

BYLAWS OF CRESTWOOD VILLAGE CO-OP, INC.
(As Amended April 16, 2014)
corrected

ARTICLE I. NAME AND LOCATION OF CORPORATION

The name of this corporation is CRESTWOOD VILLAGE CO-OP, INC. Both its principal and business offices are located at 92 Fairway Lane, Whiting, New Jersey 08759. Its mailing address is Board of Trustees, Crestwood Village Co-Op, Inc., 92 Fairway Lane, Whiting, NJ 08759.

ARTICLE II. PURPOSE

The purpose of Crestwood Village Co-Op, Inc., hereinafter referred to as Co-Op, is to own, operate and manage dwelling units, recreational facilities and activities for the benefit of its membership on a non-profit basis.

ARTICLE III. MEMBERSHIP

Section 1. Authorized Membership

The Co-Op shall be authorized to issue a total of Ten Hundred Sixteen (1,016) Membership Certificates and Proprietary Leases, which may at a later date be increased at the discretion of the Board of Trustees, and shall entitle each member to occupy one dwelling unit in the Co-Op. Copy of the current form of Proprietary Lease will be made available for examination by a prospective purchaser of a Co-Op Membership Certificate. At least one of several members owning a Membership Certificate MUST occupy the dwelling unit to which it pertains.

Section 2. Occupancy of Dwelling Units

It is considered to be in the best interests of the Co-Op and its Membership that the dwelling units be continuously occupied and not left vacant for long periods of time. Each member, or at least one of several members, shall occupy the dwelling unit which is the subject of his or their Proprietary Lease for at least six months of each calendar year. In the event of special circumstances (such as long illness, extended vacation, etc.) exception can be granted by the Board of Trustees upon application in writing. In addition, any absence from a dwelling unit for a period of greater than two consecutive months, shall be subject to Rules and Regulations promulgated by the Board of Trustees for the safety and security of the premises and the membership.

Section 3. Eligibility

Any person of 55 years of age or older shall be eligible for membership. A surviving spouse of a deceased member retains his or her eligibility irrespective of the age requirement.

Upon remarriage, the member must satisfy the 55 years of age requirement to retain membership. No one shall be eligible to be named on more than one Membership Certificate. A member's Proprietary Lease may be terminated by the Board of Trustees for violations of the terms of the By-Laws, Proprietary Lease, and/or Rules and Regulations by the member or occupant of the premises.

Section 4. Membership Certificates

The Membership Certificates are issued, sold and delivered in accordance with the procedures established from time to time by the Board of Trustees of the Co-Op.

A purchaser is deemed a member of the Co-Op and entitled to a Membership Certificate therein upon the payment of the purchase price in full, pursuant to the provisions of these Bylaws. Each Membership Certificate shall state that the Co-Op is organized pursuant to the laws of the State of New Jersey, with the name of the registered holder of the Membership Certificate and the right of lien of the Co-Op on each Membership Certificate as hereinafter set forth in Section 7 of this Article. The Membership Certificates shall be of one class, and each Certificate shall entitle the holder thereof to one vote in the management of the Co-Op. The Membership Certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom by the Secretary of the Co-Op, upon certifications as to full payment by the Treasurer of the Co-Op. All membership Certificates shall be signed by the President or Vice President and the Secretary or Assistant Secretary, and shall bear the seal of the Co-Op. The Board of Trustees shall direct a new Certificate to be issued in place of any Certificate previously issued by the Co-Op and alleged to have been destroyed or lost, upon the making of an affidavit of such a fact by the member, alleging that the original Certificate has been lost or destroyed. A nominal service fee may be charged for the replacement.

Section 5. Application for Membership

Every applicant for membership in the Co-Op shall be required to execute Sale-Purchase Agreement which shall serve to reserve the unit in the Co-Op for the purchaser and shall establish the price to be paid for the Membership Certificate.

Section 6. Proprietary Lease

The membership shall be entitled to a Proprietary Lease for the dwelling unit to which his Membership Certificate pertains. The terms of the Proprietary Lease shall be determined by the Board of Trustees of the Co-Op and may be changed as it deems appropriate, but at no time shall the provisions be inconsistent with the Co-Op Bylaws.

Section 7. Lien

The Co-Op shall have a first and paramount lien on all Membership Certificates in order to secure the payment of any sums which shall be due or may become due from the holders thereof for any reason whatsoever, including any sums due pursuant to any Proprietary Lease. In addition to the foregoing, the member shall be personally liable to the Co-Op for all such sums. Any purchaser, transferee, beneficiary, legatee, heir at law, 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 same Membership Certificate, shall acquire such interest subject to the right of lien created hereby.

Section 8. Payment of Monthly Carrying Charges and No Setoff

A member shall pay the monthly carrying charges determined by the Board of Trustees of the Co-Op without deduction on account of any setoff or claim which the member may have against the Co-Op, and if the member fails to pay any installment of monthly carrying charge promptly, the member shall pay a late charge as determined by the Board of Trustees, and such late charge shall be deemed additional charge.

Section 9. Transfer of Membership

(a) In General

The transfer of a Membership Certificate, whether by the survivorship of a joint owner, inheritance, gift or sale, shall be in accordance with the provision of these Bylaws and other procedural rules and regulations of the Co-Op. In all instances a new Membership Certificate and Proprietary Lease shall be issued to the transferee and the old documents surrendered to the Co-Op. It is not sufficient that the name of the Transferee be endorsed on the current documents. A data sheet listing emergency information with respect to the new member shall be completed and supplied to the Co-Op.

(b) Death of a Member

Upon the death of a member, a legal representative shall, within thirty (30) days thereafter, advise the Administrative Office of the Co-Op in writing of the name and address of such representative, the name and address of that person(s) who has inherited the member's Membership Certificate, and whether the inheritance was by Will, intestacy or survivorship of the joint owner. Within six (6) months of the death of the member, his legal representative or that person who has inherited the Membership Certificate shall surrender the deceased member's Membership Certificate, Proprietary Lease, Death Certificate, New Jersey Transfer Inheritance Tax Waiver, and other legal documents which might be required by the Co-Op so that new documents can be issued to the proper parties.

Nothing herein shall be construed to waive the minimum age requirement of 55 years for membership contained elsewhere in these Bylaws; except when the transferee is the surviving spouse or domestic partner as recognized by the Domestic Partnership Act, N.J.S.A. 26:8A-1 et seq. of the deceased member. In these instances the membership can be transferred to the surviving spouse or surviving domestic partner irrespective of age requirement and approval of the Board of Trustees. However, in no event shall such surviving spouse or domestic partner be allowed to occupy the dwelling unit with a person under 55 years of age unless or until such surviving spouse or domestic partner attain the age of 55 years, or, such surviving spouse or domestic partner remarry or enter a domestic partnership with someone at least 55 years of age.

Should the legal representative be unable to comply with the above provisions within the

time period aforesaid, he shall advise the Administrative Office of the Co-Op as to the reasons(s) therefore and obtain the approval of the Board of Trustees for an extension of time.

Should the legal representative fail to comply with all the terms and conditions of this paragraph, the Membership Certificate shall be deemed to be in default and subject to the provision of sub-paragraph (e) of this Section. The same procedure shall follow regardless of whether a legal representative has been appointed or qualifies for that office on behalf of a deceased member.

(c) Transfer in Open Market

Should a member wish to sell their Membership Certificate, they shall first notify the Co-Op by mail, addressed to the business office of the Co-Op of such intention. Thereupon the Co-Op shall have an option for a period of fifteen (15) days, but not the obligation, to purchase the Membership Certificate, for a sum hereinafter referred to as the Transfer Value (see sub-section f). In the event the Co-Op elects to exercise its option, it shall notify the member to that effect by mail. Thereafter, title to the said Membership Certificate shall pass to the Co-Op upon payment in full by the Co-Op within fifteen (15) days following its final notice to the member of its exercise of the option to purchase. Upon closing of title, all rights of the member in the Co-Op shall terminate. In no event shall the Co-Op be obligated to pay the Transfer Value to the member, unless the member and all other occupants shall have fully vacated the premises (inclusive of their possessions) and the Co-Op shall have the opportunity of inspecting the vacated premises.

In the event the Co-Op shall choose, for any reason, not to exercise the option provided for above, then in such event the member shall, subject to the Co-op's right of first refusal, have the right to sell (on his own or through a sales agency) in conformity with the law, the Membership Certificate and the accompanying rights on the open market to any person of the age of 55 years or over at a price determined by the member. Prior to entering into a contract for the transfer of a Membership Certificate, the owner thereof must arrange for the inspection of the dwelling unit to which is pertains to assure its compliance with a standard of condition established by the Board of Trustees. Should it be determined that repairs, improvements, and/or refurbishments are required, then the Membership Certificate shall not be transferred nor a transferee take occupancy until they have been completed to the satisfaction of the Board of Trustees or some other arrangement has been approved. The standard of condition established by the Board of Trustees shall be adopted and published as part of the rules and regulations of the Co-Op.

Prior to entering into a prospective Sale Purchase Agreement for the transfer of a Membership Certificate, the owner thereof must first notify the Co-Op by mail, addressed to the business office of the Co-Op of such intention, and provide the Co-Op with a completed Purchaser Application, Credit Application and credit check fee, as required by the Co-Op. Thereupon the Co-Op shall have the right of first refusal to first enter into the prospective Sale Purchase Agreement under those terms contained in the prospective Sale Purchase Agreement to purchase the Membership Certificate for up to and including a period on ten (10) business days from the date of the Co-Op receiving such notification about the member's intention to enter into the prospective Sale Purchase Agreement. In the event the Co-Op chooses, for any reason, not to

exercise its right of first refusal, the Co-Op shall obtain the credit report of the prospective purchaser(s) and conduct an interview of the prospective purchaser(s) with at least three (3) current Board of Trustee Members present. The Board of Trustees shall have sole discretion to determine whether to approve the prospective purchaser(s).

Upon the sale of the Membership Certificate, whether by the member on his own or by a sales agency, the member shall be subject to a Capital Depreciation Assessment and Inspection and Transfer Fee of Three (3) percent of the sales price which is due and payable to the Co-op, and at the sole discretion of the Board, the Board may charge a nonrefundable membership fee to the purchaser which shall be assessed in an amount not to exceed nine (9) times the monthly carrying charge and which shall be payable to the Co-op at the time of closing. The division of such fees is to be made in accordance with the policy of the Board of Trustees existing at that time. The Capital Depreciation Assessment and the membership fee shall be dedicated to future repairs and improvements to the premises of the Co-Op and shall be segregated from other funds to the Co-Op.

The Board of Trustees suggests use of a sales agency that is familiar with the unique nature of cooperative ownership, the duties and responsibilities of its members, and the facilities available to members at Crestwood Village.

All sales shall be subject to and conditioned upon the following requirements:

- (1) The prospective purchaser must receive a copy of the Co-Op Bylaws, Rules and Regulations and other information prescribed by the Co-Op and acknowledge his familiarity and acceptance of those provisions prior to signing a Sale-Purchase Agreement, and
- (2) The Sale-Purchase Agreement must be on forms approved by the Board of Trustees of the Co-Op.
- (3) Compliance with the above provisions is a prerequisite to the transfer of the Membership Certificate to the prospective purchaser.

(d) No Assignment or Subletting

There shall be no assignment of the Membership Certificate or subletting of the Proprietary Lease. It is deemed to be in the best interests of the Co-Op and its members to have the dwelling units owner occupied. Should a question arise as to whether a subletting has occurred, the interpretation of the event made by the Board of Trustees of the Co-Op shall be final.

(e) Default in Obligations of the Member

In the event the member shall default in any of his or her obligations, or breach any of the terms and conditions of these Bylaws, Proprietary Lease, Membership Certificate or Rules and Regulations established by the Board of Trustees, then and in such event, the Co-Op may, at its

option, terminate the rights of the member under the Membership Certificate and Proprietary Lease, upon twenty (20) days written notice to the said member, and the member shall be required to deliver promptly to the Co-Op, the Membership Certificate and Proprietary Lease, both endorsed in such manner as shall be required by the Co-Op. In the event the member shall fail to deliver the Membership Certificate and Proprietary Lease to the Secretary pursuant to this Section, then and in such event, the Secretary shall have the right to cancel the said Membership Certificate and Proprietary Lease, and thereupon all rights and privileges of the member shall remain the obligation of the member subject to the terms and conditions of this Article. Moreover, the Co-Op shall have the right to repossess the dwelling unit by means of summary proceedings and make such repairs to the said premises as it shall determine to be necessary to restore the premises to a habitable condition, including, but not limited to repainting, floor scraping, retiling and any other reasonable repairs. The member shall be personally liable to the Co-Op for the costs of such restoration, all legal fees and all other costs resulting from such default.

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

1. Purchase the Membership Certificate at Transfer Value; or
2. Proceed with reasonable diligence to effect a sale of the Membership Certificate to a purchaser who meets the requirements of eligibility provided in these Bylaws. In proceeding with the resale of the Membership Certificate, the Co-Op shall obtain a market analysis of the property in its current state, assuming cosmetic repairs (painting, cleaning, etc.), structural repairs, and/or mechanical and electrical system repairs, in order to determine the Fair Market Value. Thereafter should the Co-Op determine that it wishes to make improvements to the property, including but not limited to new flooring, kitchen upgrades, bathroom upgrades, etc., the Co-Op shall be permitted to do so, but any additional sale price gained from said improvements shall not be payable to the Membership Certificate holder. Upon the receipt of the purchase price in full by the Co-Op from such purchaser, the Co-Op shall cause to be paid to the former member, the Fair Market Value of the property as determined by independent analysis, prior to any upgrades which the Co-Op elected to make upgrades to the property, 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, not inclusive of upgrades made by the Co-Op (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) An Inspection and Transfer Fee and a Capital Depreciation Assessment of three (3) percent of the sale price.

The sale price of the Membership Certificate and the costs referred to in this sub-

paragraph shall be determined at the sole and absolute direction of the Board of Trustees of Trustees Co-Op.

(f) Determination of Transfer Value

Whenever the term "Transfer Value" is used in these Bylaws or any other instrument referred to in these Bylaws, the said term shall mean the total of the following:

1. The value shall be calculated by averaging the three most recent sales of Membership Certificates for the comparable units within the Co-Op during the last twelve (12) months. In the event there are not three (3) such sales in the Co-Op, then those of comparable units in other Co-Ops at Crestwood Village, Whiting, New Jersey, shall be used.
2. Less the expenses incurred by the Co-Op to restore the unit to the original condition (less insurance proceeds, if any).
3. Less the legal and other expenses incurred by the Co-Op pertaining to the transfer.
4. Less all sums due for deficiencies on account of liens or on account of any other charges due to the Co-Op or incurred by the Co-Op.
5. Less an Inspection and Transfer Fee and a Capital Depreciation Assessment of three (3) percent of the transfer value.

(g) Sale of Membership Certificate After Long-Term Deficiency of Monthly Carrying Charges.

Should a member, his or her estate or legal representative become three or more months delinquent in the payment of the carrying charge due on a dwelling unit and the member has been deceased or has resided elsewhere (hospital, nursing home, residence of family or friend, etc.) for more than six months, the Board of Trustees shall have an option, but not the obligation, to purchase the Membership Certificate, for a sum hereinabove referred to as the Transfer Value (see sub-section f), or, otherwise may place the Membership Certificate of that member for sale with a prospective purchaser who meets the requirements of eligibility as provided in these Bylaws. However, the Co-Op shall have the right of first refusal to first enter into the prospective Sale Purchase Agreement to purchase the Membership Certificate under those terms contained in the prospective Sale Purchase Agreement to purchase the Membership Certificate for up to and including a period of ten (10) business days from the date of the Co-Op receiving such notification about the prospective Sale Purchase Agreement.

Upon the receipt of the purchase price in full by the Co-Op from such prospective purchaser, or, if the Co-Op exercises its right of first refusal to first enter into the prospective Sale Purchase Agreement to purchase the Membership Certificate under those terms contained in the prospective Sale Purchase Agreement to purchase the Membership Certificate, the Co-Op shall cause to be paid to the former member, his or her estate or legal representative, the full purchase price so received, less the following:

- (1) All sums due to the Co-Op pursuant to the Proprietary Lease.
- (2) All sums expended by the Co-Op to restore the premises to the original condition (less insurance proceeds, if any).
- (3) 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.
- (4) An Inspection and Transfer Fee and a Capital Depreciation Assessment of three (3) percent of the sale price.

The sale price of the Membership Certificate and the costs referred to in this subparagraph shall be determined at the sole and absolute direction of the Board of Trustees of the Co-Op.

The Co-Op will make its best efforts to notify each member, and, to the extent known, his or her estate or legal representative, about the Co-Op's efforts to sell and/or purchase the Membership Certificate in accordance with this subparagraph. No court proceeding shall be required to carry out this procedure. The Board of Trustees may act on its own. A member may be assumed legally competent unless there has been an adjudication otherwise or one is pending.

Section 10. Imposition of Legal Costs

When and if the Co-Op has incurred expenses, such as legal, other professional, and related costs, in the enforcement of its Bylaws and Rules and Regulations as they pertain to a member, then in that event, upon the determination that the member had, in fact, violated same, those expenses shall become the legal obligation of that member and shall be paid in full upon presentation.

ARTICLE IV. MEETINGS

Section 1. Place of Meetings

Membership meetings shall be held at the Clubhouse or at such other suitable place as may be designated by the Board of Trustees.

Section 2. Annual Meetings

- (a) There shall be a Budget Meeting in May or June, at which time the budget for the fiscal year commencing July 1st shall be presented.
- (b) The Annual Business Meeting of the Co-Op shall be held on the third Monday of September of each year to review the Annual Financial Report, install new Trustees and Representatives and any other business which may properly come before it. If that date is a legal holiday, the meeting will be held on the next 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 of the Secretary to the Board of Trustees of a petition for same in writing signed by 25 percent of the membership. Such resolution or petition must set forth the specific purpose of the special meeting. The notice of any special meeting convened pursuant to this Section shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice aforesaid, unless such business is consented to by two-thirds 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 or arrange for the mailing or delivery of a notice of each annual 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 his or her address as it appears on the records of the Co-Op. Such notice shall be forwarded at least five (5) but not more than fifteen (15) days prior to such meeting, unless otherwise required in order 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 the discretion of the Board of Trustees the express provisions of these Bylaws.

Section 6. Quorum

The presence either in person or by proxy, of at least five (5) percent of the membership 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 members present, either in person or by proxy, shall constitute a quorum, irrespective of their number.

Section 8. Voting

At any membership meeting, each member, either in person or by proxy, shall have the right to cast one (1) vote on each question presented to the membership by the Board of Trustees, pursuant to an agenda prepared by the Board of Trustees and in accordance with the order of business. The vote of the majority of the members present, either in person or by proxy, shall carry any such question brought before such meeting, unless the question is one upon which, by

express provision aforesaid shall govern and control. No member shall be eligible to vote or be elected to the Board of Trustees if the books of account for the Co-Op indicate such member to be more than thirty (30) days delinquent in payment of sums due the Co-Op. In the instance of a multiple membership, that is a membership owned by more than one person, only one vote can be cast as decided by those members.

Section 9. Absentee Ballots

- a. The purpose of an absentee ballot is to allow a disabled or absent member to vote on an issue. It should not be used as a convenient alternative to attending the meeting in question. An absentee ballot must be requested in person or by mail by the member.
- b. Voting by absentee ballot shall be available in the following instances: Election of Trustees; Amendment of Bylaws; Special Assessments; Issues involving property of the Co-Op as they appear in the Bylaws; Major issues involving the management of the Co-Op as determined by the Board of Trustees at its discretion. When any such vote is taken by absentee ballot, a quorum is not necessary.
- c. An absentee ballot must be completed and returned to the Administrative Office by the member in person or by mail to be received no later than 3:00 p.m. on the business day prior to the day of the meeting at which the vote would be taken. If the voting is to be held on Monday, the preceding Friday shall be considered the prior business day.

Section 10. Order of Business.

The Order of Business at membership meetings shall be as follows:

- a. Proof of notice of meeting or waiver of notice.
- b. Roll Call of Trustees.
- c. Reading of Minutes of preceding meeting.
- d. Reports of Officers.
- e. Reports of Committees.
- f. Unfinished Business.
- g. Installation of new Trustees (if applicable).
- h. New business.

The order of business at the budget meeting shall be the presentation of the budget and explanation thereof as deemed necessary by the Board of Trustees.

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, all of whom shall be members of the Co-Op and must be at least fifty five (55) years of age.

Section 2. Election and Term in Office of the Board of Trustees

The Board of Trustees shall be elected by the Membership at a Special Meeting in June of each year called by the Board of Trustees for a term of two years. Four Trustees shall be elected in even numbered years, three Trustees shall be elected in odd numbered years. A Trustee may, at his option, extend his term until his successor has been elected or appointed as the case may be.

A notice shall be sent to all members prior to the election and the names of the candidates and a resume of their business experience. The election meeting need not be an assemblage, only a place and time to cast a ballot shall be required. No quorum shall be necessary. Election shall be by secret ballot. An Election Committee shall serve as tellers of the election. Those candidates receiving the largest number of votes shall be elected to the vacancies which would occur at the next annual business meeting. No member shall be entitled to vote for more candidates than there are vacancies to fill and shall not be entitled to cast more than one vote for any candidate.

At least ten (10) days prior to the annual business meeting, the new Board of Trustees shall hold an organization meeting. At the annual business meeting, the old Board of Trustees shall preside and after all reports are made, the new Trustees shall be installed.

Section 3. Vacancies

All vacancies on the Board of Trustees caused by the death, incapacity, removal or by resignation shall be filled by a vote of the majority of the remaining Trustees. Each person so elected shall serve as a Trustee for the balance of the office so vacated and until a successor shall be elected by the membership pursuant to these Bylaws.

Should two or more vacancies occur on the Board of Trustees for a period of not more than thirty (30) days then a special election to fill those vacancies shall be called by the Board of Trustees to be held no later than fifteen (15) days thereafter. The election shall be conducted in accordance with the provisions of Section 2 of this Article, except that those vacancies shall be filled immediately and not at the next annual business meeting.

Section 4. Powers and Duties

The Board of Trustees shall have the full and complete authority to administer all of the affairs of the Co-Op and engage in any acts in order to implement the administration thereof, subject only to the provisions of these Bylaws and to law. The power of the Board of Trustees

shall include but not be limited to the following:

- a. To accept or reject all applications for membership, either directly or through an authorized representative;
- b. 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;
- c. To promulgate such rules and regulations pertaining to the use and occupancy of the premises as may be deemed proper and which are not inconsistent with these Bylaws;
- d. To enter into management contracts and employment of personnel to ensure the proper administration of the Co-Op;
- e. To enter into construction contracts to develop or improve the Co-Op lands including, but not limited to, buildings, roads, appurtenances or facilities of any nature, as long as the cost thereof does not exceed \$100,000.00. Should the cost thereof exceed \$100,000.00, the anticipated amount must have the approval of two-thirds (2/3) of votes cast;
- f.. To enter into agreements with utility companies pertaining to water, electric, sewer and such other services as the Board of Trustees may deem necessary;
- g. To buy, sell, lease, grant, mortgage, encumber or release real estate owned by the Co-Op or in which it has an interest, only with the approval of a majority vote of the membership voting by proxy or absentee ballot at a special meeting called for that purpose. A statement of any proposal to buy, sell, lease, grant, mortgage, encumber or release real estate shall accompany the notice of any special meeting at which such proposal shall be voted upon. This requirement does not apply to the sale, purchase and/or transfer of membership certificates as set forth in subparagraph (i) below;
- h. To amend, alter, modify, or change, in form or in substance, any of the terms and conditions of the Proprietary Lease, Purchase Agreement, management agreement and construction agreements or any other instruments or documents prepared or entered into by the Co-Op;
- i. To sell, purchase and transfer Membership Certificates;
- j. To establish reasonable fines commensurate with the seriousness of the offense for violation of the Co-Op Bylaws and its Rules and Regulations. Those fines shall be in addition to or in lieu of forfeiture appearing in Article III, Section 9(e) at the discretion of the Board of Trustees. Any such fine shall become immediately payable and constitute a lien upon the Membership Certificate to insure their payment. The creation of such fines shall be promulgated to the

membership prior to their enforcement. Fines shall range from \$50.00 for a first violation to additional fines up to a maximum of \$500.00.

- k. To assume such other powers as are permitted expressly or by implication of these Bylaws, the Certificate of Incorporation, or the laws of the State of New Jersey.
- l. To place and maintain all forms of insurance for the Co-Op required by the laws of the State of New Jersey and these Bylaws to protect the interest of the Co-Op in its property, both real and personal, as well as the administration of its affairs.

Section 5. Removal of Trustees

The membership of the Co-Op may remove any one or more of the Trustees at any duly convened regular meeting, by a vote of the majority of the entire membership of record. The membership shall thereupon elect a successor to replace the removed Trustee for the balance of the term of such Trustee. Any Trustee whose removal has been proposed by the membership shall be given an opportunity to be heard at the membership meeting. The term of any Trustee who becomes thirty (30) days delinquent in the payment of his carrying charge shall be automatically terminated and the membership shall elect a successor as provided herein.

Section 6. Compensation

No compensation shall be paid to the Trustees for any services rendered to the Co-Op as Trustees. No remuneration shall be paid unto a Trustee for services performed by him for the Co-Op in any other capacity unless a resolution authorizing such remuneration shall have been adopted by a majority vote of the Board of Trustees before such services are undertaken.

Section 7. Regular Meetings

Regular meetings of the Board of Trustees shall be held at least once a month at a consistent date determined by the Board of Trustees.

Section 8. Special Meetings

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

Section 9. 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 10. Quorum

The presence of four (4) Trustees at any regular meeting 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 acts 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 written notice of rescheduled meeting shall be forward by the Secretary to all Trustees, not less than three (3) days prior to the date of such meeting. At any such adjourned meeting, the Trustees shall transact any business which might have been transacted at the original meeting, without further notice, subject, however, to the presence of a quorum.

Section 11. Fidelity Bonds

The Board of Trustees shall acquire Fidelity Bonds for all Trustees, Officers and Employees of the Co-Op who handle or are responsible for the funds of the Co-Op. The premiums of such bonds shall be paid by the Co-Op.

Section 12. Employment of Present or Previous Trustees

No member of the Co-Op shall receive compensation for services rendered to the Co-Op, whether as an employee, contractor or agent, while serving as a member of the Board of Trustees or for a period of one year thereafter.

ARTICLE VI. OFFICERS

Section 1. Officers and Duties

The principal officers for the Co-Op shall be a President, Vice President, Secretary and a Treasurer, all of whom shall be elected by and from the Board of Trustees.

Section 2. Election of Officers

The officers of the Co-Op shall be elected annually by the Board of Trustees at the organizational meeting and shall hold office at the pleasure of the Board. The officers shall serve until their successors have been duly elected unless their terms as Trustees have expired, they have resigned or been removed from office as hereinafter provided. In the case of a vacancy in the Presidency, the next most senior officer (in order of Vice President, Secretary and Treasurer) shall assume the position of that office until it has been filled. If, as a result of vacancies in the offices of the Co-Op, there is only one officer available to pay its obligations, then that officer shall have such authority, notwithstanding provisions in the Bylaws or practice of the Board of Trustees to the contrary.

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, either with or without cause, and thereupon elect a successor to such departing officer. Any officer whose removal has been proposed by the Board of Trustees shall be given an opportunity to be heard at a meeting of the Board of Trustees.

Section 4. President

The President shall be the chief executive officer of the Co-Op and shall preside at all Membership, Trustee and Advisory Board meetings and shall have all of the general powers and duties which are usually vested in the office of President of a corporation. These include, but are not limited to, the power to appoint committees from among the membership at the President's discretion.

Section 5. Vice President

The Vice President shall assume the place of the President and perform his duties whenever the President shall be absent or unable to act. 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 other duties as from time to time shall be imposed upon him by the Board of Trustees.

Section 6. Secretary

The Secretary shall be charged with keeping the minutes of all Membership, Trustee and Advisory Board meetings, and maintaining permanent records thereof; the Secretary shall also have the custody of the seal of the Co-Op; have charge of all books and records of the Co-Op except those of the Treasurer, and shall have such other powers and duties as are set forth in these Bylaws.

Section 7. Treasurer

The Treasurer shall have the responsibility for all funds and securities of the Co-Op and for maintenance of full and accurate accounts of receipts and disbursements. Monthly financial reports shall be submitted to the Board of Trustees.

ARTICLE VII. REPRESENTATIVE ADVISORY BOARD

Section 1.

Crestwood Village Co-Op, Inc. shall be divided into no fewer than fifteen (15) districts, the areas of which shall be determined from time to time by the Board of Trustees.

District	1	Apts 1 thru 16
	2	Apts 17, 19 thru 31, 35, 36, 37
	3	Apts 18, 32, 33, 34, 38, 39, 40, 42, 59 thru 68
	4	Apts 41, 43 thru 58
	5	Apts 87 thru 90, 94 thru 112
	6	Apts 69 thru 86, 113 thru 120
	7	Apts 121 thru 158
	8	Apts 160 thru 172, 174 thru 182
	9	Apts 183 thru 205
	10	Apts 206 thru 215, 256 thru 267
	11	Apts 216 thru 230, 249 thru 255
	12	Apts 231 thru 248, 268, 269, 270
	13	Apts 401, 403, 405 thru 417, 419, 421, 501, 503 thru 509, 511
	14	Apts 513, 515 thru 523, 525, 380, 382, 384 thru 397
	15	Apts 524, 526, 527, 528, 529, 531, 533, 535, 537, 601 thru 617, 619

Each district shall be represented by a minimum of two Representatives. In June of each year, on the same day as the election of Trustees, such Representative shall be appointed by the Board of Trustees.

Their terms of office shall be one (1) year from July 1st through June 30th of the ensuing year.

If a Representative, for any reason, cannot or does not complete his or her term of office, the Trustees shall appoint a successor for the balance of the term.

Section 2.

The duties of the Advisory Board Representatives shall be as follows;

- a. The Representatives shall meet with the Board of Trustees monthly. The presence of four (4) Trustees and sixteen (16) Representatives shall constitute a quorum.
- b. The Trustees shall report the progress of the Co-Op's activities and acquaint the Representatives with the actions taken by the Board of Trustees during the month.
- c. The Representatives shall make inquiries and do all work necessary to advise the Trustees on matters brought to their attention. The Trustees shall answer all questions raised by the Representatives.
- d. If any member should have a suggestion or complaint of significant importance that he wishes brought before the Trustees, he should then submit it to his Representative.
- e. If it comes to the attention of a Representative that a member in his district is violating one or more of the Co-Op rules and regulations, he shall notify the

offender of the particular violation. Thereafter, if the violation continues, the Representative shall bring the matter to the attention of the Board of Trustees in writing.

- f. Representative shall assist the Trustees at meetings, elections and other events deemed necessary by the Trustees.

ARTICLE VIII. INDEMNIFICATION OF BOARD OF TRUSTEES, OFFICERS AND AGENTS

Section 1. Indemnification.

Each Trustee, Officer, Agent or committee member of the Co-op will be indemnified by the Co-op 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 Trustee, Officer, Agent or committee member of the Co-op, or delegee, except as to matters as to which he will be ultimately bound in such action to be liable for gross negligence or willful misconduct. In the event of a settlement of any such case, indemnification will be provided only in connection with such matters covered by the settlement as to which the Co-op is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct.

Section 2. Exculpability.

Unless acting in bad faith, neither the Board as a body nor any Trustee, Officer, Agent or any committee member of the Association, shall be personally liable to any Member in any respect for any action or lack of action arising out of the execution of his office. Each Member will be bound by the good faith actions of the Trustees, Officers, Agents and committee members of the Co-op, in the execution of the duties of said Trustees, Officers, Agents and committee member.

ARTICLE IX. ASSESSMENTS

Section 1. Involuntary Assessments

In the event any buildings 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 or safety of the members of the Co-Op shall be required to be 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 satisfy any contractual obligations of the Co-Op, and in the opinion of the Board of Trustees an assessment against the membership is deemed to be in the best of the Co-Op, then and in any

such events, the Board of Trustees shall assess all members of the Co-Op their proportionate share of such sums as shall be necessary to complete any of the exigencies contemplated in this Section.

Section 2. Voluntary Assessments

In the event that two-thirds (2/3) of the membership of the Co-Op shall elect to install a capital improvement upon the Co-Op lands, then and in such event, the Board of Trustees shall assess all of the members of the Co-Op their proportionate share of such sums as shall be required pursuant to this Section.

Section 3. Default in Payment of Assessment

The failure of any member to comply with the provisions of this Article within the time prescribed by the Board of Trustees shall be deemed a default of the Membership Certificate and Proprietary Lease.

ARTICLE X. SEAL

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 XI. FISCAL MANAGEMENT

Section 1. Fiscal Year

The fiscal year of the Co-Op shall commence upon the first day of July. 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 the regularly accepted accounting procedures.

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 printed copy of the auditor's report.

Section 4. Inspection of Financial Records

To inspect the financial records of the Co-Op, a holder of a Membership Certificate must

give thirty (30) days notice, in writing, to the Treasurer stating the purpose of the visit and the Treasurer will notify the member when it will be convenient to meet with him. Inspection of restricted records of the Co-op, containing any personal or confidential information, will not be permitted without a Court Order.

Section 5. Corporate Documents

Any instruments and documents shall be executed on behalf of the Co-Op by two Officers of the Co-Op. All checks shall be signed by the Treasurer and any other Officer. In the absence of the Treasurer, checks may be signed by any two Officers.

ARTICLE XII. INSURANCE

Section 1. Insurance Responsibilities of the Co-Op.

The Co-Op shall place and keep in force all insurance coverages required to be maintained by the State of New Jersey and the Bylaws as follows:

- a. Insurance coverage shall be in broad form against loss by lightning, windstorm and other risks normally included within extended coverages insuring all structural portions of the property together with all service machinery, including household appliances, contained therein and covering the interest of the Co-Op and the Board of Trustees in an amount equal to the replacement value of the buildings without deduction for depreciations at the limit of insurance required by the insurance carrier to avoid any co-insurance penalty. Replacement value will be defined as the cost of rebuilding/repairing the buildings without a deduction for depreciation.
- b. All such policies shall provide that adjustment of loss shall be made by the Board of Trustees and that the net proceeds thereof shall be payable to the Board of Trustees. The Board of Trustees may utilize the services of a professional in settling any losses.
- c. All policies of physical damage insurance shall, to the extent obtainable, contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled due to nonrenewal without at least fifteen (15) days prior written notice to all of the insured. Prior to obtaining such policies of fire insurance or any renewal thereof, in accordance with industry standards, the Board of Trustees shall obtain a qualified appraisal of the replacement value of all the property which the Co-Op is responsible to insure, without deduction for depreciation, for the purposes of determining the amount of fire insurance to be effected pursuant to this section.
- d. To the extent possible, public liability insurance shall be in such limits as the Board of Trustees may from time to time determine, covering each member of the

Board of Trustees, Officers, employees and committee members and volunteers. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Trustees shall review such limits once a year. Such public liability insurance shall be in amounts not less than \$1,000,000.00 for claims for bodily injury and property damage.

- e. The Board of Trustees may appoint an Insurance Advisor for the purposes mentioned herein. Said Insurance Advisor shall not be a resident nor a member of the Co-Op.
- f.

Section 2. Insurance Responsibility of Members

All members shall maintain on their behalf independent insurance coverage for their own personal property located within their residences, changes to structured property inside and outside those premises and bodily injury protection in minimum amounts as follows: (a) Changes to structural property - \$10,000.00; (b) Bodily injury and property damage – \$100,000.00. Each member must also determine the amount of insurance to protect that member's interest in their personal property. The above are minimums only and may be modified by the Board in its sole discretion. The Co-op will not be responsible for any under insurance by the members for these items of insurance. All such member homeowner policies shall list the Co-op as an additional insured.

The type of insurance policy available by the insurance industry for members of common interest communities is commonly known as a condominium policy and also know as an HO6 policy. All member policies shall bear primary responsibility for their covered losses and the Co-op's policy shall be secondary. All members shall be held legally responsible to the Co-op for insurance coverage, attorney fees and defense costs provided herein even though they may not have obtained or maintained such coverage. Because of the administrative difficulty of supervising the placement and continuation of member's insurance coverage, the Co-op does not assume responsibility for a member's failure to comply with these requirements.

ARTICLE XIII. TORT IMMUNITY

The Co-Op shall not be liable in any civil action brought by or on behalf of a member for damages as a result of bodily injury occurring on the premises of the Co-Op which would include its administrative building, maintenance building, clubhouse, recreational facilities, roads, walkways, pavements, driveways, parking areas, common areas, as well as the grounds of the member's individual residential units. Nothing, however, in this limitation of responsibility shall be deemed to grant immunity to any member from the willful, wanton or grossly negligent act of commission or omission by the Co-Op. Authority for Tort Immunity is New Jersey Public Law 1989, Chapter 9, Sec. 1, effective June 30, 1989; also known as *N.J.S.A. 2A:62A-11, et seq.*

ARTICLE XIV. AMENDMENTS

These Bylaws may be amended by the membership in whole or in part by (a) the

initiation by the majority vote by the Board of Trustees, or (b) a petition signed by at least ten percent (10%) of the total membership, and adopted by a majority vote of the membership voting by proxy or absentee ballot at a special meeting called for that purpose. A statement of any proposed amendments shall accompany the notice of any special meeting at which such proposed amendments shall be voted upon.

ARTICLE XV. ALTERNATIVE DISPUTE RESOLUTION

The Co-Op Board of Trustees shall develop and provide a fair and efficient procedure for the resolution of disputes between individual members and the Co-Op, and, between members, which shall be readily available as an alternative to litigation.

ARTICLE XVI SAVINGS CLAUSE

Any provision of these Bylaws that shall be judicially declared inconsistent with or in violation of any provision or requirement contained in the Certificate of Incorporation or which is not consistent with or in violation of the laws of New Jersey shall be deemed inoperative. The remainder of these Bylaws shall thereafter continue in full force and effect.