
BY-LAWS
OF THE
INTERLUDE HOMEOWNERS RECREATION ASSOCIATION, INC.

ARTICLE I

NATURE OF BY-LAWS

SECTION 1. Purpose. These By-Laws are intended to govern the administration of THE INTERLUDE HOMEOWNERS RECREATION ASSOCIATION, INC., ("IHRA"), a nonprofit corporation organized under Title 15A: of the New Jersey Statutes Annotated, and to provide for the management, administration, utilization and maintenance of the Common Elements of the Association, which shall initially include the real property with its improvements consisting of a swimming pool and other recreational elements located on the property described in the certain document entitled "Second Declaration of Restrictions, Cross-Easements and Covenants" (hereinafter the "Second Declaration") originally filed with the Register of Atlantic County on or around January 1, 1989, and intended to supplement the Declaration of Restrictions, Cross-Easements and Covenants originally filed with the Register of Atlantic County on or around February 22, 1988 (hereinafter the "First Declaration") as pertaining to the housing subdivision commonly known as for the "Interlude" housing development, located in the Township of Margate, County of Atlantic, New Jersey.

SECTION 2. Definitions. For the purpose hereof, the following terms shall have the following meanings unless the context in which the same is utilized clearly indicates otherwise:

- (a) "Articles of Incorporation" shall mean the Articles of Incorporation of the Association, a copy of which document is attached hereto and made a party hereof, together with all future amendments or supplements thereto.
- (b) "Association" shall mean Interlude Homeowners Recreation Association, Inc., a New Jersey nonprofit corporation, formed to administer, manage and operate the Common Elements of the Association and to maintain, repair and replace the Common Elements as provided in the Deed Restrictions and these By-Laws.
- (c) "Board" shall mean the Board of Directors of the Association; any reference herein or in the Articles of Incorporation, By-Laws or Rules and Regulations to any power, duty, right of approval or any other right of the Association shall be deemed to refer to the Board and not the Membership of the Association unless the context expressly indicates to the contrary.

- (d) "By-Laws" shall mean the By-Laws of the Association, as set forth in this instrument, together with all future amendments or supplements thereto.
- (e) "Capital Contributions" shall mean funds collected for reserves and capital expenditures of the Association (see Article VI, Section 6).
- (f) "Committee Members" shall mean Members of Association Committees as described in Article IX.
- (g) "Common Charges" shall mean the share of Common Expenses as shall be charged to each Lot owner (which shall initially be set at \$325 per year).
- (h) "Common Elements" shall include the swimming pool and such other recreational amenities as the Association shall own on the property it plans to take title to in the Development, which is initially intended to be Block 710.05, Lot S, City of Margate, County of Atlantic, State of New Jersey.
- (i) "Common Expenses" shall mean all those expenses anticipated to be incurred by the Association, or its respective directors, officers, agents or employees, in the lawful performance of their respective duties or powers.
- (j) "Deed Restrictions" shall mean, collectively, the First Declaration and Second Declaration as those documents are so described in Article I, Section 1 of these By-Laws.
- (k) "Institutional Lender" shall mean any bank, mortgage banker, trust company, insurance company, savings and loan association, governmental agency, or other financial institution or pension fund, which is the record owner of a Permitted First or Second Mortgage which encumbers any Lot.
- (l) "Lease" shall mean any agreement for the leasing or rental of any Lot of the Development, including any sublease.
- (m) "Lot", shall mean a residential property in the Development.
- (n) "Lot Owner" shall mean the record Owner of a residential property in the Development whose property in the Development has been made subject to the Deed Restrictions and who qualifies under the By-Laws, provided, that the term "Lot Owner" shall not include persons or entities who hold an interest merely as security

for the performance of an obligation. Provided, further, that any owner of two or more adjacent lots containing only a single residence among them, shall for the purposes of these By-Laws constitute a single Lot Owner.

(o) "Members" shall, collectively, refer to all Members of the Association, in the different Membership classes, as more particularly described in Article II below.

(p) "Permitted First Mortgage" shall mean and refer to any first mortgage lien encumbering a Lot which is held by an Institutional Lender, or which is a purchase money mortgage held by the Sponsor or by the Seller of a Lot.

(q) "The Project" shall mean the residential properties and related common elements in what is commonly known as the "Interlude" subdivision located at Seaside and Bayside Courts (formerly Seamar and Lenmar Circles), City of Margate, County of Atlantic, New Jersey, as more particularly described in Exhibits A and B to the Deed Restrictions.

(r) "Property" shall mean all real and personal property owned or acquired by the Association, including but not necessarily limited to Block 710.05, Lot 5 as shown on the Tax Map of the City of Margate, County of Atlantic, State of New Jersey, together with all improvements located thereon which are reasonably related to the objectives of the Association.

(s) "Sponsor" shall mean and refer to LINPRO MARGATE ASSOCIATES LIMITED PARTNERSHIP, a New Jersey Limited Partnership, and its successors and assigns (excluding other Lot Owners).

SECTION 3. Fiscal Year. The fiscal year of the corporation shall be determined by the Board of Directors, and will initially be from January 1 to December 31.

SECTION 4. Principal Office. The principal office of the corporation is located at 555 Lincoln Drive West, Marlton, New Jersey 08053, or at such place as may be determined by the Board of Directors.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

SECTION 1. All Members. The Membership of the Association shall include up to three classes, as set forth below. In no case, shall there be more than one Member per Lot; the

intent of these By-Laws is to provide that the Association include a total number of Members equal to one per Lot, so that each Lot Owner shall be entitled to Membership in the Association of either one Lot Owner Member, or one Tenant Member, or one Special Member. When used in these By-Laws, the term "Members" shall be inclusive of all classes of Membership.

As a general rule, only Lot Owner Members may vote; however, a Lot Owner Member may choose to assign his proxy to the Tenant Member or Special Member he has an agreement with. Therefore, when used herein the term "Voting Members" shall mean those persons qualified to vote, whether by virtue of actually being a Lot Owner Member, or by holding the proxy of a Lot Owner (as hereinafter provided, a Lot Owner Member may assign his proxy to any person, who need not be a Tenant Member or Special Member).

(a) Lot Owner Members. Every person, firm, association, corporation or other legal entity who is a record owner or co-Owner of the fee simple title to any Lot at The Interlude shall be required to be a Member of the Association; provided however, that any person, firm association, corporation, or legal Entity who holds such title or interest merely as a security for the performance of an obligation (including but not limited to mortgagees or trustees under deeds of trust) shall not be a Member of the Association.

(b) Tenant Members. Every person who is entitled to possession and occupancy of a Housing Lot as a tenant or lessee of a Lot Owner shall be a "Tenant Member" of the Association, but shall not be entitled to any vote with respect to Association matters; provided, however that the Lot Owner lessor of such Tenant Member may choose to assign his proxy to any Tenant Member occupying the Lot Owner's unit.

(c) Special Members. UPON THE INITIAL ADOPTION OF THESE BY-LAWS, THERE SHALL BE NO CLASS OF SPECIAL MEMBERS; SPECIAL MEMBERS SHALL NOT BE AUTHORIZED UNTIL AND UNLESS SUCH TIME AS SEVENTY-FIVE PERCENT (75%) OF ALL LOT OWNERS AGREE, IN WRITING, TO AUTHORIZE THE CREATION OF A "SPECIAL MEMBERS" CLASS OF MEMBERSHIP. Until and unless such authorization is enacted, any reference in these By-Laws to Special Members and their rights, powers, duties, or responsibilities shall be void and of no effect. After such time as the Special Members class has been authorized, the following procedure shall be available to any Lot owner: Upon application to, and approval by, the Board of Directors (which approval may not be unreasonably withheld by the Board), any Lot Owner Member may sell or otherwise transfer his Membership to any person, on an annual basis for a

term to coincide with the Fiscal Year. Where any such transfer of Membership occurs, the Special Member shall for that year succeed to all rights of a Member as to use and enjoyment of the Common Element Recreational Facilities, and the Lot Owner in question shall lose all such rights for that year. However, the Lot Owner shall continue to hold all Voting Rights as a Member, unless he chooses, voluntarily or by agreement, to sign his proxy to such Special Member.

SECTION 2. Change of Membership. Change of Membership shall be accomplished by recording in the Atlantic County Register's Office a deed or other instrument establishing a record title to a Lot, and delivery to the Secretary of the Association of a certified copy of such instrument. The Membership of the prior Lot Owner shall be thereby terminated.

SECTION 3. Rights of Membership. Each Member of the Association and his immediate household, pursuant to the provisions of the Articles of Incorporation and these By-Laws, shall be privileged to use and enjoy the common Elements subject however to the right of the Association to:

- (a) Promulgate rules and regulations governing such use and enjoyment, including a requirement that the name of all persons in the Member's immediate household, be filed with the Association; and
- (b) Suspend the use and enjoyment of the Common Elements as provided in Section 5 of this Article II;

SECTION 4. Suspension of Rights. The membership and voting rights of any Member may be suspended by the Board for any period during which any assessment against the Lot to which his membership is appurtenant remains unpaid; but upon payment of such assessments, and any interest accrued thereon, his rights and privileges shall be immediately and automatically restored. Further, if rules and regulations governing the use of the Common Elements and the conduct of persons thereon have been adopted and published, as authorized in the Deed Restrictions and By-Laws, the rights and privileges of any person in violation thereof may be suspended at the discretion of the Board for a period not to exceed thirty (30) days for any single violation, but if the violation is of a continuing nature, such rights and privileges may be suspended indefinitely until such time as the violation is abated. No such action shall be taken by the Board until the Member and, in the case of Tenant Members and Special Members, the Lot owner involved, is notified by Certified Mail at the Lot Owner's last known address and (if the Certified Mail receipt has not been returned to the Board within 10 calendar days, a subsequent Notice may be sent by First Class Mail -- seven (7) days after deposit of same in the U.S. Mail, Notice shall be deemed valid and

afforded.). Afforded an opportunity for a hearing consistent with the principle of due process of law.

SECTION 5. Membership Fees. The Board may impose upon each Lot Owner, upon acquisition of title to his Lot, a non-refundable one-time fee for Membership in the Association in an amount to be determined by the Board which fee may be used for working capital. Payment of this Membership fee shall be a condition precedent to Membership in the Association. Any unpaid Membership fee shall be deemed a lien on the Lot in the same manner as any unpaid common Expenses attributable to such Lot. Any Membership fees to be charged shall be established by the Board and shall be uniform and applied without discrimination. Initially, the Membership Fee shall be set at \$150.00.

SECTION 6. Annual Fees. Annual fees shall be established by the Board of Directors based on the Association's budgetary needs as determined by the Common expenses of the Association. The annual fee shall be due on May 1 of each year. The initial Annual Fee for Lot Owners purchasing units directly from the Sponsor shall be \$325 per year, provided, however, that the first year's fee shall be based on the date the new Lot Owner closes title to his residence, to wit: (1) those already in residence on January 1, or closing between January 1 and May 29 shall owe the full \$325 for that calendar year: (2) those closing between May 29 and September 4 shall owe, pro rata, \$3.25 for each day of that 100-day period, such sum to be paid in full in advance: (3) those closing after September 4 shall owe no sum for the remainder of that calendar year. The intent of this section is to be fair to homeowners relative to their presence during the anticipated swimming season from Memorial Day to Labor Day each year.

SECTION 7. Votes. Only Lot Owner Members may vote; provided, however, that a Lot Owner Member may assign his proxy to his Tenant Member or Special Member, with such proxies to expire at the end of each Fiscal Year. Each Lot Owner shall be entitled to one vote for each Lot to which he holds title. When more than one person holds title, the vote for each Lot shall be exercised as the Co-Owners among themselves determine. When one or more Co-owners signs a proxy or purports to vote for his or her Co-Owners, such vote shall be counted unless one or more of the other Co-Owners is present and objects to such vote; or, if not present, submits a proxy or objects in writing, delivered to the Secretary of the Association before the vote is counted. Tenant Members and Special Members may not vote unless the relevant Lot Owner Member assigns his proxy to them.

SECTION 8. Proxies. Proxy ballots shall be permitted with respect to all elections of Directors, and all amendments to the Articles of Incorporation, the Deed Restrictions, or these By-Laws, or any other matter which is to come before a meeting of the Membership of

the Association. All proxies shall be in writing, signed by all individual Lot Owners (or in the case of joint Owners by any one of them), or by his or their duly authorized representative(s) and delivered to the Secretary of the Association, or such other person as the President may designate, prior to the commencement of the meeting at which ballots are to be cast. Proxies may be assigned to any person aged 18 years of age or older. Proxies may be revoked at any time prior to the opening of the polls, and no proxy shall be voted on after eleven (11) months from its date unless said proxy provides for a longer period, not to exceed three (3) years from the date of execution. All proxies shall be substantially in the form prescribed by the Board, and if not in such form, may be deemed invalid in the sole and absolute discretion of the Board. In the event a meeting for which a proxy has been submitted is adjourned, then such proxy shall continue in full force and effect to such adjourned meeting or meetings unless otherwise stated in the proxy.

ARTICLE III

MEEETINGS OF ALL MEMBERS

SECTION 1. Place of Meeting. All Members meetings of the Association shall be held at such place convenient to the Members as may be designated by the Board.

SECTION 2. First Annual Meeting and Regular Annual Meetings. The first Annual Meeting shall be held not more than sixty (60) days after Lot Owners, other than the Sponsor, own twenty-five (25') percent or more of all Lots in the Project, or on such earlier date as the Sponsor in its sole discretion may elect. At the first Annual Meeting and each subsequent annual meeting, the election of Directors shall take place. If the election of Directors shall not be held at the annual meeting or any adjournment of such meeting, the Board shall cause the election to be held at a special meeting as soon thereafter as may be convenient. At such special meeting the Voting Members may elect the Directors and transact other business with the same force and effect as at an Annual Meeting duly called and held. All proxies validly received for the originally scheduled meeting shall remain in full force and effect for any such adjourned meeting or special meeting and new proxies may be received for any such subsequent meeting. All new proxies shall also remain in full force and effect for any adjourned meeting.

After the first Annual Meeting of the Members, succeeding annual meetings shall be held during the same months of each succeeding year unless changed by the Board. Elections of Directors at successive annual meetings shall be in accordance with Article IV, SECTION 3.

SECTION 3. Special Meetings. Special Meetings of the Members may be called by the President whenever he deems such a meeting advisable, or shall be called by the Secretary when so ordered by the Board, or upon the written request of Voting Members representing not less than twenty-five (25%) percent of the total aggregate votes of all Voting Members. Such request shall state the purpose(s) of such meeting and the matter(s) proposed to be acted upon. Unless Voting Members representing at least fifty (50%) percent of the total aggregate votes of all eligible Voting Members request such a meeting, no special meeting may be called to consider any matter which is substantially the same as a matter voted upon at any meeting of the Members held during the preceding twelve (12) months, which determination shall be made in the sole and absolute discretion of the Board.

SECTION 4. Notice of Meeting. Except as otherwise provided by law, notice of each meeting of Members, whether annual or special, shall be given not less than ten (10) days, nor more than ninety (90) days before the day on which the meeting is to be held, to each Member at his last known address, by delivering a written or printed notice thereof to said Members, or by mailing such notice, postage prepaid. Every such notice shall state the time and place of the meeting and shall state briefly the purpose(s) thereof. Notice of any meeting of Members shall not be required to have been sent to any Members who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the Members shall not be required to be given except when expressly required by law. Except where otherwise expressly required by law, no publication of any notice of a meeting of Members shall be required.

SECTION 5. Quorum and Adjourned Meetings. At any meeting of Members, the quorum for the transaction of business, unless otherwise provided by law, shall be satisfied if persons (including Sponsor or its representatives) holding twenty-five (25%) percent of the total aggregate votes for all Voting Members are present, whether in person or by proxy. In the absence of a quorum, the persons, present in person or by proxy and entitled to vote, may, by majority vote, adjourn the meeting from time to time, until a quorum shall be present 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.

SECTION 6. Organization. At each meeting of the Association, the President, or, in his absence, the Vice President, or in the absence of both of them, a person chosen by a majority vote of the Voting Members, present in person or by proxy and entitled to vote thereat, shall act as a chairman, and the Secretary, or in his absence, a person whom the chairman shall appoint, shall act as secretary of the meeting.

SECTION 7. Voting. Except as otherwise required by the Articles of Incorporation, the Deed Restrictions or any law, a quorum being present, a majority of votes present, in person or by proxy, shall be sufficient on those matters which are to be voted on by the Members. The election of Directors shall be by ballot. Unless determined by a majority of the votes of the Members present at such meeting, in person or by proxy, or determined by the chairman of the meeting to be advisable, the vote on any other question need not be by ballot.

SECTION 8. Member in Good Standing. A Member shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of the Association if, and only if, he shall have fully paid all installments due for assessments made or levied against him and his Lot by the Board as herein provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and to his Lot, at least three (3) days prior to the date fixed for such meeting.

SECTION 9. Judges. If at any meeting of the Members a vote by ballot shall be taken on any question, the chairman of such meeting shall appoint two Judges to act thereat with respect to such vote. Each Judge so appointed shall first subscribe an oath faithfully to execute the duties of a judge at such meeting with strict impartiality and according to the best of his ability. Such Judges shall decide upon the qualifications of voters and shall report the number of votes represented at the meeting and entitled to vote on such question, shall conduct and accept the votes, and when the voting is completed, shall ascertain and report the number of votes respectively for and against the questions; but as to the election of Directors, the number of votes received by each candidate need not be reported. Reports of Judges shall be in writing and subscribed and delivered by them to the Secretary of the meeting. The Judges need not be Members of the Association, and any officer or director of the Association may be a Judge on any question, other than a vote for or against his election to any position with the Association or for any other question in which he may be directly interested.

SECTION 10. Order of Business. The Order of Business at the annual meeting of the Members or at any special meetings insofar as practicable shall be:

- (a) Calling of the roll and certifying the proxies.
- (b) Proof of notice of meeting and/or waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Appointment of Judges of Election, if appropriate.

- (e) Election of Directors, if appropriate.
- (f) Receiving reports of officers.
- (g) Receiving reports of committees.
- (h) Old business.
- (i) New Business.
- (j) Adjournment.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1. Express and Implied Powers and Duties. The property, affairs and business of the Association shall be managed by the Board of Directors, which shall have all those powers granted to it by the Articles of Incorporation, the Master Deed, these By-Laws and by law.

SECTION 2. Number and Qualifications. Until the first annual meeting of the Membership of the Association, and thereafter until their successors shall have been elected and qualified, the Board shall consist of three (3) persons designated by the Sponsor, none of whom need be Members. Thereafter, and when Members other than Sponsor own twenty-five (25%) percent of all Lots, the Board shall consist of five (5) Directors (hereinafter referred to as "Directors A, B, C, D and E"). At the first Annual Meeting, Members other than Sponsor shall be entitled to vote for and elect Directors A and B and Sponsor shall have the right to appoint Directors C, D and, E.

Thereafter, when Members other than Sponsor own seventy-five (75%) percent of all Lots, such Members shall elect the remaining Directors within sixty (60) days, subject however, to the right of Sponsor to appoint Director E so long as Sponsor owns one or more Lots and holds them for sale in the ordinary course of business. Except for Directors appointed by Sponsor, all Directors must be Members who are in good standing.

Except as otherwise provided in this paragraph, all Directors shall be Lot Owner Members or Tenant Members of the Association. In the case of partnership, Members (including sponsor, during such time as Sponsor shall be an Owner of Lots), eligible to be Directors shall be

Members, agents or employees of such partnership or of the general partners thereof or in the case of corporate Members, Directors shall be officers, shareholders, employees or agent of such corporation; or in the case of fiduciary Members, Directors shall be fiduciaries or officers or employees of such fiduciaries; provided, however, that at all times at least one (1) of the Directors of the Board shall be a resident of the State of New Jersey.

SECTION 3. Election and Term of Office.

(a) At the first Annual Meeting of the Membership, five Directors shall be elected or appointed (hereinafter referred to as Directors A, B, C, D, E), which election shall be called after Members other than Sponsor own twenty-five (25%) percent of all Lots. Directors A and B shall be elected by the Members other than Sponsor and Sponsor shall appoint Direct C, D and E. Directors A and B shall be elected for a one (1) year term and Directors C, D and E shall be elected for a two (2) year term or until such time as Members other than Sponsor own seventy-five (75%) of the Lots in the Project. At such time, Director C, D and E shall be elected by Members other than the Sponsor (subject, however, to Sponsor's right to appoint Director E as provided for in section 2 above) to serve for an additional term which expires at the annual meeting of the Membership at which Directors A and B are not scheduled for re-election. Thereafter, the terms for Directors shall be for two (2) years; it being the purpose and intent hereto that Directors A and B shall be elected in alternate years to Directors C, D and E. The Directors shall hold office until their respective successor have been duly elected and qualified, or until removed in the manner elsewhere provided.

(b) If at any meeting for the of election of Directors to the Board more than twice the number of candidates to be elected at such meeting are nominated, then and in such event there shall be two ballots for Membership on the Board. At the end of the first ballot, the field of nominees shall be reduced so that there are twice as many candidates as there are positions to be filled, with the persons receiving the fewest votes being eliminated from the ensuing ballot. A second ballot shall be held, and on the second ballot, the persons receiving the most votes will be deemed to be elected in order to fill the vacancies on the Board. Candidates polling the highest votes will be considered elected for the longest period of years. Notwithstanding the foregoing, when Sponsor sells the last Lot that it held for sale in the ordinary course of business, the term of appointed Director E shall end, and an election shall be held to fill the vacancy for the remainder of the term for which the Director was appointed consistent with the above alternate election provisions. However, the Sponsor may

not at any time, except for appointment of itself or its representatives where permitted by this section, vote for the Members on the Board or their replacements.

SECTION 4. Sponsor's Protective Provisions. After control of the Board of Directors has become vested and Directors elected by Lot owners other than the Sponsor, and so long as the Sponsor owns at least one (1) Lot and holds same for sale in the ordinary course of business, the following shall apply:

(a) Neither the Association nor its Board of Directors shall take any action that will impair or adversely affect the rights of the Sponsor or cause the Sponsor to suffer any financial, legal or other detriment, including but not limited to any direct or indirect interference with the sale of Lots, or the assessment of the Sponsor for capital improvements.

(b) The Association and its Board of Directors shall continue the same level of maintenance, operation and services as provided immediately prior to the assumption of control of the Association and the Board of Directors by Members other than the Sponsor.

(c) For so long as Sponsor owns ten (10) or more Lots, the Association and its Board of Directors may not, without Sponsor's prior written consent (i) make any addition, alteration or improvement to the Common Elements, (ii) borrow money on behalf of the Association, (ii) hire any employee in addition to the employees referred to in Sponsor's projected budget for the first year of operation of the Association at full Membership.

SECTION 5. Removal of Directors. At any duly held regular or special meeting of the Association, any one or more Directors may be removed, with or without cause, by a vote of fifty-one (51%) percent of the total aggregate votes of all Members. (The intent of this is to require a 51% approval of all Members of the Association, not merely of those Members present and voting at a given meeting.) If such Director is removed, a successor shall then be appointed by a majority of the remaining Directors to fill the vacancy thus created at the next regular or special meeting of the Board of Directors. In the event that all of the Directors are removed, successors shall be elected by the Members in the manner set forth in Article IV, Section 3 herein to fill the vacancies thus created. Each person so elected shall be given an opportunity to be heard at the meeting. This provision shall not apply to any Director appointed by the Sponsor.

SECTION 6. Vacancies. Except as set forth in Section 5, vacancies in the Board caused by any reason shall be filled by a vote of a majority of the remaining Directors, including the Sponsor's appointees, at another special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy. Each person so elected shall be a Director for the remainder of the term of the Director whose term he is filling and until his successor shall have been duly elected and qualified. If the vacancy occurs with respect to a Board Member who is a Lot Owner elected by Members other than Sponsor, then the person filling such vacancy shall also be a Lot Owner. Notwithstanding the foregoing, Sponsor shall have the right to appoint Directors to fill vacancies of Sponsor's appointees.

SECTION 7. Meeting of the Board; Notices; Waiver of Notice. The first annual meeting of the Board shall be held within ten (10) days after the first annual meeting of the Members and at such time and place as shall be fixed by a majority of the Board and no notice shall be necessary. Thereafter, regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Board, but at least two meetings shall be held each year. Notice of regular meetings of the Board shall be given to each Director by telephone, mail, or telegram at least three (3) days prior to the day of the meeting. Special meetings of the Board may be called by the President on three (3) days notice to each Director given by telephone, mail or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or the Secretary in like manner and on like notice, upon the written request of at least three (3) Directors, or upon the written request of 33% or more of the Lot Owners. Any Director may, at any time, waive notice of any meeting of the Board in writing and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by any Director at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. In the sole discretion of the Board, meetings of the Board or portions thereof, may be open to Members of the Association for observation or participation in such manner and to the extent the Board may deem appropriate.

SECTION 8. Quorum and Adjourned Meetings. At all meetings of the Board a quorum of not less than three (3) Directors must be present. A majority of the Directors present and voting at a meeting at which a quorum is present shall constitute a valid decision. If at any meeting of the Board there shall be less than a quorum present, the majority of those present shall adjourn the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be transacted without further notice. The vote of a majority of those present at a Board meeting at which a quorum is present shall be necessary for valid action by the Board on any matter.

SECTION 9. Joined in Meetings by Approval of Minutes. The transaction of any business at any meeting of the Board, however called and noticed or wherever held, shall be valid as though a meeting duly held after regular call and notice, if a quorum is present; and if either before or after the meeting, each Director signs a written waiver of notice, or a consent to the holding of the meeting, or an approval of the minutes thereof or of the resolution or act adopted at such meeting. All such waivers, consents or approval, shall be in writing and filed with the Secretary and made a part of the minutes of the meeting even though filed subsequent thereto.

SECTION 10. Non-Waiver. All the rights, duties and privileges of the Board shall be deemed to be continuing and shall not be exhausted by any single act or series of acts. To the same extent, the failure to use or employ any remedy or right hereunder or hereafter granted shall not preclude its exercise in the future nor shall any custom bind the Board.

SECTION 11. Consent in Lieu of Meeting and Vote. Anything to the contrary in these By-Laws, the Articles of Incorporation or the Deed Restrictions notwithstanding, the entire Board of Directors shall have the power to take action on any matter on which it is authorized to act, without the necessity of a formal meeting and vote if the entire Board, or all of the Directors empowered to act, whichever the case may be, shall consent in writing to such action.

ARTICLE V

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 1. General Powers and Privileges. The Board shall have those powers, which are not necessarily limited to the following, together with such other powers as may be provided herein or in the Deed Restrictions, or By-Laws, or which may be necessarily implied, including but not limited to the following:

- (a) To adopt, amend, and publish Rules and Regulations covering the details of the operation and use of the Common Elements; and
- (b) Employ, by contract or otherwise, a manager, managing agent or an independent contractor, to oversee, supervise and carry out the responsibilities of the Board. Said manager or said independent contractor shall be compensated upon such terms as the Board deems necessary and proper. Said managing agent may be Sponsor or a related entity; and

- (c) To employ any person, firm or corporation to repair, maintain or renovate the Common Elements, including but not limited to burying utilities; to putting up lights or poles; to erecting signs and traffic and safety controls of various sorts on said Property; and
- (d) To employ professional counsel and obtain advice from persons, firms or corporations such as, but not limited to, landscape architects, architects, engineers, lawyers and accountants; and
- (e) To contract for water and sewer, electricity and gas or other forms of utilities; and
- (f) To employ all personnel necessary, for the efficient discharge of the duties of the Board hereunder; and
- (g) Secure full performance by Lot Owners or occupants of all items of maintenance for which they are responsible; and
- (h) Arrange for security protection including lifeguard services, as necessary; and
- (i) Enforce obligations of the Lot owners and do anything and everything else necessary and proper for the sound management of the Association, including the right to bring or defend lawsuits to enforce the terms, conditions and restrictions contained in the Deed Restrictions, these By-Laws, or the Rules and Regulations; and
- (j) Borrow and repay monies giving notes, mortgages or other security upon such term or terms as it deems necessary; provided, however, that any borrowing in excess of Five Thousand (\$5,000.00) Dollars shall require approval of a majority of Members present, in person or by proxy, at a meeting duly called for such purpose at which a quorum is present. If any such borrowing is less than Five Thousand (\$5,000.00) Dollars, but when aggregated with all borrowings during the calendar year, the total thereof is in excess of Ten Thousand (\$10,000.00) Dollars, then such borrowing shall also require the approval of a majority of Members present, in person or by proxy at a meeting duly called for such purpose at which a quorum is present. Further, no liens to secure repayment of any sum borrowed may be created on any Lot or its appurtenant interest in the Common Elements without the consent of each affected Member; and

- (k) Invest and reinvest monies, sue and be sued; collect interest, dividends and capital gains; exercise rights; pay taxes; make and enter into contracts; enter into leases or concessions; make and execute any and all action without leave of court; and all other powers contained herein, and those necessary and incidental thereto; and
- (l) Grant and obtain easements, licenses and other property rights with respect to contiguous lands; and
- (m) Bring and defend actions by or against more than one Lot Owner which are pertinent to the operation of the Association, the health, safety or general welfare of the Members, or any other legal action to which the Members may consent in accordance with these By-Laws; and
- (n) Appoint an Insurance Trustee, who shall not be a Member of the Association, an employee of the Sponsor, or the manager, who shall discharge his duties in accordance with the Deed Restrictions and these By-Laws. In the absence of such an appointment, the Board shall be responsible for the disposition of all insurance proceeds; and
- (o) Create, appoint Members to and disband such committees as shall from time to time be deemed appropriate or necessary to aid the Board in the discharge of its duties, functions and powers.

SECTION 2. Duties and Responsibilities. It shall be the affirmative and perpetual obligation and duty of the Board to perform the following:

- (a) Cause the Common Elements to be maintained according to accepted standards and as set forth in the Deed Restrictions and these By-Laws, including, but not limited to such maintenance, painting, replacement, lawn maintenance, and repair work as may be necessary, as the Board may deem appropriate. All repairs and replacements shall be substantially similar to the original application and installation and shall be of first class quality; and
- (b) To investigate, hire, pay, supervise and discharge the personnel necessary to be employed, and provide the equipment and materials necessary, in order to properly maintain and operate the Common Elements. Compensation for the services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Association; and

(c) cause to be kept a complete record of all its acts and corporate affairs and to present a summary report thereof to the Members at the annual meeting or at any special meeting when requested in writing at least twenty-one (21) days in advance by Members entitled to cast at least twenty-five (25%) percent of the total aggregate votes of all Members; and

(d) Allocate common surplus or make repairs, additions, improvements to, or restoration of the Common Elements in accordance with the provisions of these By-Laws and the Deed Restrictions after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings; and

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

(f) Place and keep in force all insurance coverages required to be maintained by the Association, applicable to its property and Members including, but not limited to public liability, umbrella liability, directors and officers insurance, worker's compensation and disability insurance as required by New Jersey law, and such other insurance as the Board of Directors shall deem necessary.

(g) By way of amplification but not limitation of the duties and responsibilities set forth in sections (a) through (f) above, the Board shall at all times have the specific duty and responsibility to take such actions as may be necessary to ensure the continuing occurrence of the following:

(1) That a properly trained lifeguard shall be on duty at all times that the Pool is open.

(2) That the hours of operation of the Pool shall commence no earlier than 10:00 a.m. and cease no later than dusk, each day.

(3) That the Pool shall be surrounded by a perimeter fence, measuring six (6) feet in height, including a five (5) foot stucco-over-block base portion, surmounted by a one (1) foot high wrought iron top portion.

(4) That access to the Pool through said fence shall only be by means of a controlled entrance, i.e., a gate that shall at all times be locked or supervised.

(5) That the pool shall be illuminated by underwater lighting each night, from dusk until dawn.

(6) That no food concessions or food sales shall be permitted within the pool area.

Any insurance maintained by the Board may provide for such deductible amount as the Board may determine. Payments of insurance deductibles in the event of a casualty shall be part of the annual Common Expense. All proceeds shall be disbursed in accordance with the provisions of the Deed Restrictions and these By-Laws.

Members shall not be prohibited from carrying insurance for their own benefit provided that all such policies shall contain waivers of subrogation; and, further provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Lot Owner; and

(h) Manage the fiscal affairs of the Association as hereinafter provided in Article VI; and

(i) Establish Committees as hereinafter provided in Article IX.

ARTICLE VI

FISCAL MANAGEMENT

SECTION 1. Common Charges. The Board shall have the duty to collect from each Lot Owner, his, her, or their heirs, administrators, successors and assigns, the "Common Charges", attributable to each Lot Owner.

SECTION 2. Determination of Common Expenses. The amount of monies for Common Expenses deemed necessary by the Board and the manner of expenditure thereof, including but not limited to, the allocation thereof, shall be a matter for the sole discretion of the Board.

SECTION 3. Disbursements. The Board shall take and hold the funds as collected and shall disburse same for and the purposes and in the manner set forth herein and as required by the Deed Restrictions, the Articles of Incorporation, and applicable law.

SECTION 4. Depositories. The depository of the Association shall be such federally insured lending institutions or money market accounts as shall be designated from time to time by the Board and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such parties as are authorized by the Board, provided that a management agreement may include among its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association, if the proper fidelity bond is furnished to the Association.

SECTION 5. Accounts. The receipts and expenditures of the Association shall be Common Charges and Common Expenses respectively, and shall be credited and charged to accounts under the following classifications as the Board shall deem appropriate, and as needed:

- (a) Current expenses, which shall include expenditures within the year for which the budget is made, including reasonable allowances for contingencies and working funds. Current expenses shall not include expenditures chargeable to reserves. At the end of each year, the unexpended amount remaining in this account shall in the sole discretion of the Board be placed into reserves, be applied to reduce the assessments for current expenses for the succeeding year, or, as the Board shall determine, be distributed to the Membership in the same proportion as Common Charges are collected.
- (b) Reserve for replacement and for capital expenditures, which shall include funds for repair or replacement of the Common Elements and those portions for the improvements located on the Property which the Association is obligated to maintain or repair when required because of damage, depreciation or obsolescence.
- (c) Operations, which shall include all funds from the use of the Common Elements, including parking fees, or from any other sources. Only the additional direct expense required by any revenue producing operation will be charged to this account, and any surplus from any operation or otherwise shall be used to reduce the assessments for current expenses for the year during the one in which the surplus is realized, or at the sole discretion of the Board, in the year following the one in which the surplus is realized: or, at the sole discretion of the Board, may be placed into reserves. Losses from operations or otherwise shall be met by special assessments against Lot Owners, which assessments may be made in advance in order to provide a working fund.
- (d) Reserves and such other accounts as the Board so determines.

The Board shall not be required to physically segregate the funds held in the above accounts but may, in its sole discretion, maintain the funds in one or more consolidated accounts. As to each consolidated account, the division into the various accounts set forth above need be made only on the Association's records.

SECTION 6. Reserves. The Board shall not be obligated to expend all of the revenues collected in any accounting period, and shall have the right to maintain reasonable reserves for, among other things, repairs, replacements, emergencies, contingencies of bad weather or uncollected accounts as it determines shall be needed. All funds collected for reserves and capital expenditures shall be deemed capital contributions. Notwithstanding anything herein to the contrary, the Board in its determination of the Common Expenses and the preparation of a budget shall specifically designate and identify that portion of the Common Expenses which is to be assessed against the Members as a capital contribution. Capital contributions shall be allocable to reserves for each separate item of capital improvement of and to said Property. The amounts assessed and collected for the reserves shall be kept in one or more interest-bearing savings accounts or other investments, and shall not, until the purpose for which they were assessed has been satisfied, be utilized for any purpose other than that which was contemplated at the time of the assessment; provided, however, that such reserves may be used for any valid purpose if so approved by a two thirds (2/3) vote of all Voting Members. Notwithstanding the foregoing, any interest earned on such reserves can be utilized by the Board to reduce the assessments for current expenses for the succeeding year. The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand, in a checking or petty cash account, for the necessary discharge of its functions.

SECTION 7. Exemption from Assessments for Capital Improvements. Anything to the contrary herein notwithstanding, neither Sponsor nor any Institutional Lender for any Lot shall be required to pay any assessment for capital improvements, including any special assessments for reserves, of any kind, whether by way of regular or special assessments or otherwise unless Sponsor is deriving a benefit from such assessment. Further, this provision may not be amended without the written consent of the Sponsor and of every Institutional Lender. Notwithstanding the foregoing, for as long as Sponsor is entitled to appoint not less than three (3) Directors to the Board, it shall pay its share of any assessments for capital improvements, including reserves. However, if, the Sponsor should derive a benefit from the capital improvement, then the Sponsor shall pay its pro-rata share of the assessment.

SECTION 8. Notice. The Board shall give notice, in writing, to each Lot Owner, and to any Institutional Lender requesting notice, and to Sponsor, of the amount estimated by the Board for Common Expenses for the management and operation of the Association for the next

ensuing budget period, directed to the Lot Owner at his last known address by ordinary mail, or by hand delivery. Said notice shall be conclusively presumed to have been delivered five (5) days after deposit in the United States mails. If an annual Common Expense Assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior year's assessment, increased by five (5%) percent; the annual installments on such assessment shall be due upon the annual installment payment date (May 1 unless otherwise changed by the Board) until changed by an amended assessment. In the event the annual Common Expense Assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board, provided that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency which cannot be met by reserve funds earmarked for such contingency. Thus, if the Board during the course of a fiscal year determines that the Association will have insufficient funds to meet its needs, then the Board shall have the power to, upon Notice as above, charge a "Special Assessment, which shall be allocated pro rata to each Lot Owner.

SECTION 9. Acceleration of Assessment Upon Default. If a Lot Owner shall be in default in the payment of an installment upon a Common Expense Assessment or special assessment, the Board may accelerate the remaining installments of the assessment and file a lien for such accelerated amount upon notice to the Lot Owner, and if the delinquent installment has not been theretofore paid, the then unpaid balance of the Common Expense Assessment shall become due upon the date stated in the notice, which date shall not be less than five (5) days after delivery of the notice to the Lot Owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur. If no such notice is given and default shall continue for a period of forty-five (45) days then the Board shall be required to accelerate the remaining installments of the assessment upon similar notice to the Lot Owner, and to file a lien for such accelerated assessment as permitted by law if the delinquent assessment has not been heretofore paid. In such latter event, the Board may also notify any Institutional Lender and Sponsor and/or publish appropriate notice of such delinquency to the Membership of the Association. If said default continues for a period of ninety (90) days then the Board shall have the right to foreclose the foregoing lien pursuant to law and/or commence a suit against the appropriate parties to collect said assessment.

SECTION 10. Interest and Counsel Fees. The Board at its option shall have the right in connection with the collection of any Common Expense Assessment or other charge, to impose a late charge of any reasonable amount and/or interest at the legal maximum rate permitted by law for the payment of delinquent real estate taxes, if such payment is delinquent. In the event the Board shall effectuate collection of said assessments or charges

by resort to counsel, and/or the filing of a lien, the Board may add to the aforesaid assessments or charges, to the extent permitted by law, a sum of fifty (50%) percent of the gross amount due as counsel fees, together with other reasonable costs and expenses incurred in connection with the filing and discharge of the lien.

(a) In the case of any action or proceeding lawfully brought or defended by the Association or the Board, the reasonable costs and expenses of preparation and litigation, including counsel fees, shall be a common Expense allocated to all Members.

(b) 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) refunding to the Members the cost and expenses of litigation advance by them; (3) common charges, if the recovery thereof was the purpose of the litigation; (4) repair or reconstruction of the Common Elements if recovery of damages to same was the purpose of the litigation; and (5) any amount not applied to (1), (2), (3) and (4) above shall at the discretion of the Board be treated either as (i) a common surplus of the Association, (ii) a set off against the common charges generally. Notwithstanding the foregoing, if a Lot Owner, the Board or any other person or legal entity affected by any such distribution, shall assert that the damages sustained or the diminution in value suffered by a Lot Owner(s) was disproportionate to his or their percentage of common interest, in that event the matter shall be submitted to binding arbitration to be decided in accordance with the procedures set forth in Article XVI hereof.

(c) All common charges 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 and the same be expended first for such purpose before expending any part of the same for any other purpose.

(d) In the event that a Lot owner succeeds in obtaining a judgment or order against the Association or the Board, then in addition to any other sums to which said Owner would otherwise be entitled by such judgment or order, he or they shall also be entitled to the restitution or recovery of any sums paid to the Board by said Lot Owner as common charges for litigation expenses in relation to said action or proceeding.

SECTION 11. Power of Attorney to Institutional Lender. In the event the Board shall not cause the enforcement procedures provided in SECTION 9 above to be implemented within

the time provided, Institutional Lenders, other holders of Permitted First Mortgages and Sponsor with respect to Permitted First and Second Mortgages on Lots as to which there shall be such unpaid Common Expense assessments, are hereby irrevocably granted a power of attorney to commence such actions and to invoke such other remedies, all in the name of the Association, but at their sole expense. This power of attorney is expressly stipulated to be coupled with an interest in the subject matter.

SECTION 12. Annual Audit. While the Sponsor maintains a majority of the Board, he shall have an annual audit of Association funds prepared by an independent accountant, a copy of which shall be delivered to each Lot Owner within ninety (90) days of the expiration of the fiscal year of the Association. The audit shall cover the operating budget and reserve accounts. When the Sponsor no longer maintains a majority of the Board, the Board shall be responsible for the submission of the books, records and memoranda of the Association to an annual audit by an independent certified public accountant. A copy of the audit shall be delivered to each Lot Owner, the Sponsor and to such Institutional Lenders as request same within ninety (90) days of the expiration of the fiscal year of the Association.

SECTION 13. Examination of Books. Each Lot Owner shall be permitted to examine the books of account of the Board by appointment at a reasonable time during business hours; provided, however, that the Treasurer has been given at least ten (10) days prior written notice of the Lot owner's desire to make such an examination.

SECTION 14. Fidelity Bonds. Fidelity bonds shall be required by the Board from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board. The premiums on such bonds shall be paid by the Association.

While the Developer maintains a majority of representation on the Board, he shall post a Fidelity Bond in an amount equal to the Association's annual budget.

ARTICLE VII

OFFICERS

SECTION 1. Designation. The principal officers of the Association shall be a President, a Vice President, both of whom shall be Members of the Board, a Secretary and a Treasurer. The Board may also appoint such other Assistant Treasurers and Assistant Secretaries as in its judgment may be necessary. Any two (2) offices, except that of President and Vice President, may be held by one person.

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

SECTION 3. Removal of Officers. Upon an affirmative vote of a majority of the full number of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. The officer shall have the right to be heard, regarding his removal from office.

SECTION 4. Duties and Responsibilities of Officers.

(a) The President shall be the Chief Executive Officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an association.

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

(c) The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the. Members of the Association; he shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of the Secretary.

(d) The Treasurer shall have the responsibility for the custody of Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be authorized by the Board.

SECTION 5. Other Duties and Powers. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board.

SECTION 6. Eligibility of Directors. Nothing herein contained shall prohibit a Director from being an officer.

ARTICLE VIII

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

SECTION 1. Compensation. No compensation shall be paid to the President or the Vice-President, or any Director or Committee Member as referred to in Article IX of these By-Laws, for acting as such officer, Director or Committee Member. The Secretary and/or Treasurer may be compensated for their services if the Board determines that such compensation is appropriate. Nothing herein stated shall prevent any officer, Director, or Committee Member from being reimbursed for out-of-pocket expenses or compensated for services rendered which shall have been authorized in advance by the Board.

SECTION 2. Indemnification. Each Director, officer or Committee Member of the Association, shall be indemnified by the Association against the actual amount of net loss including counsel fees, reasonably incurred by or imposed upon him in connection with any action, suit or proceeding to which he may be a party by reason of his being or having been a Director, officer, or committee Member of the Association, or delegee, except as to matters as to which he shall be ultimately found in such action to be liable for gross negligence or willful misconduct. The Association shall be obligated to defend each Director, officer or Committee Member, each of whom shall have the right to engage counsel at his own expense. In the event of a settlement of any such case, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct.

SECTION 3. Exculpability. Unless any such action was in bad faith, neither the Board as a body nor any Director, officer, or Committee Member shall be personally liable to any Lot Owner in any respect for any action or lack of action arising out of the execution of his office. Each Lot Owner shall be bound by the good faith actions of the Board, officers and Committee Members of the Association, in the execution of the duties and powers of said Directors, officers and Committee Members. Nothing contained herein shall be construed so as to exculpate Members of the Board of directors appointed by the Sponsor from discharging their fiduciary responsibilities.

ARTICLE IX

COMMITTEES

The Board shall have the power to establish such committees as it deems appropriate to enable it to carry out its duties, and to appoint any Members as "Committee Members" of same. If such committee is a standing committee, the Board shall promulgate appropriate rules and guidelines to enable the committee to so function. The Board shall also be empowered to appoint ad hoc committees and/or non-permanent committees. The Board shall be entitled to delegate such powers as it deems appropriate to such committees, as well as retain the right to review the decisions of such committees. In the event the Board determines to create such committees, it shall be obligated to establish rules and regulations, procedures and powers of each such committee.

ARTICLE X

ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE ASSOCIATION

Whenever, in the Judgment of the Board, the Common Elements require capital improvements costing in excess of Five Thousand (\$5,000.00) Dollars, said improvements shall not be made unless they have been approved by a majority of Voting Members present, in person or by proxy, at a meeting in which a quorum is present. Said approval shall also be required if the cost of any such improvement when aggregated with all costs of improvements for the calendar year exceeds Ten Thousand (\$10,000.00) Dollars. When said approval has been obtained, all Members having the legal right to benefit from same shall be assessed for the cost thereof as a Common Expense. In the event of any emergency, the Board may expend sums in excess of Five Thousand (\$5,000.00) Dollars to protect the Common Elements or any part thereof, and the judgment of the Board shall be final.

While the Sponsor maintains the majority of the Board of Directors, it shall make no additions, alterations, improvements or purchases which would necessitate a special assessment or substantial increase in monthly assessments, unless required by a governmental agency, a title insurance company, an Institutional Lender, a lender holding a blanket mortgage, or unless necessitated by an emergent condition.

ARTICLE XI

DAMAGE OR DESTRUCTION AND EMINENT DOMAIN

In the event of damage or destruction by fire or casualty to any part of the Common Elements, or in the event of any taking by eminent domain, the Board shall allocate such losses in the manner prescribed by the Deed Restrictions and these By-Laws, and may exercise its power pursuant to Article V, Section 1, Paragraph (n) of these By-Laws to appoint an Insurance Trustee with regard to same.

ARTICLE XII

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

SECTION 2. Fines. The Board shall also have the power to levy fines against any Lot Owner(s) for violation(s) of any rule or regulation of the Association or for any covenants or restrictions contained in the Deed Restrictions or By-Laws, except that no fine may be levied for more than \$1,000.00 for any one violation; provided, however, that for each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against any Lot Owner(s) involved as if the fine was a Common Expense owed by the particular Lot Owner(s). Notwithstanding the foregoing, before any fine is imposed by the Board, the Lot Owner involved shall be given at least ten (10) days prior written notice and afforded an opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

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

ARTICLE XIII

AMENDMENTS

Other than Section 7 of Article VI hereof, these By-Laws, or any of them, may be altered or repealed, or new By-Laws may be made, at any meeting of the Association duly held for such purpose, and previous to which written notice to Members of the exact language of the amendment or of the repeal shall have been sent, a quorum being present, by an affirmative vote of fifty-one (51%) percent of the total aggregate votes of all Members except that (i) the first annual meeting may not be advanced, (ii) the first Board (including replacements in case of vacancies) may not be enlarged or removed, (iii) the obligation or the proportionate responsibility for the payment of Common Expenses with respect to Lots or the Common Elements may not be changed by reason of any such new By-Laws, amendment or repeal, or (iv) no such new By-Law, amendment or repeal shall in anyway affect the Sponsor, Sponsor's rights reserved herein or in the Deed Restrictions, including any assignee of Sponsor, unless the sponsor or assignee has given its prior written consent thereto.

ARTICLE XIV

CONFLICT; INVALIDITY

SECTION 1. Conflict. Anything to the contrary herein notwithstanding, if any provision of these By-Laws is in conflict with, or contradiction of, the Deed Restrictions, the Articles of Incorporation or with the requirements of any law, then the requirements of law, the Deed Restrictions and Articles of Incorporation, in that order, shall be deemed controlling.

SECTION 2. Invalidity of any part of these By-Laws shall not impair or affect in any manner the enforceability or effect of the remaining provisions of these By-Laws.

ARTICLE XV

NOTICE

Any notice (except for Notices pursuant to Article II, Section 4, which as described therein must be first sent by Certified Mail) required to be sent to any Member under the provisions of the Deed Restrictions or Articles of Incorporation or these By-Laws shall be deemed to have been properly sent and notice thereby given, when mailed, by regular post with postage prepaid, addressed to the Lot Owner at the last known post office address of the person who appears as a Member on the records of the Association at the time of such mailing. Notice to

one of two or more Co-Owners of a Lot shall constitute notice to all Co-Owners. It shall be the obligation of every Lot Owner to immediately notify the Secretary of the Association in writing of any change of address. Valid notice may also be given to Members by (i) personal delivery to any occupant of said Lot of 14 years of age or older, or (ii) by securely affixing said notice to, or sliding same under, the front door of any Lot.

ARTICLE XVI

ARBITRATION

Any arbitration provided for in these By-Laws shall be conducted before an arbitrator in Atlantic County, New Jersey by the American Arbitration Association, in accordance with its rules then obtaining and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. All expenses of arbitration chargeable to or incurred by the Association hereunder including the fees and expenses of counsel and experts shall be Common Expenses.

ARTICLE XVII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference words "Interlude Homeowners Recreation Association, Inc."

First Amendment

Prepared by:

Rona Zucker Kaplan, Esq.

FIRST AMENDMENT TO THE DECLARATION OF RESTRICTIONS, CROSS
EASEMENTS AND COVENANTS
BY-LAWS
THE INTERLUDE HOMEOWNERS RECREATION ASSOCIATION, INC.

WITNESSETH THAT:

WHEREAS, on or about February 22, 1988, Linpro Margate Associates Limited Partnership filed a Declaration of Restrictions, Cross Easements and Covenants, which was recorded on April 26, 1989 in the office of the Atlantic County Clerk in Deed Book 4883, Page 219; and :

WHEREAS, on or about April 12, 1989 Linpro Margate Associates Limited Partnership filed a Second and a Second Amended Declaration of Restrictions, Cross Easements and Covenants, which was recorded on May 15, 1989 in the office of the Atlantic County Clerk in Deed Book 4899, Page 275 and which obligated each lot owner to become a Member of the Interlude Homeowners Recreation Association, Inc. and to comply with the By-Laws of that Association;

WHEREAS, on or about October 29, 1993 Linpro Margate Associates Limited Partnership conveyed Block 710.05, Lot 5, commonly known as 4 Bayside Court, to The Interlude Homeowners Recreation Association, which was recorded on December 13, 1993 in the office of the Atlantic County Clerk;

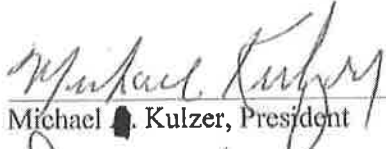



ATLANTIC COUNTY, NJ
EDWARD P. McGETTIGAN, COUNTY CLERK
RCPT # 1297549 RECD BY Eileen
REG FEES \$40.00
MARGINAL NOTATION \$20.00
RECORDED 02/22/2017 09:09:36 AM
INST# 2017010117 VOL 14203

WHEREAS, The Interlude Homeowners Recreation Association, Inc. By-Laws may not have been previously recorded in the office of the Atlantic County Clerk;

NOW, THEREFORE, be it resolved and provided that the By-Laws are hereby recorded nunc pro tunc .

ATTEST:


Michael A. Kulzer, President


Robert A. Rosenthal, Vice President


Kathleen Talvacchia, Secretary

STATE OF NEW JERSEY: SS:
COUNTY OF ATLANTIC

BE IT REMEMBERED, that on this 6th day of January, ~~2016~~ ²⁰¹⁷, before me, the subscriber, personally appeared Michael A. Kulzer, Robert A. Rosenthal and Kathleen Talvacchia, who I am satisfied are the President, Vice President and Secretary of the Interlude Homeowners Recreation Association, Inc., who signed the within instrument, and thereupon they acknowledge that they signed, sealed and delivered this instrument in accordance with the By-Laws of the Association.

Signed and sworn to before me on

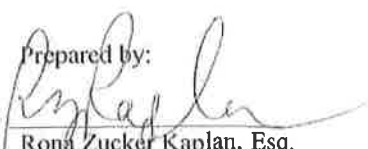
this 6th day of January, 20 17


Notary Public of New Jersey

EILEEN R. CIOFFI
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JAN. 24, 2017

Second Amendment

ATLANTIC COUNTY, NJ: EDWARD P. McGETTIGAN, COUNTY CLERK
VOL 14203 RECORDED 02/22/2017 09:09:36 AM
REC FEES \$50.00 REG # 1297549
MARGINAL NOTATION \$20.00
INST # 20170101388
RECD BY: Eileen

Prepared by:

Rona Zucker Kaplan, Esq.

SECOND AMENDMENT TO THE DECLARATION OF RESTRICTIONS, CROSS
EASEMENTS AND COVENANTS
BY-LAWS
THE INTERLUDE HOMEOWNERS RECREATION ASSOCIATION, INC.

This Second Amendment to the Declaration of Restrictions, Cross Easements and Covenants, the By-Laws of The Interlude Homeowners Recreation Association is made this 6th day of January, 2017 in accordance with the directives of said By Laws.

WITNESSETH THAT:

WHEREAS, on or about February 22, 1988, Linpro Margate Associates Limited Partnership filed a Declaration of Restrictions, Cross Easements and Covenants, which was recorded on April 26, 1989 in the office of the Atlantic County Clerk in Deed Book 4883, Page 219; and :

WHEREAS, on or about April 12, 1989 Linpro Margate Associates Limited Partnership filed a Second and a Second Amended Declaration of Restrictions, Cross Easements and Covenants, which was recorded on May 15,, 1989 in the office of the Atlantic County Clerk in Deed Book 4899, Page 275 and which obligated each lot owner to become a Member of the Interlude Homeowners Recreation Association, Inc. and to comply with the by-laws of that Association;

WHEREAS, on or about October 29, 1993 Linpro Margate Associates Limited Partnership conveyed Block 710.05, Lot 5, commonly known as 4 Bayside Court, to The Interlude Homeowners Recreation Association, which was recorded on December 13, 1993 in the office of the Atlantic County Clerk;

WHEREAS, Article VI §12 of the By-Laws required an annual audit of The Interlude Homeowners Recreation Association books and records;

WHEREAS, The Board of Trustees proposed that The Interlude Homeowners Recreation Association books and records be subject to a compilation instead of an audit;

WHEREAS, in accordance with The Interlude Homeowners Recreation Association By-Laws, notice was provided, a meeting was held and the requisite number of unit owners voted affirmatively,

NOW, THEREFORE, be it resolved and provided that Article VI §12 of the By-Laws is amended to read as follows:


SECTION 12. Annual Audit. While the sponsor maintains a majority of the Board, he shall have an annual audit of Association funds prepared by an independent accountant, a copy of which shall be delivered to each Lot Owner within ninety (90) days of the expiration of the fiscal year of the Association. The audit shall cover the operating budget and reserve accounts. When the Sponsor no longer maintains a majority of the Board, the Board shall be responsible for the Submission of the books, records and memoranda of the Association to an annual compilation by an independent certified public accountant. A copy of the compilation shall be delivered to each Lot Owner and to such Institutional lenders as request same within ninety (90) days of the expiration of the fiscal year of the Association.

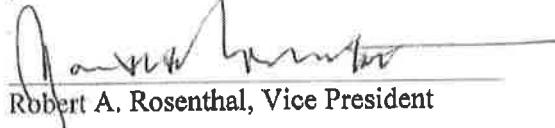
BE IT FURTHER RESOLVED AND PROVIDED, that if any of the provisions of this First Amendment to the Master Deed or any section, sentence, clause, phrase or word where the application thereof in any circumstances be judicially held in conflict with the laws of the State of New Jersey, then the said laws shall be deemed controlling and the validity of the remaining provisions, section, clause, phrase or word in other circumstances will not be effected thereby.

In all respects, the Master Deed shall continue in full force and effect as written.

IN WITNESS WHEREOF, for the purpose of amending the by-laws, we, the undersigned, as officers of the Association have duly executed this Amendment as set forth above. We certify that this Amendment has been made by the affirmative vote of at least three quarters of the unit owners.

ATTEST:


Michael Kulzer, President


Robert A. Rosenthal, Vice President


Kathleen Talvacchia, Secretary

STATE OF NEW JERSEY: SS:
COUNTY OF ATLANTIC

BE IT REMEMBERED, that on this 6th day of January, ²⁰¹⁷~~2016~~, before me, the subscriber, personally appeared Michael A. Kulzer, Robert A. Rosenthal and Kathleen Talvacchia, who I am satisfied are the President, Vice President and Secretary of the Interlude Homeowners Recreation Association, Inc., who signed the within instrument, and thereupon they acknowledge that they signed, sealed and delivered this instrument in accordance with the By-Laws of the Association.

Signed and sworn to before me on
this 6th day of January, 2017


Notary Public of New Jersey

EILEEN R. CIOFFI
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JAN. 24, 2017

Third Amendment

Prepared by:

Claire S. Swift

Claire S. Swift, Esquire
ID No 016161999
Swift Law Firm, LLC
1335 Tilton Road
Northfield, New Jersey 08225
(609) 484-3300

**THIRD AMENDMENT TO THE DECLARATION OF RESTRICTIONS, CROSS
EASEMENTS AND COVENANTS AND THE BY- LAWS OF
THE INTERLUDE HOMEOWNERS RECREATION ASSOCIATION, INC.**

This Third Amendment to the Declaration of Restrictions, Cross Easements and Covenants, the By-Laws of The Interlude Homeowners Recreation Association, Inc. is made this 13th day of May, 2020 in accordance with the directives of said By-Laws.

WITNESSETH THAT:

WHEREAS, on or about February 22, 1988, Linpro Margate Associates Limited Partnership filed a Declaration of Restrictions, Cross Easements and Covenants, which was recorded on April 26, 1989 in the office of the Atlantic County Clerk in Deed Book 4883, Page 219; and:

WHEREAS, on or about April 12, 1989 Linpro Margate Associates Limited Partnership filed a Second Amended Declaration of Restrictions, Cross Easements and Covenants, which was recorded on May 15, 1989 in the office of the Atlantic County Clerk in Deed Book 4899, Page 275, and which obligated each lot owner to become a Member of The Interlude Homeowners Recreation Association, Inc. and to comply with the by-laws of that Association;

WHEREAS, on or about October 29, 1993 Linpro Margate Associates Limited Partnership conveyed Block 710.05, Lot 5, commonly known as 4 Bayside Court, to The Interlude Homeowners Recreation Association Inc., which was recorded on December 13, 1993

in the office of the Atlantic County Clerk;

WHEREAS, on or about January 6, 2017, a Second Amendment to the Declarations of Restrictions, cross easements and covenants to the By-Laws were filed in the Atlantic County Clerk's office as instrument number 2017010118 which required an annual audit of The Interlude Homeowners Recreation Association, Inc., books and records and be subject to a compilation instead of an audit;

WHEREAS, in accordance with The Interlude Homeowners Recreation Association, Inc. By-Laws, notice was provided, a meeting was held, and the requisite number of unit owners voted affirmatively,

NOW, THEREFORE, be it resolved and provided that Article VI §12 of the By-Laws is amended to read as follows:

Article 2, Section 1. This will be as Item (d)

(d) Associate members. Lot Owners who are not in the Interlude Homeowners Association but reside on Bayside Court or Seaside Court in Margate City may be invited to join as Associate Members on an annual basis; However, they will not be Equity Members of the Association. These members will pay an initiation fee of \$150 and the annual fee as defined in Section 6. They will have Membership rights as in Section 3 and be subject to Penalties as in Section 4. These members will not have voting rights and will not be subject to any special assessments.

Article 6, Section 12 is amended to read as follows:

Section 12: Annual Compilation: While the sponsor maintains a majority of the Board, he shall have an annual compilation of Association funds prepared by an independent accountant, a copy of which shall be delivered to each Lot Owner within ninety (90) days of the expiration of the fiscal year of the Association. The Audit shall cover the operating reserve and budget accounts. When the Sponsor no longer maintains a majority of the Board. The Board shall be responsible for the submission of the books, records and memoranda of the Association for an annual compilation by an independent certified public accountant. A Copy of the compilation shall be delivered to each Lot Owner and to such Institutional lenders as request same within ninety (90) days of the expiration of the fiscal year of the Association.

BE IT FURTHER RESOLVED AND PROVIDED, that if any of the provisions of this Third Amendment to the Master Deed or any section, sentence, clause, phrase or word where the application thereof in any circumstances be judicially held in conflict with the laws of the State of New Jersey, then the said laws shall be deemed controlling, and the validity of the remaining provisions, section, clause, phrase or word in other circumstances will not be effected thereby,

In all respects, the Master Deed shall continue in full force and effect as written.

IN WITNESS WHEREOF, for the purpose of amending the By-Laws, we, the undersigned, as officers of the Association have duly executed this Amendment as set forth above. We certify that this Amendment has been made by the affirmative vote of at least three quarters of the unit owners.

ATTEST:



Marla Rosenthal, President



Carol Silverman, Vice President



Alysia Forman, Secretary/Treasurer

STATE OF NEW JERSEY:
COUNTY OF ATLANTIC:

SS:

BE IT REMEMBERED that on this 13th day of May, 2020, before me the subscriber, personally appeared Marla Rosenthal, Carol Silverman and Alysia Forman, who I am satisfied are the President, Vice President and Secretary/Treasurer of The Interlude Homeowners Recreation Association, Inc., who signed the within instrument, and thereupon they acknowledge that they signed, sealed and delivered this instrument in accordance with the By-Laws of the Association.



Claire S. Swift, Esquire
NJ Attorney ID No 016161999

SWIFT LAW FIRM, LLC

1335 Tilton Road
Northfield, New Jersey 08225
(609) 484-3300 (phone)
(609) 484-3303 (fax)
swiftlawfirm.com

July 13, 2020

Via email and regular mail
Carol Silverman
75 Seaside Court
Margate, New Jersey 08402

Re: The Interlude Homeowners Recreation Association, Inc.
Third Amendment to the Declaration of Restrictions

Dear Carol:

Please find enclosed the original filed Cover Sheet and the original Third Amendment to the Declaration of Restrictions with regard to The Interlude Homeowners Recreation Association, which was filed in the Atlantic County Clerk's office. Please keep these documents in a safe place.

If you have any questions, please do not hesitate to call me at (609) 484-3300.

Thank you for your kind attention in this matter.

Sincerely,

SWIFT LAW FIRM, LLC

Claire S. Swift

By:

Claire S. Swift, Esquire
ID No 016161999

CSV/jt
enc.



INST # 2020033975
RECORDED 07/06/2020 VOL 14816
RCPT # 1549779 RECD BY YW (4 PGS)
EDWARD P. McGETTIGAN, COUNTY CLERK
ATLANTIC COUNTY, NJ



Atlantic County Document Summary Sheet

ATLANTIC COUNTY CLERK 5901 MAIN ST MAYS LANDING, NJ 08330		Return Name and Address Claire S. Swift, Esquire ID No 016161999 Swift Law Firm, LLC 1335 Tilton Road Northfield, New Jersey 08225			
Official Use Only					
Submitting Company		Swift Law Firm, LLC			
Document Date (mm/dd/yyyy)		05/13/2020			
Document Type		THIRD AMENDMENT TO THE DECLARATION OF RESTRICTIONS			
No. of Pages of the Original Signed Document (Including the cover sheet)		4			
Consideration Amount (If applicable)					
First Party (Grantor or Mortgagor or Assignor) (Enter up to five names)	Name(s)	(Last Name, First Name Middle Initial, Suffix) (or Company Name as written)		Address (Optional)	
	The Interlude Homeowners Recreation Association, Inc.				
Second Party (Grantee or Mortgagee or Assignee) (Enter up to five names)	Name(s)	(Last Name, First Name Middle Initial, Suffix) (or Company Name as written)		Address (Optional)	
	The Interlude Homeowners Recreation Association, Inc.				
Parcel Information (Enter up to three entries)	Municipality	Block	Lot	Qualifier	Property Address
	Margate				
Reference Information (Enter up to three entries)	Book Type	Book	Beginning Page	Instrument No.	Recorded/File Date
DO NOT REMOVE THIS PAGE					
DOCUMENT SUMMARY SHEET (COVER SHEET) IS PART OF ATLANTIC COUNTY FILING RECORD. RETAIN THIS PAGE FOR FUTURE REFERENCE.					

Fourth Amendment

FOURTH AMENDMENT
TO THE
DECLARATION OF RESTRICTIONS, CROSS EASEMENTS
AND COVENANTS
AND
THE BY-LAWS
OF THE
INTERLUDE HOMEOWNERS RECREATION ASSOCIATION, INC.

This Fourth Amendment to the Declaration of Restrictions, Cross Easements and Covenants and the By-Laws of the Interlude Homeowners Recreation Association, Inc. is made this 31st day of may, 2022.

WHEREAS, on February 22, 1988, Linpro Margate Associates Limited Partnership filed a Declaration of Restrictions, Cross Easements and Covenants, which was recorded on March 3, 1988 in the Atlantic County Clerk's Office in Deed Book 4638, page 169; and

WHEREAS, on April 12, 1989, Linpro Margate Associates Limited Partnership filed a Second and a Second Amended Declaration of Restrictions, Cross Easements and Covenants which was recorded in the Atlantic County Clerk's Office on April 26, 1989 in Deed Book 4883 Page 219, and on May 15, 1989 in Deed Book 4899 at Page 275; and

WHEREAS, on January 6, 2017, the Interlude Homeowners Recreation Association, Inc. ("Interlude") executed a First Amendment to the Declaration of Restrictions, Cross Easements and Covenants By-Laws of The Interlude Homeowners Recreation Association, Inc. which was recorded on February 22, 2017 in the Atlantic County Clerk's Office as Instrument No. 2017010117; and

WHEREAS, on January 6, 2017, the Interlude Homeowners Recreation Association, Inc. executed a Second Amendment to the Declaration of Restrictions, Cross Easements and Covenants By-Laws of The Interlude Homeowners Recreation Association, Inc. which was recorded on February 22, 2017 in the Atlantic County Clerk's Office as Instrument No. 2017010118; and

WHEREAS, on May 13, 2020, the Interlude Homeowners Recreation Association, Inc. executed a Third Amendment to the Declaration of Restrictions, Cross Easements and Covenants and the By-Laws of The Interlude Homeowners Recreation Association, Inc. which was recorded on July 6, 2020 in the Atlantic County Clerk's Office as Instrument No. 2020033975; and

WHEREAS, N.J.S.A. 45:22A-45(d)(5) authorizes the Executive Committee to amend the By-Laws if, after providing notice to all association members of the proposed amendment and a ballot to reject, fewer than 10% of members reject the amendment within 30 days; and

WHEREAS, less than 10% of the members rejected this proposed amendment within 30 days of their receipt.

NOW, THEREFORE, in accordance with N.J.A.C. 5:26-8.13(b)(2), the By-Laws attached hereto as Exhibit "A" are being recorded to place them in the public record; and

BE IT FURTHER RESOLVED that the By-Laws be, and hereby are, amended as follows:

1. Article II, Section 1(d) of the By-Laws is hereby amended to read as follows:

(d) Associate members. Lot Owners who are not in the Interlude Homeowners Association but reside on Bayside Court or Seaside Court in Margate City may be invited to join as Associate Members on an annual basis; However, they will not be Equity Members of the Association. These members will pay an initiation fee equal to twenty-five (25%) percent of the current annual fee, and the annual fee as defined in Section 6. The initiation fee will be refunded if the Associate member's membership lapses. They will have Membership rights as in Section 3 and be subject to Penalties as in Section 4. These members will not have voting rights and will not be subject to any special assessments.

2. Article II, Section 6 of the By-Laws is hereby amended to provide that the annual fee shall be due on March 1 of each year.

3. Article III, Section 1 of the By-Laws is hereby amended to add the following:

Notwithstanding anything to the contrary, all Meetings of the Members (the "Member Meetings") and all Board meetings open to the membership (the "Board Meetings") may be conducted virtually by videoconferencing.

The notice for such virtual meetings shall state the date and time of the meeting, and shall identify the method, program or software to be used for the videoconference along with any applicable hyperlinks to be used to connect to the videoconference meeting, any necessary software downloads and/or any applicable meeting codes, including passwords. In addition, all notices of the dates and times of Member Meetings and Board Meetings that will be conducted by videoconferencing will also be sent to the individual Board members and Members by email, if known.

4. Article III, Section 4 of the By-Laws ("Notice of Meeting") is hereby amended to read as follows:

Except as otherwise provided by law, notice of each meeting of Members, whether annual or special, and at which no election is to be held, shall be given not less than 30 days before the day on which such meeting is to be held. Such notice shall be sent electronically, or as otherwise provided under Article XV of these By-Laws. Every such notice shall state the time and place of the meeting and shall state briefly the purpose(s) thereof. Notice of any meeting of Members shall not be required to have been sent to any Members who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the Members shall not be required to be given except when expressly required by law. Except where otherwise expressly required by law, no publication of any notice of a meeting of Members shall be required.

5. Article V, Section 2(g)(3) of the By-Laws is hereby deleted in its entirety and replaced with the following:

- (3) That the Pool shall be surrounded by a perimeter fence measuring six (6) feet in height.

6. Article VI, Section 5 of the By-Laws is hereby amended to add the following:

In addition to the Membership Fees set forth above, the Board shall have the right to establish, levy, and collect a Capital Contribution Fee equal to the current annual Common Expense fee upon the sale or subsequent resale of a Lot, together with the power to establish, set, and amend the amount of such Capital Contribution Fee from time to time, on the following terms:

- i) The Capital Contribution Fee shall be non-refundable and nontransferable; and
- ii) The Capital Contribution Fees collected shall be credited to the reserves for replacement and capital expenditures Board may, from time to time, in its sole discretion, determine and adjust the allocation of the Capital Contribution Fee between deferred maintenance reserves and capital maintenance reserves.

7. Article XV of the Bylaws ("NOTICE") is hereby amended to read as follows:

Notwithstanding anything herein to the contrary, all notices required or permitted hereunder may be sent electronically, which shall be effective in all respects as written notice. Notice may also be given in writing by sending such notice regular post with postage prepaid addressed to the Lot Owner at the last known post office address of the person who appears as a Member on the records of the Association at the time of such mailing, or by any reputable overnight delivery service. Notice to one of two or more Co-Owners of a Lot shall constitute

notice to all Co-Owners. It shall be the obligation of every Lot Owner to provide the Secretary of the Association with such owner's current email address and post office address, and any changes thereto. Valid notice may also be given to Members by (i) personal delivery to any occupant of said Lot or 14 years of age or older, or (ii) by security affixing said notice to, or sliding same under, the front door of any Lot.

8. Article XVI of the By-Laws is hereby deleted in its entirety and replaced with the following:

ARTICLE XVI
ALTERNATIVE DISPUTE RESOLUTION

The Association shall provide Alternative Dispute Resolution to Members who have a housing-related dispute between Members or between a Member and the Association. The dispute will be heard by a disinterested Member who shall not be a member of the Board of Trustees (the "Mediator"). The Mediator will use reasonable efforts to assist the parties to reach a mutually agreeable resolution.

In all other respects, the Declaration and By-Laws are hereby ratified and affirmed, in full force and effect, and are intended to govern the administration of the Interlude Homeowners Recreation Association.

This Amendment shall be effective immediately upon its recording in the Atlantic County Clerk's Office.

ATTEST:

INTERLUDE HOMEOWNERS
RECREATION ASSOCIATION, INC.

Eileen J. Leary By: Carol Silverman
Eileen S Leary, Secretary Carol Silverman, President

Date: May 31, 2022

[NOTARIZATION ON NEXT PAGE]

STATE OF NEW JERSEY :

: ss.

COUNTY OF ATLANTIC :

I CERTIFY that on May 31, 2022

personally came before me and this person acknowledged under oath, to my satisfaction, that:

- (a) this person is the Secretary of the Interlude Homeowners Recreation Association, Inc., the corporation named in the attached document;
- (b) this person is the attesting witness to the signing of this document by the proper corporate officer who is Carol Silverman, the President of the corporation;
- (c) this document was signed and delivered by the corporation as its voluntary act duly authorized by a proper resolution of its Board of Directors;
- (d) this person knows the proper seal of the corporation which was affixed to this document; and
- (e) this person signed this proof to attest to the truth of these facts.

Ellen S. Levy
Ellen S Levy, Secretary
Attesting Witness

Sworn and subscribed before
me on May 31, 2022.

Lisa C Florentino
Notary Public of the State of New Jersey
Lisa C Florentino

