee even if he has not owned and occupied his Unit for at least two (2) consecutive years. A Unit Owner that seeks such permission shall submit a written request to the Association's property manager which shall be granted or denied in the sole discretion of the Association's Board of Trustees.

iv. Exceptions to the Seasoning Period:

a. This two (2) year ownership and occupancy requirement shall not apply to heirs or devisees who take title directly from the decedent if the decedent resided in the Unit for at least two (2) consecutive years prior to the decedent's death.

b. The two (2) year ownership and occupancy requirement shall not apply to Units owned or possessed by the Association or a Mortgagee when the Association and/or Mortgagee obtained possession and/or ownership through legal means including, but not limited to, following a default, a default on a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure.

v. This two (2) year ownership and occupancy requirement shall apply to all current owners seeking to rent out a unit at the time that this amendment passes.

SECTION 7. CHANGE OF MEMBERSHIP. Change of membership shall be accomplished by recording in the Ocean County Clerk's Office a deed or other instrument establishing record title to a unit, and delivering to the Secretary of the Association a certified copy of such instrument, together with such other sums of money as the Association may require for membership. Upon completion of the transfer, the previous owner's membership shall terminate. Except as provided within these Bylaws, membership in the Association may not be assigned or transferred.

SECTION 8. RIGHTS OF MEMBERSHIP. Every person who is entitled to membership or associate membership in the Association, pursuant to the provisions of the Certificate of Incorporation, the Master Deeds and these Bylaws, may have the privilege of use and enjoyment of the general common elements, including use of the community and recreational facilities of the Association, subject, however, to the Association's right to:

(a) promulgate rules and regulations governing such use and enjoyment;

(b) suspend the use and enjoyment of the general common elements as provided in Section 9 of this Article; and

(c) transfer all or part of the general common elements, other than any building in which any units are contained, as may be provided for within these Bylaws.

SECTION 9. SUSPENSION OF RIGHTS.

A. The membership and voting rights of any member or associate member may be suspended by the Board for any period during which any type of assessment against the unit to which his membership is appurtenant remains unpaid; but upon payment of such assessments, and any interest accrued thereon, whether by check or cash, his rights and privileges shall be restored within three Association working days.

B. If Rules and Regulations governing the use of the common elements and the conduct of persons using the common elements have been adopted and published, as authorized in the Bylaws, the rights and privileges of any person violating such Rules & Regulations, or violating any non-monetary covenant of the Master Deeds, 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, privileges may be suspended indefinitely until the violation is abated. No such suspension shall be taken by the Board until the Unit Owner is afforded an opportunity for a hearing in accordance with due process [as outlined in the Residents' Handbook.]

SECTION 10. ADMINISTRATIVE TRANSFER FEE

A. Each unit owner shall pay to the Association upon acquisition of title to his Unit a nonrefundable and non-transferable fee in the amount as determined by the Association Board of Trustees. Payment of such fee shall be a condition precedent to the exercise of rights of membership in the Association upon the initial sale of subsequent transfer of title to a Unit.

B. Exceptions. A unit owner need not pay a condominium unit title transfer fee to the Association when the transfer of title:

a. is from an owner to a spouse or co-owner of the same unit; or

b. is a resident unit owner for at least two years who then sells their unit and within six months of that sale purchases another unit within the community; or

c. is a transfer upon death to a direct lineal descendant; or

d. is a transfer to a child while retaining a life estate in the unit; or

e. is from the unit owner to the Association.

C. Administrative fee for Lessors.

1. Upon the execution of any lease for any residential unit within the Community the Lessor/Owner shall pay to the Association within 10 calendar days, a non-refundable and non-transferable fee in the amount as determined by the Association Board of Trustees.

2. All lease agreements shall, in all respects, conform with the governing documents of the Leisure Village West Association and its constituent condominiums, including but not limited to the Master Deeds and Declarations of Restrictions and Protective Covenants, the By-Laws, Rules and Regulations and published policies. Unit owners must file a certified copy of the lease with the Association on or before 10 calendar days, before the commencement of the lease or occupancy.

3. In all events, the Lessor/Owner shall, upon the earlier of execution of the Lease or tenant's occupancy, provide to the Association a copy of the lease and written notice of any extensions for any occupancy. The Association shall collect an additional fee for a tenancy under any renewal or extension. The purchaser of a unit by a tenant in possession, under the terms of a lease which contains a purchase option, a right of first refusal or similar purchase rights, shall be an event which shall entitle the Association to payment of an Administrative Transfer Fee of the difference between the administration transfer and the administrative fee for lessors.

4. The Administrative fee shall be due and payable to the Association no later than 10 calendar days following the execution of the lease or commencement of the initial term, whichever occurs first. The Lessor/Unit owner's failure to pay the Administrative fee shall result in the filing of a lien against the unit in the sum as determined by the Board of Trustees, together with costs of filing and discharge, but not less than $150.00 for the filing and discharge costs.

5. The Administrative Fee for Lessors shall not be charged or collected for any Lease or renewal of a lease, if the parties to the Lease are in direct lineal relationship, ascending or descending, but limited, however, to grandparent, parent and child.

SECTION 11. MEMBER IN GOOD STANDING. The definition of "Good Standing" as it relates to use and access to common amenities:

"Good Standing" shall mean the status applicable to an association member who is current on the payment of common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed, and which association member has not failed to satisfy a judgment for common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed. The Association may restrict use and access to common amenities for any unit owner not current on the payment of common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed.

The definition of "Good Standing" as it relates to (1) voting in board elections, (2) voting to amend the By-Laws, and (3) nominating or running for any membership position on the Board of Trustees.:

An association member who is: 1) current on the payment of common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed; or 2) in full compliance with a settlement agreement with respect to the payments of assessments, legal fees or other charges lawfully assessed; or 3) has a pending, unresolved dispute concerning charges assessed which dispute has been initiated through a valid alternative to litigation pursuant to N.J.S.A. 46:45:22A-44.2(c), through N.J.S.A. 46:8B-14(k), or through a pertinent court action. A member who meets this definition shall be entitled to vote in a board election, vote to amend the By-Laws, and nominate or run for any membership position on the Board of Trustees.

SECTION 12. TORT IMMUNITY. A civil action may be brought by or on behalf of a Unit Owner to respond in damages as a result of bodily injury to the Unit Owner occurring on the premises within the Leisure Village West Community. The Association shall, however, be immune from liability for bodily injury in such actions, unless a court of competent authority finds evidence of willful, wanton or grossly negligent acts or omissions by the Association.

ARTICLE II
PRINCIPAL OFFICE

SECTION 1. LOCATION OF PRINCIPAL OFFICE. The principal office of the Association shall be located at 959 Buckingham Drive, Manchester, New Jersey, and may be re-located at such other suitable and convenient place or places as shall be permitted by law and designated by the Board of Trustees.

ARTICLE III
MEETINGS OF MEMBERS; VOTING

SECTION 1. PLACE OF MEETINGS. All regular and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Trustees and designated in the notices of such meetings. All such meetings shall be open to all residents to attend.

SECTION 2. ANNUAL AND SPECIAL ASSOCIATION MEETINGS. There shall be an annual meeting of the members of the Association in August of each year.

SECTION 3. NOTICE OF MEETING. The Secretary shall provide notice of the annual and any special meetings of the Association to each member by means of LVW News, KLVW TV or creeper or by regular mail directed to the last known post office address as shown on the records of the Association.

Notice of the annual meeting and board election must be given not less than fourteen (14) days, nor more than sixty (60) days, prior to the annual meeting and election. In addition, notice of an election shall be provided to all members via personal delivery, mail or electronic means. (Members must consent in writing to receiving electronic notifications.) Notice of the election shall include a proxy ballot and an absentee ballot. Notice shall be deemed effective when deposited in the mail with proper postage or immediately upon sending an electronic notice.

Proxies used for elections shall state, “Use of this proxy is voluntary on the part of the granting owner. This proxy may be revoked at any time before the proxy holder casts a vote. Absentee ballots are also available.” The Association must provide both a proxy form and an absentee ballot for all Board elections.

At least thirty (30) days prior to the mailing of the notice of an election meeting, the Association must provide written notice to all members of their right to nominate themselves or other Association members in good standing for candidacy to serve on the Board. Members must be given at least fourteen (14) days to respond to the request for nominations, and any nomination form that is received prior to the mailing of absentee ballots or proxies to Association members must be added to the ballots and proxies, if the nominee is in good standing. Ballots and proxies may be mailed no earlier than the day after the response deadline set in the request for nominations. If no response deadline is set in the request for nominations, then the deadline shall be the business day before notice of the election is mailed to the members. All candidates nominated for the Board shall be listed in alphabetical order by last name on the proxy ballot and absentee ballot.

The Secretary shall notify members of the open Trustees' meetings by all means of Leisure Village West media, or by such other means as may be determined by the Trustees.

SECTION 4. The President may call special meetings of the members whenever he deems such a meeting advisable. The Secretary may call a special meeting upon the order of the Board or upon the written request of members representing no less than Twenty (20%) Percent of all votes entitled to be cast at such meeting. Such request shall state the purpose(s) of the special meeting and the matter(s) proposed to be acted upon. Unless members representing at least Fifty (50%) Percent of all votes entitled to be cast requires such a meeting, no special meeting may be called to consider any matter which is substantially the same as a matter voted upon at a meeting of the Unit Owners held during the preceding twelve (12) months, which determination shall be made in the sole or absolute discretion of the Board.

SECTION 5. The Secretary shall mail notice of such special meeting to each member of the Association in the manner provided in Section 3 of this Article, except that a notice of such special meetings shall be mailed not less than 5 nor more than 20 days before the date fixed for such meetings. In lieu of mail notice as herein provided such notice may be delivered by hand to the members or left at their residence in their absence. No business shall be transacted at any special meeting except as stated in the notice thereof unless by consent of two-thirds of the members present, either in person or by proxy.

SECTION 6. Not less than 30 days prior to the date of any annual or special meeting of the Association, the Secretary shall compile and maintain at the principal office of the Association, an updated list of members and their last known post office addresses. Such list shall also show opposite each member's name the number of the unit owned by him. This list shall be open to inspection by all members and other persons lawfully entitled to inspect the same at reasonable hours during regular business days up to the date of such annual or special meeting. The Secretary shall also keep current and retain custody of the minute book of the Association, containing the minutes of all annual and special meetings of the Association and all resolutions of the Trustees.

SECTION 7. VOTING IN GENERAL. Each member in good standing and entitled to vote shall be entitled to one (1) vote for the particular unit; provided that where a unit is owned jointly by two or more persons, the unit vote may be split equally between or among the co-owners. Split votes may only be cast on an special ballot form.

SECTION 8. QUORUM AND ADJOURNED MEETINGS. Except as otherwise provided in these bylaws, the presence in person or by special ballot of one-third (1/3) of the Association's members in good standing shall constitute a quorum at any annual or special meeting of members. If a quorum has not been attained, the members present, either in person or by special ballot, may adjourn the meeting until a quorum shall be present or represented. 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. Notice of a rescheduled or adjourned meeting shall be announced by means of all Leisure Village West media.

SECTION 9. VOTING ON QUESTIONS. By resolution of the Board of Trustees, issues to be considered at any meeting, including but not limited to the election of Trustees, may be subject to a vote at the meeting or by a vote of the membership by ballot, on a day or dates established by the Board, notwithstanding whether or not a meeting is convened for the purpose of voting on the issue or question to be considered. Votes on all issues presented at meetings may be cast either in person or by special ballot.

Ballots must be in writing on forms prescribed by the Secretary and presented at the meeting. All decisions except those involving capital expenditures, as set forth in Section 10 below, and except as otherwise provided by these By-Laws, the Master Deed or applicable law, shall require for passage the affirmative vote of a majority of the members in good standing in attendance or voting by special ballot - provided that a quorum has been established in accordance with Section 4 of this Article. Votes for the election of Trustees shall be cast either in person or by special ballot, in conformance with voting regulations and election procedures as may be published from time to time. Cumulative voting shall not be permitted.

SECTION 10. All decisions of the members including capital expenditures, other than the expenditure of the Association funds the purposes set forth in Schedule A annexed hereto, shall require for passage, affirmative vote of the members representing at least 80% in interest of the undivided ownership of the Condominiums as a whole. The Trustees shall be governed in the making of capital expenditures, other than expenditures made for the purposes set forth in Schedule A annexed hereto, and in other actions by decision made by the members as provided in this section. All other decisions shall require for passage, the affirmative vote of at least a majority of the members in good standing and entitled to vote.

SECTION 11. The order of business at all meetings of the members of the Association shall be as follows:

(a) Meeting convenes.

(b) Proof of notice of meeting or waiver of notice.

(c) Reading of minutes of preceding meeting.

(d) Reports of officers and committees.

(e) Election of Trustees.

(f) Unfinished business.

(g) New business.

(h) Adjournment.

SECTION 12. ELECTRONIC NOTICES. Notwithstanding any other notice provision(s) in these Bylaws, electronic notices shall be a permitted method by which the Association may provide any and all required notices to the Unit Owners and/or the Board of Trustees. All Unit Owners shall provide the Association with a valid email address for the purpose of receiving notices from the Association. Unit Owners must notify the Association of any change in their email address. Notice of a change in email address must be in writing and preferably delivered via email correspondence to management.

Unit Owners are responsible for checking their junk mail, spam and all other folders in their email account for notices from the Association. Any notice sent electronically by the Association shall be deemed given immediately upon the sender hitting “send” or any other electronic command to transmit the notice to recipients. A Unit Owner who certifies to the Association that he or she does not have an email address will continue to receive paper notices, which may be delivered as otherwise provided in these Bylaws.

ARTICLE IV

OBLIGATIONS OF MEMBERS

SECTION 1. Each member shall perform promptly and at his own risk, cost and expense, all maintenance and repair work with respect to that portion of each unit owned by him which does not comprise a part of the common elements and which, if omitted, would adversely affect or jeopardize the safety of the Condominium in which his unit is located or any part or parts thereof belonging in whole or in part to other members and each member shall be liable for any damages, liabilities, costs, or expenses, including attorney's fees, caused by or arising out of his failure to promptly perform any such maintenance and repair work.

SECTION 2. Each member shall be obligated to reimburse the Association for any expense incurred by it in repairing or replacing any part or parts of the common elements damaged solely by his negligence or by the negligence of his tenants, agents, guests or licensees, promptly upon receipt of the Association's statement therefor.

SECTION 3. COMMON EXPENSE ASSESSMENTS. Each member is bound to contribute to the common expenses of administration and of maintenance, replacement and repair of the common elements, and to the expenses of administering and maintaining the Association and all of its real and personal property, and to any other expense that may be lawfully agreed upon in such proportions and amounts as shall from time to time be fixed by the Trustees. No member may exempt himself from contributing toward such expenses by waiver of the use or enjoyment of the common elements or of the community or recreational facilities of the Association, or by abandonment of the unit owned by him.

SECTION 4. Payment by the member of his share of the expenses aforesaid, shall be made monthly on the first day of each month, in the amount from time to time fixed by the Trustees, to the Treasurer of the Association at the principal office of the Association or such other place as shall be designated by the Trustees.

SECTION 5. METHODOLOGY FOR COMPUTING ANNUAL COMMON EXPENSE ASSESSMENTS. Each Unit Owner within Leisure Village West is required to pay his or her fair share of the Annual Operating Budget of the Association. The Annual Operating Budget provides for the maintenance and repair of Units, common areas, and recreation facilities. The budget also provides for repair and replacement of existing structures and equipment, and for acquisition of additional equipment or facilities. The Trustees develop the Annual Operating Budget on behalf of all Unit Owners. Once the budget is developed, it is then allocated back to the Unit Owners in the form of an annual assessment that, in normal circumstances, comprises a monthly operation and maintenance charge to the Unit Owners. Although the development of the Annual Operating Budget and its derivative monthly charge to the Unit Owners is a complex matter, a general description of the methodology utilized to calculate each Unit Owner's monthly assessment or fee is set forth in Schedule B.

SECTION 6. Upon any voluntary conveyance of a unit, the Grantor and Grantee of such unit shall be jointly and severally liable for all unpaid assessments pertaining to such unit duly made by the Association or accrued up to the date of such conveyance, without prejudice to the right of the Grantee to recover from the Grantor any amounts paid by the Grantee but the Grantee shall be exclusively liable for those accruing while he is the unit owner. Any unit owner or any purchaser of a unit prior to completion of

a voluntary sale may require from the Association a certificate showing the amount of unpaid assessments pertaining to such unit and the Association shall provide certificate within ten days (10) after request therefor. The holder of a mortgage or other lien on any unit may after request a similar certificate with respect to such unit. Any person other than the unit owner at the time of issuance of any such certificate who relies upon such certificate shall be entitled to rely thereon and his liability shall be limited to the amounts set forth in such certificate.

SECTION 7. If a mortgagee of a first mortgage of record or other purchaser of a unit requires title to such unit as a result of foreclosure of the first mortgage, such acquirer of title, his successors and assigns shall not be liable for the share of common expenses or other assessments by the Association pertaining to such unit or chargeable to the former unit owner which became due prior to acquisition of title as a result of the foreclosure. Such unpaid share of common expenses and other assessments shall be deemed to be common expenses collectible from all of the remaining unit owners including such acquirer, his successors and assigns.

SECTION 8. All units shall be utilized for residential purposes only, unless otherwise specifically authorized in writing by the Board of Trustees. A member shall not make structural modifications or alterations in his unit or installations located therein without consent of the Trustees.

SECTION 9. The Association shall have the irrevocable right, to be executed by the Trustees or Manager of the Association, to have access to each unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the common elements or to the unit, or another unit or units.

SECTION 10. Each member shall comply strictly with these Bylaws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time and with the covenants, conditions and restrictions set forth in the Master Deed or in the deed to his unit. Failure to comply with any of the same shall be grounds for a civil action to recover sums due, for damages or injunctive relief, or both, maintainable by the Association on behalf of the unit owners

SECTION 11. CURRENT COMMON EXPENSE ASSESSMENTS. The Common Expense Assessment for the current fiscal year is set forth in Schedule A, entitled "Monthly Operation and Maintenance Charges." The Board of Trustees may amend Schedule A in its discretion from time to time, but at least annually. The Association shall print each revision of Schedule A in the LVW News and in the Bulletin. Copies shall also be made available upon request at the Association offices. For purposes of recording these Bylaws, only the Schedule A in effect at the date of recordation shall be recorded. Thereafter, any interested person seeking an updated schedule of Monthly Operation and Maintenance Charges must request same from the Association offices.

SECTION 12. CHANGES TO UNIT. A member or resident shall not make any changes in or to his unit except in accordance with specifications approved by the Board of Trustees and under such procedures established by the Board. A copy of applicable specifications and procedures shall be maintained on file in the Association offices.

SECTION 13. COMPLIANCE WITH RULES, REGULATIONS AND POLICIES. Each member shall comply strictly with these Bylaws and with the administrative rules, regulations and policies adopted by the Trustees pursuant thereto, as any of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in the Master Deed or in the deed to his unit. Failure to comply with any of the same may subject the violator to the enforcement provisions of these Bylaws, and shall also be grounds for a civil action to recover sums due, for damages or injunctive relief, or both, maintainable by the Association on behalf of the Unit Owners. If any Unit Owner fails to cure any default in the obligations specified herein, Eligible Mortgage Holders shall be entitled to written notification from the Association

ARTICLE V
BOARD OF TRUSTEES

SECTION 1. GOVERNANCE BY TRUSTEES. The affairs of the Association shall be governed by a Board of Trustees consisting of not less than five nor more than nine members, as may be determined from time to time by the members of the Board of Trustees of the Association each of whom shall be a member of the Association and a resident of Leisure Village West.

SECTION 2. TERM OF OFFICE AND DISQUALIFICATION OF TRUSTEES. Each Trustee elected for a full term shall serve for a term of three (3) years, provided that each Trustee shall continue to hold office until his successor is elected or named as specified in Section 3 of this Article. Trustees shall serve without compensation. Each term shall commence on the date of the annual meeting.

A Trustee can be disqualified for any of the following reasons:

1. Absent from more than two (2) consecutive regular voting monthly Board meetings without prior notification to the Board.

2. Any Trustee whose membership in the Association is not in good standing for thirty (30) consecutive days.

3. A Trustee may not simultaneously serve as chairperson or hold office in any committee authorized by the Board, but may serve as a liaison.

4. Violation of the Association Code of Conduct.

A trustee, upon being disqualified, will be removed by the Board and an appointment shall be made by the Board to serve until the next annual election an contemplated in Section 3 below.

SECTION 3. FILLING OF VACANCIES. If the office of any Trustee shall become vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, the remaining Trustees, at a special meeting of the Trustees called for such purpose, shall choose a successor who shall hold office until the next annual election. At the next annual election, the Unit Owners shall elect a successor Trustee for that portion of the term remaining, if any. If at that election there are more candidates than vacancies, that candidate receiving the greatest number of votes shall be deemed elected to the longest term

then available. Each remaining vacancy, of a whole or partial term, shall be filled in descending order of votes received. Cumulative voting shall not be permitted.

SECTION 4. CANDIDATES FOR ELECTION. At least thirty (30) days prior to the mailing of the notice of an election meeting, the Association must provide written notice to all members of their right to nominate themselves or other Association members in good standing for candidacy to serve on the Board. Members must be given at least fourteen (14) days to respond to the request for nominations, and any nomination form that is received prior to the mailing of absentee ballots or proxies to Association members must be added to the ballots and proxies, if the nominee is in good standing. Ballots and proxies may be mailed no earlier than the day after the response deadline set in the request for nominations. If no response deadline is set in the request for nominations, then the deadline shall be the business day before notice of the election is mailed to the members. All candidates nominated for the Board shall be listed in alphabetical order by last name on the proxy ballot and absentee ballot.

If an association member is nominated by another association member, the Board of Trustees shall notify the nominee and determine whether the nominee is interested in serving on the Board of Trustees.

(a) Each nominees shall file with the Board of Trustees:

(1) Name and address of candidate.

(2) Length of residence in Leisure Village West.

(3) Any additional information for the purpose of acquainting the other residents with the ability and qualifications of the nominee.

(4) A letter from the candidate indicating that he or she will accept the nomination and expressing a willingness to serve if elected. Included in his letter shall be a signed copy of the Code of Conduct.

All nominees will be listed in a special bulletin which will be circulated to all residents of Leisure Village West to fully acquaint Association members with those persons interested in running for the position of Trustee.

SECTION 5. ELECTION PROCEDURE. Election of Trustees shall be held annually on the last business day of August, or as soon thereafter as possible, time and place to be fixed by the Trustees in accordance with the rules and procedures established by the Board of Trustees.

Each unit shall be entitled to one vote per unit. If a unit is jointly owned by two or more members, the vote may be split equally among the co-owners. A special ballot will be provided for this purpose.

SECTION 6. REMOVAL OF TRUSTEES. The Board of Trustees may propose the removal of any one or more Trustees by an affirmative vote of two-thirds (2/3) of the members of the Board of Trustees.

The unit owners may propose the removal of any one or more Trustees by tendering a recall petition signed by not less than twenty percent (20%) of all unit owners.

A Trustee whose removal has been proposed shall be given at least ten (10), but not more than thirty (30) days' notice of a televised meeting of the unit owners, at which time the Trustee whose removal has been proposed shall be given an opportunity to be heard.

The Board of Trustees shall establish a special ballot procedure by which any one or more Trustees may be removed, upon an affirmative majority vote of at least a quorum of the unit owners. The ballot procedure shall take place within thirty (30) days of the televised meeting of unit owners.

A successor may be elected by a majority of the remaining Trustees to fill the vacancy thus created, in accordance with the procedures set forth in these bylaws.

SECTION 7. The first or organizational meeting of each newly elected Board of Trustees shall be held not later than 20 days from the date of the annual meeting at which they were elected.

SECTION 8. Regular meetings of the Board of Trustees may be held at such time and place permitted by law as from time to time may be determined by the Trustees. Notice of regular meetings of the board shall be given to each Trustee personally, by telegram, telephone or by United States mail, with postage prepaid, directed to him at his last known post office address as the same appears on the records of the Association, at least five days before the date appointed for such meeting. Such notice shall state the date, time and place of such meeting and the purpose thereof.

SECTION 9. Special meetings of the Board of Trustees may be called by the President of the Association on three days written notice to each Trustee, given in the same manner as provided in Section 7 of this Article. Special meetings of the Board shall be called by the President or the Secretary in like manner and upon the written request of any two Trustees.

SECTION 10. 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 at any meeting of the Board, no notice of such meeting shall be required and any business may be transacted at such meeting except as prohibited by law or these Bylaws.

SECTION 11. Any action by the Board of Trustees may be taken without a meeting if all of the members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

SECTION 12. 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 expressly provided in these Bylaws or by law, and the acts of the majority of the Trustees present at such meeting at which a quorum is present, shall be the acts of the Board of Trustees. If at any meeting of the Board of Trustees there 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 13. ATTENDANCE BY UNIT OWNERS. All meetings of the Board of Trustees, except conference working sessions at which no binding votes are to be taken, shall be open to attendance by all

unit owners. The Secretary shall notify members of the Board of Trustees' meeting by means of all Leisure Village West media, or by such other reasonable means as may be determined by the Trustees.

Notwithstanding the foregoing, the Board of Trustees may exclude or restrict attendance at those meetings, or portions of meetings, dealing with (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 officer or employee of the association. At each meeting required under this subsection 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.

SECTION 14. TRUSTEES' OPEN FORUM.

a. There shall be a budget meeting in July and an audit meeting in January.

b. The order and content of business to be conducted at open Trustees' forums shall be limited to an agenda published by the Board and posted at the Association offices five (5) working days in advance of the forum. Any member desiring to have a particular item of business placed on the agenda for an open Trustees' forum may submit his request, in writing, not later than ten (10) working days before the applicable meeting. Response to all such requests shall be responded to publicly or by letter as determined by the Board, and the Board, as it sees fit, may limit the agenda of open Trustees' forums to items of business selectively or particularly chosen by the Board itself.

ARTICLE VI
POWERS AND DUTIES OF THE BOARD OF TRUSTEES

SECTION 1. The Board of Trustees shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of the Association and the operation and maintenance of Leisure Village West and may do or cause to be done all such other lawful acts and things as are not by law, by these Bylaws or otherwise, directed or required to be done or exercised by members of the Association or owners of units, or by others. In the performance of its duties as the administering body of the Association and the Condominiums of Leisure Village West, the Board of Trustees shall have powers and duties including, but not limited to, the following:

a. The operation, maintenance, cleaning, sanitation, renewal, replacement, care, upkeep, protection and surveillance of the buildings in each Condominium, their general and limited common elements and services and the community and recreational facilities and all other property, real or personal, of the Association.

b. Consistent with law, to fix the common expenses and assess the same against the units and members in such fair and equitable proportions and amounts as shall from time to time be deemed necessary to the proper functioning of the Condominiums and the Association.

c. By majority vote of the Board, to adjust or increase the amount of any such assessments, 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 additional capital expenses, or because of emergencies.

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 elements, community and recreational facilities of the Association and all of its real and personal property.

e. To pay all taxes and assessments levied or assessed against any property of the Association, exclusive of any taxes or assessments levied against any unit or otherwise properly chargeable to the owners thereof.

f. To employ and dismiss such clerks, stenographers, workmen, janitors, gardeners, watchmen and other personnel, and to purchase or arrange for such services, machinery, equipment, tools, materials and supplies, as in the opinion of the Board of Trustees may from time to time be necessary for the proper operation and maintenance of the Condominiums, and the community and recreational facilities of the Association, except the portions thereof required to be maintained by owners of units. The Board of Trustees may also employ a Manager for the Association, at such compensation as may be established by the Board to perform such duties and services as the Board may lawfully delegate.

g. To enter or cause to be entered any unit when deemed necessary for or in connection with the operation, maintenance, repair, renewal or protection of any common elements, or to prevent damage to the common elements of any units, or in emergencies, provided that such entry and work shall be done with as little inconvenience as possible to the owners and occupants of such units. Each owner shall be deemed to have expressly granted such rights of entry by accepting and recording the Deed to his unit.

h. To serve as Managing Agent of each Condominium within Leisure Village West and to do or cause to be done all such acts and things which the unit owners in each Condominium could lawfully do pertaining to said Condominium.

i. To collect delinquent levies or assessments made by the association through the Board of Trustees against any units and the owners thereof, 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 observance of the rules and regulations relating to the Condominiums, by injunction or such other legal action or means as the Board of Trustees may deem necessary or appropriate.

j. To employ or retain legal counsel, engineers and accountants and to fix their compensation whenever such professional advice or services may be deemed necessary by the Board for any proper purposes of the Association, including, but not limited to, those hereinbefore or hereinafter referred to in these Bylaws.

k. To cause such operating accounts, and escrow and other accounts, if any, to be established and opened as the Board of Trustees may deem appropriate from time to time and as may be consistent with good accounting practices.

l. To cause a complete audit of the books and accounts of the Association to be made by a competent independent public accountant at the end of each fiscal year, and at such other time or times as may be deemed necessary.

m. To maintain accounting records in accordance with generally accepted accounting principals.

n. To make, and enforce compliance with, such reasonable rules and regulations relative to the operation, use and occupancy of the units, common elements and Association facilities, and to amend the same from time to time as when approved by appropriate resolutions shall be binding on the owners and occupants of units, their successors in title and assigns. A copy of such rules and regulations and copies of any amendments thereof shall be delivered or mailed to each owner of a unit promptly upon the adoption thereof.

o. 1. The Board of Trustees shall keep the buildings and other improvements including especially the common elements, and all buildings fixtures, equipment and personal property owned by the Association, insured for the benefit and protection of the Association and the owners of the units and their respective mortgagees as their interest may appear, in amounts equal to their maximum insurable values, excluding foundation and excavation costs, as determined annually by the insurance carrier or carriers, against the following hazards, casualties or contingencies:

(a) Loss or damage by fire and other casualties covered by a standard extended coverage endorsement.

(b) Such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other buildings, fixtures and equipment similar in construction, design, use and location to the buildings and other property hereinbefore mentioned. All such policies shall provide that in the event of loss or damage, the proceeds shall be payable to the Association. There shall be attached to each such policy a mortgagee or lender's loss payable clause in form satisfactory to a majority of the mortgagees or beneficiaries under the first mortgages on units of the Condominiums. Such majority shall consist of the holders of the bonds or notes representing fifty-one percent of the value of the bona fide mortgages on the respective units embraced in said Condominiums at the time the policies became effective. The Association shall pay the premiums on such policies as common expenses.. Nothing herein contained shall be deemed to prejudice the right of the owner of any unit to take out and maintain at his own expense any additional insurance on units owned by him.

2. The Board of Trustees shall also maintain public liability insurance insuring the Association and its members against liability for any negligent act of commission or omission attributable to the Association or any of its members and which occurs on or in any of the common elements of the Condominiums or the community or recreational facilities of the Association. The Board shall also maintain workmen's compensation insurance, boiler, glass, burglary, theft and such other insurance as will protect the interest of the Association, its employees, the members and mortgagees. All insurance premiums shall be paid by the Association as common expenses.

p. To represent the Unit Owners in any proceedings, negotiations, settlements or agreements which pertain to condemnation, destruction or liquidation of the Condominium; and

q. To suspend the activities of any club or organization operating within Leisure Village West for good cause shown, and impose sanctions or restrict privileges for those organizations consistent with principles of due process, if the involved clubs are not in compliance with all applicable regulations; and

r. To adopt, amend and publish rules and regulations for the conduct of Trustees and members of any committees appointed by the Board.

s. To provide a fair and efficient procedure for the resolution of housing-related disputes between individual unit owners, the Association and Trustees and between unit owners, which shall be readily available as an alternative to litigation.

SECTION 2. ACCELERATION OF ASSESSMENT INSTALLMENT UPON DEFAULT. If a Unit Owner is in default for a period of thirty (30) days in the payment of any charges or installment upon any type of assessment chargeable to his unit, the Board may notify the delinquent Unit Owner that the remaining charge or installments of the assessment shall be accelerated if the delinquent charge or installment has not been paid by a date stated in the notice, which date shall not be less than five (5) calendar days after hand delivery of the notice to the Unit Owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail. If default continues for a period of sixty (60) days, then the Board shall give such notice. If default continues following the time for payment prescribed in the notice, then the Board shall accelerate the charge or remaining installments of the assessment, and shall notify the delinquent Unit Owner that a lien for the accelerated amount shall be filed in the name of the Association on a date certain stated in the notice, if the accelerated payments have not then been paid. The lien for such charge or accelerated assessment as permitted by law shall then be filed if the unit owner has not paid the accelerated charge or assessment by the date stated in the notice of acceleration. The Board may also notify any holder of a mortgage encumbering the unit affected by such default, or may publish appropriate notice of the delinquency to the membership of the Association. If default continues for a period of ninety (90) days, then the Board may foreclose the foregoing lien pursuant to law, and/or may commence an independent suit against the appropriate parties to collect the assessment, without waiving the lien claim. Any lien of the Association shall be prior to all other liens, except: (1) assessments, liens and charges for taxes past due and unpaid on the Unit; (2) a bona fide mortgage lien, subject, however, to N.J.S. 46:8B-21; and (3) any other lien recorded prior to the recording of the claim of lien. The lien shall be effective from and after the time of recording in the public records of Ocean County of a claim of lien stating the description of the Unit, the name of the record owner and the date when the charge or assessment was due. The Association shall have the power to bid in the Unit at foreclosure sale and to acquire, hold, lease, mortgage and convey title to the unit. The title acquired by any purchaser following any such foreclosure sale shall be subject to all of the provisions of the Master Deeds, Bylaws and Rules and Regulations of Leisure Village West Association and the Condominium Act of the State of New Jersey, and by acquiring title to the Unit, the purchaser covenants and agrees to be bound by such provision.

SECTION 3. INTEREST AND COUNSEL FEES. The Board, at its option, shall have the right in connection with the collection of any type of assessment or other charge, to 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, if payment is made after a date stated in the notice of payment. If the Board employs counsel and/or files a lien to collect the assessment or charge, the Board may add to the aforesaid assessments or charges a sum or sums of Twenty (20%) Percent of the gross amount due as counsel fees, plus the reasonable costs for preparation, filing and discharge of the lien, in addition to such other costs as may be allowable by law.

SECTION 4. ASSESSMENT OF EXPENSES IN ACTION BY OR AGAINST ASSOCIATION; ALLOCATION OF AWARDS.

A. Common Expenses. In the case of any action or proceeding brought or defended by the Association or the Board pursuant to the provision of the Master Deeds, Certificates of Incorporation, these Bylaws, or any Rule or Regulation, the reasonable costs and expenses of preparation and litigation, including attorney's fees, shall be common expenses. All common expense assessments received and to be received by the Board, for the purpose of paying any judgment obtained against the Association or the Board, and the right to receive such funds, shall constitute trust funds; such funds shall be expended first for such purpose before expending part of the funds for any other purpose.

B. Allocation of Awards. Money judgments recovered by the Association in any action or proceeding brought hereunder, including costs, penalties or damages, shall be deemed a special fund to be applied to

(1) the payment of unpaid litigation expenses;

(2) common expense assessments, if recovery thereof was the purpose of the litigation;

(3) repair or reconstruction of the common elements, if recovery of damages to the common elements was the purpose of the litigation; and

(4) any amount not applied to (1), (2), and (3) above shall, at the discretion of the Board, be treated either as:

(i) a common surplus, which shall be allocated and distributed pursuant to the Master Deed and these Bylaws; or

(ii) a setoff against common expense assessments generally. Notwithstanding the foregoing, if a Unit Owner(s), the Board or any other person or legal entity affected by any such distribution asserts that the damages sustained by a Unit Owner(s) were disproportionate to an allocated amount of any common surplus, in the event the allocation of funds shall be submitted to binding arbitration.

C. Recovery by Unit Owner. If a Unit Owner(s) succeeds in obtaining a judgment or order against the Association or the Board, then in addition to any other sums to which the Owner(s) would otherwise be entitled by such judgment or order, he shall also be entitled to restitution or recovery of any sums paid to the Board as common expense assessments for litigation expenses in relation to that action or proceeding.

SECTION 5. DETERMINATION OF ANNUAL COMMON EXPENSES. The amount of monies for annual 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.

ARTICLE VII
OFFICERS

SECTION 1. The officers of the Association shall be a President, Vice-President, Secretary and a Treasurer. The Secretary may be eligible to the office of Treasurer. The President and Vice-President shall

be members of the Board of Trustees. An Assistant Secretary may be appointed by the Board of Trustees, who need not be a member of the Board of Trustees.

SECTION 2. OFFICERS OF ASSOCIATION. The officers of the 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 of Trustees and may be removed either with or without cause and his successor elected at any annual or special meeting of the Board called for such purpose, upon the affirmative vote of a majority of the members of the Board. The Board of Trustees may, from time to time, appoint such other officers as in its judgment are necessary.

SECTION 3. DUTIES OF PRESIDENT. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and of the Board of Trustees. 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 from time to time as he may deem appropriate to assist in the conduct of the affairs of the Association. He shall execute such deeds, contracts and other instruments, in the name and on behalf of the Association and under its corporate seal when a seal is required, 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 of Trustees to another officer or agent of the Association.

SECTION 4. DUTIES OF VICE PRESIDENT. The Vice President shall preside in the absence or inability of the President and execute all the duties of the President. He shall perform such duties as the Association and/or the Trustees impose.

SECTION 5. DUTIES OF SECRETARY. The Secretary shall attend all meetings of the Board of Trustees and all meetings of the members, and shall record all notes and the minutes of all meetings and proceedings, including resolutions, in a minute book to be kept for that purpose. The Secretary shall also perform such duties for any committees when required. The Secretary shall have charge of the minute book and such records and papers as the Board shall direct, and shall perform all duties incident to the office of Secretary, including the sending of notice of meetings to the members, the Board of Trustees and committees and such other duties as may be prescribed by the Bylaws or by the Board of Trustees or by the President. The Secretary shall also have custody of the corporate seal and when authorized by the Board, shall affix the seal to any instrument requiring it and attest the same when appropriate. Any assistant Secretary appointed by the Board shall have the same duties as the Secretary, and shall serve in the absence of the Secretary or at the pleasure of the Board. The Administrative Assistant in the Association office will assist the Trustee Secretary with these functions.

SECTION 6. DUTIES AND RESPONSIBILITIES OF TREASURER. The Treasurer shall have the responsibility for the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies, checks and other valuable effects in the name of and to the credit of the Association, in such depositories as may from time to time be designated by the Board of Trustees. The Treasurer shall disburse the funds of the Association as may from time to time be ordered by the Board or by the President, and shall render to the President and Trustees at the regular meetings of the Board, or whenever they or either of them shall require, an account of his/her transactions as Treasurer and of the financial condition of the Association. Any

assistant Treasurer appointed by the Board shall have the same duties as the Treasurer, and shall serve in the absence of the Treasurer or at the pleasure of the Board.

SECTION 7. The officers of the Association shall serve without compensation except that they shall be entitled to reimbursement for all expenses reasonable incurred in the discharge of their duties.

ARTICLE VIII
INDEMNIFICATION OF OFFICERS AND TRUSTEES

SECTION 1. The Association shall indemnify every Trustees and officer, his heirs, executors and administrators, 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 the 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 matter covered by the settlement as to which the 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 duty as such Trustee or officer in relation to the matter involved. The forgoing rights shall not be exclusive of other rights to which such Trustee or officer may be entitled. All liability, loss, damage, cost and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Association as common expenses. Provided however, that nothing in this Article contained shall be deemed to obligate the Association to indemnify any member or owner of a unit, who is or has been a Trustee or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of his membership in the Association or as a member or owner of a unit in any Condominium or Condominiums.

ARTICLE IX
ENFORCEMENT

SECTION 1. ENFORCEMENT. The Board shall have the power, at its sole option, to enforce the terms of this instrument or any Rule or Regulation promulgated pursuant hereto, by any or all of the following: self-help; 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, summary or otherwise, before any court as may be provided by law.

SECTION 2. FINES. The Board shall also have the power to levy fines against any Unit Owner(s) for violation(s) of any Rule or Regulation of the Association or for violation(s) of any covenants or restrictions contained in the Master Deeds or Bylaws. No fine may be levied for more than Fifty Dollars ($50.00) for any first violation. Each day a violation continues after notice, it may be considered a separate violation. If a member is, within six (6) months of any determination of violation, found guilty of a second violation of any of the foregoing, the fine to be imposed shall be not less than Fifty Dollars ($50.00) for the second any subsequent violation. Collection of the fine may be enforced against any Unit Owner(s) involved as if the fine were a common expense owed by the particular Unit Owner(s). Notwithstanding the

foregoing, before any fine is imposed by the Board, the Unit Owner involved shall be given at least ten (10) calendar days' prior written notice and shall be afforded an opportunity to be heard, with or without counsel, with respect to the violation(s) asserted. Procedures for implementation of the Board's power to levy fines shall be set forth by Regulation. Such Regulation shall establish procedures for imposition of fines, and the amount of fines or range thereof for respective initial violations or categories of violations.

SECTION 3. WAIVER. No restriction, condition, obligation or covenant contained in these Bylaws or in the Rules and Regulations of the Association shall be deemed to have been abrogated or waived by reason of the Board's failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE X

DAMAGE TO BUILDINGS, RECONSTRUCTION, SALE, OBSOLESCENCE

SECTION 1. In the event of fire or other disaster or casualty resulting in damage to the buildings and common elements of any one or more of the Condominiums amounting to less than two-thirds of the value of the Condominium or Condominiums, the net proceeds of any insurance collected shall be made available for the purpose of restoration or replacement. Where the insurance indemnity is insufficient to cover the cost of reconstruction or replacement, the new building costs shall be paid by all the co-owners, in proportion to the value of their respective units. If any of the co-owners shall refuse to make such payments, the Board of Trustees shall levy an assessment in an amount proportionate to the value of the units in the Condominium, the proceeds of such assessment being paid with the insurance indemnity, to the Association for the purpose of covering the costs of repair and replacement. In the event any owner shall fail to respond to the assessment by payment thereof within a reasonable time, the Association shall have authority to cause such restoration or reconstruction to be accomplished and to charge the cost thereof, less applicable insurance credits, to the owners of units in the proportions mentioned. Such costs less insurance credit, shall constitute a lien against the unit of such owner and may be enforced and collected in the same manner as all other liens as herein provided. The provisions of this Section may be changed by unanimous resolution of the parties concerned, adopted subsequent to the date on which the fire or other disaster or casualty occurred.

SECTION 2. In the event of a total destruction of the entire Condominium or Condominiums, or if the common elements are damaged or destroyed to more than two-thirds of the value of the Condominium or Condominiums, the majority of unit owners of the said Condominium or Condominiums may elect to reconstruct or replace the said buildings and common elements. In the event of an election to reconstruct or replace, payment of the costs thereof shall be made as provided in the preceding Section of this Article.

If the unit owners shall elect not to reconstruct or replace, 75% or more of the unit owners of the said Condominium or Condominiums, with the consent of all of the mortgagees holding first mortgages on the units within said Condominium or Condominiums, may effect at a duly called meeting of said unit owners to sell the entire Condominium or Condominiums for cash and upon terms. In the event the election is made to sell, the covenants against partition contained in the declaration of restrictive and protective covenants, shall become null and void and the said owner or owners shall be entitled to convey their interest in the Condominium or Condominiums and may invoke relief in a Court of Chancery to compel such a sale and partition against those owners who shall have refused to approve such a sale and partition.

All sums received from insurance shall be combined with the proceeds of sale of Condominium or Condominiums. After providing for all necessary costs and expenses including court costs and reasonable attorney's fees in the event of any litigation necessary to compel any owner or owners to join in a conveyance of their interests in the Condominium or Condominiums, distribution of the combined funds shall be made to the owner or owners of the units in the said Condominium or Condominiums, in accordance with their respective undivided interest in the common elements as set forth in the Master Deed creating the particular Condominium or Condominiums, subject only to the rights of outstanding mortgage holders.

Except as provided in this section, the common elements, both general and limited, shall remain undivided and shall not be the subject of an action for partition or division of the co-ownership.

SECTION 3. In the event the Board of Trustees shall determine that the existing buildings in any Condominium or Condominiums are obsolete, the Board, at any meeting of the unit owners, may call for a vote by the said unit owners to determine whether or not the entire Condominium or Condominiums should be placed on the market and sold. In the event 90% of the unit owners, with the consent of all first mortgagees, determine that the property should be sold, the applicable provisions of the preceding Section pertaining to sale of the property shall become effective.

SECTION 4. In the event that the Board of Trustees shall determine that any of the community and recreational facilities or any other real or personal property of the Association are obsolete, the Board, at any regular or special meeting of the members of Leisure Village West Association may call for a vote by the Association membership to determine whether or not the said property should be demolished and replaced. In the event 90% of the Association membership with the consent of all mortgagees, shall determine that the said property should be demolished and replaced, the costs thereof shall be assessed against all of the members of the Association equally.

ARTICLE XI
FISCAL YEAR

SECTION 1. The fiscal year of the Association shall begin on the first day of October in each year.

ARTICLE XII
CORPORATE SEAL

SECTION 1. The corporate seal of the Association shall consist of two concentric circles between the circumferences of which shall be inscribed the name “Leisure Village West Association” and within the circumference of the inner circle the words “Incorporated, New Jersey” and the year of incorporation.

ARTICLE XIII
AMENDMENTS TO BYLAWS

SECTION 1. PROCEDURE FOR AMENDMENT. These Bylaws may be amended or repealed, or new bylaws may be adopted, by vote of the members representing fifty-one (51%) of the Association membership entitled to vote at such meeting or referendum wherein amendments to these Bylaws are being

considered within the limitations prescribed by law. Prior to any vote on the amendment of these Bylaws, written notice shall be provided to Unit Owners including the exact language of the proposed amendment or repeal. In the event that federal, state or local law imposes legal requirements which must be included in these Bylaws, the Bylaws may be amended to include such compulsory provisions by the majority vote of the Board of Trustees.

Notwithstanding anything else herein, these By-Laws may be Amended in accordance with N.J.S.A. 45:22A-46(d)(5) by providing notice of the proposed Amendment to all Owners and allowing thirty (30) days for the Owners to reject the proposed change. If, at the expiration of the thirty (30) period, less than ten percent (10%) of the Owners have rejected the proposed Amendment, then said Amendment shall be recorded with the County Clerk and put into full effect.

ARTICLE XIV
DISSOLUTION

SECTION 1. In the event it shall be deemed advisable and for the benefit of the members that the Association should be dissolved, the procedures concerning dissolution set forth in Chapter 1, Section 20 of Title 15 of the Revised Statutes of the State of New Jersey entitled "Corporations and Associations Not For Profit" shall be followed.

SECTION 2. In the event of dissolution, the assets including common surplus if any, of the Association, after payment of all debts including mortgages and other encumbrances, shall be distributed to the members of the Association in accordance with their percentage of ownership therein.

ARTICLE XV
MEMBER'S PERCENTAGE OF OWNERSHIP

SECTION 1. The percentages of ownership of each member of the Association shall be computed as follows:

(a) As to each individual Condominium being administered by the Association, the percentage of ownership of each unit owner in the common elements of said Condominium, shall be as set forth in the Master Deed for said Condominium.

(b) As to all property administered by the Association, the percentage of interest in the Association shall be determined by dividing the value of the unit by the aggregate value of all of the Condominiums being thus administered and multiplying the result thereof by 100, the final figure being expressed in percentage.

SECTION 2. "Value of Unit" as used in this Article shall mean the initial sales price for each unit established by Leisure Technology Corp., at the time of the recording of the Master Deed for the Condominium in which the particular unit is located.

SECTION 3. "Aggregate Value of Condominiums" as used in this Article shall mean the initial sales prices of all units in all of the Condominiums being administered by the Association as established by

Leisure Technology Corp., at the time of the recording of the respective Master Deed, for each of the Condominiums.

ARTICLE XVI
COMMITTEES

SECTION 1. STANDING COMMITTEES. There shall be a minimum of two (2) standing committees of the Board of Trustees: Finance and Architectural, whose powers and duties shall be prescribed by the Board of Trustees. The Board of Trustees may establish such additional standing committees as it deems necessary.

A Trustee shall act as a liaison between the Board of Trustees and the Committee assigned to the Trustee. The Trustee's duties as liaison are only to assure that the committee is functioning in the responsibilities assigned to it and that the committee has the necessary officers.

SECTION 2. APPOINTMENT OF COMMITTEE CHAIRPERSONS. Chairmen of the standing committees shall be appointed by the Board and shall serve at its pleasure.

ARTICLE XVII
MISCELLANEOUS

SECTION 1. The Board of Trustees may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances; and, unless so authorized by the Board of Trustees, no officer, agent or other person shall have any power of authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

SECTION 2. The Association shall keep in its principal office the original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the members at all reasonable times during office hours.

SECTION 3. The membership register and minutes of proceedings of the members and Trustees shall be open to inspection upon demand of any member at any reasonable time during office hours, and for a purpose reasonably related to his/her interest as a member.

SECTION 4. The rules contained in Robert's Rules of Order, revised, shall govern all members' meetings and Trustees' meetings of the Association, except in instances of conflict between said Rules of Order and the articles or Bylaws of the Association or provisions of law.

SECTION 5. AMENDMENT OF SCHEDULES. The Schedules attached to these Bylaws are working documents of the Association that are subject to amendment at the discretion of the Board of Trustees. These Schedules are provided for the convenience of Unit Owners and other interested parties but do not require the approval of Unit Owners, members or others prior to their amendment. The attached Schedules are not part of the governing documents of the Association, and shall not be binding upon the

Association or its Trustees in any regard. For the convenience of the Association, its members, and others, additional Schedules may be provided at the discretion of the Trustees.

SECTION 6. Number and gender as used in these Bylaws shall extend to and include both singular and plural and all genders as the context and construction requires.

SECTION 7. CONFLICT. Anything to the contrary herein notwithstanding, if any provision of these Bylaws is in conflict with or contradiction of the Master Deeds, the Certificates of Incorporation, or with the requirements of any law, then the requirements of said Master Deeds, Certificates of Incorporation or law shall be deemed controlling.

SECTION 8. INVALIDITY. Invalidity of any part of these Bylaws shall not impair or affect in any manner the enforceability or affect the validity of the remaining provisions of the Bylaws.

SCHEDULE A

MONTHLY OPERATION AND MAINTENANCE CHARGES

The monthly charges established each year shall be used by the Association to provide the following benefits to the owner-members:

a. Painting and minor repairs and replacement of damaged unit buildings including all the common elements thereof, but not including painting or decorating of the interior of units

b. Painting and decorating and minor repairs and replacement of damaged community recreational facilities and buildings, both exterior and interior.

c. Payment of taxes and assessments and mortgages, if any, on community and recreational facilities of the Association.

d. Maintenance of the common grounds, walks, roadways, landscaping of the community and recreational facilities of the Association.

e. Maintenance of the common grounds, walks, roadways and landscaping of the common elements of all Condominiums.

f. Maintenance, repairs of plumbing lines and fixtures and electrical wiring in individual units; maintenance and repairs of air conditioners, heating units and appliances in individual units (any appliance purchased as optional equipment is not covered by maintenance).

g. Operation of the following facilities for the use and enjoyment of members: Swimming pools, horseshoes, lakes, docks, community hall, two executive nine-hole golf courses, intra community bus transportation, shuffleboard, arts and crafts facility, etc.

h. Payment for all utilities for community and recreational facilities of the Association.

i. For replacement of personal property of the Association.

j. Bulk cable services and community closed circuit television facilities.

k. Trash and snow removal.

I. Fire, extended coverage, workman's compensation, theft and public liability insurance covering all the community and recreational facilities of the Association and the common elements of the Condominiums, but not including personal liability and personal property of the individual owner-members.

m. Administrative expenses of the Association including salaries for all paid employees of the Association (manager, guards, janitors, groundskeepers, clerical personnel, etc).

SCHEDULE B

As LVW matured, there were concerns that assessments for common expenses (maintenance fees) would be equitably and fairly applied. The result of resident recommendation, Financial Committee review and the Board of Trustees guidance by existing By-laws, the following methodology was implemented through resolution. In summary:

1. All units will share equally in future increases in the budget.

2. Common expenses are shared based on the size of the unit

3. Recreation expenses are based on a per resident charge

4. Unit expenses will be shared equally by all units