

THE LINKS AT VALLEYBROOK NEIGHBORHOOD ASSOCIATION, INC.

BY-LAWS

ARTICLE I

NAME AND ADDRESS

Section 1.01 Name. The name of this corporation shall be THE LINKS AT VALLEYBROOK NEIGHBORHOOD ASSOCIATION, INC.

Section 1.02 Address. The registered office of this corporation shall be at the place designated in the Articles of Incorporation, subject to transfer upon notice to the Secretary of State of New Jersey as may be permitted by law.

ARTICLE II

APPLICABILITY

Section 2.01 Applicability. These By-Laws shall be applicable to The Links at Valleybrook Neighborhood Association, Inc., a nonprofit corporation of the State of New Jersey, hereinafter referred to as the "Neighborhood Association," and to the Neighborhood known as The Links at Valleybrook, Gloucester Township, New Jersey, hereinafter referred to as the "Neighborhood."

ARTICLE III

PURPOSE

Section 3.01 Association Purposes. The purpose of this corporation is to maintain lawns, to regulate conformity with architectural and aesthetic controls, and to provide a mechanism for emergency repairs to roofs, party walls, exterior paint and privacy fences of the townhome units within the Neighborhood, for the use, benefit and enjoyment of the owners and lawful occupiers of the land in the Neighborhood known as The Links at Valleybrook in Gloucester Township, New Jersey. In addition thereto, the corporation is to provide for the collection of such revenue as necessary to effectuate these purposes and such other similar purposes as may from time to time

be adopted by its members. This corporation does not contemplate pecuniary gain or profit to its members.

3.02 Interpretation of By-Laws and Declaration. In the event of a conflict of interpretation between the provisions set forth in these By-Laws and the Declaration of Covenants, Easements and Restrictions (hereinafter referred to as the "Declaration"), ~~the Declaration shall govern.~~ In the event that the Internal Revenue Code is hereafter amended or changed, both the Declaration and these By-Laws shall be interpreted in such a manner as to conform to the provisions of the Internal Revenue Code with respect to nonprofit entities, it being the intention to preserve the lawful status of The Links at Valleybrook Neighborhood Association as a bona fide nonprofit entity.

ARTICLE IV
DEFINITIONS

Section 4.01 Unless it is plainly evident from the context that a different meaning is intended, the terms used herein shall have the same meanings as provide in the Declaration of Covenants, Easements and Restrictions.

ARTICLE V
MEMBERSHIP

Section 5.01 Membership. Except as otherwise provided, membership in the Neighborhood Association shall be limited to the owners or co-owners of a Unit in The Links at Valleybrook in accordance with the provisions of the Declaration.

Section 5.02 Certificate of Voting. If a Unit is owned by one person, his or her right to vote shall be established by the recorded title to the Unit. If a Unit is owned by more than one person, the person entitled to cast a vote for the Unit shall be designated in a Certificate signed by all of the record owners of the Unit and filed with the Board of Directors. If a Unit is owned by a corporation, the officer or employee thereof entitled

to cast the votes of the Unit for the corporation shall be designated in a certificate for this purpose, signed by the president or vice president, and attested to by the secretary or assistant secretary of the corporation, and filed with the Board of Directors of the Neighborhood Association. The person designated in these certificates, who is entitled to cast votes for a Unit, shall be known as the "Voting Member." ~~If such a certificate is not on file with the Board of Directors for a Unit owned by more than one person or by a corporation, the votes of the Unit concerned shall not be considered in determining the requirement for a quorum, or for any purposes requiring the approval of a person entitled to cast votes for the Unit, except if said Unit is owned by a husband and wife. Such certificates shall be valid until revoked in writing by any owner of a Unit, or until superseded by a subsequent certificate, or until a change in the ownership of the Unit concerned. If the Unit is owned by husband and wife, the following three provisions are applicable to voting by such Unit:~~

(a) The owners may, but they shall not be required to, designate a Voting Member.

(b) If they do not designate a Voting Member and both husband and wife are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall be deemed to have abstained from voting on that subject at that meeting.

(c) Where they do not designate a Voting Member and only one is present at a meeting, the person present may cast the Unit vote without establishing the concurrence of the absent person, just as though he or she owned the Unit individually.

Section 5.03 Affirmative Vote. Unless otherwise required herein or in the Declaration, all decisions shall require for passage the affirmative vote of at least a majority of the members in good standing, and entitled to vote in attendance at a meeting having present, in person or by proxy, the quorum required by Section 5.06 hereof. Cumulative voting shall not be permitted.

Section 5.04 Membership List. Not less than thirty (30) days prior to the date of the annual or special meeting of the Neighborhood

Association, the Secretary shall compile and maintain at the principal office of the Neighborhood Association, an updated list of members and their last known post office addresses. Such lists shall also show opposite each member's name the address of the Unit owned by him. This list shall be open to inspection by all members and other persons lawfully entitled to inspect the same at reasonable hours during regular business days up to the date of such annual or special meeting. The Secretary shall also keep current and retain custody of the Minute Book of the Neighborhood Association, containing the minutes of all annual and special meetings of the Neighborhood Association and all resolutions of the Directors.

Section 5.05 Proxies and Mail Ballots. Votes may be cast in person, by mail ballots or by written proxy. Proxies must be filed with the Board of Directors before the appointed time of, or at, the meeting for which the proxy is specified to be effective. Mail ballots shall be effective if received by the Neighborhood Association no later than the date of the meeting.

Section 5.06 Quorum. Except as otherwise provided in these By-Laws, the presence in person, by mail ballot or by proxy of twenty (20%) percent of the members of the Neighborhood Association shall constitute a quorum at any annual or special meeting of members. If any meeting of members cannot be organized because a quorum has not attended, the members present, either in person, by mail ballot or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 5.07 Actions Without Meeting. Any action which, under any provision of these By-Laws or the nonprofit corporation law of the State of New Jersey, may be taken at a meeting of Members, may be taken without a meeting if authorized by a writing signed by the Members entitled to vote by the required percentage for that particular matter and filed with the Board of Directors.

ARTICLE VI

MEETINGS OF MEMBERS

Section 6.01 Place of Annual and Special Meetings. All annual and special meetings of the Neighborhood Association shall be held at the principal office of the Neighborhood Association or at such other suitable and convenient place as may be permitted by law, and from time to time fixed by the Board of Directors and designated in the notices of such meetings.

Section 6.02 Date of Annual Meetings. Annual meetings of the members of the Neighborhood Association shall be held on the same date each year as that date on which the first regular election is held as provided in Section 7.04 hereof. The first annual meeting shall be held on the date of such first regular election. At each annual meeting there shall be elected by a ballot of a majority of the members present at the meeting in person, by mail ballot or by proxy and entitled to vote, the Directors of the Neighborhood Association, in accordance with the provisions of Article VII of these By-Laws. The members may also transact such other business as may properly come before the meeting.

Section 6.03 Notice of Annual Meetings. The Secretary shall mail notices of annual meetings to each member of the Neighborhood Association, directed to his last known post office address as shown on the records of the Neighborhood Association, by certified mail, postage prepaid. Such notice shall be mailed not less than ten (10) days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. In lieu of mailing notice as herein provided, such notice may be delivered by hand to the members or left at their Unit in their absence.

Section 6.04 Special Meeting. It shall be the duty of the Board of Directors to call a special meeting of the members of the Neighborhood Association (a) for the purpose of holding elections of Directors pursuant to the terms of Section 7.03 hereof; (b) whenever they are directed to do so by resolution of the Board of Directors; (c) upon presentation to the Board of Directors of a petition signed by thirty (30%) percent of the members entitled to vote at such meeting.

Section 6.05 Notice of Special Meetings. The Secretary shall mail notice of such special meeting to each member of the Neighborhood Association in the manner provided in Section 6.03, except that notice of such special meeting shall be mailed not less than five (5) nor more than twenty (20) days before the date fixed for such meeting. In lieu of mailing notice as herein provided, such notice may be delivered by hand or left at his or her Unit in his or her absence. No business shall be transacted at any special meeting except as stated in the notice thereof unless by consent of two-thirds (2/3) of the members present, either in person, by mail ballot or by proxy.

Section 6.06 Order of Business. The order of business at all meetings of the members of the Neighborhood Association shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and approval of minutes of preceding meeting.
- (d) Reports of committees.
- (e) Election of Directors, if applicable to such meeting.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

ARTICLE VII

BOARD OF DIRECTORS

Section 7.01 Number of Directors. The affairs of the Neighborhood Association shall be governed by a Board of Directors consisting of at least three (3) persons, all of whom shall be residents of the State of New Jersey. All elected Directors (i.e., other than those Directors nominated by the Declarant pursuant to Section 7.02), shall be Owners of Units. The initial Directors or their successors shall serve until their successors take office. The Declarant shall be permitted to appoint and reappoint Directors as it may be entitled to do without the necessity of obtaining resignations. As to those Directors nominated or appointed by the Declarant, this shall specifically modify Section 7.06 hereof.

Nothing contained herein to the contrary shall serve to exculpate members of the Board of Directors appointed by the Developer from their fiduciary responsibilities.

While the Developer maintains a majority of the Board of Directors, it shall make no additions, alterations, improvements or purchases not contemplated in these By-Laws which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender or in the event of an emergency.

While the Developer maintains a majority of representation on the Board, it shall post a fidelity bond or other guarantee acceptable to the New Jersey Department of Community Affairs, Planned Real Estate Development Unit, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves. While the Developer maintains a majority of the Board, it shall have an annual audit of Neighborhood Association funds prepared by an independent accountant, a copy of which shall be delivered to each Unit Owner within ninety (90) days of the expiration of the fiscal year of the Neighborhood Association. The audit shall cover the operating budget and reserve accounts.

The Developer shall not be permitted to cast any votes held by him for unsold units for the purpose of amending the Declaration, these By-Laws or any other document for the purpose of changing the permitted use of a unit.

Upon the replacement of all Declarant-appointed Directors pursuant to Section 7.03 hereunder, the Board of Directors shall be comprised of three (3) members of the Neighborhood Association who shall be residents of The Links at Valleybrook and shall be elected by a majority of the members of the Neighborhood Association present in person or by proxy at a meeting of the Neighborhood Association.

Section 7.02 Initial Directors. The initial Directors of the Neighborhood Association shall be appointed by the Declarant. These

Declarant-appointed Directors shall be replaced with the members of the Neighborhood Association in accordance with the provisions of Section 7.03 hereof.

Section 7.03 Non-Declarant-Appointed Directors. The transition from Declarant-appointed Directors to Unit Owners shall occur as follows:

(a) No later than ~~sixty (60) days after twenty-five (25%)~~ percent of the ~~238~~ planned Units in The Links at Valleybrook are conveyed to owners other than the Declarant or a Transferee, the owners other than the Declarant or a Transferee shall elect ~~one (1)~~ Neighborhood Association member who resides in The Links at Valleybrook who shall serve along with the ~~three (3)~~ Directors appointed by the Declarant.

(b) No later than ~~sixty (60) days after fifty (50%)~~ percent of the ~~238~~ planned Units in The Links at Valleybrook are conveyed to owners other than the Declarant or a Transferee, the owners other than the Declarant or a Transferee shall elect ~~one (1)~~ additional Neighborhood Association member who resides in The Links at Valleybrook who shall serve along with the ~~one (1)~~ Director previously elected by the owners other than Declarant and the ~~three (3)~~ Directors appointed by the Declarant.

(c) No later than ~~sixty (60) days after seventy-five (75%)~~ percent of the 238 planned Units in The Links at Valleybrook are conveyed to owners other than the Declarant or a Transferee, ~~the owners other than the Declarant or a Transferee, shall elect two (2) additional Neighborhood Association members who reside in The Links at Valleybrook, and two (2) of the Directors appointed by the Declarant shall be required to resign.~~

(d) Upon the conveyance of the ~~last of the 238~~ planned units in The Links at Valleybrook to be conveyed to owners other than the Declarant or a Transferee, ~~the last of the Directors appointed by the Declarant or a Transferee shall be required to resign.~~

Section 7.04 Term of Directors. Within ~~thirty (30)~~ days after the end of a period of ~~one (1)~~ year following the conveyance of the last of the 238 planned units as provided in Section 7.03(d), an election shall be held throughout The Links at Valleybrook to select Directors who shall

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replace the Directors succeeding the Declarant-appointed Directors. At such first regular election, which shall be referred to as the first regular election, the Members of the Neighborhood Association shall elect all three (3) Directors who shall be members of the Neighborhood Association and residents of The Links at Valleybrook. The nominee receiving the highest number of votes shall serve as Director for a term of three (3) years and two (2) nominees receiving the second and third highest number of votes shall serve as Directors for terms of one (1) year each. In case of a tie vote, successive ballots shall be cast until the tie is broken. Upon the expiration of the initial term of each Director elected at the said first regular election, his or her successor shall be elected to serve for a term of one (1) year, provided that each Director shall continue to hold office until his or her successor is elected.

Section 7.05 Nominations to the Board of Directors. Except as provided for in Section 7.01, Members of the Neighborhood Association may be nominated for election to the Board of Directors in one of the following ways:

(a) In the event a Neighborhood Association Member has previously been appointed or elected as a Director, including in accordance with Section 7.06, he or she shall be deemed to have been nominated for re-election to this position by he or she signifying his or her intention to seek re-election in writing addressed to the Board of Directors.

(b) In the event that a Neighborhood Association Member who has not previously held the position of Director desires to run for election to that position, he or she shall be deemed to have been nominated for election as a Director upon the filing with the Board of Directors of a petition of nomination signed by at least three (3) Unit Owners.

Section 7.06 Vacancy on Board of Directors. If the office of any Director shall become vacant by reason of his death, resignation, retirement; disqualification, removal from office or otherwise, the remaining Directors, at a special meeting duly called for such purpose, shall choose a successor, who shall hold office until the next annual meeting of the

members and his or her re-election or the election of his or her successor at such meeting. When a member of the Board of Directors who has been elected by Unit Owners other than the Developer is removed or resigns, that vacancy shall be filled by a Unit Owner other than the Developer. In the event that there shall be a deadlock in the voting for a successor, the Director with the longest continuous term on the Board shall vote to select a successor. The person so elected shall serve for the unexpired term in respect to which such vacancy occurred.

Section 7.07 Removal of Directors. Subject to the right of Declarant to nominate and elect members of the Board of Directors as set forth in Section 7.01, ~~the Directors may be removed with or without cause, after the opportunity to be heard at a public meeting, by a majority vote of the members of the Neighborhood Association at any special meeting of the members of which notice has been properly given as provided in the By-Laws; provided that the same notice of the said special meeting has also been given to said entire Board or any individual Director whose removal is to be considered at said special meeting. Prior to the first regular election of Directors, any vote to remove a Director, other than one appointed by the Declarant, shall require the vote of a majority of members who are present in person or by proxy at a meeting.~~

Section 7.08 Organization Meeting of the Board. No later than ~~twenty (20) days~~ following each annual meeting of the Neighborhood Association members, the Board of Directors shall hold a regular meeting for the purpose of organization, ~~election of officers and~~ the transaction of other business. Notice of such meeting shall be given to all Directors in accordance with Section 7.10, ~~except for the initial meeting which shall be called by the person receiving the highest number of votes.~~

Section 7.09 Place of Meetings. All meetings of the Board of Directors shall be held at the principal office of the Neighborhood Association, or at any other place or places designated at any time by resolution of the Board or by written consent of all members of the Board.

Section 7.10 Regular Board Meetings. Regular meetings of the Board of Directors may be held at such time and place permitted by law as

from time to time may be determined by the Directors. Notice of regular meetings of the Board shall be given to each Director personally, by telephone or by United States mail, with postage prepaid, directed to him at his last known post office address as the same appears on the records of the Neighborhood Association, at least five (5) days before the date appointed for such meeting. Such notice shall state the date, time and place of such meeting and the purpose thereof.

Section 7.11 Special Board Meetings. Special meetings of the Board of Directors may be called by the President of the Neighborhood Association on three (3) days' written notice to each Director, given in the same manner as provided in Section 7.10. Special meetings of the Board shall be called by the President or the Secretary in like manner upon the written request of any two (2) Directors.

Section 7.12 Waiver of Notice. Before any meeting of the Board of Directors, whether regular or special, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. All such written waivers shall be filed with the records of the Neighborhood Association or made a part of the minutes of the meeting. Attendance by a Director at any meeting of the Board shall likewise constitute a waiver by him or her of such notice. If all Directors are present at any meeting of the Board, no notice of such meeting shall be required and any business may be transacted at such meeting except as prohibited by law or these By-Laws.

Section 7.13 Quorum. At all duly convened meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, except as otherwise expressly provided for in these By-Laws or by law, and the acts of the majority of the Directors present at such meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, the Director or Directors present may adjourn the meeting from time to time, and at such adjourned meeting at which a quorum is present, any business that might have been transacted

at the meeting as originally called may be transacted without further notice to any Director.

Section 7.14 Consent in Writing. Any action by the Board of Directors may be taken without a meeting if all of the members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors.

Section 7.15 Fees and Compensations. No Director or Officer shall receive any salary or other compensation for his or her services as such Director or Officer.

Section 7.16 Presiding Officer. The Board of Directors shall elect one (1) Director to be President. The President shall be the chief executive officer of the Neighborhood Association and shall preside at all meetings of the Board of Directors and shall serve a term of one (1) year.

Section 7.17 Records. The Board of Directors shall cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members of the Neighborhood Association at annual meetings of the members of the Neighborhood Association or at any special meeting where such statement is requested in writing by one-fourth (1/4) of the Neighborhood Association members entitled to vote.

Section 7.18 Powers and Duties. The Board of Directors shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of the Neighborhood Association and may do or cause to be done all such other lawful acts and things as are now by law or by these By-Laws directed or required to be done by members of the Neighborhood Association. In the performance of its duties as the administering body of the Neighborhood Association, in addition to those powers and duties set forth in the Declaration, the Board of Directors shall have powers and duties including, but not limited to, the following:

- (a) The duty to provide for lawn mowing for all Units in The Links at Valleybrook;

(b) The duty to create a reserve fund and to administer same for the purpose of effecting emergency repairs to roofs, party walls, exterior paint and privacy fences of the Units; and to take emergency action with respect to violations of architectural and aesthetic controls as set forth in the Declaration and in the Declaration of Covenants, Conditions, Easements and Restrictions of the Valleybrook Community Association, as filed of record in the Office of the Recorder of Deeds of Camden County, New Jersey, in Deed Book 4321, Page 597 et seq. and all duly filed amendments thereto. The primary responsibility for maintenance and repair of these elements rests with the Unit owner(s). The Neighborhood Association shall exercise its powers and duties in this regard only after upon a determination that the Unit owner's failure to maintain said elements at his Unit(s) is a detriment to the adjoining Unit(s), after due notice to the Unit owner involved, which notice shall give said Unit owner a ninety (90) day period in which to comply; and after a hearing, which shall be promptly afforded if requested by the Unit owner. A special assessment shall be levied against the Unit owner involved to recoup any amounts expended by the Neighborhood Association with respect to any Unit under this section;

(c) The duty, consistent with law, to establish the common expenses and assess the same against the Owners in accordance with the provisions of the By-Laws and the Declaration;

(d) The duty to levy and collect, in addition to regular assessments, or annual charges, for common expenses, special assessments in such amounts as the Board may deem proper, whenever the Board is of the opinion it is necessary to do so in order to meeting increased operating or maintenance costs or additional capital expenses or because of emergencies;

(e) The duty to require all officers and employees of the Neighborhood Association handling or responsible for funds of the Neighborhood Association or funds in its possession or under its control, to furnish adequate fidelity bonds with corporate surety satisfactory to the Board of Directors. The premiums on such bonds shall be paid by the Neighborhood Association as part of the common expenses;

(f) The duty to pay all taxes and assessments levied or assessed against any property of the Neighborhood Association, exclusive of any taxes or assessments levied against any Unit Owner or otherwise properly chargeable to the Unit Owner;

(g) The power to employ and dismiss such clerks, stenographers, workmen, janitors, gardeners, watchmen and other personnel, and to purchase or arrange for such services, machinery, equipment, tools, materials and supplies as in the opinion of the Board of Directors may from time to time be necessary for the proper carrying out of its duties under these By-Laws;

(h) The power to enter into a contract with a management company at such price and upon such terms as shall be determined by the Board, to perform such duties and services as the Board may lawfully delegate. However, any such contract shall be for an initial term not to exceed one (1) year and shall provide for termination by either party with or without cause on sixty (60) days written notice thereof to the other.

(i) The duty to collect delinquent charges or assessments made by the Neighborhood Association through the Board of Directors against any Unit and the Owner thereof, together with such costs and expenses incurred in connection therewith, including, but not limited to, court costs and attorneys' fees, whether by suit or otherwise, to abate nuisance and enforce observance of the rules and regulations relating to The Links at Valleybrook by injunction or such other legal action or means as the Board of Directors may deem necessary or appropriate.

(j) The power to employ or retain such counsel and consultants as may be deemed necessary by the Board for any proper purposes of the Neighborhood Association and to fix their compensation for professional advice or services such as, but not limited to, those hereinbefore or hereinafter referred to in these By-Laws;

(k) The duty to cause such operating accounts and escrow and other accounts, if any, to be established, opened and maintained as the Board of Directors may deem appropriate from time to time and as may be consistent with generally accepted accounting practices;

(1) The duty to adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the Neighborhood Association, including, but not limited to, the following items:

(1) Common expense budget which shall include, without limiting the generality of the foregoing, the estimated amounts necessary for maintenance and mowing of lawns, for the replenishment of the reserve emergency maintenance fund, expenses related to the operations thereof including, but not limited to, utility services, casualty and liability insurance, administrative and office expenses and reserves and the costs associated with the administration of the Neighborhood Association;

(2) Proposed charges against each member for the calendar year.

Copies of the proposed budget and proposed charges shall be available for inspection for all members of the Neighborhood Association during regular business hours. If the budget is subsequently amended before the charges or assessments are made, a copy of the amended budget shall also be available for inspection. Nothing herein contained shall be construed as restricting the right of the Board of Directors at any time in its sole discretion to levy a special assessment in the event that the budget originally adopted shall appear to be insufficient to pay the costs of the operation or management of the Neighborhood, or in the event of emergencies;

(m) The duty to maintain accounting records in accordance with generally accepted accounting principles;

(n) The duty to keep the equipment and personal property owned by the Neighborhood Association insured for the benefit and protection of the Neighborhood Association in amounts equal to their maximum insurable values, against the following hazards, casualties or contingencies:

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

(2) Such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other fixtures and equipment similar in design and use to the property hereinbefore

mentioned. All such policies shall provide that in the event of loss or damage, the proceeds shall be payable to the Neighborhood Association. The Neighborhood Association shall pay the premiums on such policies as common expenses.

(o) The duty to establish depositories for the Neighborhood Association with such bank or banks as shall be designated from time to time by the Board and in which moneys of the Neighborhood Association shall be deposited. Withdrawals of monies shall be only by check signed by such person as authorized by the Board;

(p) The power to borrow and repay monies, giving notes, mortgages or other security, upon such term or terms as are deemed necessary and appropriate;

(q) The power to employ professional counsel and receive advice from such persons and firms or corporations, such as, but not limited to, landscape architects, recreation experts, architects, planners, lawyers and accountants;

(r) The power to do all things incidental and necessary to the accomplishment of the above.

The Board of Directors shall also maintain public liability insurance insuring the Neighborhood Association and its members against liability for negligent acts of commission or omission attributable to the Neighborhood Association or any of its members and which occurs in the course of performance of any function of the Neighborhood Association which is authorized by these By-Laws. The Board shall also maintain workers compensation insurance and such other insurance as will protect the interest of the Neighborhood Association, its employees and the members including, but not limited to, Directors and Officers liability coverage.

The duties and powers imposed on the Board of Directors by this Section 7.18 shall not be amended so as to reduce or eliminate any such duties or powers of the Board of Directors without the affirmative vote of seventy-five (75%) percent of the Neighborhood Association membership entitled to vote thereon.

ARTICLE VIII

OFFICERS

Section 8.01 Officers. The Officers of the Neighborhood Association shall be a President, Secretary and Treasurer. The Secretary may be eligible to hold the office of Treasurer. The President, Secretary and Treasurer shall be members of the Board of Directors.

Section 8.02 Election. The officers of the Neighborhood Association shall be elected annually by the Board of Directors at the organizational meeting after each election of Directors and shall hold office until their successors are elected or appointed by the Board and qualify, provided that each officer shall hold office at the pleasure of the Board of Directors and may be removed either with or without cause, and his successor elected at any annual or special meeting of the Board called for such purpose upon the affirmative vote of a majority of the members of the Board. The Board of Directors may, from time to time, appoint such other officers as in its judgment are necessary. Any officer may resign at any time by giving notice to the Board or to the President or Secretary of the Neighborhood Association. Any such resignation shall take effect as of the date of the receipt of such notice or any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.03 Vacancies. A vacancy in the office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these By-Laws for regular appointments to such office.

Section 8.04 President. The President shall be the chief executive officer of the Neighborhood Association and shall preside at all meetings of the members and of the Board of Directors. He shall have the general powers and duties usually vested in the office of the President of a community association, including, but not limited to, the power to appoint ad hoc committees from among the members from time to time as he may deem appropriate

to assist in the conduct of the affairs of the Neighborhood Association. The President shall be an ex-officio member of all standing committees, if any. He shall execute such deeds, contracts and other instruments, in the name and on behalf of the Neighborhood Association and under its corporate seal when a seal is required, except when such documents are required or permitted by law to be otherwise executed, and except when the signing and execution thereof shall be delegated by the Board of Directors to another officer or agent of the Neighborhood Association.

Section 8.05 Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and record all votes and the minutes of all meetings and proceedings, including resolutions, in a minute book to be kept for that purpose, and shall perform the duties for any committees, when required. He shall have charge of the minute book and such records and papers as the Board shall direct, and perform all duties incident to the office of Secretary, including the sending of notice of meetings to the members, the Board of Directors and committees, and such other duties as may be prescribed by these By-Laws or by the Board of Directors or the President. He shall also have custody of the corporate seal, and when authorized by the Board, affix the same to any instrument requiring it and attest the same when when appropriate. The Secretary shall keep, or cause to be kept, at the principal office of the Neighborhood Association, a membership register showing the following: (a) the names and addresses of all members of the Board; (b) the names of the members and their addresses; (c) the Unit as to which each membership relates; and (d) the number of memberships held by each member.

Section 8.06 Treasurer. The Treasurer shall have the responsibility for the Neighborhood Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Neighborhood Association and shall deposit all monies, checks and other valuable effects in the name and to the credit of the Neighborhood Association, in such depositories as may from time to time be designated by the Board of Directors. He shall disburse the funds of

the Neighborhood Association as may from time to time be ordered by the Board or by the President and shall render to the President and Directors at the regular meetings of the Board, or whenever they or either of them shall require, an account of his transactions as Treasurer and of the financial condition of the Neighborhood Association. Nothing shall prohibit functions of the Treasurer to be delegated to an agent of the Neighborhood Association provided such delegation is approved by resolution of the Board of Directors. The delegation of such duties of the Treasurer shall not relieve the Treasurer from any responsibility related to overseeing and reviewing any duties performed by such agent.

Section 8.07 Compensation. The officers of the Neighborhood Association shall serve without compensation except that they shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties on behalf of or in the interest of the Neighborhood Association.

ARTICLE IX

COMMITTEES

Section 9.01 Standing Committees. The standing committees of the Neighborhood Association shall be: the Maintenance Committee and Arbitration Committee. Unless otherwise provided herein, each committee shall consist of two (2) or more members and shall include a member of the Board of Directors, in addition to the President as ex-officio member, for Board contact. Except as provided in Section 9.03, the committees shall be appointed by the Board of Directors, within forty-five (45) days after each annual meeting, to serve for a term of one (1) year or until new members are appointed. The first committee shall be established within forty-five (45) days after the date of election held pursuant to Section 7.03(c) hereof. Appointments shall be announced by publication to Members of the Neighborhood Association and at the next meeting following such appointments. The President may appoint such other committees as he or she deems desirable.

Section 9.02 Maintenance Committee. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the lawn

mowing and lawn maintenance, and regarding repair of roofs, party walls and exterior painting of Units, and regarding conformity with architectural and aesthetic controls, and shall perform such other functions as the Board, in its discretion, determines.

Section 9.03 Arbitration Committee. No Member shall have the right to object, challenge, commence any suit at law or in equity or take any action under any act, power or authority now in force or hereafter to be enacted except in the manner provided herein. Prior to the commencement of any suit or action at law or in equity, the Member shall first make known his objection in writing and directed to this Committee by registered or certified mail, return receipt requested, or by an equivalent class of service of the United States Post Office, stating with particularity the objection made and relief, change or difference sought. It shall be signed legibly by the person objecting, giving their address and telephone number. If specific Units are involved, these shall be identified by name and address or with such sufficient particularity as to be easily capable of ascertainment. The Committee shall schedule a hearing on the merits of the aforesaid claim or objection within thirty (30) days of the receipt of the notice of claim or objection and within twenty (20) days after the close of the hearing or continued hearing or hearings, the Committee shall notify the Owner of its decision in writing. Unless such internal remedy shall be voluntarily waived by the Association or the Association fails or refuses to act, no action at law or in equity shall be commenced by any Member until such internal remedy is pursued to exhaustion. Any action by a Member against any other Member arising out of any term, covenant or condition contained in these By-Laws, Declaration of Covenants, Easements and Restrictions or any rule or regulation made pursuant thereto, use or non-use, shall be subject to the same procedures. In such hearings, all parties shall be entitled to be represented by counsel. In any claim or objection, the Neighborhood Association may appoint counsel to the Neighborhood Association, or any other person or persons, one of whom shall be learned in the law, to act as a hearing officer and make recommendations

or findings, or both, to the Neighborhood Association. In such event, an additional ten (10) days shall be permitted for forwarding any decision to the Owner.

ARTICLE X

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 10.01 Indemnification of Officers and Directors. The Neighborhood Association shall indemnify every Director, Officer and Committee Member, his heirs, executors and administrators, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director, Officer or Committee Member of the Neighborhood Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence of willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matter covered by the settlement as to which the Neighborhood Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duties as such Director, Officer or Committee Member in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, Officer or Committee Member may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Neighborhood Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Neighborhood Association as common expenses; provided, however, that nothing contained in this Article shall be deemed to obligate the Neighborhood Association to indemnify any Member who is or has been a Director, Officer or Committee Member of the Neighborhood Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of his membership in the Neighborhood Association or as a Member.

ARTICLE XI

CORPORATE SEAL

Section 11.01 Corporate Seal. The corporate seal of the Neighborhood Association shall consist of two (2) concentric circles between the circumferences of which shall be inscribed the name "The Links at Valleybrook Neighborhood Association," and within the circumference of the inner circle the words, "Incorporated, New Jersey" and the year of incorporation. To the left and the right of the inscription, within the concentric circles, shall be depicted a nine-iron.

ARTICLE XII

~~AMENDMENTS TO BY-LAWS~~

Section 12.01 Amendments to By-Laws. Except as otherwise provided herein, these By-Laws and the form of administration set forth herein may be amended from time to time by the affirmative vote of the Members representing fifty-one (51%) percent of the Neighborhood Association membership entitled to vote.

ARTICLE XIII

DISSOLUTION

Section 13.01 Dissolution. In the event it shall be deemed advisable and for the benefit of the Members that the Neighborhood Association shall be dissolved, the procedures concerning dissolution set forth in the New Jersey Statutes, Title 15A, Sections 15A:12-1, et seq., shall be followed.

Section 13.02 Distribution. In the event of dissolution, the assets, including common surplus, if any, of the Neighborhood Association, after payment of all debts, including mortgages and other encumbrances, shall be distributed pursuant to the final decree of the Court.

ARTICLE XIV

MISCELLANEOUS

Section 14.01 Delegation of Authority. The Board of Directors

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

Section 14.02 Inspection of By-Laws. The Neighborhood Association shall keep in its principal office the original or a copy of these By-Laws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the members at all reasonable times during office hours.

Section 14.03 Membership Minutes. The membership register and minutes of proceedings of the members and Directors shall be open to inspection upon demand of any member at any reasonable time during office hours and for a purpose reasonably related to his interest as a member.

Section 14.04 Robert's Rules of Order. The rules contained in Robert's Rules of Order, revised, shall govern all Members' meetings and Directors' meetings of the Neighborhood Association except in instances of conflict between said Rules of Order and the By-Laws of the Neighborhood Association or provision of law; in such instances, provisions of law shall have precedence over the By-Laws, and either a provision of law or the By-Laws shall have precedence over the rules contained in Robert's Rules of Order.

Section 14.05 Construction. Number and gender as used in these By-Laws shall extend to and include both singular and plural and all genders as the context and construction may require.

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