

CRESTWOOD VILLAGE CO-OP FOUR, INC.

BY-LAWS

This booklet must be surrendered to the Co-op upon transfer of a membership certificate. A twenty-dollar (\$ 20.00) charge will be imposed for a lost copy.

Additional copies may be purchased at a cost of twenty-dollars (\$ 20.00) per copy.

The By-Laws and Rules and Regulations contained herein replace prior By-Laws and Rules and Regulations.

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INTRODUCTION TO CRESTWOOD VILLAGE CO-OP FOUR, INC.

FOREWARD: This publication is intended to serve as a frame of reference for members of Crestwood Village Co-Op Four, Inc. It consists of a brief factual statement and copies of the Certificate of Incorporation (as amended), By-Laws, Rules and Regulations and Proprietary Lease. The by-laws and rules and regulations govern the manner in which the affairs of the community are administered. They also define the rights and responsibilities of the members. Their importance can not be over-emphasized.

GENERAL INFORMATION: Crestwood Village Co-Op Four, Inc. (hereafter Co-Op) is a cooperative residential community located in Whiting, New Jersey. It comprises some 231 acres of wooded land, 1,190 dwelling units, a clubhouse, recreational facilities, and about 7 miles of private paved streets, all of which is owned by the Co-Op free and clear of all mortgages, liens and encumbrances. The Co-Op is a New Jersey non-profit corporation and membership therein is restricted to persons fifty-five (55) years of age and over who must be residents of the community. Each member is issued a certificate for a varying number of shares of stock in the corporation and a proprietary lease of a dwelling unit. The number of shares issued is dependent upon the type of dwelling unit to which the shares are allocated.¹ Occupancy of a dwelling unit is limited to three persons, all of whom must be 19 years of age or over.

The Co-Op was developed by the builder in five (5) sections, each of which was a separate co-operative corporation. They were known as Crestwood Village Co-Op Four, section 40. Inc.; Crestwood Village Co-Op Four, Section 41, Inc.; Crestwood Village Co-Op Four, Section 42, Inc.; Crestwood Village Co-Op Four, Section 43, Inc.; and Crestwood Village Co-Op Four, Section 44, Inc.. After all of the dwelling units in all of the Sections were sold, each of the five (5) separate corporations were merged into Crestwood Village Co-Op Four, Inc. The merger became effective on December 28, 1977 and by operation of law all of the assets and rights of the five (5) merged corporations were automatically acquired by Crestwood Village Co-Op Four, Inc. which at the same time automatically assumed all of their liabilities and obligations. The Co-Op is one of several separate and distinct residential communities developed by the same builder, namely Crestwood Village, Inc.

BUILDINGS: The dwelling units are a mix of single family and multi-family houses. They are all-electric and constructed of brick and aluminum siding, with crawl space and storage attic. The buildings are owned by the Co-Op and each member pays a monthly charge to cover his proportionate share of the maintenance expense. This expense includes real estate taxes, exterior building repairs, lawn maintenance, snow clearing, garbage removal, bus service, clubhouse maintenance, street lighting and street maintenance, fire and extended insurance coverage of the dwelling units and clubhouse, public liability insurance, and such other items as the Board of Trustees may from time to time determine. Interior maintenance and repairs is the responsibility of the members as is payment of electricity, water and sewer charges, and TV cable charge.

The various models of the dwelling units and the number thereof are as follows:

Yorktowne	83	Hampshire	26
Cambridge	109	Devon	64
Lexington	206	Windsor	76
Stratford	120	Essex 4	68
Oxford	222	Madison 6	48
Georgetowne	152	Madison 8	16
Total Units – 1,190			

The Yorktowne and Cambridge are single unit buildings; the Lexington, Stratford, Oxford and Hampshire are two-unit buildings; the Georgetowne, Devon, Windsor, and Essex are four-unit buildings; Madison 6 are six-unit buildings and Madison 8 are eight-unit buildings.

¹A schedule of the number of shares allocated to the various dwelling units is annexed to the By-Laws as "Attachment A" (pp 1 6,1 7)

CLUBHOUSE: A 14,700 square foot clubhouse, located on Moccasin Drive, is available for the use of the residents. This is the focal point of all social activities including dances, card games, pool, and other recreational pursuits. A fully equipped kitchen, which is used for social affairs, is maintained. Meetings of the membership are held in the clubhouse, as are other meetings and functions. An extensive library is available for the use of all residents. Shuffleboard courts, Bocci Courts and other outdoor sports are maintained on the clubhouse grounds, as are picnic areas and outdoor cooking facilities. There is fresh water fishing in the adjacent lake.

INSURANCE: The Co-op carries fire and extended insurance coverage on the dwelling units and the clubhouse in an amount to insure replacement in the event of loss. The replacement cost of the buildings is subject to annual review, and when necessary, the policy limits are adjusted to reflect any change. The Co-op also carries public liability insurance, which affords coverage for personal injury and property damage. Burglary insurance covering the contents of the clubhouse is also maintained.

It is important to note that the Co-op's insurance policies do not afford any coverage to the members. Each certificate holder should purchase his own fire and extended insurance policy to cover the contents of his dwelling unit. In addition each member should have his own liability insurance to cover claims arising out of an accident, which occurred inside or outside his dwelling unit by reason of his alleged negligence. The **H06** Insurance policy embraces both coverages.

It is **recommended** that each certificate holder carry a minimum of \$300,000 in liability coverage for their protection and shall be responsible for insuring the inside of the dwelling, from the sheet-rock in, plus any additions or alterations to the unit.

**CERTIFICATE OF AMENDMENT
OF THE CERTIFICATE OF
INCORPORATION
OF CRESTWOOD VILLAGE CO-OP FOUR,
INC.**

TO: SECRETARY OF STATE

STATE OF NEW JERSEY Pursuant to the provisions of Section 15:1-14, Corporations and Associations Not For Profit of the New Jersey Statutes, the undersigned Corporation executes and adopts the following Certificate of Amendment to its Certificates of Incorporation:

This is to certify that the undersigned, under and by virtue of N.J.S.A. 15:1 et seq., do hereby associate themselves into a corporation to provide housing on a non-profit basis, not for pecuniary profit.

FIRST: The name of the corporation is CRESTWOOD VILLAGE CO-OP FOUR, INC.

SECOND: The location of the principal office of the corporation is 15-E Moccasin Drive, Whiting, New Jersey 08759.

THIRD: The name of the statutory agent therein and in charge thereof is Samuel Carotenuto, P.O. Box 580, Red Bank, NJ 07701.

FOURTH: the activities of the Corporation are to be conducted primarily in Manchester Township, Ocean County, New Jersey and shall relate to the ownership, operation and maintenance of a cooperative housing development in that Township.

FIFTH: the purposes of this Corporation are to provide, on a nonprofit basis, homes for its membership certificate holders, and its membership certificate holders by reason of their ownership of such membership certificates shall be entitled to hold proprietary leases enabling them to occupy dwelling units owned by such Corporation. In addition, the purposes of this Corporation are to provide for the overall maintenance, preservation, operation and control of the common areas within that certain tract of real property owned by the Corporation and to provide the government of the cooperative development constructed and owned by the Corporation in Manchester Township, Ocean County, New Jersey and to promote the health, safety and welfare of the residents residing on the real property owned by the Corporation and in connection therewith, for the following purposes:

(a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in the By-Laws of the Corporation as said By-Laws may be amended from time to time as provided therein;

(b) To fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of the By-Laws of the Corporation; to pay all expenses in connection therewith, including all taxes, governmental charges, fees and the like for the benefit of the residents in and certificate holders of the Corporation;

(c) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, mortgage, lease, transfer, dedicate for public use or otherwise dispose of all real and/or personal property in connection with the affairs of the Corporation;

(d) To enter into contracts, borrow money, mortgage, pledge, or hypothecate any or all of its real or personal property as for security for monies borrowed;

(e) To have and to exercise any and all powers, rights and privileges which a corporation organized under Title 15 of the Laws of the State of New Jersey may by law now or hereinafter have or exercise;

(f) To make patronage refunds to members, occupants of dwelling units or others as provided by the By-Laws and/or proprietary leases;

(g) To associate for educational purposes and mutual benefit with cooperative associations or federations of associations;

(h) To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers hereinbefore set forth, and to do every other act or action, thing or things, incidental or pertinent to or growing out of or connected with the aforesaid business or powers, or any part or parts thereof.

SIXTH: The Corporation shall be governed by a Board of Trustees which shall number not less than three (3) and not more than seven (7) and the exact number of which shall be set forth in the By-Laws.

SEVENTH: Members of the Corporation shall acquire membership certificates in the Corporation representing membership as set forth in the By-Laws of the Corporation.

EIGHTH: The Corporation is authorized to issue 1,500,000 membership shares evidenced by membership certificates having only those rights and privileges set forth in the By-Laws of the Corporation.

NINTH: Unless otherwise required by law, no dividends shall be paid of any kind upon membership interest issued by this corporation, and nothing herein contained shall be construed in any way to prevent the corporation from giving patronage refunds to its members, in accordance with law.

TENTH: The period of existence of this corporation is unlimited.

ELEVENTH: The effective date of this Amendment to the Certificate of Incorporation shall be the date when this Certificate is filed with the Secretary of State of New Jersey.

IN WITNESS WHEREOF, the Corporation has caused these presents to be signed by its proper and duly authorized corporate officers and its corporate seal to be hereto affixed, this 5th day of January, 1989.

ATTEST:

CRESTWOOD VILLAGE CO-OP FOUR, INC.

EVELEN NODEN, Secretary

By:

JAROSLAV SOUKUP, President

STATE OF NEW JERSEY

SS.:

COUNTY OF OCEAN

BE IT REMEMBERED, that on this 5th day of January, 1989, before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared EVELYN NODEN, who, by me being duly sworn upon her oath, deposes and makes proof to my satisfaction, that she is the Secretary of CRESTWOOD VILLAGE CO-OP FOUR, INC., the Corporation named in the within Instrument that JAROSLAV SOUKUP is the President of said Corporation; that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Trustees of the said Corporation; and that the seal affixed to the said Instrument is the proper corporate seal and was affixed to said Instrument signed and delivered by said President as and for the voluntary act and deed of said Corporation, in the presence of deponent who thereupon subscribed her name thereto as attesting witness.

_____(LS.)
EVELYN NODEN, Secretary

Sworn and Subscribed to
before me this
5th day of January, 1989

ARTICLE I NATURE OF BY-LAWS

Section 1.

These By-Laws are intended to govern the administration of Crestwood Village Co-Op Four, Inc. (hereafter "Co-Op"), a non-profit corporation organized under the laws of the State of New Jersey, with administrative offices at Independence Hall, located on 15-E Moccasin Drive, Whiting, NJ 08759.

ARTICLE II PURPOSE

Section 1.

The purposes of the Co-Op are to provide homes for its members by means of proprietary leases of the dwelling units owned by the Co-Op, maintain and preserve the common areas of land owned by the Co-Op and provide recreational facilities for its members, all as more particularly set forth in the Amended Certificate of Incorporation of the Co-Op.

ARTICLE III MEMBERSHIP

Section 1. Authorized Membership

The Co-Op is authorized to issue 1,500,000 shares in the form of Membership Certificates attributable to the various dwelling units in the Co-Op community. The number of shares allocated to each dwelling unit shall be stated on each membership certificate and shall be issued together with a proprietary lease entitling each certificate holder to occupancy of a dwelling unit.

Section 2. Eligibility

Any natural person fifty-five (55) years of age or over approved by the Board of Trustees of the Co-Op shall be eligible for membership. Certificates may be issued in the joint name of husband and wife so long as one of them is over the age of fifty-five (55) years. Certificates may also be issued to any two (2) or three (3) persons holding such Certificates jointly, provided all persons are otherwise qualified for membership in the Co-Op. **All certificate holders must be residents of the Co-Op.**

Section 3. Membership Certificates

The membership certificates shall be issued, sold and delivered by the Co-Op in accordance with the Membership Transfer Procedure established by the Board of Trustees. A purchaser shall be deemed a member of the Co-Op and entitled to a Membership Certificate upon payment of the purchase price and other costs prescribed in the Membership Transfer Procedure and upon the transfer of the Membership Certificate in accordance with such procedure.

Each Membership Certificate shall state that the Co-Op is organized pursuant to the laws of the State of New Jersey, set forth the name(s) of the registered holder(s), provide for the right of lien of the Co-Op as set forth in Section 6 of this Article and shall contain a statement entitled RESTRICTIONS ON TRANSFER setting forth a synopsis of the Membership Transfer Procedure and fees due to the Co-Op on closing.

Further, each Membership Certificate shall set forth the number of shares allocated thereto. (See Attachment A). The Membership Certificates shall be of one class and each Certificate shall entitle the holder(s) thereof to one vote in the management of the Co-Op, irrespective of the number of shares allocated thereto. The Membership Certificates shall be consecutively numbered and shall be issued by the Secretary of the Co-Op upon certification by the Treasurer of the Co-Op of full payment therefor. All Membership Certificates shall be signed by the President or Vice President and the Secretary, and shall bear the seal of the Co-Op.

Section 4. Application for Membership

Every applicant for membership in the Co-Op shall be required to execute an Agreement for Transfer of Membership Certificate and Purchaser Application for Membership and such other forms as may be required by the Board of Trustees in the Membership Transfer Procedure. Certificates held in joint names shall be issued in either of the following forms:

- _____ and _____ as joint tenants with right of survivorship.
- _____ and _____ as tenants in common without the right of survivorship.

Section 5. Escrow Account

The Board of Trustees shall direct its closing supervisor to cause all monies received on account of the purchase of a Membership Certificate to be deposited promptly and without deduction to a trust account in a bank to be designated by the Board of Trustees. The monies so deposited shall not be considered funds of the Co-Op, but shall be held for the benefit of the purchaser and seller of the Membership Certificate pursuant to the terms of the Membership Transfer Procedure and the Agreement for Transfer of Membership Certificate until closing and disbursement

Section 6. Lien

The Co-Op shall have a first and paramount lien on all Membership Certificates in order to secure payment of any monies which shall be due or may become due from the owners and holders thereof for any reason

whatsoever, including any monies due pursuant to any Proprietary Lease. In addition to the foregoing, the certificate holder, his heirs, executors, administrators and assigns shall be personally liable to the Co-Op for such monies. Any purchaser, transferee or creditor who shall acquire any interest in a Membership Certificate or any right arising out of or by virtue of an interest in the said Membership Certificate, shall acquire such interest subject to the right of lien created hereby.

Section 7. Lost Certificate

The Board of Trustees may direct a new Membership Certificate to be issued to replace a Certificate previously issued by the Co-Op and claimed to have been destroyed or lost upon submission of an affidavit to such effect by the member. A reasonable service charge, as determined by the Board of Trustees, will be assessed for the replacement.

Section 8. Transfer of Membership

(a) Death of a Member

Upon the death of a member, the legal representative of the decedent shall, within thirty (30) days after the date of death, notify the Closing Supervisor of the Co-Op in writing of the name and address of the person who has succeeded to the decedent's right and interest in and to the Membership Certificate and Proprietary Lease. Within ninety (90) days of date of death, the legal representative, or the person who has succeeded to the decedent's interest in the Co-Op shall deliver to the Closing Supervisor of the Co-Op the Membership Certificate and Proprietary Lease issued to the decedent certified copies of decedent's Will, Letters Testamentary or Letters of Administration and death certificate, inheritance tax waivers, and such other documents as the Board of Trustees may require. Thereupon the Board of Trustees shall cause a new Membership Certificate and a new Proprietary Lease to be issued in the name of the person who succeeded to decedent's interest subject however to all of the terms and conditions of these By- Laws, and provided said person shall qualify for membership. The Co-Op shall not be obligated to perfect the said transfer on its books until the attorneys for the Co-Op shall be satisfied that all the applicable laws of the State of New Jersey have been fully satisfied, and all appropriate waivers have been procured and duly filed, with regard to the transfer of the property of the decedent. If the legal representative wishes to sell the Membership Certificate, it may remain in the name of the estate until the sale is completed.

In the event said written notice is not given, or the said documents not furnished within the required time periods, the Board of Trustees may in their discretion approve a written request for extension of time to comply therewith. Nothing contained herein shall be deemed to be in derogation of the age requirement for membership contained in these By- Laws, or any other requirement of these By-Laws, except however, that where the successor is the spouse of such deceased member, said spouse may succeed to the right and interest of the deceased member in the Co-Op, irrespective of the age of such surviving spouse, and without the necessity of approval by the Board of Trustees; however, if the underage surviving spouse remarries, he/she or the new spouse must be over the age of fifty-five (55) years.

In the event the legal representative shall fail to comply with all of the terms and conditions of this paragraph, or in the event the person so designated shall fail to qualify, then and in either of such events, the Membership Certificate and accompanying proprietary lease shall be deemed to be in default and subject to the default provisions of subparagraph (d) of this Section.

(b) Transfer in Open Market

In the event any member desires to sell his right, title and interest in the Co-Op, he shall first notify the Board of Trustees by completing and signing a Notice of Intention in such form as required by the Board in the Membership Transfer Procedure and hand deliver or mail same addressed to the Closing Supervisor of the Co-Op at Independence Hall, 15 E Moccasin Drive, Whiting, NJ 08759. The Co-Op shall have an option for a period of ten (10) days thereafter, but not the obligation to elect to purchase the Membership Certificate, together with all of the member's rights with respect to the dwelling unit and proprietary lease for a price agreed upon. In the event the Co-Op elects to exercise the option described herein, it shall notify the certificate holder of such election by phone or mail. Title to the said Membership Certificate and accompanying proprietary lease shall close upon payment in full by the Co-Op within thirty(30) days following the date of the mailing of the said notice to the certificate holder.

Upon closing of title as aforesaid, all rights of the member in the Co-Op shall terminate. Thereupon the Board of Trustees shall sell, or offer for sale, the said Membership Certificate and accompanying rights at a price acceptable to the Board of Trustees. In no event shall the Co-Op be obliged to pay the purchase price to the certificate holder unless the certificate holder and all other occupants shall have fully vacated the dwelling unit (inclusive of their possessions) and the Co-Op shall have had the opportunity of first inspecting the vacated unit.

In the event the Co-Op shall fail for any reason to exercise the option provided for above, the certificate holder shall have the right to sell the Membership Certificate and accompanying rights to any natural person fifty-five (55) years of age or over provided such sale is made in compliance with and subject to the Membership Transfer Procedure annexed hereto and incorporated herein by reference as Attachment B, and provided further that any such sale is subject to the written approval of the Board of Trustees. If at any time the purchase price falls 10% or more below market value, as determined by the average of the last three units of that model sold, the Co-op shall again have the option to purchase the Membership Certificate.

The "Membership Transfer Procedure" shall be established by the Board of Trustees and may be amended from time to time in the Board's discretion. All transfers of membership shall be conducted in strict compliance with the Membership Transfer Procedure so established and all purported transfers not in conformity with said procedure shall be utterly void and of no effect. Whenever the By-Laws, now or hereafter adopted, require a change in the Membership Certificate, each member shall submit their Membership Certificate for replacement whenever so requested by the Association.

Upon completion of the transfer, the Board shall be so notified by its closing supervisor and shall authorize the Secretary of Crestwood Village Co-Op Four, Inc. to issue and deliver to the transferee a new Membership Certificate and Proprietary Lease in the name of the transferee.

(c) Subletting

The certificate holder shall not assign or transfer the Membership Certificate and/or the Proprietary Lease. Leasing or subletting the dwelling unit is prohibited. Renting any rooms of a dwelling unit is also prohibited. Violation of any of the provisions of this subsection shall constitute a default.

(d) Default in Obligations of the Certificate Holder

In the event the certificate holder shall default in any of his obligations or breach any of the terms and conditions of these By-Laws, the proprietary lease, the Membership Certificate or any rules and regulations established by the Board of Trustees, then and in any of such events, the Board of Trustees may terminate the rights of the certificate holder under the Membership Certificate and proprietary lease, upon twenty (20) days written notice to the said certificate holder, and the certificate holder shall be required to deliver promptly to the Secretary of the Co-Op, the Membership Certificate and proprietary lease, both endorsed in such manner as shall be required by the Co-Op, whereupon all rights and privileges of the member shall be terminated. In the event the certificate holder shall fail to deliver the Membership Certificate and proprietary lease to the Secretary pursuant to this Section, then and in such event, the Board of Trustees shall have the right to cancel the said Membership Certificate and proprietary lease, and/or foreclose the lien provided for in Section 6 of the Article, and take such other legal action as may be necessary to cancel the Membership Certificate and proprietary lease and terminate the certificate holder's rights thereunder.

Further, the Co-Op in addition to any other available legal remedies, shall have the right to repossess the dwelling unit by means of summary proceedings and make such repairs to the said premises as shall be necessary to restore the premises to a habitable condition, including but not limited to repainting, carpet cleaning, retiling and any other repairs. The certificate holder, his heirs, executors, administrators and assigns shall be personally liable to the Co-Op for the costs of such restoration, and shall also be liable for all legal fees, costs, duties and other charges occasioned by or resulting from such default

Following the expiration of the twenty (20) day period provided in the said notice, the Co-Op, at its option shall elect to either:

- (a) Purchase the Membership Certificate at the Transfer Value as defined in subparagraph (e) hereof and pay the amount thereof to the former member or
- (b) Effect a sale of the Membership Certificate to an eligible purchaser at a price acceptable to the Co-Op. Upon receipt of the purchase price in full by the Co-Op from such purchaser, the Co-Op shall cause to be paid to said former member the purchase price so received, less the following:
 - (i) All sums due to the Co-Op pursuant to the proprietary lease;
 - (ii) All sums expended by the Co-Op to restore the premises to a habitable condition (less insurance proceeds, if any);
 - (iii) All legal and other expenses incurred by the Co-Op in connection with the default of such member and the resale of the Membership Certificate;
 - (iv) A transfer fee equal to six (6%) percent of the purchase price;
 - (v) All unpaid assessments or other charges.

The purchase price and the costs referred to in this subparagraph shall be determined in the sole and absolute discretion of the Board of Trustees of the Co-Op.

(e) Determination of Transfer Value

Whenever the term "Transfer Value" is used in these By-Laws, the said term shall mean the total of the following:

1. The then present value of the Membership Certificate, which value shall be calculated by averaging the three most recent sales of Membership Certificates of comparable dwelling units less improvements;
2. Plus the cost of all improvements to the dwelling unit paid for by the certificate holder, less depreciation of such improvements;
3. Less the expenses incurred by the Co-Op to restore the dwelling unit to a habitable condition (less insurance proceeds, if any);
4. Less the legal and other expenses incurred by the Co-Op pertaining to the transfer;
5. Less all sums due under the proprietary lease, any deficiencies, unpaid assessments or any other charges due to CO-OP or incurred by the Co-Op as a result of or occasioned by the default of the Member.

ARTICLE IV MEETINGS

Section 1. Place of Meetings

Membership meetings shall be held at Independence Hall or elsewhere as designated by the Board of Trustees.

Section 2. Regular Meetings

Regular membership meetings shall be held on the second Thursday of the months of April and October of each year. If a scheduled date be a legal holiday, the meeting shall be held on the following day.

Section 3. Special Meetings

It shall be the duty of the President of the Co-Op to call a special meeting of the membership upon a resolution of the Board of Trustees or upon the presentation by the Secretary to the Board of Trustees of a petition for same in writing signed by ten (10%) percent of the membership. Such resolution or petition must set forth the specific purpose of the special meeting. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No other business shall be transacted at a special meeting except as stated in the notice, unless such other business is consented to by two-thirds (2/3) of the membership present, either in person or by proxy.

Section 4. Notice of Meeting

It shall be the duty of the Secretary of the Co- Op to mail or deliver a notice of each regular or special meeting, stating the purpose thereof, as well as the time and place where said meeting is to be held, to each member at this address as it appears on the records of the Co-Op. Such notice shall be given at least five (5) but not more that fifteen (15) days prior to such meeting, unless otherwise required to comply with any statute of the State of New Jersey.

Section 5. Rules of Order

All membership and Trustee meetings shall be conducted in accordance with Robert's Rules of Order, subject however, to the express provisions of these By-Laws.

Section 6. Quorum

The presence in person or by proxy, of a minimum of 119 certificate holders of the Co-Op shall constitute a quorum, subject only to the provisions of the following section.

Section 7. Postponed Meetings

In the event any membership meeting cannot be convened because a quorum has not been obtained, the Board of Trustees shall postpone such meeting to a later date not more than one (1) week from the date of the originally scheduled meeting. Notice thereof shall be forwarded in accordance with the provisions of Section 4 hereinabove, except that the said notice shall be effected not less than two (2) days prior to the date for such meeting. At such rescheduled meeting, the certificate holders present either in person or by proxy, shall constitute a quorum irrespective of their number.

Section 8. Voting

Each certificate holder, either in person or by proxy, shall have the right to cast one (1) vote. If a certificate is registered in more than one (1) name, the persons named thereon shall have only one (1) vote between them. The vote of the majority of the certificate holders shall carry any questions brought before such meeting, unless the question is one upon which, by express provision of these By-Laws, a different vote is required, in which event said express provision shall govern and control. No member shall be eligible to vote if the book or management account of the Co-Op indicates such member to be more than thirty (30) days delinquent in payment to the Co-Op.

Section 9. Proxies

A member may appoint any other member, or a member of the Board of Trustees, as his proxy. All proxies shall be filed with the Secretary of the Co-Op at least one (1) day prior to the date of the scheduled meeting. Failure to file a proxy as herein provided shall deem the proxy null and void and of no effect.

Section 10. Order of Business

The order of business at the regular meetings shall be as follows:

- (a) Proof of Notice of Meeting or Waiver of Notice
- (b) Roll Call of Trustees
- (c) Certification of a Quorum
- (d) Reading of Minutes of Preceding Regular Meeting
- (e) Reports of Officers
- (f) Reports of Committees
- (g) Unfinished Business
- (h) New Business

ARTICLE V. TRUSTEES

Section 1. Number and Qualifications

The affairs of the Co-Op shall be governed by a Board of Trustees composed of seven (7) persons, who shall be certificate holders. In no event shall spouses serve on the Board simultaneously. In the event it becomes

necessary to reduce the number of Trustees, as permitted by the Certificate of Incorporation, it shall be accomplished by a Resolution of the Board of Directors. A certificate holder or his spouse shall not be eligible for election to the Board of Trustees if the Book or Management Account of the Co-Op indicates the certificate holder to be more than thirty (30) days delinquent in payment to the Co-Op

Section 2. Election and Term of Office

The Board of Trustees shall be elected by the membership at a regularly scheduled election to be held in November of each year. The election shall be conducted by an election committee of two (2) members appointed by the Board of Trustees. The election committee shall serve as tellers of the election and shall send a notice to all members, requesting those interested in becoming a candidate for Trustee to submit a resume to the Election Committee. Prior to the election, the Election Committee shall send out to all members copies of all resumes and notification of the date and place of the election. Voting shall be by secret ballot. No member shall be entitled to vote for more candidates than the number of vacancies, nor to cast more than one (1) vote for a candidate. Absentee ballots may be obtained by written request to the Election Committee. Absentee ballots must be returned to the Election Committee no later than one (1) day prior to the scheduled election.

The term of office of the Board of Trustees shall be for a period of two (2) years, commencing on January 1 st, or until their successors have been elected and take office. Four (4) Trustees shall be elected in odd numbered calendar years, and three (3) Trustees shall be elected in even numbered calendar years. In the event the number of Trustees is reduced below seven (7), as provided by the amended Certificate of Incorporation, then and in that event the terms shall be provided by Resolution of the Board of Trustees and provided said terms are for two (2) years and staggered.

In the event there is no competition after receiving resumes from candidates for office of Trustee, the Secretary of the Board is permitted to cast one ballot and elections shall be cancelled.

Section 3. Vacancies

All vacancies on the Board of Trustees caused by death, incapacity or unwillingness to serve shall be filled by a vote of majority of the remaining Trustees. Each person so appointed shall serve as a Trustee for the balance of the term of the Trustee whose place he is taking.

Section 4. Powers and Duties

The Board of Trustees shall have the full and complete authority to manage and administer all of the property, business and affairs of the Co-Op and engage in any acts in order to implement the management and administration thereof, subject only to the provisions of these By-Laws and to law. The powers of the Board of Trustees shall include, but not be limited to, the following:

- (a) To accept or reject all applications for membership.
- (b) To sell, issue, purchase, transfer and cancel membership certificates and proprietary leases.
- (c) To establish monthly carrying charges as prescribed in the Proprietary Lease, and such other charges and assessments as the Board of Trustees may deem necessary for the operation of the Co-Op.
- (d) To establish such reasonable rules and regulations and amendments thereto as may be deemed necessary to promote the proper administration of the Co-Op affairs and welfare of its members, and assure to the members the quiet enjoyment of their premises. Without limiting the generality of the foregoing, to make such rules and amendments thereto relating to the use and/or occupancy of the dwelling units, the clubhouse and appurtenances thereto, the common grounds, streets and roads, and recreational facilities, and to the conduct of the members of the Co-Op, as may be deemed proper and which are not inconsistent with these By-Laws. Such rules and regulations and amendments thereto shall be binding upon the members.
- (e) To enter into maintenance, management and employment contracts.
- (f) (i) To enter into contracts to maintain, preserve, improve or repair the Co-Op's property, including without limitation, land, buildings, roads, appurtenances or facilities of any kind or nature,
(ii) To make capital improvements² on any of the Co-Op's property provided the costs of same shall not exceed \$55,000, in which event approval by a majority of the members at a special meeting called for that purpose or at a regular meeting shall be required. Such approval shall not be required in the case of the rebuilding of buildings damaged or destroyed by fire or otherwise where the loss is covered by insurance irrespective of the amount of the cost thereof.
- (g) To enter into agreements with utility companies pertaining to water, electric, sewer and other such services as the Board of Trustees may deem necessary.
- (h) To amend, alter, modify or change in form or in substance any of the terms and conditions of any agreement to which the Co-Op is a party, or any instrument or document used by the Co-Op in the regular course of its business; or any document required to be filed with any governmental authority.
- (i) To buy, sell, mortgage, encumber, release or convey real estate only with approval of the majority of the members of the Co-Op; except that such approval is not required for action taken pursuant to ARTICLE III, Section 8 (b) and (d).

Capital Improvement can be defined as the increase in the **value of land or property**, such as **new** construction or an **addition to a building as contrasted** with repair or maintenance of tangible assets.

- (j) To place and keep in force such insurance coverage as the Board of Trustees in its discretion shall deem necessary. It is important to note that the Co-op's insurance policies do not afford any coverage to the members. Each certificate holder should purchase his own fire and extended insurance policy to cover the contents of his dwelling unit. In addition, each member should have his own liability insurance to cover claims arising out of an accident, which occurred inside or outside his dwelling unit by reason of his alleged negligence. The **H06** Insurance policy embraces both coverages. It is recommended that each certificate holder shall carry a minimum of \$300,000 in liability coverage and shall be responsible for insuring the inside of the dwelling, from the sheet-rock in, plus any additions or alterations to the unit.
- (k) To take necessary action to insure that all resales of membership certificates are conducted in accordance with the Membership Transfer Procedure. (See Attachment B)
- (l) Such other powers as are permitted expressly or by implication by these By-Laws, the amended Certificate of Incorporation or the laws of the State of New Jersey.
- (m) The Board of Trustees shall include and allocate such monies in the annual Village budget to ensure that funds are available to have one tenth of the Village's 579 buildings (including garage doors, where applicable) painted annually (weather permitting). Scheduled, but unpainted, buildings in one year shall be added to the one-tenth quota in the following year. For budgetary planning purposes, an "Average Cost" for all of the various Unit models may be used to determine the dollar amount to be allocated within the budget. This "Average Cost" amount shall be ascertained from the winning bid of at least three (3) bid submissions wherever possible. The Board shall also make every effort to "lock in" the winning bid prices to a multi-year contract. The Board shall publish and make public, no later than May 15th, the address of buildings scheduled to be painted that calendar year. Those buildings shall be selected in a systematic and unbiased manner; free from any and all undue influences. The Board shall also communicate the progress towards that year's painting goal at "Open" and Membership meetings on a regular basis throughout the painting season. The Board shall keep accurate records of the building selection process, the bids and all painting expenses. Such records shall be made reasonably available for review by any member in good standing within 10 business days upon written request. One copy will be provided within 10 business days for a nominal charge as determined by the Board.

Section 5. Non-Waiver

All rights, duties and privileges of the Board 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 6. Removal of Trustees

The membership of the Co-Op may remove any one or more of the Trustees, with cause, at any duly convened special meeting, by vote of the majority of the entire membership. The membership shall at said meeting elect a successor to replace the removed Trustee. Any Trustee whose removal has been proposed by the membership shall be given an opportunity to be heard at the membership meeting.

Section 7. Compensation

No compensation shall be paid Trustees for any services rendered to the Co-Op, except that they may be reimbursed for "out-of-pocket" expenses incurred in connection with Co-Op business.

Section 8. Organization Meetings

The first meeting of each new Board of Trustees shall be held within thirty(30) days following the election of the new Trustees. Written notice of the time and place of said meeting shall be given by the Secretary to each of the newly elected Trustees.

Section 9. Regular Meetings

Regular meetings of the Board of Trustees shall be held at such time and place as shall be determined by a majority of the Trustees, but at least one (1) such meeting shall be held each month except July and August.

Section 10. Special Meetings

Special meetings of the Board of Trustees may be called by the President upon his own initiative or upon the request of three (3) Trustees, upon reasonable notice to each Trustee, which notice shall indicate the time, place and purpose of said meeting.

Section 11. Waiver of Notice

Prior to, or at any meeting of the Board of Trustees, any Trustee may in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the receipt of such notice. Attendance by a Trustee at any meeting shall constitute a waiver of notice by him of such meeting.

Section 12. Quorum

The presence of a majority at any regular or special meeting of the Board of Trustees shall constitute a quorum for the transaction of business therein and the acts of the Trustees present at any meeting at which a quorum is present shall constitute the act of the Board of Trustees. In the event there shall be less than a quorum present at any meeting of the Board of Trustees, the majority of the Trustees present at such meeting shall adjourn the meeting to a date not less than one (1) week subsequent to the original date of meeting, and notice of the rescheduled meeting shall be given by the Secretary to all Trustees not less than three (3) days prior to the date of such meeting. The Trustees, at any such adjourned meeting, shall transact any business which might have been transacted at the original meeting without further notice, subject however, to the presence of a quorum. At each meeting of Trustees, the President, or in his absence, the Vice President or, in the absence of both of them, a chairman chosen by majority vote shall act as Chairman, and the Secretary, or in his absence, a person whom the Chairman shall appoint, shall act as Secretary of the meeting.

ARTICLE VI. OFFICERS

Section 1. Officers and Duties

The principal officers of the Co-Op shall be a President, Vice President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board of Trustees. In the event the Board of Trustees so determines, the offices of Treasurer and Secretary may be filled by the same person.

Section 2. Election of Officers

The officers of the Co-Op shall be elected annually by the Board of Trustees at their organization meeting and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers

The Board of Trustees upon a vote of the majority of its members, may remove any officer of the Co-Op, with cause, and shall thereupon elect a successor to such removed officer.

Section 4. President

The President shall be the chief executive officer of the Co-Op, and shall preside at all Membership, and Trustee meetings.

He shall have all of the general powers and duties which are usually vested in the office of President of a corporation, including but not limited to the power to appoint committees from among the membership from time to time as he may, in his discretion, decide are appropriate in the administration of the affairs of the Co-Op, and such other powers as are granted elsewhere in these By-Laws.

Section 5. Vice President

The Vice President shall serve in the absence or incapacity of the President. In the event neither the President nor the Vice President is able to act the Board of Trustees shall appoint another member of the Board to act as President on an interim basis. The Vice President shall also perform such other duties as shall be assigned by the Board of Trustees. The Vice President shall also hold the office of Assistant Treasurer.

Section 6. Secretary

The Secretary shall be charged with keeping the minutes of all membership and Trustee meetings and maintaining permanent records thereof; shall have the custody of the seal of the Co-Op; shall have charge of all books and records of the Co-Op; shall have such other powers and duties as are set forth in these By-Laws; and shall in general perform all the duties incidental to the office of Secretary of a Corporation.

Section 7. Treasurer

The Treasurer shall have the responsibility for all funds and securities of the Co-Op and for the maintenance of full and accurate accounts of all receipts and disbursements; shall be responsible for the deposit of all monies and other good and valuable effects in the name or to the credit of the Co-Op, in such depositories as may from time to time be designated by the Board of Trustees; shall submit quarterly financial reports to the Board of Trustees. The Treasurer shall also hold the office of Assistant Secretary.

Section 8. Other Duties and Powers

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

Article VII. REPRESENTATIVE ADVISORY BOARD

Section 1. Organization and Appointment

- (a) A Representative Advisory Board Chairperson shall be appointed at the option of the Board of Trustees for the purpose of acting as liaison between the Board of Trustees and members of the Co-op.
- (b) The Co-op shall be divided into districts, the areas of which shall be determined from time to time by the Board of Trustees.

Section 2. Meetings

- (a) The Representative Advisory Board shall meet monthly, except for July and August.
- (b) The Board of Trustees shall provide a means to record and prepare minutes of all meetings.

Section 3. Duties of the Representatives

- (a) The primary duty of the Representative is to work together with the Board of Trustees, to establish an appropriate link with and among the residents to further the smooth running operation of an informed and harmonious community.
- (b) Representatives shall receive and coordinate information on complaints, suggestions, and other matters received from members, and shall present the same for consideration at the meeting.
- (c) Representatives shall call the members' attention to any violation of Rules and Regulations. If the violation continues, the representative shall refer the matter to the Board of Trustees in writing.
- (d) Representatives shall serve at the discretion of the Chairperson of the Representative Board, and may be appointed by the Chairperson in his/her sole and absolute discretion, and can be removed by his/her sole discretion, providing there is just cause for such removal.
- (e) Representatives shall distribute reports, data, questionnaires and other material as required by the Board of Trustees
- (f) If a representative cannot attend a meeting he/she may appoint an alternate to attend in his/her place.

ARTICLE VIII. COMMITTEES

Section 1. Standing Committees and Special Committees

The President shall appoint from time to time such standing and special committees as he may deem appropriate.

ARTICLE IX. INDEMNIFICATION OF BOARD OF TRUSTEES, OFFICERS, AND AGENTS; AND LIABILITY OF TRUSTEES AND OFFICERS

Section 1.

The Co-Op hereby warrants and guarantees to its officers, trustees and agents, that if they should ever be sued in any manner whatsoever or if they should ever be held liable in any manner whatsoever on any obligation, paper or document signed by them, or any of them, in the ordinary and prudent course of the Co-Op's business, or should said officers, trustees, or agents ever be sued or be held liable with respect to any transaction of any nature whatsoever connected with the conduct of said Co-Op's business, the Co-Op will at all times indemnify and save said officers, trustees, or agents harmless from and against any and all liability for damages, loss, costs, charges and expenses of whatsoever kind or nature, including counsel and attorney's fees which they shall or may at any time sustain or incur by reason or in consequence of their operation of the said Co-Op, and the Co-Op will pay over, reimburse and make good to them any and all monies which shall become due and owing by reason of any of the occurrences described above.

Section 2.

This guarantee and indemnification agreement will protect said officers, trustees and agents who have acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Co-Op and with respect to any criminal proceedings grounded upon acts for which they had no reasonable cause to believe their conduct was unlawful; however, the Co-Op will not indemnify those who have not acted in good faith or in a manner reasonably believed to be in the best interests of the Co-Op, or officers, trustees or agents that knowingly commit criminal acts.

Section 3.

This guarantee and indemnification agreement shall apply to and insure to the benefit of any officer, trustee or agent of the Co-Op, whether the incident shall involve them individually, as a group or a whole, as well as their heirs, executors, administrators or assigns.

Section 4.

The Board of Trustees shall obtain and maintain adequate insurance to cover indemnification as outlined in this ARTICLE. The premium shall be paid for by the Co-Op.

Section 5.

The Trustees and Officers of the Co-Op shall have no liability to the Co-Op or any of its members except for willful misconduct.

ARTICLE X. ASSESSMENTS

Section 1. Involuntary Assessments

- (i) In the event any building shall be partially or totally destroyed by fire or other casualty and the insurance proceeds shall be inadequate to provide full restoration, or in the event any facility pertaining to the health, transportation or safety of the members of the Co-Op shall be required to be replaced, repaired, restored or constructed, or in the event any applicable governmental authority having jurisdiction shall require a capital expenditure in order that the Co-Op comply with any applicable statute, law, code or regulation, or in the event additional funds shall be required to eliminate an operating deficit arising out of those maintenance expenses which are distributed equally among the members, then and in any of such events the Board of Trustees shall assess all members of the Co-Op equally for the cost thereof.
- (ii) In the event the operating deficit referred to arises out of maintenance expenses which are distributed unequally among the members, the Board of Trustees shall assess all of the members of the Co-Op their proportionate share of the cost thereof.
- (iii) In the event a member shall damage or destroy Co-Op property, or expose Co-Op property to loss or damage, the Board of Trustees shall assess such member the cost and expense incurred in repairing the damage or replacing the property, or in protecting the property from loss or damage, as the case may be.

Section 2. Voluntary Assessments

In the event that a majority of the membership of the Co-Op shall elect to make a capital improvement in excess of \$50,000. upon the Co-Op lands, then in such event the Board of Trustees shall assess all of the members of the Co-Op as provided for in the Resolution authorizing the improvement.

Section 3. Default in Payments of Assessments

The failure of any member to comply with the provisions of the ARTICLE X within the time prescribed by the Board of Trustees shall be deemed a default of the membership certificate and proprietary lease under Article III, Section 8 (d). In addition to the foregoing the Co-Op shall have the option to institute legal action against the member for the collection of the unpaid assessment in which event the member shall be liable for payment of reasonable attorneys fees, interest and cost of suit.

ARTICLE XI. SEAL

Section 1.

The Board of Trustees shall provide a suitable seal indicating the name of the Co-Op, which seal shall be maintained in the custody of the Secretary.

ARTICLE XII. FISCAL MANAGEMENT

Section 1. Fiscal Year

The fiscal year of the Co-Op shall commence upon the first day of January. The commencement date of the fiscal year herein established shall be subject to change by the Board of Trustees.

Section 2. Books and Accounts

Books and accounts of the Co-Op shall be maintained under the supervision and at the direction of the Treasurer and in accordance with regularly accepted accounting procedures. The financial records of the Co-Op shall be available at the principal office of the Co-Op for inspection at reasonable times by any member of the Co-Op, upon written request to the Secretary of the Co-Op.

Section 3. Auditing

The books and records of the Co-Op shall be audited at the conclusion of each fiscal year by a certified public accountant retained by the Board of Trustees. Thereafter, the Co-Op shall furnish its members with a copy of the auditor's report

Section 4. Corporate Documents

All instruments and documents shall be reviewed by the Board of Trustees at a regular meeting and executed on behalf of the Co-Op by the President or Vice President and one other officer of the Co-Op. All checks shall be signed by any two (2) Trustees.

ARTICLE XIII. SAVINGS CLAUSE

Any provision of these By-Laws that shall be judicially declared inconsistent with or in violation of any provision or requirement contained in the Certificate of Incorporation as amended or the laws of New Jersey, shall be deemed inoperative. The remainder of these By-Laws shall not be affected thereby, but shall thereafter continue in full force and effect.

ARTICLE XIV. IMMUNITY

Except where there is a willful, wanton or grossly negligent act of commission or omission by the Co-Op, the Co-Op shall not be liable in *any* civil action brought by or on behalf of a unit owner, or by or on behalf of the spouse of that person, to respond in damages as a result of bodily injury to the unit owner or to the spouse of that person, occurring on Co-Op premises, i.e. the community and recreational facilities owned by the Co-Op. (N.J. Public Law 1989, Chapter 9, Assembly Bill 2443, R.S.2A:62A-12 to 14 (tort liability) with Note in Condominium Statute, namely R.S. 46:8B-15 and R.S. 46:8D-6)

ARTICLE XV. AMENDMENTS

Amendment of these By-Laws may be proposed by resolution of the Board of Trustees or by petition signed by at least ten percent (10%) of the members of the Co-Op. Thereafter such amendment may be adopted by a majority vote of the membership present either in person or by proxy at any duly convened regular or special meeting. A statement of the proposed amendment shall accompany the notice of any regular or special meeting at which the proposed amendment shall be voted upon.

ARTICLE XVI. MISCELLANEOUS

Section 1. Construction

Whenever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter singular or plural whenever the context so requires.

Section 2. Transfer of Certificates

- (i) Upon written request of a member his certificate shall be re-issued in another name, provided the individual so designated is an occupant of the dwelling and is eligible for membership, and provided further that a sale of the certificate is not effected thereby. A reasonable transfer fee, as determined by the Board of Trustees, shall be paid to the Co-Op therefore, except that there shall be no charge when the transfer is to the spouse of the member.
- (ii) Upon written request of a surviving spouse: or of a person who owns the certificate jointly with decedent (with rights of survivorship), a certificate shall be re-issued in the survivor's name and no charge shall be made therefore.
- (iii) When a certificate is inherited by a person(s) not named on the certificate, who is qualified (55 years or older), and who will reside in the unit so identified on the certificate, a transfer fee of \$200 (two Hundred dollars as fixed by the Board of Trustees will be charged for the issuance of a new certificate and proprietary lease. If inherited by a spouse, there will be no charge. If, however, the person who inherits the certificate subsequently sells the same certificate, the full three percent (3%) capital depreciation fee will apply on the subsequent transfer.

Section 3. Dissolution

In the event the Co-Op is dissolved, all of its property, both real and personal, shall be sold and the net proceeds thereof shall be distributed to the members of the Co-Op in accordance with the appraised value of their respective dwelling units.

Section 4. Former Trustees

The Board of Trustees may, by majority vote to such effect, invite any former Trustee of Trustees to participate at any Board Meeting in order to avail themselves of special knowledge or expertise possessed by such former Trustee(s). Such former Trustee(s) shall not have the power to vote at the Board Meeting or make any decision thereat.

Section 5. Rules and Regulations.

The Board of Trustees shall have the right to formulate reasonable rules and regulations as to the conduct of the Members or occupants and guests with respect to the Community facilities to preserve, protect and enhance the same. The Board shall have the further right to levy fines for violation of such rules and regulations.

ATTACHMENT "A"
SCHEDULE OF SHARES ALLOCATED
TO
DWELLING UNITS (IDENTIFIED BY MODEL)

<u>MODEL</u>	<u>SECTION NUMBER</u>	<u>NUMBER OF SHARES PER UNIT</u>
Madison I	40	494
"	41	527
"	42	543
"	44	559
Madison II	42	527
Essex	40	741
"	41	774
"	42	790
"	44	807
Windsor	40	817
"	42	857
Devon	40	823
"	41	857
"	42	873
"	44	889
Hampshire I	40	857
"	41	890
Hampshire	42	906
Georgetowne	40	873
"	41	906
"	42	922
Oxford I	40	949
"	41	982
Oxford	42	998
"	44	1,015
Oxford II	40	956
"	41	988
Stratford	40	1,031
"	41	1,064
"	42	1,081
"	44	1,087
Lexington	40	1,262
"	41	1,302
"	42	1,319
"	44	1,335

SCHEDULE OF SHARES ALLOCATED
TO
DWELLING UNITS (IDENTIFIED BY MODEL)

MODEL	SECTION NUMBER	NUMBER OF SHARES PER UNIT
Cambridge I	40	1,071
"	41	1,120
Cambridge	42	1,137
Cambridge I	43	1,137
Cambridge	44	1,154
Cambridge II	40	1,104
"	41	1,147
Yorktowne	40	1,302
"	41	1,319
"	42	1,352
"	43	1,352
"	44	1,378

**MEMBERSHIP TRANSFER AGREEMENT
ATTACHMENT "B"**

Pursuant to the authority vested in the Board of Trustees of Crestwood Village Co-op Four, Inc. by virtue of the By-laws thereof, the following shall constitute the Membership Transfer Procedure of Crestwood Village Co-op Four, Inc. and shall govern the transfer of all Membership Certificates and Proprietary Leases.

1. All transfers of Membership Certificates and Proprietary Leases shall be conducted by and through Crestwood Village Co-op Four and its Closing Supervisor, located at the Co-op office, 15E Moccasin Drive, Whiting, NJ. The Closing Supervisor acts solely for the Co-op and does not represent either party in the transfer.

2. The Board of Trustees shall have the right of first refusal and may exercise that right at any time during the selling process if the selling price falls more than 10% below current market value.

3. All transfers of Membership Certificates and Proprietary Leases shall be conducted using the forms and agreements promulgated by the Board of Trustees.

4. A Certificate Holder desiring to sell his or her Certificate shall notify the Closing Supervisor of their Intent. The Closing Supervisor shall prepare for the Certificate Holder's signature a Notice of Intent to Sell in such form as prescribed by the Board of Trustees.

5. Upon receipt of the completed Notice of Intent to Sell, the Closing Supervisor shall arrange for a home inspection, to be performed by the Co-op Maintenance Supervisor. The inspection will be valid for a period of (6) six months and will be repeated every six months until the home sells. The cost of each of the home inspections will be \$50.00. The Closing Supervisor shall notify the Certificate Holder, in writing, of any repairs required. This written notice may also direct the Certificate Holder to proceed to offer the Certificate for sale providing any required repairs are completed before closing on the sale.

6. The seller (or his realtor), upon obtaining a purchaser for his Membership Certificate and Proprietary Lease, shall notify the Closing Supervisor and obtain a copy of "The Agreement for Transfer of Membership Certificate and Purchaser's Application for Membership." The Seller and Purchaser shall complete and sign the agreement and present it to the Closing Supervisor.

7. In the event of a private sale, the Closing Supervisor shall promptly deposit purchaser's deposit into a bank account to be held therein until closing or until receipt of written notification from seller and purchaser terminating the Agreement.

8. The Closing Supervisor shall coordinate with the seller and purchaser a date and time for the closing. The closing shall be held in the Co-op offices with a member of The Board of Trustees present.

9. On closing, the seller shall pay to Crestwood Village Co-op Four, Inc. a transfer fee in the amount of three (3%) percent of the gross purchase price. However, if the seller purchases another unit in Crestwood Village Co-op Four, Inc. within 30 days of the closing, the transfer fee will be only one (1%) percent of the gross purchase price of the unit sold. (Both closings must be completed within thirty (30) days of each other.

10. The Closing Supervisor shall not be paid, from either seller or purchaser, for his services in connection with any transfer of Membership Certificate.

11. An administrative fee of four hundred (\$400.00) dollars shall be collected at closing, \$200.00 from the seller and \$200.00 from the buyer, in accordance with a resolution adopted by the Board of Trustees. This fee was set up to cover the costs for preparation of seller's & buyer's closing paperwork, preparation of the new membership certificate & proprietary lease, new by-laws book, new resident handbook and office file setup.