

**HEATHERWOOD HOMEOWNERS' ASSOCIATION,  
INCORPORATED**

**E X H I B I T " C "**

**BYLAWS**

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**BYLAWS**

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EXHIBIT "C"

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HEATHERWOOD HOMEOWNERS' ASSOCIATION, INCORPORATED

## ARTICLE I NAME AND LOCATION

The name of the corporation is Heatherwood Homeowners' Association, Incorporated, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 900 Birchfield Drive, Mount Laurel, New Jersey 08054; but meetings of members and trustees may be held at such places as may be designated by the Board of Trustees.

## ARTICLE II SEAL

The corporation seal of the Association shall be in circular form and shall bear the name of the Association and such other language as is required by the laws of New Jersey.

## ARTICLE III DEFINITIONS

Wherever words are used herein which have a specific meaning in the Declaration of Covenants and Restrictions, such definitions shall apply herein as well.

## ARTICLE IV MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held on the second Thursday of January, 2002 and each subsequent regular annual meeting of the members shall be held on the second Thursday of January of each year thereafter, at the hour of 7:30 P.M. or such other date and hour fixed by the Board of Trustees. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Trustees, or upon written request of one-tenth of the owners.

**Section 3. Proxies.** Each member may vote in person, by proxy or by mail-ballot. All proxies shall be in writing in the form prescribed by the Board and filed with Heatherwood secretary. Every proxy shall be revocable and shall automatically *expire* after one year.

**Section 4. Method of Voting.** Questions to be submitted to the members may be decided at a meeting or by ballot vote, by mail, at polling places designated by the Board. The Board, in its discretion, may also permit voting electronically. The Board shall determine, by resolution, the method of voting and give notice thereof as provided herein.

## **ARTICLE V** **BOARD OF TRUSTEES**

**Section 1. Number of Trustees.** The affairs of the association shall be managed by a Board of five (5) Trustees.

**Section 2. Term.** The term of each Trustee shall be two-years, and each Trustee shall serve until successor Trustees shall be duly elected and qualified. The trustees elected by the Class A Members shall be divided into staggered classes, so that each year the term or one-half of such members shall expire.

**Section 3. Method of Nomination.** Notices seeking nominations/candidates for the board must be sent to all owners of record, not less than 30 days before the notice of the election meeting is sent.

- (A) Nominees/Candidates requesting to have their names placed on the Election Ballot, shall file "Request for Nomination/Candidate Form". This form must be received by the management office at least thirty (35) days before the annual/elections meeting.
- (B) Thereafter the Management Office shall provide all households with an election ballot containing the names listed alphabetically of all bona fide nominations/candidates with notice of annual/elections meeting.

**Section 4. Method of Election.** Nominee's/Candidate's names must be listed alphabetically on all ballots, proxy ballots and mail-in ballots. Election shall be by secret ballot in accordance with the procedures established by the Board of Trustees and implemented by the Elections Committee. The balloting for the Trustees shall be in accordance with the procedure established in Section 8. The owners of each Home are entitled to one (1) vote for each Home owned. (Refer to Declaration of Covenants – Article V – section 2C) Cumulative voting is not permitted, more specifically, you can only vote for each candidate once, regardless of how many vacant positions exist. Those persons receiving the largest number of votes shall be

elected and their term shall commence immediately upon election. If validated petitions of candidacy are filed by members equal to or less than the number of vacancies on the Board of Trustees, the Management office will so certify, in writing, to the Board of Trustees that the candidates are elected without opposition. The Board of Trustees shall notify the Association members of the election results and that balloting will not be conducted. In an election where no candidates have filed valid requests for nomination/candidacy by the established deadline for a vacancy on the Board of Trustees, the Management Office will so certify, in writing, to the Board of Trustees, who at the annual meeting, will appoint for each vacancy, a member to the first half, (one (1) year), of the two (2) year term. In the next succeeding election, nominees/candidates will be accepted for election to the second half, (one (1) year) of the two (2) year term.

**Section 5. Resignation and Removal.** The unexcused absence of a Trustee from three (3) consecutive regular meetings of the Board shall be deemed a resignation. Any elected Trustee may be removed from the Board, with or without cause, by a two-thirds (2/3) majority vote of the Class A voting membership of the Association.

**Section 6. Vacancies.** In the event of death, resignation or removal of an elected Trustee, his/her successor shall be selected by the remaining elected Trustees. Announcement of such selection shall be made at the next Open meeting or at an earlier Special meeting of the Board held for that purpose after occurrence of any such vacancy. Refer to Article VI – Section 5, Meeting Requirements. The selected Trustee appointed to such vacancy shall serve for the unexpired term of his/her predecessor.

**Section 7. Qualifications of Members of the Board of Trustees.** Trustees must be members in good standing of the Association and to ensure consistency with current voting rights, more specifically, each Class A Member shall be owners and shall be entitled to one (1) vote for each Home owned, no two (2) members and/or residents of the same household may serve as a Board member at the same time. Please refer to Declaration of Covenants – Article V – Section 2C.

**Section 8. Nomination Process.** In preparation for a Board of Trustees' election, the following process shall be followed:

- (A) Written communication announcing a Board of Trustee' Election is to be sent to all homeowners of record by mail, personal delivery, or by electronic means, along with Request for Nomination/Candidate Form. Completed forms are required to be received by the Management Office at least thirty-five (35) days before the annual/elections meeting.

- (B) Once nominations/candidates have been received, the Management Office validates how many nominations/candidates have been received for the number of vacancies. If validated nominations/candidates are filed by members equal to or less than the number of vacancies on the Board of Trustees, the nominees/candidates are elected without opposition. The Management Office informs the Board of Trustees. The Board of Trustees sends a communication to the homeowners regarding same. If nominations/candidates received are more than the number of vacancies, an election shall be held.
- (C) The Management Office verifies that each nominee's/candidate's form is complete and that all are of good standing.
- (D) The Board of Trustees sends out a written communication to all home owners, of record by mail, personal delivery, or by electronic means, announcing nominees/candidates along with voting form, a copy of the nominee's/candidates request form, and a stamped self-return envelope. Please note the following:
- Telephone numbers on the nominee's/candidate' request form need to be removed.
  - The self-return envelope needs to be coded, i.e., "BE" to differentiate from other mailings.
  - Annual/elections meeting notices must be sent to all members fourteen (14) or more days before the annual/election meeting date, but not more than sixty (60) days before the meeting date.
  - Homeowners must be notified of a return date deadline to ensure votes are received in time for the Election meeting.
  - Returned envelopes to the Management office shall be date stamped and REMAIN sealed.
- (E) The Board of Trustees shall verify the attendance of the Elections Committee members.
- (F) At the Elections meeting, the following process shall be followed:
- A representative of the Board of Trustees requests that the Elections Committee members arrive at least thirty (30) minutes early to the annual/lection meeting.
  - The Board of Trustees requests that each member of the Elections committee sign a Committee Member Confidentially Statement that reinforces the important of keeping the information secret.
  - The Management Office ensures that all mail-in ballots are brought to the Elections Meeting If a representative from the Management office is unable to attend, a member of the Board of Trustees or Elections Committee will make arrangements to pick up the ballots.

- The Elections Committee Chairperson makes themselves available to collect any ballots that are brought to the Elections Meeting.
  
- During the annual/elections meeting, the Elections Committee members shall complete the following:
  - Open all sealed ballots
  - Ensure that there is no more than one (1) vote per household, by matching name and address with homeowner listing.
  - Ensure there is no more than one vote per Nominee/Candidate per ballot.
  - Count the votes for each Nominee/Candidate.
  - Verify accuracy of counted votes.
  - Complete Voting Summary.
  - The Elections Chairperson announces Nominee's/Candidate's names with the highest votes received equivalent to the number of vacancies.
  - Chairperson places all related election papers in a sealed envelope and gives to Management Office.



Section 9. Compensation. No Trustee shall receive compensation for any service he/she may render to the Association. However, any Trustee may be reimbursed for his/her actual expenses incurred in the performance of his duties.

**ARTICLE VI**  
**MEETINGS OF THE BOARD OF TRUSTEES AND**  
**THE ARCHITECTURAL REVIEW BOARD**

Section 1. Regular Meetings. Regular meetings of the Board of Trustees and Architectural Review Board shall be held as follows:

- (a) The Board of Trustees shall meet on a quarterly basis on a date set by the Board of Trustees.
- (b) The Architectural Review Board shall meet on the second Wednesday of each month.

The date, place, and hour of any Board meeting may be fixed from time to time by resolution of the Board.

A written notice of all meetings shall be communicated ten (10) business days in advance of any meeting by the management office.

All Regular Meetings of the Board of Trustees shall be open to any member for observation.

Section 2. Special Meetings. Special meetings of the Board of Trustees shall be held when called by the President of the Association, by its chairperson, or by any two members of such Board after not less than three (3) business days notice to each member of the Board. All Special Meetings of the Board of Trustees shall be open to any member for observation.

Section 3. Quorum. A majority of the members of the Board of Trustees shall constitute a quorum for the transaction of business, except in no event shall a quorum be less than three (3) members.

Section 4. Executive Sessions. The President of the Association may call the Board of Trustees into executive session on matters of personnel or for hearings on infractions of published rules and regulations.

Section 5. Meeting Requirements. All meetings of the Executive Board, except conference or working sessions at which no binding votes are to be taken, shall be open to attendance by all members, and adequate notice of any such meeting shall be given to all members in such manner as the bylaws shall prescribe; except that the Executive Board may exclude or restrict attendance at those meetings, or portions of meetings, dealing with:

- (a) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- (b) Any pending or anticipated litigation or contract negotiations;
- (c) Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer;
- (d) Any matter involving the employment, promotion, discipline or dismissal of a specific officer or employee of the association.

At each meeting required under this section to be open to all members, the participation of members in the proceedings or the provision of a public comment session shall be at the discretion of the Executive Board, minutes of the proceedings shall be taken, and copies of those minutes shall be made available to all unit owners before the next open meeting.

Legal Reference: NJSA 45:22A-46.

Section 6. Records of Meetings. The minutes of all Board meetings shall be kept by the Secretary of such Board.

The Board of Trustees shall cause to be kept a complete record of all its corporate affairs including the Book of Resolutions, papers and records of the Association, including financial records. Any member or institutional holder of a first mortgage on any living unit may inspect the records of the Association as described herein during normal business hours (as established by the Association) at the principal office of the Association. Members and mortgagees shall give twenty-four (24) hours advance notice of intent to inspect the Association records.

## **ARTICLE VII** **POWERS AND DUTIES OF THE BOARD OF TRUSTEES**

Section 1. Powers. The Board of Trustees shall have power to:

- (a) Exercise for the Association all powers, duties, and authority vested in or

delegated to this Association by law, the Declaration of Covenants and Restrictions or any Supplementary Declaration, and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration of Covenants and Restrictions.

- (b) Employ a manager, an independent contractor, or such other employee as they deem necessary, and to prescribe their duties in accordance with the Governing Documents and the Management Standards.
- (c) Borrow money for the purpose of improving the Common Properties and, in aid thereof, to mortgage said properties, subject to the provisions contained in Article III, Section 3(c) of the Declaration of Covenants and Restrictions, and the approval of the membership as set forth herein.
- (d) Subject to the Declaration of Covenants and Restrictions or other instruments of creation, the Association may do all it is legally entitled to do under the laws applicable to its form of organization.
- (e) The Association shall discharge its powers in a manner that protects and furthers the health, safety, and general welfare of the residents of the community.

- (f) The Association shall provide a fair and efficient procedure for the resolution of disputes between individual unit owners and the Association and between different unit owners that shall be readily available as an alternative to litigation.

Section 2. Duties. It shall be the duty of the Board of Trustees to:

- (a) Adopt and publish rules and regulations to implement the provisions of this Declaration including fees, if any, governing the use of the common properties and facilities, and the personal conduct of the members and their guest(s) thereon, and to include these in the Book of Resolutions. The Board of Trustees shall provide for a fair and efficient procedure for the resolution of disputes between Owners and the Association and between Owners, which shall be readily available as an alternative to litigation. A person other than an Officer of the Association, a member of the Board of Trustees or an Owner involved in the dispute shall be made available to resolve the dispute.
- (b) Suspend the right to use the recreational facilities of an owner during any period in which such owner shall be in default for more than thirty (30) days after notice in the payment of any assessment levied by the Association. Such right may also be suspended for members, after notice and hearing, for a period not to exceed sixty (60) days, for infraction of the Declaration of Covenants and Restrictions or the Book of Resolutions.
- (c) Cause to be kept a complete record of all its corporate affairs including the Book of Resolutions, make such records available for inspection by any member or his agent, and present an annual statement thereof to the members.
- (d) Supervise all officers, agents and employees of the Association and see that their duties are properly performed.
- (e) Adopt and follow procedures for adoption and publication of Board resolutions to be in the Book of Resolutions, including the provision for hearing and notice to members for resolutions on rules, the annual budget and other matters affecting the rights of members.
- (f) Designate depositories for Association funds, designate those officers, agents and/or employees who shall have authority to withdraw funds from such accounts on behalf of the Association, and cause such persons to be bonded, as it may deem appropriate.

- (g) Establish architectural standards for the Properties in accordance with the Book of Resolutions procedures.
- (h) Fix annual general and added assessments at an amount sufficient to meet the obligations imposed by the Declaration of Covenants and Restrictions and all Supplementary Declarations.
- (i) Annually set the date(s) assessments are due, decide what, if any, interest rate is to be applied to assessments which remain unpaid thirty (30) days after they become due.
- (j) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of the due date of the annual assessment or first installment thereof.
- (k) Cause the lien against any property for which assessments are not paid within thirty (30) days after due date to be foreclosed or cause an action at law to be brought against the owner personally obligated to pay same.
- (l) Cause the common properties and facilities to be maintained.
- (m) Enter into mortgage agreements and obtain capital debt financing subject to the provisions of the Declaration of Covenants and Restrictions.
- (n) Appoint such committees as prescribed in Article IX.
- (o) Carry out the duties herein enumerated and any others not herein specifically referred to but contained in the Declaration of Covenants and Restrictions, any Supplementary Declarations, and the Articles of Incorporation of Heatherwood Homeowners' Association, Incorporated.
- (p) Exercise their powers and duties in good faith with a view to the interests of the Association and, to this end, adopt appropriate guidelines for action on matters where a potential conflict of interest may exist.
- (q) Ensure that the Association is in compliance with the Fair Housing Act by conducting a periodic age census survey of the Heatherwood Community.

**ARTICLE VIII**  
**OFFICERS**

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Trustees, a Secretary and a Treasurer, and such other officers as the Board of Trustees may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place no later than the first meeting of the Board of Trustees following each annual meeting of the members. Should the Board want to conduct the election of officers at an earlier date, a special meeting can be held to do so ensuring compliance with Article VI - Section 5. Meeting Requirements.

Section 3. Term. The officers, i.e., President, Vice President, Secretary and Treasurer of this Association shall be elected annually by the Board of Trustees and each hold office for one (1) year unless he/she shall sooner resign or shall be removed or otherwise disqualified to serve.

Section 4. Resignation and Removal.

- a) Any officer may be removed from office, with or without cause by majority vote of the Board of Trustees. Any officer may resign at any time, giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- b) Removal of an elected Trustee from the Board, with or without cause, requires a two-thirds (2/3) majority vote of the Class A voting membership of the Association. Refer to Article V — Section 5. Resignation and Removal.

Section 5. Vacancies. A vacancy in any office shall be filled by appointment by the Board of Trustees. Announcement of such appointment shall be made at the next Open Meeting or at an earlier Special Meeting of the Board held for that purpose after the occurrence of any such vacancy. Refer to Article VI — Section 5. Meeting Requirements. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

Section 6. Multiple Offices. The offices of President and Secretary may not be held by the same person.

Section 7. Duties. The duties of the officers are as follows:

PRESIDENT - The President shall preside at all meetings of the Board of Trustees and of the Association; shall see that the orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign all promissory notes and contracts as the Board may approve from time to time.

VICE PRESIDENT - The Vice President shall act in the place and stead of the President in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such duties as may be required of him/her by the Board.

SECRETARY - The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; maintain the Book of Resolutions; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notices to members as provided in Article X; keep appropriate current records showing the members of the Association

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together with their addresses; and shall perform such other duties as required by the Board.

TREASURER - The Treasurer shall cause all monies of the Association to be deposited in appropriate accounts and disbursed therefrom within the limits of the annual budget or as directed by resolution of the Board of Trustees, shall co-sign any promissory notes and contracts; keep proper books of account; cause an annual audit of the Association books to be made by a certified public accountant at the completion of each full fiscal year; and shall be the chief officer responsible for the preparation of an annual budget and statement of income and expenditures to be presented to the Board and to the membership at its regular meeting.

## ARTICLE IX COMMITTEES

Section 1. Executive Committee. Until the first annual meeting, the Board may, by resolution, designate an Executive Committee of the Board, which shall consist of three or more Directors. To the extent provided in the resolution, the Executive Committee shall have an exercise in the authority of the Board in the management of the affairs of the Association.

Section 2. Elections Committee. The Board shall appoint an Elections Committee no later than two months prior to the annual meeting date. The Committee shall consist of a chairperson who may not be a Trustee, and at least two (2) members, none of whom shall be candidates for office. It shall be the duty of the committee to provide supervision of the nominations and election of Directors in accordance with procedures adopted by the Board and placed in the Book of Resolutions.

Section 3. Other Committees. The Board shall appoint such other committees it deems appropriate to carry out its purpose, including but not limited to an ADR Committee to resolve disputes under Article XIV, a Recreation Committee or a Maintenance Committee.

## ARTICLE X QUORUM AND NOTICE

Section 1. Quorum. The quorum for meetings where action by owners is required by the Declaration of Covenants and Restrictions shall be the presence of owners in person or by proxy who are entitled to cast fifty-one percent of the votes of the owners and the presence of the Class B member. If the required quorum is not forthcoming at the meeting, the meeting may be adjourned to another time no sooner than one week and no later than one month from that date. Should a



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quorum not be present at any meeting, the quorum requirement shall be reduced by half for the subsequent adjourned meeting.

The quorum for all other meetings of members shall be the presence at meetings of members in person or by proxy who are entitled to cast one-tenth (1/10th) of the votes of the members then outstanding.

Section 2. Notice. Written notice of each annual meeting of the members shall be given by, or at the direction of the Secretary or person authorized to call the meeting by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of the notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

### ARTICLE XI FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end the thirty-first day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

### ARTICLE XII INDEMNIFICATION OF OFFICERS AND TRUSTEES

The Board of Trustees of this Association shall authorize the payment of expenses incurred by, or satisfy a judgment or fine rendered or levied against, a present or former Trustee and/or officer of the Association or the estate, executor, administrator, heirs, legatees, or devisees of such person to impose a liability or penalty on such person for an act alleged to have been committed by such person while a Trustee and/or officer, or by the Association, or by both. The Board of Trustees may reimburse such person for amounts paid and expenses, including attorneys fees, reasonably incurred in settling any such action or threatened action; provided, the Board of Trustees determines in good faith that such Trustee and/or officer was acting in his or her official capacity and in good faith within what the Trustee and/or officer reasonably believed to be the scope of authority and for a purpose which the Trustee and/or officer reasonably believed to be in the best interest of the Association or its members. The reimbursement for costs and expenses shall include reasonable attorneys fees. The foregoing right of indemnification should not be exclusive of any other rights to which the Trustee and/or officer may be entitled by law, agreement, or vote of the members of the Association or otherwise.

**ARTICLE XIII**  
**ARCHITECTURAL REVIEW BOARD**

Section 1. Composition. The Architectural Review Board shall be composed of a chairperson and two (2) or more members. A quorum for Board action shall be three (3) members. The officers of the Architectural Review Board shall hold office for two (2) years unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve. In cases where a conflict arises and a member(s) of the Board of Trustees also serves as a member of the ARB, the Board member(s) shall refrain from voting as a Board of Trustee member.

Section 2. Duties. It shall be the duty of the Architectural Review Board to regulate the external design, appearance, location, and maintenance of the Properties and of improvements thereon, as more fully described in Article V, Section 4 of the Declaration of Covenants and Restrictions, and to regulate such uses of property as described in Article VI thereof, in accordance with the Architectural Guidelines as amended by a sixty percent (60%) vote of the owners pursuant to Article V, Section 4 and Article XI, Section 2 of the Declaration of Covenants and Restrictions.

**ARTICLE XIV**  
**ENFORCEMENT/DISPUTE RESOLUTION**

Section 1. Enforcement. The Board of Trustees shall have the power, at its sole option, to enforce the terms of this instrument or any rule or regulation promulgated pursuant thereto by any or all of the following: self-help; sending notice to the defending party to cause certain things to be done or undone; restoring the Association to its original position in charging the breaching party with the entire cost or any part thereof; complaint to the duly constituted authority; or by taking any other action before any court, summary or otherwise, as may be provided by law.

Section 2. Fines. To the extent now or hereinafter permitted by the laws of the State of New Jersey, the Board of Trustees shall have the power to levy fines against any owners for violations of any rules or regulations of the Association or for any covenants or restrictions contained in the Declaration or Bylaws. No fine may be levied for more than One Hundred Dollars (\$100.00) for any one violation, per month, with the exception of those fines associated and in non-compliance with Exhibit F - Architectural Guidelines. Refer to Exhibit G - 2. - Definitions of Violations and 3. - Fine Schedule. Collection of fines may be enforced against any owner involved as if the fine were a common expense owed by the particular owner. Despite the foregoing, before the Board of Trustees imposes any fine, the owner involved shall be given at least ten (10) business days' prior written notice and afforded an opportunity to be heard with respect to the violations asserted.

Section 2A. PROCEDURE FOR COLLECTION OF DELINQUENT VIOLATION FINES AND RELATED CHARGES.

1. If payment of the violation fine is not received by the due date noted on the homeowner notification, the Management Office shall contact the Association's counsel, who will send a "30-day demand letter" to the homeowner in default of payment.
2. If payment is not received within the "30-day demand letter" timeline or a written notification disputing this amount is not received by the Board of Trustees, a lien will be filed against the homeowner's residence.
3. If, after ten (10) days following the filing of the lien, and the past due amount is still not paid, the Board of Trustees will move before the Superior Court of New Jersey for a money judgment against the homeowner in that amount, or to foreclose on their residence, or both.
4. Attempts resulting in the accumulation of legal fees, pursuant to Heatherwood's Bylaws and the law of New Jersey, shall be charged to the homeowner.
5. The homeowner shall be charged interest from the due date at a percentage rate no greater than the prevailing legal maximum annual interest rate.
6. Certain rights and privileges of membership, such as voting on Association matters, shall be suspended until the delinquency has been paid.

Section 3. Waiver. No restrictions, condition, obligation or covenant contained in these Bylaws shall have deemed to have been aggregated or waived by

Reason of the failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

Section 4. Alternative Dispute Resolution ("ADR") Procedure.

- (a) Authority. In addition to the mediation authority granted to the ADR Committee in Exhibit H - Alternative Dispute Resolution, the ADR Committee may have such additional duties, powers and authority as the Board of Trustees may from time to time provide by resolution . This additional authority may include the right to resolve disputes arising under the provision of the governing documents and to enforce same, including the right to (i) impose temporary cease and desist orders, and (ii) to levy fines pursuant to Section 2 hereof to the extent permitted by law. The ADR Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the rules and regulations or by resolution of the Board of Trustees. Despite the foregoing, no action may be taken by the ADR Committee without giving the Owners involved at least ten (10) business days' written notice and affording the Owner the opportunity to be heard, with or without counsel, with respect to the violations asserted.

Further, any Owner who is aggrieved by any decision of the ADR Committee shall have the right to appeal such decision to a court of competent jurisdiction. Any dispute between or among the Owners or with the Association, other than collection matters, must be first submitted to the ADR Committee for mediation or non-binding arbitration before any litigation is commenced with respect to the dispute in question, as contemplated by N.J.S.A. 45:22A(c) and Section 2 thereof. If there is not an appeal to a court of competent jurisdiction within forty-five (45) business days of decision by the ADR Committee, the decision of the ADR Committee shall be binding on all parties and shall have full force and effect under the laws of the State of New Jersey.

- (b) Mediation Alternative. Prior to the commencement of any nonbinding arbitration hearing by the ADR Committee pursuant to Section 1, any party to the dispute, or the Committee on its own motion, may request mediation of the dispute by an impartial mediator appointed by the Committee in order to attempt to settle the

dispute in good faith. Such mediator may be a member of the ADR Committee, its counsel or any other qualified mediator. Any such mediation shall be concluded within fifteen (15) business days after such request, unless extended by the mediator for good cause. In the event that no settlement is reached within said fifteen (15) business day period, all relevant time periods in the

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hearing process shall be extended for fifteen (15) days plus any extension period.

Section 5. Compliance by Members. Each Member shall comply with and shall assume ownership or occupancy subject to the laws, rules and regulations of government authorities having jurisdiction over the community, and the provisions of the Declaration, the Articles of Incorporation, the By-Laws of the Association, and rules and regulations or any other documents, amendments or supplements to the foregoing. Failure to comply with any of the foregoing shall be grounds for commencement of action for the recovery of damages, or for injunctive relief, or both, by the Developer, the Association, or any Member, in any court or administrative tribunal having jurisdiction, against any person or persons, firm or corporation violating or attempting to violate or circumvent any of the aforesaid, and against any Member, to enforce any lien created by the Declaration or any covenant contained herein. Failure by the Developer, the Association or any Member, to enforce any covenant therein contained for any period of time, shall in no event be deemed a waiver or estoppel of the right to thereafter enforce same.

Section 6. Civil Action for Damages. The Association shall not be liable in any civil action brought by or on behalf of an Owner to respond to damages as a result of bodily injury to the Owner occurring on the premises of the Association except as a result of its willful, wanton or grossly negligent act of commission or omission.

### ARTICLE XV AMENDMENT

Section 1. Subject to the foregoing conditions, these By-Laws may be amended as follows:

- (a) By a vote of two thirds (2/3) of the Trustees at any meeting of the Trustees called for that purpose, providing notice of the meeting has been given to the members at least fifteen (15) days prior to the meeting; or
- (b) At any annual or special meeting of the members in person or by proxy, providing the proposed amendments have been included in the notice of the meeting. Amendments shall become effective upon adoption and recording. All amendments shall be recorded.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; in case of any conflict between the Declaration of Covenants and Restrictions and these By-Laws, the Declaration of

Covenants and Restrictions shall control, except that the approval of the Board of Trustees of any amendment to these Bylaws shall prevail over any such conflict.

**ARTICLE XVI**  
**COMMON AREAS**

Section 1. The provisions of this Article are intended to create compliance of these Bylaws with the requirements of the ordinances of Washington Township. To the extent that any of the other Articles or provisions of these Bylaws or the Articles of Incorporation of the Association are inconsistent with the said Washington Township Ordinances, such inconsistencies shall be construed to be overruled by the provisions of Article XV.


Section 2. Section 2 omitted; no longer applicable.

Section 3. The Association shall, upon taking ownership of any Common Areas, assume responsibility for the duties specified in these Bylaws and in the Articles of Incorporation, these to include garbage, trash and snow removal, and general upkeep of all the Common Areas.

Section 4. The Association shall not be dissolved, nor shall it dispose of any Common Area by sale or otherwise without the approval of the Washington Township Planning Board. In the event such organization is dissolved or intends to dispose of any Common Areas, said lands shall first be offered for dedication to Washington Township or such governmental agency as it shall designate.

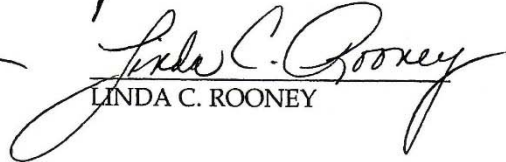
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IN WITNESS WHEREOF, we being all the Trustees of HEATHERWOOD HOMEOWNERS' ASSOCIATION, INCORPORATED, have hereunto set our hands this 7TH day of SEPTEMBER, 2001.

  
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PATRICK D. BUNN

  
\_\_\_\_\_  
ROBERT W. HASLAM

  
\_\_\_\_\_  
STEPHEN J. HOVNANIAN

  
\_\_\_\_\_  
LINDA C. ROONEY

  
\_\_\_\_\_  
PETER HOVNANIAN