

HEATHERWOOD HOMEOWNERS' ASSOCIATION,
INCORPORATED

DECLARATION OF COVENANTS AND RESTRICTIONS

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DECLARATION OF COVENANTS AND RESTRICTIONS

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EXHIBITS TO DECLARATION:

- EXHIBIT A — SITE PLAN
- EXHIBIT B — LEGAL DESCRIPTION
- EXHIBIT C — BYLAWS OF HEATHERWOOD HOMEOWNERS' ASSOCIATION
- EXHIBIT D — MANAGEMENT STANDARDS AGREEMENT
- EXHIBIT E — RULES AND REGULATIONS
- EXHIBIT F — ARCHITECTURAL GUIDELINES
 - ADDENDUM F-1 — ITEMS FOR WHICH ARB APPROVAL IS NOT REQUIRED
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DECLARATION OF COVENANTS AND RESTRICTIONS FOR
HEATHERWOOD

THIS DECLARATION, made this 7th day of September, 2001, by Hovbros
County House, L.L.C., hereinafter called Developer:

W I T N E S S E T H:

WHEREAS, Developer is the owner of the real property illustrated in Exhibit A of this Declaration and desires to create thereon a planned adult retirement community in conformity with and as permitted by the provisions of Resolution No. R-35-2000 of the Zoning Board of Adjustment of Washington Township, Gloucester County, New Jersey, relating to the Major Subdivision application of Andrew Niroda providing for the development of housing in Washington Township which is suitable for the needs and desires of senior citizens and certain other adults over the age of fifty-five (55); and

WHEREAS, Developer desires to provide for the preservation and enhancement of the property values, amenities and opportunities in said community and for the maintenance of said community; and, to this end, desires to subject the real property described in Exhibit B together with such additions as may hereafter be made thereto (as provided in Article II) to the covenants, restrictions, easements, charges, and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each Owner thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated and assigned the powers of owning, maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has incorporated, under the laws of the State of New Jersey, Heatherwood Homeowners' Association, Incorporated, as a non-profit corporation, for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, the Developer declares that the real property described in Exhibit B, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1. "Declaration" shall mean the covenants, conditions and restrictions and all other provisions herein set forth in this entire document, as same may from time to time be amended.

Section 2. "Association" shall mean and refer to the Heatherwood Homeowners' Association, Incorporated, its successors and assigns.

Section 3. "Developer" shall mean and refer to Hovbros County House, L.L.C., its successors and assigns, provided however, that no successor or assignee of the Developer shall have any rights or obligations of the Developer hereunder unless such rights and obligations are specifically set forth in the instrument of succession or assignment or which pass by operation of law. The rights and obligations set forth herein of the Developer, as Developer, shall cease upon conveyance by the Developer of the last living unit contemplated by the Master Plan.

Section 4. "Master Plan" shall mean that plan as publicly distributed and as approved by appropriate public agencies, including local planning and zoning authorities and governing bodies, which plan shall represent the total general scheme and general uses of land of the Properties, as illustrated in Exhibit A hereof, as may be amended from time to time, and as further defined in Article II, Section 3.

Section 5. "The Properties" shall mean and refer to all real property which becomes subject to the Declaration, together with such other real property as may from time to time be annexed thereto under the provisions of Article II hereof.

Section 6. "Common Area" shall mean and refer to all real property and improvements thereon owned or leased by the Association, as shown on the final approved subdivision plans on file with the Clerk of Gloucester County, and intended for the common use and enjoyment of the Owners and Members.

Section 7. "Living Unit" shall mean and refer to any structure situated upon the Properties designed and intended for use and occupancy as a residence by a single family.

Section 8. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, or of any single-family detached unit located on the Properties, with the exception of Common Area as heretofore defined.

Section 9. "Parcel" shall mean and refer to all platted subdivisions of one or more lots and all lots subject to a single-family detached unit regime. Each subdivision and/or single-family detached unit shall be considered as a separate parcel which is subject to this Declaration.

Section 10. "Owner" shall mean and refer to the record Owners, whether one or more persons or entities, of the fee simple title to any Lot. The foregoing does not include persons or entities who hold any interest in any Lot merely as security for the performance of an obligation.

Section 11. "Occupant" shall mean and refer to the occupant of a Living Unit who shall be either the Owner or a lessee who holds a written lease having an initial term of at least twelve (12) months.

Section 12. "Member" shall mean and refer to the Members of the Association who shall be every Owner of a Lot and every person or entity who leases space in a structure constructed on a Lot. There shall be three classes of Members:

Class A. Class A Members shall be all Owners of Lots.

Class B. Class B Members shall be the Developer, his successors and assigns; such class shall cease upon written notice to the Association, in accordance with Article V. Section 2 of this Declaration.

Class C. Class C Members shall be any person or entity who leases space designated for residential purposes.

Section 13. "Supplementary Declaration" shall mean any declaration of covenants, conditions and restrictions which may be recorded by the Developer, which extends or amends the provisions of this Declaration and contains such complementary provisions for existing or future development as are deemed appropriate by the Developer and as are herein required.

Section 14. "Book of Resolutions" shall mean and refer to the document containing rules and regulations and policies adopted by the Board of Trustees as same may be from time to time recorded and amended.

Section 15. "Governing Documents" shall mean and refer to the Articles of Incorporation of the Association, this Declaration, Supplementary Declarations, and the Association By-Laws, all as initially drawn by the Developer and filed and recorded as the case may be, and the Book of Resolutions, all as such may be amended from time to time.

Section 16. "By-Laws" shall mean and refer to the By-Laws of the Heatherwood Homeowners' Association, Incorporated attached as Exhibit C.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

ADDITIONS THERETO

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is located in Washington Township, Gloucester County, New Jersey, and is more particularly described in Exhibit B.

Section 2. Additions to Existing Property. Added properties may become subject to this Declaration in the following manner:

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- (a) Additions by the Developer. The Developer, its successors and assigns, shall have the right to bring within the scheme of this Declaration additional properties in future stages of development which are contiguous to the lands described in Exhibit B.
- (b) Other Additions. Notwithstanding the foregoing, additional lands may be annexed to the existing property upon approval in writing of the Developer and by appropriate public agencies, including local planning and zoning authorities. The additions authorized under subsections (a) and (b) shall be made by the filing of record one or more Supplementary Declarations of Covenants and Restrictions with respect to the additional property and by filing with the Association a Master Plan for the proposed additions. Unless otherwise stated therein, such Master Plan shall not bind the Developer, its successors and assigns, to make the proposed additions.
- (c) Mergers. Upon a merger or consolidation of another association with the Association, as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or alternatively, the Properties, rights and obligations of another association may, by operation of law, be added to the Properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants and restrictions established by this Declaration within the existing property, together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within the existing property, unless such merger or consolidation shall

have the assent of seventy-five (75%) percent of the Living Unit Owners.

Section 3. Master Plan.

- (a) Purpose. The Master Plan, illustrated in Exhibit A, is the dynamic design for the staged development of the Property as a planned adult retirement community which will be regularly modified and amended, as provided herein, during the several years required to build the community. Because the Master Plan is a temporary design, it shall not bind the Developer to make the additions to the existing property which are shown on the Master Plan or to improve any portion of such lands in accordance with the Plan unless and until a Supplementary Declaration is filed setting forth a plot plan and specifically identifying a certain area for development.

- (b) Amendments. The Developer hereby reserves the right to amend the Master Plan in response to changes in technological, economic, environmental or social conditions related to the development or marketing of the Properties or to changes in requirements of government agencies and financial institutions. Such amendments shall be effected by (1) giving notice of the proposed changes to the Association; and (2) securing any required approvals of appropriate public agencies which have an interest in the Properties (such as local planning and zoning authorities.)

ARTICLE III

COMMON AREA

Section 1. Members' Easement of Enjoyment.

Common Areas. Subject to the provisions in Section 3, every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, and every Member shall have a right of enjoyment to the Common Area.

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Section 2. Title to Common Area Properties. The Developer may retain legal title to the Common Areas or any portion thereof until such time as it has completed improvements thereon; thereupon the Developer hereby covenants that it will convey such Common Areas and facilities, or portions thereof, to the Association free and clear of liens and financial encumbrances.

Notwithstanding any provision herein to the contrary, the Developer hereby covenants that it shall convey the Common Area and portions thereof to the Association free and clear of all liens and financial encumbrances not later than one (1) year following the issuance of 95% of the Certificates of Occupancy for said property or immediately upon the issuance of the last Certificate of Occupancy for said property. Any conveyance of the Common Area or portions thereof to the Association shall not in itself relieve the obligations of the Developer pursuant to any bond or other performance guaranty which has been provided pursuant to the New Jersey Municipal Land Use Act or pursuant to any requirement in connection with approvals given by Washington Township for the development of the Property, nor shall such conveyance relieve Developer of any obligation pursuant to this Declaration to construction the Common Areas and improvements thereon pursuant to the municipal approvals.

Owners shall have all the rights and obligations imposed by the Declaration with respect to such Common Area.

The fee title of any Lot abutting on Common Area property shall not extend to or upon such Common Area property and such fee title is reserved to the Developer to be conveyed to the Association for the common enjoyment of all of the Members.

Section 3. Extent of Members' Easement. The rights and easements of enjoyment created hereby shall be subject to the following:

- (a) The right of the Association to establish reasonable rules and to charge reasonable admission and other fees for the use of Common Areas or facilities thereon;

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- (b) The right of the Association to suspend the right of an Owner to use any recreational facilities for any period during which any assessment against his Lot remains unpaid for more than thirty (30) days after notice, until such default has been remedied; the right of the Association to suspend the right of a Member to use any recreational facilities for a period not to exceed sixty (60) days for any other infraction of the Governing Documents.
- (c) The right of the Association, in accordance with its Governing Documents, to borrow money for the purpose of improving the Common Area properties and facilities and, in aid thereof, to mortgage said properties and facilities. In the event of a default upon any such mortgage, the lender's rights hereunder shall be limited to a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by the Members and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the Association and all rights of the Members hereunder shall be fully restored; and
- (d) The right of the Association to take such steps as are reasonably necessary to protect the above-described Common Area properties against foreclosure;
- (e) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the Owners, agreeing to such dedication or transfer, has been recorded; and
- (f) The right of the Association to regulate the use of portions of the Common Area for the benefit of the Members of the Association.

Section 4. Declaration of Use. Any Member may delegate his/her right of enjoyment to the Common Area and facilities to the members of his/her family and to his/her guests subject to such general regulations as may be established from time to time by the Association, and included within the Book of Resolutions.

Section 5. Damage, Destruction, or Alteration of Common Area by Owner. In the event any Common Area is damaged, destroyed, or altered by an Owner or any of his/her guests, tenants, licensees, agents, or member of his/her family, and if the Owner fails to repair same in good, workmanlike and timely manner, such Owner does hereby authorize the Association to repair said damaged, destroyed, or altered area. The Association shall repair said damaged, destroyed, or altered area in a good and workmanlike manner and in conformance with the original plans and specifications of the area involved, or as the area may have been modified or altered subsequently to the Association in the discretion of the Association. The amount expended by the Association for such repairs shall become a special assessment upon the Lot of said Owner.

Section 6. Obligations of the Association. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of all Common Areas and all improvements thereon, (including furnishings, and equipment related thereto), and shall keep the same in good, clean, attractive, and sanitary condition, order, and repair. The Association's maintenance obligations shall include the maintenance of chain link fencing and landscape buffering which have been required by the municipal approvals and as shown on the Master Plan; maintenance of outlet structures within the various detention basins as provided in the municipal approvals and as shown on the Master Plan; and maintaining the walkways (other than walkways leading to the entrance of a home on a Lot [see Article VI, Section 2(a)], brick paved areas, brick paved crosswalks, open space, community garden areas, entry monuments, and signs, street and signage lighting, pond aerators, detention basins, landscaping of common areas, and maintenance of structures on the common areas. The Association shall also perform the lawn cutting and snow removal services as set forth in Article VI, Section 2 below.

ARTICLE IV
GENERAL, ADDED, AND SPECIAL ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

Each Owner of any Lot by acceptance of a deed thereto, is deemed to covenant and agree to pay to the Association the following: (1) annual general assessments or charges, (2) added assessments for maintenance expenditures exceeding current annual budget for items inclusive of, but not limited to, snow removal and lawn maintenance.

All such assessments, together with interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2. Annual General Assessment.

(a) Purpose of Assessment. The annual general assessment levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and, in particular, for the improvement, maintenance, and operation of the Common Area and facilities as shown on the Master Plan including funding of appropriate reserves for future repairs and replacement and for the cost of lawn cutting and snow clearing provided by the Association.

(b) Basis for Assessment. The annual general assessment shall be the same for each Living Unit which is certified for occupancy, provided however that any Living Units that have never been occupied as a residence shall be subject to an assessment in an amount equal to fifty (50%) percent of the assessment levied upon other Living Units certified for occupancy.

(c) Method of Assessment. By a vote of two-thirds (2/3) of the Trustees, the Board shall fix the annual general assessment upon the basis provided above. The annual general assessment shall be sufficient to meet the obligations imposed by the Declaration. The Board shall set the date(s) such assessment shall become due.

Legal Reference – NJSA 45:22A-45.

Section 3. Added Assessments.

(a) Purpose of Assessment. Added assessments shall be used for maintenance expenditures exceeding current annual budget for items inclusive of, but not limited to, snow removal and lawn maintenance.

(b) Basis of Assessment. An added assessment shall be the same for each Living Unit that is certified for occupancy, provided however that any Living Units that have never been occupied as a residence shall be subject to an assessment in an amount equal to fifty (50%) percent of the assessment levied upon Living Units certified for occupancy.

(c) Method of Assessment. By a vote of two-thirds (2/3) of the Trustees, the Board shall fix the added assessment upon the basis provided above. The added assessment shall be sufficient to meet the obligations imposed by the Declaration. The Board shall set the date such assessment shall become due.

Section 4. Special Assessment for Capital Improvements/Replacement/Repair.

In addition to the Annual General Assessment and the Added Assessments as authorized above, the Association may levy in any assessment year a special assessment for Capital Improvements/Replacement/Repair applicable to that year and not more than the next two succeeding years for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area providing that any such special assessment shall first be approved by fifty-one (51 %) of the votes of the Class A Members, who are authorized to vote in person or by proxy at a special meeting duly called for that purpose.

Section 5. Contributions to Accounts.

(a) Purchaser Contribution to Operating Accounts. Upon the conveyance of each Lot within the Master Plan, the Purchaser shall, at the time title closes, make a non-refundable contribution in an amount equal to three (3) months' annual general assessment to the Operating Accounts established for general maintenance and used as the Board of Trustees deems it necessary in the best interest of the Association.

Section 6. Date of Commencement of Annual Assessments. The annual general assessments, added assessments, and special assessments provided for herein shall commence with respect to assessable units on the date of conveyance of the Living Unit to an Owner. The initial assessment of any assessable unit shall be adjusted according to the number of months and days remaining in the calendar year.

Section 7. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment installment not paid within thirty (30) days after the due date shall be delinquent. Upon resolution of the Board, the Association may (a) declare the entire balance of such annual general, added, or special assessment due and payable in full; (b) charge interest from the due date at a percentage rate no greater than the current prevailing legal maximum annual interest rate, such rate to be set by the Board for each assessment period; (c) charge a late fee of ten dollars (\$10.00) per month; (d) charge reasonable attorney fees incurred for the collection; (e) give registered notice to the Owner that in the event payment with accrued interest is not paid within thirty (30) days from the date of notice, then the expressed contractual lien provided for herein shall be foreclosed; and (f) after registered notice to the Owner, suspend the right of such Owner to vote or to use recreational facilities until the assessment and accrued interest are paid in full. No Owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Common Areas and facilities or abandonment of his/her Lot. The assessments provided for herein, together with interest thereon, costs of collection and reasonable attorney fees, shall also be a personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 7A. Procedure for Collection of Delinquent Assessments and Related Charges:

1. If payment of assessments, namely Annual General Assessment, Added Assessment, or Special Assessment, is received after the schedule as described below, it will be considered late and a late fee in the amount of \$10.00 will be assessed against the homeowner's account.
 - Annual General Assessment – Delinquent if payment is not received by the last day of the month in which it is due.
 - Added Assessment – Delinquent if not received within thirty (30) days from the due date.
 - Special Assessment – Delinquent if not received within thirty (30) days from the due date.

2. If payment is not received in accordance with the above schedule, the Management Office of Heatherwood is to send a letter to the homeowner reminding him/her of the overdue payment and refer the account to the association's attorney to handle. Be advised that since the Annual General Assessment has a thirty (30) day "grace period" to pay before delinquent, it will be sent directly to the association's attorney; there will be no reminder notice. Any legal fees incurred by the Association in pursuing collection of any overdue payments from a unit owner will be the owner's responsibility.

3. If payment is not received in accordance with the above schedule, the Management office shall contact the Association's counsel, who will send a "30-day demand letter" to the unit owner in default of payment.
4. If payment is not received within the "30-day demand letter" timeframe or a written notification disputing this amount is not received by the Board, a lien will be filed against their residence and their mortgage company will be notified.
5. If, after ten (10) days following the filing of the lien and the past due amount is still not paid, the Board will move before the Superior Court of New Jersey for a money judgment against them in that amount, or foreclose on their residence, or both.
6. Attempts resulting in the accumulation of legal fees which, pursuant to Heatherwood's Bylaws and the law of New Jersey, shall be charged to the unit owner.
7. The unit owner shall be charged interest from the due date at a percentage rate no greater than the prevailing legal maximum annual interest rate.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Any first mortgagee who obtains title to a Lot or unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such Lot or unit's unpaid dues or charges which accrue prior to the acquisition of title to such Lot or unit by the mortgagee. Sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 9. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges, and liens created herein: (1) all properties to the extent of any assessments or other interest therein dedicated and accepted by the local public authority and devoted to public use, (2) all

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Common Areas, (3) all properties exempted from taxation by state or local governments upon the terms and to the extent of such legal exemption. Notwithstanding any provisions herein, no land or improvements devoted to residential dwelling use shall be exempt from said assessments, charges or liens.

ARTICLE V

HEATHERWOOD HOMEOWNERS' ASSOCIATION, INCORPORATED.

Section I. Organization.

- (a) The Association. The Association is a non-profit corporation organized and existing under the laws of New Jersey, charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as such may be amended from time to time, provided no other Governing Document than this Declaration shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.
- (b) Institutional Plan. As the operating responsibilities of the Association expand from those related to the existing property to those required by the fully developed planned adult retirement community of Heatherwood, this Declaration and the Governing Documents shall guide the controlled and orderly evolution of the Association into a comprehensive community institute designed to administer the Heatherwood Retirement Community and generally provide for the welfare of the Living Unit Owners.
- (c) Subsidiary Associations. The Association and/or the Developer shall have the right to form one or more subsidiary associations or corporations, for any purpose or purposes deemed appropriate by a majority vote of the Board and of a quorum of the Members or by the Developer. Without limiting the generality of the foregoing, one or more subsidiary associations may be formed for the operation and maintenance of any specific area or function within the Properties; however, such subsidiary association shall be subject to this Declaration and the rights of said subsidiary association shall be

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subordinate in all respects to that of the Heatherwood Homeowners' Association and may not take any action to lessen or abate the rights of the Members. In the event that any subsidiary association fails to comply with the terms of this Declaration or any declaration or document creating said subsidiary association, then the Heatherwood Homeowners' Association may, upon written notice to the Board of Directors of said subsidiary association, assume control and management of said subsidiary association in order to perform all of the duties set forth in these Declarations.

Section 2. Membership.

- (a) Definition. Members shall include all Owners of Lots and all occupants of Living Units. Membership shall be appurtenant to the Lot or Living Unit giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except as provided in the Governing Documents.
- (b) Members' Rights and Duties. Each Member shall have the rights, duties and obligations as set forth in the Governing Documents.
- (c) Voting Rights. The Association shall have two classes of voting membership. Class A. Class A Members shall be all Owners, with the exception of the Developer, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. Class B. Class B Member shall be the Developer who shall have 480 votes less three times the number of Class A votes outstanding at the time a vote is taken. (The initial number of votes assigned to the Class B Member is based on granting such Member three votes for each of the proposed Lots indicated on the Master Plan on file with Gloucester County, New Jersey.) The Class B membership shall cease upon the earlier of the following events: when the

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total number of Class A votes equals the total number of Class B votes, or December 31, 2003.

Class C. Class C Members shall be any person or entity who leases space designated for residential purposes, and shall not be assigned any votes for Living Units occupied. Class C Members do have the rights of participation and enjoyment as discussed in Article III of this Declaration.

- (d) Exercise of Vote. The vote for any membership which is held by more than one person may be exercised by any one of them, unless any objection or protest by any holder of such membership is made prior to the completion of a vote, in which case the vote for such membership shall not be counted. Any person or entity qualifying as a Member of more than one voting class, may exercise those votes to which he is entitled for each such class of membership.

Section 3. Board of Trustees.

- (a) Composition. The number of Trustees shall be as provided in the By-Laws. The appointment of Trustees by the Developer and the election of Trustees by the Owners shall be made in accordance with the By-Laws.
- (b) Extent of Power.
- (1) The Board of Trustees shall have all powers for the conduct of the affairs of the Association which are enabled by law or the Governing Documents which are not specifically reserved to Members, the Developer, or the Architectural Review Board by said Documents.
 - (2) The Board of Trustees shall exercise its powers in accordance with the Governing Documents and, specifically with Management Standards attached hereto as Exhibit D. The Management Standards may be increased only by following the procedure for amending this Declaration in accordance with Article XI, Section 2 below. Any such amendment shall be recorded.

(c) Powers and Duties. Without limiting the generality thereof, the Board shall have the power and obligation to perform the following duties:

1. Real and Personal Property. To acquire, own, hold, improve, maintain, manage, lease, pledge, convey, transfer or dedicate real or personal property for the benefit of the Members in connection with the affairs of the Association, except the acquisition, mortgaging or disposal of Common Area and/or improvements shall be subject to the provisions of Article II and Article IV, respectively.
2. Rule Making. To establish rules and regulations for the use of property as provided in Articles IV and VI (rules and regulations are attached as Exhibit E) and to confirm architectural standards adopted by the Architectural Review Board.
3. Assessments. To fix, levy, and collect assessments as provided in Article IV.
4. Easements. To grant and convey easements to the Common Area as may become necessary and as provided in Article VII.
5. Employment of Agents. To employ, enter into contract with, delegate authority to, and supervise such persons or entities as may be appropriate to manage, conduct and perform the business obligations and duties of the Association and as provided in the Management Standards Agreement.
6. Mergers/Consolidations. To participate in mergers and consolidations with other corporations as provided in Article II.
7. Appeals. To decide appeals relative to architectural review applications as provided herein.
8. Enforcement of Governing Documents. To perform acts, as may be reasonable, necessary or appropriate, including bringing suit, causing a lien to be foreclosed or suspending membership rights, levying fines and assessing late fees, enforcing or effectuating any of the provisions

of the Governing Documents. The enforcement procedures (as amended on May 15, 2008) are described in Article XIV of the Bylaws.

Section 4. Architectural Review Board.

- (a) Composition. An Architectural Review Board consisting of three or more persons shall be appointed by the Board of Trustees.

- (b) Purpose. The Architectural Review Board shall regulate the external design, appearance, use, location, and maintenance of the Properties and of improvements thereon, in a manner as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography and in accordance with the Architectural Guidelines. The Architectural Guidelines (as amended August, 2008) are attached as Exhibit F and Addendum F-1. The Architectural Guidelines may be amended in the same manner as other Amendments to this Declaration in accordance with Article XI, Section 2. Any such amendments must be recorded.

- (c) Procedures. Please refer to Exhibit F – Architectural Guidelines, Architectural Review Procedures – Page 1.

ARTICLE VI
USE OF PROPERTY

The uses of all Lots shall be limited and governed by the applicable ordinances of the Township of Washington and the resolutions and approval granted by said Township to the Developer of Heatherwood.

Section 1. Protective Covenants.

- (a) Residential Use. All property in this classification shall be used, improved and devoted exclusively to residential use. Nothing herein shall be deemed to prevent the Owner from leasing a Living Unit to single family, subject to all of the provisions of the Declaration.
- (b) Nuisances. No nuisance shall be permitted to exist or operate upon any property so as to be detrimental to the well-being of Members or to jeopardize property values.
- (c) Restriction on Further Subdivision. No Lot upon which a Living Unit has been constructed shall be further subdivided or separated into smaller lots by any Owner, and no portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed or transferred by an Owner.
- (d) Conditions for Architectural Control. No improvements, alterations, repairs, change of paint colors, excavations, changes in grade or other work which in any way alters the exterior of any Lot or Common Area, or improvements located thereon, from its natural or improved state existing on the date such property was first conveyed in fee by the Developer to any Owner or to the Association, or such property was first occupied shall be made or done without the prior approval of the Architectural Review Board with the exception of those items itemized in Addendum F-1. See Addendum F-1, which follows Exhibit F – Architectural Guidelines.
- (e) Rules. From time to time the Board of Trustees shall adopt general rules, including but not limited to rules to regulate potential problems relating to the use of property and the well-being of Members, such as keeping of animals, storage and use of all vehicles, storage and the use of machinery, use of outdoor drying lines, antennae, satellite dishes, signs, trash and trash containers, maintenance and removal of vegetation on the

properties. After conveyance of the first Lot to an Owner, such general rules may be adopted or amended by a two-thirds (2/3) vote of the Board, following a hearing for which due notice has been provided to all Members. All such general rules and any subsequent amendments thereto shall be placed in the Book of Resolutions and shall be binding upon all Members, except where expressly provided otherwise in such rule.

Exceptions. The Board of Trustees may issue temporary permits to except any prohibitions expressed or implied by this section, provided the Board can show good cause and acts in accordance with adopted guidelines and procedures. So long as the Developer is engaged in developing or improving any portion of the Properties, the Developer shall be exempted from Rules affecting movement, disposition and storage of building materials and equipment, erection and maintenance of directional and promotional signs, and conduct of sales activities, including maintenance of model Living Units. Such exemption shall be subject to such rules as may be established by the developer to maintain reasonable standards of safety, cleanliness and general appearance of the Properties.

Section 2. Maintenance of Property.

- (a) Lot Owner Responsibility. To the extent that exterior maintenance is not provided by the Association, each Owner shall keep all Lots owned by him, and all improvements therein or thereon, in good order and repair and free of debris including, but not limited to the pruning and cutting of all trees and shrubbery, and painting (or other appropriate external care) of all buildings and other improvements, all in such a manner and with such frequency as is consistent with good property management. The Owners of Washington Township Tax Map Lots 16, 17, 21, and 22 of Block 7.03 are permitted to plant a hedge, inclusive of bushes and/or trees at

the rear of those lots, facing the parking area, of sufficient size and density to block the headlights of vehicles in the parking area. Owners of said Lots are responsible for maintaining such hedge once planted as described above. No decks, sun rooms, screened porches or covered porches are to be constructed on Lots 16, 17, 21, and 22 of Block 7.03. In the event an Owner of any Lot in the Properties shall fail to maintain the premises and the improvements situated thereon, the Association, after notice to the Owner as provided in the Bylaws and approval by two-thirds (2/3) vote of the Board of Trustees, shall have the right through its agents and employees, to enter upon said Lot to correct drainage and to repair, maintain, and restore the Lot and exterior of the buildings and other improvements erected thereon. All costs related to such correction, repair, or restoration shall become a special assessment upon such Lot and, as such, shall be regarded as any other assessment with respect to lien rights of the Association and remedies provided for herein for non-payment.

- (b) Lawns. The Association shall provide lawn cuttings for individual Lots. Front, side and back yards will be cut once each week for a period of approximately twenty-six (26) weeks through the spring, summer and fall of each year. The front yards will be edged approximately every other week or approximately thirteen (13) times per year. The clippings from the front yards only will be bagged and removed. Lot Owners will be responsible for watering or irrigating their own Lots. Lot Owners will also be responsible for treating their individual lawns with seed, fertilizer, weed killer, insecticide or other chemicals if needed. Lot Owners will be responsible for the care and maintenance of any and all shrubs, flower beds, trees or other plantings on individual Lots. This responsibility is inclusive of bagging and proper disposal of any debris from said plantings including but not limited to clippings, fallen leaves from trees, etc. Debris shall not be discarded in the streets or sewer drains via blower, broom or by any other means. Lot Owners are responsible to ensure that their lawns are free and clear of any and all items as to prevent any interference with lawn cuttings. No items may be placed on the lawns front, side or rear. i.e., furniture, ornaments, barbecues, flower pots, etc.
- (c) Snow Clearing. The Association will provide snow clearing from driveways, aprons, and walkways once accumulation reaches two inches or more. The homeowner will be responsible for removal of ice

from driveways, walkways, aprons whenever ice occurs. The Board of Trustees may, by a two-thirds (2/3) vote, direct Heatherwood's Landscaping Company to be prepared to spread ice melt on the common area sidewalks and street sidewalks just before or in the early stages of an ice storm. The homeowner will be responsible for snow clearing whenever accumulation is under two (2") inches.

- (d) Sidewalks and Walkways. The Association shall maintain all pedestrian walkways in Common Areas, as well as pedestrian walkways along the front perimeter of each Lot, with the exception of damage, destruction, or alteration that is caused by a homeowner. Refer to Article III - Section 5 - Damage, Destruction, or Alteration of Common Area by Owner. Examples include, but are not limited to, cracked sidewalk and discoloration of sidewalk due to utilization of fertilization on lawn. The Owner shall maintain pedestrian walkways leading from such front walkways to the entrance of a residence.
- (e) Responsibility Matrix. The Responsibility Matrix report is a summary of the items listed under Article VI - Maintenance Property. This report was created to further expand and clarify the roles and responsibilities relating to these items. See attached matrix report.

Section 3. Resale of Lots.

- (a) Reference to Declaration. The deed or instrument transferring title to any Lot shall contain a provision incorporating by reference the covenants and restrictions set forth in this Declaration as well as any applicable Supplementary Declaration.
- (b) Notification. Further, the contract seller of a Lot shall notify the Board of Trustees as to the contract purchaser and scheduled date and place conveyance will be accomplished.
- (c) Estoppel Certificate. The Board thereupon shall prepare an estoppel certificate which shall set forth any assessments and charges due upon such Lot at time of conveyance and certify as to whether or not there are violations of the Governing Documents remaining on the Lot as of the date of preparation of such certificate. This certificate shall be delivered to the place of closing, and outstanding assessments, if any, and a reasonable charge to cover the cost providing such certificate shall be deducted from the seller's account at the closing and transmitted directly to the Association.

Please refer to Declaration of Covenants - Article XI - Section 8 - Age and Occupancy Requirements, for additional requirements.

Section 4. Leasing of Units. Any lease agreement between a Heatherwood Living Unit Owner and a lessee shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, Articles of Incorporation, or equivalent instrument and the Bylaws, and that any failure by the

lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be required to be in writing. Owner renting a dwelling must forward a copy of the lease to the Association office within ten (10) business days of the signing of the lease. The lease shall contain provisions as stipulated in the Declaration of Covenants and Restrictions. Lease agreements shall conform to a standard lease, per New Jersey law.

Please refer to Declaration of Covenants — Article XI — Section 8 — Age and Occupancy Requirements, for additional requirements.

ARTICLE VII **PROPERTY RIGHTS**

Section 1. Parking Rights. Ownership of each Lot or Living Unit shall entitle the Owner(s) thereof to the use of at least one parking space for an approved vehicle, together with the right of ingress and egress in and upon said parking area. An approved vehicle shall include any conventional passenger vehicle (including station wagons) and other vehicles under three (3) tons gross weight not licensed for commercial use, not used as a means of conveyance for commercial products and supplies and not bearing advertising. The parking of recreation vehicles (including self-contained camping vehicles), shall be regulated by the Board of Trustees according to resolutions it shall adopt and promulgate, provided that the Board of Trustees shall allow reasonable temporary parking rights to accommodate overnight parking for guests and trip preparation.

All parking areas except those contained within Lots conveyed to Owners of Living Units shall be considered Common Area properties, subject to the control and supervision of the Association, and the Association may promulgate, adopt, and enforce such rules and regulations as it shall deem necessary to the orderly, effective, and beneficial use thereof, including penalties against violations of such rules and regulations, and assignment of parking spaces.

ARTICLE VIII **PROTECTIVE COVENANTS**

Section 1. Completion of Structures. The exterior of all structures and grounds related thereto must be substantially completed in accordance with the plans and specifications approved by the Architectural Review Board within twelve (12) months after construction of the same shall have commenced, except that said Board may grant extensions where such completion is impossible or is the result of

matters beyond the control of the Owner or builder, such as strikes, casualty losses, national emergencies or acts of God.

Section 2. Residential Use. All property designated for residential use shall be used, improved and devoted exclusively to residential use. Nothing herein shall be deemed to prevent the Owner from leasing a Living unit to a single family, subject to all of the provisions of the Declaration.

Section 3. Vehicles. Use and storage upon the Common Area and Lots of all vehicles and recreational equipment shall be subject to rules promulgated by the Board of Trustees as provided herein. Without limiting the generality thereof:

- (a) All motor vehicles shall be currently licensed and maintained in proper operating condition so as not to be a hazard or nuisance by noise, exhaust emissions or appearance.
- (b) All motor vehicles including, but not limited to trail bikes, motorcycles, dune buggies, snowmobiles, shall be driven only upon paved streets and parking lots. No motor vehicles shall be driven on pathways or unpaved Common Areas, except for such pathways as may be designated for such use by the Association and except such vehicles as are authorized by the Association as needed to maintain, repair, or improve the Common Areas.
- (c) Overnight parking of all recreational vehicles and related equipment shall be in garages or in areas designated by the Association for such parking.
- (d) All vehicles shall be parked in residents' driveways or on the street. Owners and residents shall be responsible for damage caused to the Heatherwood common property areas through the negligent operation of their vehicle(s).
- (e) Owners of all vehicles shall adhere to all posted traffic signs.
- (f) No driveway, street, or common property area shall be used for the repair of automobiles or motor vehicles of any kind, except for emergencies.
- (g) No driveway, street, or common property shall be used for the parking, storage, and/or repair of boats and canoes, boat trailers, house trailers, and trucks that exceed ³/₄ ton in weight, motor homes, campers or camper-type add-ons, or commercial vehicles.
- (h) Vehicles parked on driveways shall not block sidewalks or be parked on the lawn.
- (i) The following classes of vehicles may be parked in the driveway or in the street:
 - 1. Passenger cars
 - 2. Station wagons
 - 3. Vans rated at three-quarter (3/4) ton capacity or less
 - 4. Pickup trucks rated at three-quarter (3/4) ton capacity or less
 - 5. Motorcycles

(j) The following classes of vehicles may not be parked in the driveway or in the street:

1. Motor homes
2. Trailers
3. Campers or camper-type add-ons
4. Boats
5. School buses and the like
6. Ambulances and the like
7. Snowmobiles

(k) No commercial vehicle shall be left parked on any street or driveway longer than is necessary to perform the business function of such vehicle in the area. Commercial vehicles include pickup trucks, tow trucks, vans, or any vehicle used in a business or trade other than passenger cars.

(l) No inoperable, disabled, abandoned, or unregistered motor vehicle of any type shall be stored or parked on any street or any driveway unless within an enclosed garage.

(m) No vehicle shall be parked in a manner that would obstruct any pedestrian walkway.

(n) No commercial vehicle shall be parked in a driveway or on the street overnight.

Section 4. Pets. All pets shall be walked on a leash at all times. Any animal outside any unit must be leashed and at no time shall it create a nuisance of any kind. Animal owners should exercise common courtesy and avoid walking their pets within close proximity of people or other pets or animals.

(a) All dogs shall be attended by the owner or owner's representative and kept on a leash.

(b) All dogs shall wear a visible Washington Township registration tag when outside of pet owner's residence. Any dog found unattended without a tag will be turned over to the Washington Township Dog Catcher.

(c) Pet owners shall not walk their pets on other homeowners' properties.

(d) Pet owners shall not allow their pets to defecate or urinate on other homeowners' properties.

(e) Pet owners shall not allow their pets to defecate or urinate in the grass area between the curb and the sidewalks.

(f) Pet owners are responsible to clean-up their pet's defecation on owner's property and all of Heatherwood's common grounds.

Dog owners are responsible for adhering to the ordinances of Washington Township regarding care and walking of pets.

Section 5. Clothes Drying Equipment. No clothes lines or other clothes drying apparatus shall be permitted on any Lot.

Section 6. Antennae. Antennae are not permitted.

Section 7. Trash Receptacles.

- (a) All trash shall be placed in a sealed trash can (before being placed at curbside). This will help eliminate odors and avoid any possible disturbance from animals and further avoid loose trash from blowing throughout the community. Any excess trash shall be placed in heavy duty tie bags. Exception: Recyclable cans are uncovered.
- (b) All trash containers shall be stored inside a dwelling. At no time may storage containers be stored outside of a dwelling.
- (c) In accordance with Township ordinances trash shall not be placed at the curb before 6 p.m. on the day preceding trash pickup. Excess trash in heavy duty tie bags can only be placed at the curb on the day of trash pickup.
- (d) Be aware that holidays generally delay trash pickup by one day.

Section 8. Trash Burning. Trash, leaves and other similar material shall not be burned.

Section 9. Signs.

- (a) One unlighted sign advertising a property for sale may be placed inside a window provided it does not exceed 30 inches by 48 inches overall.
- (b) One "For Sale" sign (not to exceed 24" by 24") advertising a property for sale is permitted in front yard.
- (c) Open house signs are permitted only on the day of the open house. Sign shall be removed within two (2) hours after the open house is closed.
- (d) One Political sign (not to exceed 24" by 24") is permitted in front yard. Sign may be displayed two weeks prior to the election and be removed one week after the election.
- (e) No other sign may be erected without prior written approval of the Board of Trustees, with the exception of one security sign (i.e., alarm sign) front and back of home.

Section 10. Mailboxes. Only mailboxes meeting the design standards of the Association shall be permitted, except for mail depositories of the U.S. Postal Service.

Section 11. Vegetation. No live trees with a diameter in excess of six inches, measured twelve inches above ground, nor trees in excess of three inches in diameter, similarly measured, which are generally known as flowering trees (such as dogwood or redbud) or as broad leaf evergreens, nor live vegetation on slopes of greater than twenty percent gradient, may be cut without prior approval of the Architectural Review Board. The Association shall set rules for cutting of such vegetation to allow for selective clearing or cutting.

Section 12. Construction Dumpsters. In the case when a construction dumpster is needed to be housed on a homeowner's driveway, homeowner is responsible to inform the Board of Trustees. Dumpster may remain on driveway for no more than two (2) weeks. If more time is required, homeowner shall request approval from the Board of Trustees.

Section 13. Contracted Services. Residents shall refrain from direct interference with any contracted services provided by the Heatherwood Homeowners' Association, inclusive, but not limited to lawn cutting and snow removal. Any issues/complaints are to be called into the Management Office.

Section 14. Rules. From time to time the Board of Trustees shall adopt general rules, including but not limited to rules to implement the provisions of this Article and such rules as are required herein. Such general rules may be adopted or amended by a two-thirds (2/3) vote of the Board, following a hearing for which due notice has been provided. All such general rules and any subsequent amendments thereto shall be placed in the Book of Resolutions and shall be binding on all Members, except where expressly provided otherwise in such rule.

Section 15. Compliance. All residents of Heatherwood are expected and legally bound to abide by the Declaration of Covenants and Restrictions, Bylaws, and Rules and Regulations of the Heatherwood Homeowners' Association. Heatherwood's enforcement procedure will be enforced when there is non-compliance by a homeowner or homeowner's family member and/or guest. Please refer to Exhibit C — Bylaws — Article XIV — Section 2 — Fines.

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Section 13. Exceptions. The Board of Trustees may issue temporary permits to except any prohibitions expressed or implied by this Article, provided the Board can show good cause and acts in accordance with adopted guidelines and procedures.

So long as the Developer is engaged in developing or improving, any portion of the Properties, such persons shall be exempted from the provisions of this Article affecting movement and storage of building materials and equipment, erection and maintenance or directional or promotional signs and conduct of sales activities, including maintenance of model Living Units. Such exception shall be subject to such rules as may be established by the Developer to maintain reasonable standards of safety, cleanliness and general appearance of the Properties.

ARTICLE IX

INSURANCE

Section 1. Obligation of Owners. In order to protect adjoining Owners and to insure there are sufficient funds available to an Owner to restore his Living Unit in case of damage or destruction, each Owner of a Lot upon which a single detached Living Unit is constructed shall maintain an insurance policy that is the equivalent of a standard homeowners policy in an amount equal to the full replacement value (exclusive of land, excavation and other items normally excluded from coverage) of all improvements constructed on such Lot. Any policy obtained shall list the Association as a certificate holder and provide that it may not be canceled except upon ten (10) days' written notice to the Association.

Each such Owner shall pay for such fire and extended coverage insurance when required by the policy therefor, and if the Owner fails to obtain such fire and extended coverage insurance, or fails to pay such insurance premiums as required, the Association may (but shall not be obligated to) obtain such insurance and/or make such payments for such Owner, and the costs of such payments shall thereupon become a Special Assessment on the Owner's Lot and Living Unit.

DB3316-P030

ARTICLE X EASEMENTS

Section 1. Utility Easements.

- (a) Perpetual easements for the installation and maintenance of sewerage, water, drainage, electric, telephone and other utilities, for the benefit of the adjoining landowners and/or the municipality and/or municipal or private utility company ultimately operating such facilities, are reserved as shown on the subdivision map of the Properties filed with the County Clerk of Gloucester County, New Jersey; further reserved are easements in general in and over each Lot for the installation and maintenance of all such utilities. No building or structure shall be erected within the easement areas set aside for the use of or occupied by such utilities.

- (b) Perpetual easements for the construction, paving maintenance, repair and replacement of walkways for pedestrian use are hereby reserved in and over each Lot for the exclusive benefit of the Association, its Members, their invitees and licensees. The easements are located as shown on the map of the Properties filed with the Clerk of Gloucester County, New Jersey. The aforesaid perpetual easement area and paving shall be maintained by the Association except where such maintenance is assumed by the municipality, its agents or assigns, or any public or private utility company, its agents or assigns. No building, fence or structure shall be erected in or over same.

Section 2. Developer's Easement to Correct Drainage. For a period of five (5) years from the date of conveyance of such Lot, the Developer reserves a blanket easement and right on, over and under the ground within that parcel to maintain and to correct drainage of surface water, in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil or to take any other action

reasonably necessary, following which the Developer shall restore the affected property to its original condition, as nearly as practicable. The Developer shall give reasonable notice of intent to take such action to all affected Owners, unless in the opinion of the Developer an emergency exists which precludes such notice.

Section 3. Construction Easements and Rights. Notwithstanding any provision of this Declaration or of any Supplementary Declaration, as long as the Developer is engaged in developing or improving any portion of the Properties, such person shall have an easement of ingress, egress and use over any lands not conveyed to an Owner for occupancy for (1) movement and storage of building materials and equipment, (2) erection and maintenance of directional and promotional signs, and (3) conduct of sales activities, including maintenance of model Living Units. Such easement shall be subject to such rules as may be established by the Developer to maintain reasonable standards of safety, cleanliness and general appearance of the Properties.

Section 4. Easement to Inspect. There is hereby created an easement in favor of the Association for ingress and egress on any Lot to inspect such property for (a) alleged violations of the Governing Documents, and (b) compliance with architectural standards and/or approved plans for alterations and improvements, provided such inspection is performed during reasonable hours.

Section 5. Easement for Drainage Facilities. The Developer shall have an easement for the construction of certain Drainage Facilities as shown on the Modified Grading and Drainage Plan- Heatherwood, prepared by Consulting Engineer Services dated March 1, 2002 and revised December 10, 2002 (the "Drainage Easement"). The terms of the easement are more fully set forth in that certain Drainage Easement Agreement dated as of February 2003, intended to be recorded simultaneously herewith in the Office of the Clerk of Gloucester County. The said Drainage Plan is attached as Exhibit "C" to the Drainage Easement Agreement. Once satisfactory completion of the Drainage Facilities is confirmed to meet the intent of the Modified Grading and Drainage Plan by inspection and approval of the municipal engineer, the Association shall have the responsibility to maintain the Drainage Facilities as described in the Drainage Easement Agreement.

Section 6. Drainage Easement Area. The Heatherwood Homeowners' Association shall have responsibility for the underground drainage pipes within the Drainage Easement Area. The owners of the Lot shall have responsibility for the maintenance of said area, inclusive of retention wall and surrounding landscaping in which items are located, more specifically, within the title line of the homeowner's property. Furthermore, the homeowner shall have responsibility for keeping area clean and free of debris.

ARTICLE XI
GENERAL PROVISIONS

Section 1. Duration. The Covenants and restrictions of this Declaration shall run and bind the land in perpetuity, except to the extent amended pursuant to the provisions of this Declaration.

Section 2. Amendment. For a period of five (5) years after the recording of this Declaration, the Developer may make any amendment required by the Federal Mortgage Agencies as a condition of approval of the documents by the execution and recordation of such amendment following registered notice to all Owners. After such five (5) year period, or to make any amendment which is not one required by such agencies, any amendment shall be accomplished by a voting approval of not less than sixty percent (60%) of the voting membership. Any amendment must be recorded. The Board of Trustees may by majority vote recommend such amendment to the Members.

Section 3. Enforcement. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration and of any Supplementary Declarations. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Severability. Invalidation of any of these covenants or restrictions by judgment or Court Order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 5. Conflict. In the event of a conflict among the Governing Documents, this Declaration shall control, then Supplementary Declarations, then the Articles of Incorporation of the Association, then the Bylaws, then the Book of Resolutions; except in all cases where the Governing Documents may be found to be in conflict with New Jersey Statutes, the Statute shall control.

Section 6. Limits on Association Opposition.

- (a) As long as there is a Class B membership, the Association may not use its resources in opposition to the Master Plan as approved by the appropriate public agencies.
- (b) The authority to represent the Association is granted solely to the Association Board of Trustees and any statement of policy or position must be approved by a majority of the Board of Trustees at a regular, special or executive meeting of the Board of Trustees. Nothing in this section shall be construed to limit the rights of the Members, whether acting as individuals or in affiliation with other Members or groups.

Section 7. Interpretation. Unless the context otherwise requires, the use herein of the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the term "including" shall mean "including, without limitation." This Declaration shall be liberally construed in favor of the party seeking to enforce the provisions hereof to effectuate the purpose of protecting and enhancing the value, marketability, and desirability of the Properties by providing a common plan for the development.

Section 8. Age and Occupancy Requirements. The following age and occupancy requirements shall be applicable to all Living Units:

- (a) No more than three (3) residents may permanently reside in any one Living Unit;
- (b) Of the three (3) permanent residents identified in sub-section (a) above, at least one must be 55 years of age or older;
- (c) No one under the age of eighteen (18) may permanently reside in any one Living Unit.

This section shall not be construed to prohibit the occupants of any residential Living Units from entertaining guests of any age in their Living Units, including temporary residents therein not to exceed three (3) months, though full time occupancy shall be limited to three (3) persons as hereinabove set forth. Nothing herein shall be construed to preclude ownership of any residential Living Unit by a person who does not fall within the category of permissible occupants, but any such person shall not be permitted to occupy any such Living Unit.

- (d) All sales in the Heatherwood community shall be to buyers who intend to have their residence occupied by at least one (1) permanent resident fifty-five (55) years of age or older.
- (e) The owner/seller of any residence in this community must notify any potential buyer of a residence that Heatherwood is an age-restricted community (i.e., "55 and older") and must provide each prospective buyer with a complete and up-to-date copy of the Declaration of Covenants and Restrictions, Bylaws, and Rules and Regulations of this community.

- (f) The Association's management company must be notified by the seller of a residence in the community of the pending sale of the residence *before* settlement occurs to ensure that the potential buyer has been advised of all of the rules, regulations, and restrictions that apply to ownership in this community, that they comply with such restrictions, and that they have been provided with a copy of each as described in Section 8(e). Please refer to Declaration of Covenants – Article VI – Section 3 – Resale of Lots, for additional requirements.
- (g) If an owner intends to lease/rent his residence, at least one of the resident tenants must be fifty-five (55) years of age or older.
- (h) The Association's management company must be notified by the owner of a residence in the community of the pending lease of the residence *before* the tenancy commences to ensure that the potential tenant has been advised of all of the rules, regulations, and restrictions that apply to residing in this community, that he comply with such restrictions, and that he has been provided with a copy of each as described in Section 8(e). Any lease/rental agreement used in conjunction with the rental of a residence in this community must include provisions setting forth the aforementioned restrictions, and a copy of same must be provided to and kept on file by the Association's management company. Please refer to Declaration of Covenants – Article VI – Section 4 – Leasing of Units, for additional requirements.
- (i) Should the tenant not comply with such rules, regulations, and restrictions, the Association shall hold the Owner responsible for compliance.

Section 9. Amendments/Correcting Errors. If any amendment to this Declaration, or Bylaws is necessary in the judgment of the Board of Trustees to change, correct, or supplement anything appearing or failing to appear therein which is incorrect, defective, or inconsistent with anything in either this Declaration, the Bylaws, or applicable New Jersey Laws, or such amendment is necessary to conform to the requirements of the Federal National Mortgage Association, the Federal

Home Loan Mortgage Corporation, the Department of Housing and Urban Development or the Veterans' Administration with respect to planned community projects, the Board of Trustees may, at any time and from time to time effect an appropriate corrective amendment without the approval of the Living Unit Owners or the holders of any liens on all or part of the Property, upon receipt by the Board of Trustees of an opinion from independent counsel to the effect that the proposed amendment is permitted by the terms of this paragraph, together with a like opinion from an independent registered architect or licensed professional engineer, in the case of an amendment to the Plan. Each amendment shall be effective upon its recording.

Section 10. Rights of First Mortgagees.

1. Unless at least two-thirds (2/3) of the first mortgagees – (based upon one vote for each first mortgage owned) or owners (other than the sponsor, Developer or builder) of the individual Living Units or Lots in the Properties have given their prior written approval, the Association shall not be entitled to:

(a) by act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Area property owned, directly or indirectly, by such Association, Corporation or trust for the benefit of the Living Units or Lots in the Properties;

(b) change the method of determining the obligations, assessments, due or other charges which may be levied against a Lot or Living Unit Owner;

(c) by act or omission, change, waive, or abandon any scheme of regulations or enforcement thereof, pertaining to the architectural design or the exterior appearance of Living Units, the exterior maintenance of Living Units, the maintenance of the Common Area walkways or common fences and driveways, or the upkeep of lawns and plantings in the Properties;

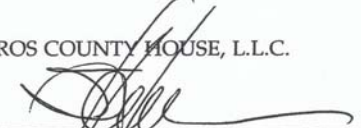

(d) fail to maintain fire and extended coverage on insurable Common Area property on a current replacement cost basis on an amount not less than one hundred (100%) percent of the insurable value (based on current replacement cost);

(e) use hazard proceeds for losses to any Common Area property for other than the repair, replacement or reconstruction of such Common Area property.

2. First mortgagees of Lots or Living Units may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area property and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

A first mortgagee, upon request, is entitled to written notification from the Association of any default in the performance by the individual Lot or Living Unit Borrower of any obligation under the Declaration which is not cured within sixty (60) days.

IN WITNESS WHEREOF, the undersigned being the Developer herein, has caused its seal to be hereunto affixed and these presence to be signed by its officers thereunto duly authorized the day and year first above written.

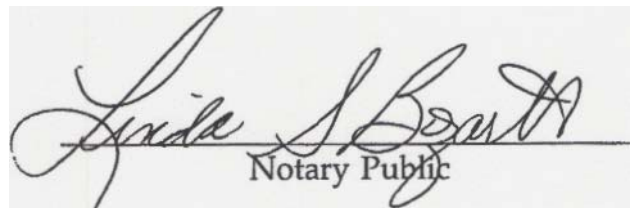
✓ HOVBROS COUNTY HOUSE, L.L.C.
By: 
Stephen J. Hovnanian, Managing Member
✓ By: 
Peter J. Hovnanian, Managing Member

STATE OF NEW JERSEY

SS

COUNTY OF BURLINGTON

I CERTIFY that on September 7, 2001, Stephen J. Hovnanian and Peter J. Hovnanian personally came before me, the undersigned witnessing authority, and acknowledged under oath to my satisfaction, that these persons are the Managing Members of Hovbros County House, L.L.C., a New Jersey limited liability company, and they acknowledged that they signed and delivered the within document as such officers aforesaid, and that the document is the voluntary act and deed of such company.



LINDA S. BOZARTH
NOTARY PUBLIC OF NEW JERSEY
I.D. # 2215239
Commission Expires 6/30/2003

wm/hovnanian/Heatherwood/declaration of covenants 8/8/01

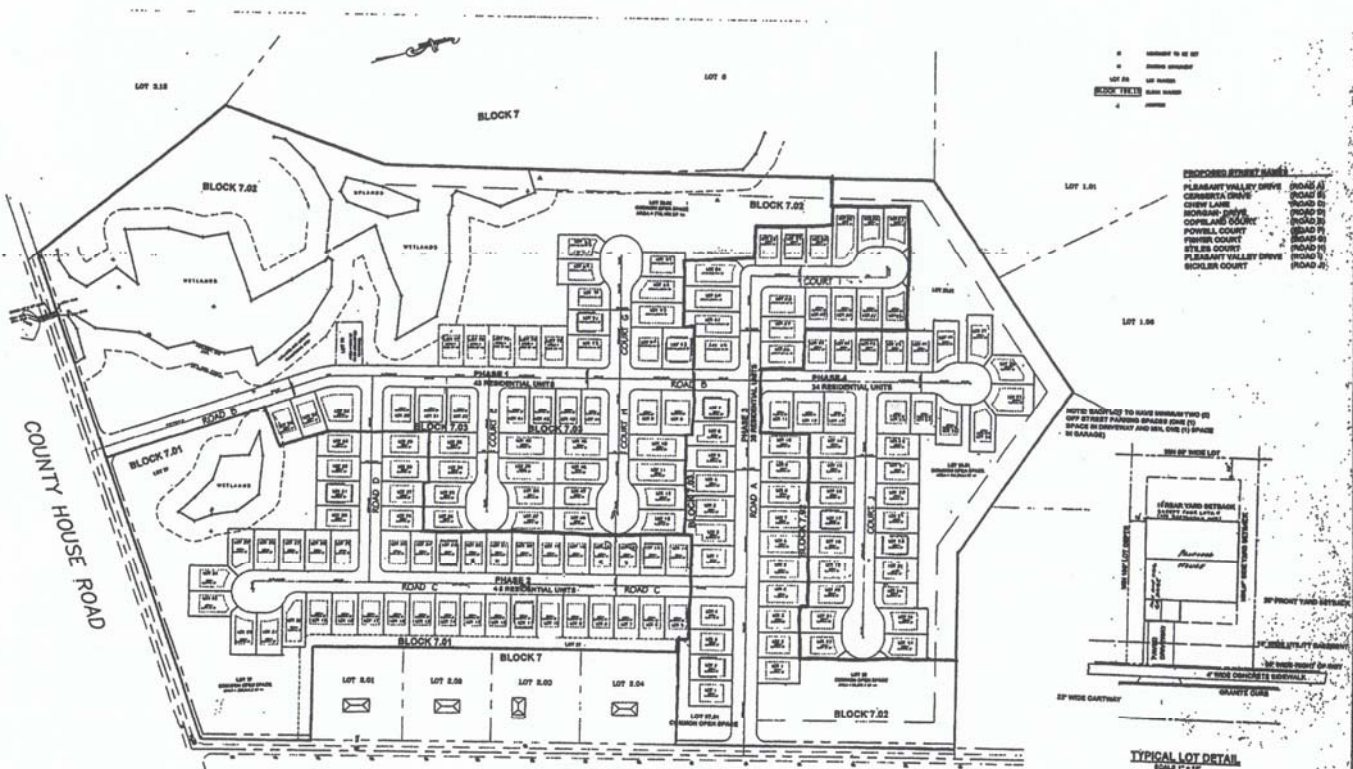
HEATHERWOOD HOMEOWNERS' ASSOCIATION RESPONSIBILITY MATRIX

AREA	HOMEOWNER	ASSOCIATION	TOWNSHIP	REFERENCES
CURB	N/A	Responsible for maintenance and repair.	N/A	Engineer Study
DRIVEWAY	Responsible for maintenance, repair, and snow removal less than 2" and ice removal.	Responsible for snow removal of 2" and greater.	N/A	Declaration of Covenants Article VI - Section 2A Article VI - Section 2C
DRIVEWAY APRON	Responsible for maintenance, repair, and snow removal less than 2" and ice removal.	Responsible for snow removal of 2" and greater.	N/A	Declaration of Covenants Article VI - Section 2A Article VI - Section 2C
EXPANSION JOINTS	Responsible for expansion joints located on driveway, aprons, and front door pathway.	Responsible for expansion joints located on sidewalks inclusive of joints dividing sidewalk and apron.	N/A	Declaration of Covenants Article VI - Section 2A Article VI - Section 2D
EXTERIOR BUILDING MAINTENANCE	Responsible for all building maintenance, i.e., roof, siding, painting of wood trims, etc.	Enforces related rules	N/A	Declaration of Covenants Article VI - Section 2A
FLOWERBEDS	Responsible for maintenance, i.e., weeding, watering, mulching, etc.	Enforces related rules.	N/A	Declaration of Covenants Article VI - Section 2A
FRONT DOOR PATHWAY	Responsible for maintenance, repair, and snow removal less than 2" and ice removal.	Responsible for snow removal of 2" and greater.	N/A	Declaration of Covenants Article VI - Section 2A Article VI - Section 2C
GRASS AREA BETWEEN SIDEWALK & STREET	Responsible for lawn care, i.e., fertilization, weed control, watering, etc.	Responsible for lawn cutting and edging. Enforces related rules.	N/A	Declaration of Covenants Article VI - Section 2B
HANDICAP RAMPS	N/A	Responsible for snow removal of 2" or greater. Ice removal is at the discretion of the Board of Trustees. Responsible for maintenance repair and mat replacement.	N/A	Engineer Study
LAWN	Responsible for lawn care, i.e., fertilization, weed control, watering, etc.	Responsible for lawn cutting and edging. Enforces related rules.	N/A	Declaration of Covenants Article VI - Section 2B
MAILBOX & POST	Responsible for maintenance, i.e., painting, etc.	Enforces related rules.	N/A	Declaration of Covenants Article VI - Section 2A
SIDEWALKS	Responsible for any damage, destruction, or alteration caused by the homeowner.	Responsible for maintenance, repair, snow removal greater than 2". Ice removal is at the discretion of the Board of Trustees. Enforces related rules.	N/A	Declaration of Covenants Article VI - Section 2A Article VI - Section 2C Article VI - Section 2D
STREETS	N/A	N/A	Responsible for maintenance, repair, snow & ice removal.	N/A
STREET TREES	Responsible for maintenance, i.e., pruning, spraying, fertilization, and replacement of dead trees. Replacement of dead street trees is optional.	Enforces related rules.	Responsible for setting standards.	Declaration of Covenants Article VI - Section 2B And Exhibit F - Section P

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DECLARATION
OF COVENANTS AND RESTRICTIONS
F O R
HEATHERWOOD

EXHIBIT A SITE PLAN



* UNIMPROVED TO BE BUILT
 * IMPROVED
 LOT 20 LOT 21
 BLOCK 7.01 BLOCK 7.02

PROPOSED STREET NAME

PLEASANT VALLEY DRIVE	ROAD A
CERAMICA DRIVE	ROAD B
CHRYSLER DRIVE	ROAD C
BOHANNON DRIVE	ROAD D
COVELAND COURT	ROAD E
POWELL COURT	ROAD F
POWER COURT	ROAD G
STILES COURT	ROAD H
PLEASANT VALLEY DRIVE	ROAD I
BOHLER COURT	ROAD J

NOTES: 1. TO BE REPLACED TO HAVE DIMENSIONS AS SHOWN ON THIS SET.
 2. SEE STREET PLANNING SHEETS FOR THE SPACING OF CURBS AND SIDEWALKS.
 3. SEE SHEET 1 FOR THE SPACING OF CURBS AND SIDEWALKS.



TYPICAL LOT DETAIL
SCALE 1" = 10'

FINAL SUBDIVISION PLANS

MT. PLEASANT VALLEY SENIOR CENTER FAMILY SUBDIVISION
 OVERALL PLAN
 BLOCK 7, LOT 3, TAX MAP PLATE 1
 WASHINGTON TOWNSHIP, BLOOMFIELD COUNTY, NEW JERSEY

PAUL W. GREGER
 NEW JERSEY PROFESSIONAL ENGINEER, LICENSE NO. 22952

GREGER CONSULTANTS, LLC
 ENGINEERS, PLANNERS AND CONSTRUCTION MANAGERS
 P.O. BOX 159, CLARKSON, NEW JERSEY 07033-0159
 908-881-8817 908-881-8843 (FAX)

DATE: APRIL 23, 2009 SCALE: AS NOTED SHEET NO. 7 OF 7

REVISIONS

NO.	DATE	DESCRIPTION	BY
1	10-20-08	PROVIDE 1 GENERAL	MM
2	10-28-08	REPLACE CURB AND SIDEWALK	MM
3	11-20-08	1.04 AREA TO BE TYPICAL LOT	MM
4	12-22-08	REV. LOT 3E TO BE 1.04	MM
5	1-20-09	REV. DRIVE TO 10' WIDE	MM
6	5-1-09	REV. DRIVE TO 10' WIDE	MM

PROPOSED DEED RESTRICTION
 PROPOSED LOTS 1A, 17, 21 & 22, BLOCK 7.01 SHALL HAVE A DEED RESTRICTION PREVENTING THE REDUCTION OF THE REAR YARD SETBACK FOR THE CONSTRUCTION OF DECKS, PATIOS, BATHROOMS AND OTHER BUILDING ADDITIONS.

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