

RULES & REGULATIONS

In order that all Certificate Holders are treated fairly and equally, and in order to keep the Village a beautiful and desirous place in which to live, the Board of Trustees has prescribed Rules & Regulations.

These Rules & Regulations in no way counteract the conditions as set forth in the By-Laws. Rather, they tend to clarify and spell out the intention of the By-Laws. If interpretation or assistance is needed, see your district Representative, but the Board of Trustees interpretation will be final in what is proper and in the best interest of the Co-Op concerning ground use.

Permission Request Forms must be approved by the Board of Trustees prior to any changes or additions being made by Certificate Holders. Failure to abide by any rule or regulation will subject unit owners to default of membership and/or financial penalty.

All written complaints must be submitted in writing by a Certificate Holder, addressed to the Board, dated, and signed in order for the Board to address the issue. Upon receipt, the Board will investigate the charges and come to a conclusion.

Continued failure by a resident to comply with these Rules & Regulations may result in a procedure to revoke his/her Membership Certificate in Crestwood Village Co-Op Two, Inc.

All alterations made to inside and outside of unit and common grounds must have prior approval of the Board of Trustees.

FEEDING AND HOUSING OF STRAY CATS OR WILD ANIMALS (GEESE, DEER, TURKEYS, ETC.) WILL RESULT IN A FINE: FIRST OFFENSE: \$250.00; SECOND OFFENSE: \$500.00; THIRD OFFENSE: \$1000.00.

FINES: A warning letter will be sent if you are found to be in violation. You will have ten (10) days to correct the violation. If the violation continues for 11-20 days, there will be a \$25.00 fine assessed to your account. If the violation continues beyond 20 days, you will be assessed a \$50.00 fine per day until the matter has been resolved.

The Certificate Holder must allow all authorized inspections by the Co-Op.

The authority of the Trustees to issue these Rules & Regulations is in the By-Laws.

NOTE: Rules & Regulations are voted on by the Trustees and **NOT** by the membership.

VIOLATION OF THESE REGULATIONS MAY CONSTITUTE A DEFAULT OF YOUR CO-OP MEMBERSHIP.

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1. **PARKING, VEHICLES AND TRAFFIC**

- 1.1 No overnight parking permitted on village streets or courts between the hours of 1:00AM and 6:00 AM. (All vehicles in violation will be towed at the owner's expense.) Guest and visitor parking at the Hall must have office approval. Motor homes may park in the rear of the Harmony Hall lot with Board permission for not more than fourteen (14) days every six (6) months. Motor homes cannot be used while in the parking lot. If permission is not granted, the vehicle will be towed at owner's expense as per posted signs.
- 1.2 No parking at any time 10 feet on either side of mailboxes or fire hydrants. No parking is permitted directly across from your neighbor's driveway or directly across from another vehicle, if possible.
- 1.3 Speed limit on village streets is posted. **ALL STOP** signs at intersections **MUST** be observed. This refers to all residents and their guests.
- 1.4 Vehicles with commercial signs on them, or with commercial license plates, are not to park in driveways. No truck or van may be parked on driveways with debris or ladders in or on top of roofs. Certificate Holders who are owners of commercial vehicles may, upon permission of the Board, register said vehicles with the office and park at Harmony Hall in a designated area. Vehicles made with self-made additions are not permitted in the Village; vehicles with only aftermarket manufactured parts can park in the Village.
- 1.5 Pods and dumpsters may be parked in the driveway or street for up to 48 hours with permission from the office. Any damage to the driveway, street and/or street gutter is the sole responsibility of the Certificate Holder.
- 1.6 Each Quad or multi-plex unit Certificate Holder shall have the sole entitlement to one parking space in the area provided for that purpose. When space is unoccupied, it is still reserved for that Certificate Holder's use and shall not be used by another resident, guest, or visitor, unless written permission has been given to do so by the Certificate Holder and does not interfere with any residents of the building. The written permission must be on file in the office. **(THIS IS VERY IMPORTANT TO ELIMANATE ANY MISUNDERSTANDINGS BETWEEN NEIGHBORS.)** All spaces designated for guests are for guests only of that building. Under certain circumstances, vehicles may be parked in the Harmony Hall parking lot with Board approval and must be registered at the Harmony Hall Office.
- 1.7 Motorcycles, bicycles, and mopeds are considered vehicles, and must travel on Village roads the same as automobiles, observing **STOP SIGNS**, and traveling on the right hand side of the road. They must be equipped with headlights and rear lights for night riding, and there will be no revving of engines.
- 1.8 Vehicles should be parked **NOT** less than twenty-five (25) feet from street corners. Vehicles are **NOT** to be parked on the street facing the wrong way. In multi-plex units, all residents should pull up as close to the grass as possible to facilitate snow removal. Units with garages should pull up as close as possible to garage door.

- 1.9 During periods of heavy snow, be prepared to move your vehicle (if you can) close to garage doors in singles and duplexes and in quads and multiplexes, put front tires onto grass so that plows can do the entire driveway.
- 1.10 **ALL PROPERTIES SHALL BE ACCESSIBLE TO FIRE AND AMBULANCE EQUIPMENT.**
- 1.11 Cars parked in tandem in driveways must not hang over into the street or block the front entrance to the unit. **Cars parked side by side in driveways must not be parked on lawn.**
- 1.12 Unregistered, unlicensed, or disabled vehicles shall not be parked in the Village.
- 1.13 **Residents and/or guests are NOT PERMITTED** to drive or park on unpaved areas including lawns, with the exception of work vehicles authorized by the Board of Trustees of the Co-Op.
- 1.14 Certificate Holders living in single units will be permitted to extend the width of their driveways not to exceed a total of seven (7) feet having one side not to exceed more than four (4) feet. This includes any existing walkway. **ALL CONCRETE EXTENSIONS MUST BE APPLIED FOR WITH A PERMISSION REQUEST FORM SUBMITTED TO OUR OFFICE AND APPROVED BY THE BOARD OF TRUSTEES. The concrete extension must be poured by an insured licensed contractor.**

Certificate Holders living in duplex units will be permitted to extend the width of their driveways not to exceed more than four (4) feet from the blacktop. This includes any existing walkway. **ALL CONCRETE EXTENSIONS MUST BE APPLIED FOR WITH A PERMISSION REQUEST FORM SUBMITTED TO OUR OFFICE AND APPROVED BY THE BOARD OF TRUSTEES. The concrete extension must be poured by an insured licensed contractor.**

- 1.15 Tarps and covers are not permitted unless specifically manufactured for vehicles.

2 BUILDING ALTERATIONS AND ADDITIONS

- 2.1 Since the leased premises and property around it are owned by **CRESTWOOD VILLAGE CO-OP TWO, INC., ANY ALTERATIONS, NEW CONSTRUCTION, ELECTRICAL WIRING, PLUMBING, OR OTHER CHANGES OR ADDITIONS AS HEREINAFTER SPECIFIED, MUST BE SUBMITTED** on a **Crestwood Village 2** Permission Request Form, including name of contractor, to the Board of Trustees for **PRIOR** approval. All work permitted by the Co-Op must be performed by a licensed, bonded and insured contractor. Copies of the contractor's license and Certificate of Insurance must accompany the permission request. Any damage sustained to village property as a result of a Certificate Holder's failure to secure such approval and certification shall be borne by the Certificate Holder. Any alteration and/or improvement is the responsibility of the Certificate Holder to maintain. **A copy of all township permits must be submitted to Crestwood Village 2 office before work commences. Any alteration started prior to Trustee authorization will result in a fine.**
- 2.2 **Generators can be used after a loss of power of 12 hours or more. Sunday usage will be permissible and noise tolerated. Generator usage is at the Certificate Holder's own risk. Gas cans are to be stored according to Rule 8.3 of our Rules & Regulations. Certificate Holders are required to register a generator with the office.**
- 2.3 The following are not permitted: gas and wood burning fireplaces; outdoor fire pits of any type; turbine-type attic fans; kerosene heaters or fuel-operated heaters other than electric.
- 2.4 No blinds, **curtains, or other materials** are permitted on the outside of any window, **patio** or overhang.

- 2.5 Homeowners and/or contractors are permitted to work between the hours of 8:00 AM and 6:00 PM with the exception of Sunday when **NO** work is permitted unless emergency work is required.
- 2.6 Outdoor light fixtures can only hold up to a maximum of 100 watt bulb or its equivalent.
- 2.7 No light fixtures or decorations can be attached to vinyl siding. Command strips are permitted for decorations only.
- 2.8 **Fines will be assessed for work started prior to Board approval of permission requests.**
- 2.9 ***The State of New Jersey Uniform Construction Code Regulations*** are the rules that govern when and if permits are required.

Township Permits may be required and Co-Op permission is still necessary if you:

- 1. Cut away any wall or portion thereof;
- 2. Cut any structural beam or bearing support;
- 3. Construct an addition or make alterations to a unit, ie, enclosing a porch or patio cover;
- 4. Install, replace, or relocate a hot water heater;
- 5. Install any new plumbing fixture;
- 6. Install, replace, or relocate of any water, drainage, venting;
- 7. Install heating and/or air conditioning systems; or
- 8. Install and/or upgrade any new electrical wiring or plumbing.

Township Permits may not be necessary but Co-Op permission is necessary if you:

- 1. Add or replace awnings or railings;
- 2. Install solar tubes;
- 3. Replace windows;
- 4. Install sliding shower doors;
- 5. Install new garage doors;
- 6. Install countertops or any permanent cabinet resurfacing;
- 7. Plant trees; or
- 8. Change or replace any items other than carpeting and paint.

Certificate Holders are required to obtain a certificate of insurance form from the contractor of their choice and provide it to the Management Office for review and approval prior to the start of work.

3 RULES AND SPECIFICATIONS FOR PATIOS AND THREE SEASON ROOMS

- 3.1 Patio area may not exceed 200 square feet. Patio can be added to three season room at a size no larger than 10'X12'. The patio can't go beyond the three season room or the end of the unit. Prior Board approval is required.
- 3.2 Patio must be contiguous with the house.

- 3.3 Plain patios may be made of poured concrete, patio blocks, pavers or slate and performed by an insured licensed contractor. **NO WOOD MAY BE USED. White vinyl fencing or black wrought iron fencing, not more than 4' high, may be installed either at edge of patio or around perimeter of patio, butted up against patio edge and must include a gate. Grass grown under or around fence will be the Certificate Holder's responsibility to maintain. Dwarf shrubs and flowers may be planted within two (2) feet of the patio.**
- 3.4 Any patio at a multi-plex dwelling (quad, 6 plex, 8 plex) may not have fencing.
- 3.5 There must be at least 15 feet between the patio and the street.
- 3.6 Patios must slope sufficiently away from the house for proper drainage.
- 3.7 Only patio furniture and grills may be kept on the patio. Outdoor grills may be stored in three (3) foot areas or on patios only. When grills are in use, they must be at least five (5) feet from the house and returned to their storage area only after cooling completely. **THE PATIO SHALL NOT BE USED FOR STORAGE.**
- 3.8 All night sleeping on patios is prohibited.
- 3.9 Covered and screened patios as well as pergolas must have poured concrete floors.
- 3.10 The frame for the covering and/or screening can only be anchored to a concrete patio floor and to the structural frame of the house. The frame and roof must be aluminum and properly coated against corrosion.
- 3.11 Enclosed patios must have an exterior door.
- 3.12 Lower side panels of the enclosure are required and must not exceed twenty-four (24) inches in height with a minimum of eighteen (18) inches.
- 3.13 Although the patio is real estate and the property of Crestwood Village Two, the Certificate Holder is responsible for its maintenance and insurance.
- 3.14 Permission Request Forms, with the name of the insured licensed contractor, for covered or enclosed patios must be accompanied by a sketch and description of the patio showing its dimensions, location, and access.
- 3.15 The Certificate Holder must allow all authorized inspections by the Co-Op.

4 GROUNDS AND GARDENS - It is the responsibility of the Certificate Holder to keep the three (3) foot area surrounding their particular unit clean, neat, and orderly, with nothing placed on common ground.

- 4.1 No property boundary lines are to be formed by cinder blocks, bricks, hedges, trees, shrubs or fences of any type.
- 4.2 Small vegetable plants are permitted in the three (3) foot area provided they are in locations that do not become unsightly to surrounding areas.

- 4.3 One plastic garbage can with lid as well as leaf and brush brown paper bags shall be permitted to stand along the outside wall of building within 3 foot area. Single and duplex units must keep their recycling containers in the garage. Quads, six-plex units and eight-plex units are allowed one (1) recycling container with lid to stand along the outside wall of the building. All units are permitted leaf and brush paper bags to stand along the unit.
- 4.4 When not in use, hoses are to be removed from lawns, walks, and parking spaces. Lawns will not be cut if hoses are not put away.
- 4.5 Dumping of grass clippings or trash is not permitted in wooded or common areas. No grass clippings, leaves, pine needles, etc. should be raked to the street.
- 4.6 Burning of paper or rubbish of any kind is **NOT** permitted.
- 4.7 Compost piles are **NOT** permitted.
- 4.8 Lawn sprinkler schedules issued from year to year by Manchester Township are to be strictly adhered to, to assure adequate pressure for the convenience of residents, as well as to protect in case of fire emergency.
- 4.9 The walkways in the quad, six-plex and eight-plex models are designed to afford each occupant maximum privacy. However, walkways are common grounds, and in an emergency, each occupant shall have the right to use any walkway when necessary for ingress or egress to and from his or her unit. Further, walkways shall be kept clear of all obstacles at all times for passage by any occupant to any unit (singles, duplexes, quads, six plexes, and eight plexes).
- 4.10 Trees in common ground are **NOT** to be cut down by residents unless approved by Board of Trustees and at Certificate Holder's expense. Trees are not to be cut down or planted without prior written permission of the Board of Trustees.
- 4.11 Storage sheds or trunks will be allowed on resident's premises upon approval of the Board. Only one storage unit is permitted. Sheds can be no taller than six (6) feet as long as they fit in the three (3) foot area, and do not block any windows, and do not face a roadway.

5 **PLANTING GUIDE**

No plants can grow over the height of the window sill in accordance with Manchester Township Fire Code 102.1.1. Planting may be made within three (3) feet of a unit and must be maintained at all times by the Certificate Holder.

5.1 **PLANTING AREAS**

Only live plants are allowed in the planting areas. Any planting beyond three (3) feet of the unit must have approval of the Board of Trustees. No trees may be planted without written consent of the Board.

(a) Where desirable and practical, only planting groups may be developed within a maximum of three (3) feet around existing trees with prior approval of the Board of Trustees. No fencing around trees or bushes or borders around flagpoles.

(b) Proper maintenance of flagpoles is the sole responsibility of Certificate Holder. All flagpoles must be installed by licensed and insured contractors, and approved by the Board of Trustees. Only American Flags plus one the following may hang from a flagpole: New Jersey State Flag, POW or MIA. No political flags are permitted. On flagpoles attached to a unit, only American and seasonal flags may fly.

- (c) It is prohibited to install any plantings that are designed to partition or divide one area from another or give a fence-like appearance
- (d) No personal accents and/or decorative plantings can be placed in common areas.

5.2 DRAINAGE

Leaders should be directed away from the unit.

- 5.3 Upon approval by the Board of Trustees and prior to planting shrubs, trees, etc., you must contact the telephone, electric, and cable companies for possible interference with their lines. This also applies to the installation of sprinkler systems.

6 PETS

All domestic pets (dogs, cats, caged birds, and reptiles) must be registered with the office.

- 6.1 One domestic pet may be kept in each home. So that there is no misunderstanding of this rule, if for any reason, a resident was previously permitted by the Board upon purchase of his/her leased residence, to have more than one pet, upon the demise of one of those pets, no replacement will be allowed. This is designed to enforce the one-pet per household rule.

Pets (dogs, cats and reptiles) may not run free at any time. If it is observed that they are running free, Certificate Holders are advised to contact Animal Control at 732-657-8121.

Pets (dogs, cats and reptiles) must be on a hand-held leash at all times when outside and may not be leashed outside unattended.

Pets must be licensed by order of the Township Ordinance. A copy of said license must be provided to the Harmony Hall office. So that the Board is aware of all pets residing in the village, a registration form, available in the management office, should be completed by residents and returned to the Harmony Hall Office.

- 6.2 Pets may not be housed in crawl spaces or garages.

- 6.3 Allowing your pet to leave waste on someone's lawn is a blatant lack of respect for your neighbor and the neighborhood and is highly unsanitary. Pets should only be walked in the street or in a wooded area directly behind your own unit, or outside the village. Pets shall not be walked on Harmony Hall property. Common sense should prevail. ALL PET DROPPINGS ON CO-OP PROPERTY MUST BE CLEANED UP BY PET OWNER OR GUARDIAN IMMEDIATELY.

- 6.4 No unit or garage may be used as a kennel or for pet storage.

- 6.5 **FEEDING AND HOUSING OF STRAY CATS OR WILD ANIMALS (GEESE, DEER, TURKEYS) ETC. WILL RESULT IN A FINE: FIRST OFFENSE: \$250.00; SECOND OFFENSE: \$500.00; THIRD OFFENSE: \$1000.00.**

- 6.6 Traps placed by the Maintenance Department must be left in place, and not to be tampered with or moved by residents.

7 GUESTS, CHILDREN AND VISITORS

- 7.1 Visiting children must not be permitted to run around any unit or building.

- 7.2 Visiting children must be accompanied at all times by an adult.
- 7.3 No rollerblading, skateboarding, ATV's or scooter of any sort is permitted on any street in the Village.
- 7.4 Children are not permitted in the clubhouse unless accompanied by a Certificate Holder.
- 7.5 All clubhouse equipment is the property of Crestwood Village Co-Op Two, Inc. Visitors and children must be accompanied by a Certificate Holder in order to use the clubhouse. No child under the age of 18 is permitted in the kitchen or gym. Only Crestwood Village 2 Certificate Holders and Registered Residents are permitted to use the gym.
- 7.6 Length of stay of visiting children or adult guests shall not exceed fourteen (14) days within a 90-day period subject to Board approval.
- 7.7 Certificate Holder will be responsible for all of his/her guests, children, and visitors to abide by all Crestwood Village 2 Rules & Regulations.

8 **GENERAL**

- 8.1 Requested wellness and/or emergency checks will be conducted by at least two authorized Co-Op personnel. Any situation requiring medical or police assistance will be phoned into 911. **The Certificate Holder must allow all authorized inspections by the Co-Op.**
- 8.2 Laundry lines are not permitted in the open. They may be installed in garages, and when in use, garage doors must be closed so that the wash is not visible from the street. Blankets, pillows, rugs or wearing apparel shall **NOT** be aired in the open or hung on or over the railings.
- 8.3 Positively **NO** cans of gasoline, propane tanks, paint rags or other flammable material is permitted to be stored on the premises unless it is in a certified red plastic gas container. Generators can be used after a loss of power of 12 hours or more. Sunday usage will be permissible and noise tolerated. Generator usage is at the Certificate Holder's own risk. Gas cans are to be stored according to Rule 8.3 of our Rules & Regulations. Certificate Holders are required to register a generator with the office.
- 8.4 Absolutely no commercial business is to be conducted from any residence.
- 8.5 No peddlers or solicitors of any kind are allowed in the Village. Any solicitors must be reported to the Harmony Hall Office immediately.
- 8.6 No signs of any type may be exhibited in or on any land or building within the Co-Op for the purpose of advertising a commercial enterprise or the sale of any membership. However, if you have arranged for security on your premises, with Board approval, a sign advertising such security can be posted within your 3 foot planting area at the front of the residence with decals posted on the inside window.
- 8.7 TV's, stereos, and radios must be tuned low after 10:00 p.m. No radio transmitting equipment may be operated in the Village. Outside antennas are not permitted; however, satellite dishes are permitted **WITH PRIOR BOARD APPROVAL**. Washing machines, dryers, dishwashers and/or noisy appliances must not be used before 8 a.m. or after 10 p.m., unless permission is given by the nearest neighbor. This does not apply to single units.

- 8.7.1 No radio transmitting equipment may be operated in the Village. **Outside antennas and satellite dishes are permitted WITH PRIOR BOARD APPROVAL.**
- 8.8 Power tools may not be used before 8:00 a.m. or after 6:00 p.m. Use of power tools and/or lawn mowers are not permitted on Sunday.
- 8.9 Vents in roof overhang or crawlspace **MUST NOT BE BLOCKED AT ANY TIME.** This area needs ventilation to eliminate condensation.
- 8.10 Each Certificate Holder shall be liable for any damage to the property of the Co-Op which shall be caused by such Certificate Holder or other person for whose conduct he is responsible including guests, children and visitors.
- 8.11 Damaged sprinkler heads are to be replaced or repaired at the expense of the resident or **the grass cutter.**
- 8.12 All garbage must be secured in tightly fastened garbage bags and placed in the garbage cans provided. Extra garbage shall not be placed outside the garbage can until the evening before collection.

Bottles, cans, cardboard, and paper must be saved for Township recycling days **in a secured covered container.**
- 8.13 No dirty water should be dumped into the Village streets.
- 8.14 **All complaints must be** in writing, addressed to the Board, dated, and signed. Upon receipt, the Board will investigate the charges and come to a conclusion.
- 8.15 Estate or garage sales may be held only after permission of the Board of Trustees. No Sunday sales will be permitted. The hours to be held are from **8 a.m. to 3 p.m.** No signs are to be displayed **in the Village.**
- 8.16 Where there is no next of kin available or referral listed with the Board of Trustees and an emergency occurs, the Board of Trustees, or their representative, has the authority to enter the unit with a Police Officer.
- 8.17 Window air conditioners are not permitted. In addition, wall air conditioners are not permitted in the front of the unit.
- 8.18 Any unit's interior or exterior, including grounds, that presents a danger to neighboring units will be addressed at the Certificate Holder's expense.
- 8.19 Certificate Holders will be responsible for all mailing costs incurred by the Co-Op for all legal correspondence as well as letters concerning late payment of monthly fees.
- 8.20 If a unit is unoccupied in the winter months and not winterized to protect the pipes from freezing, the Certificate Holder assumes all responsibility for damage to their **unit and** property as well as all damages to surrounding units.
- 8.21 Holiday decorations are to be removed from the unit and adjacent grounds within two (2) weeks after the holiday. The only exception would be Christmas decorations which must be removed no later than January 31st.

- 8.22 It is the responsibility of the Certificate Holder to keep the exterior of their particular unit clean, tidy, and presentable. Failure to maintain the unit will ultimately result in a decline of adjoining property values and an unfair as well as unacceptable situation for neighboring properties. As it is the responsibility of the Board of Trustees to protect the interests of all Certificate Holders, this appearance requirement will be enforced at the Board's discretion.
- 8.23 **Per Section 102 of New Jersey Fire Codes, any dangerous or hazardous conditions shall be removed or remedied in accordance with the provisions of N.J.A.C. 5:70-2.10 including: "Accumulations of rubbish, waste, paper, boxes, shavings or other combustible materials or excessive storage of any combustible material inside or outside is prohibited."**
- 8.24 Continued failure by a resident to comply with these Rules & Regulations may result in a procedure to revoke his/her Membership Certificate in Crestwood Village Co-Op Two, Inc.
- 8.25 Where it is found that any resident fails to comply with the foregoing Rules & Regulations as set forth herein, the following procedure will be instituted:
- (a) A written notice of violation will be issued from the Board of Trustees confirming a request for compliance.
 - (b) If the Certificate Holder fails to comply within the time set forth in the written notice of violation, the Board will make a determination as to the fine to be imposed.
 - (c) If a resident refuses to have inspections completed, the resident will take responsibility for any damage that occurs due to insect infestation, mold or any damaging occurrence.
- 8.26 The Crestwood Village Co-Op Two, Inc. By-Laws require that the purchaser of a Membership Certificate reside in the property as his/her primary residence. No Person is permitted to rent any unit located in Crestwood Village Co-Op Two, Inc. Further, no person is permitted to purchase the Membership Certificate to a unit in order to rehabilitate and sell said unit solely as an investment. In order to ensure compliance with these requirements no person shall be permitted to purchase and sell the Membership Certificate to a property within the first year of ownership, and no less than six (6) months of occupancy. In the event any such purchaser violates this requirement, a fine of \$5,000.00 shall be assessed and be collected at the time of closing. An owner may seek leave of this requirement in the event of a hardship; however, the Board of Trustees shall have sole discretion as to whether a hardship exists. In no circumstances shall it be considered a hardship for an owner to sell a property that was purchased and rehabilitated without the necessary occupancy having been established.

RESALE PROCEDURE

The following provisions control the resale of Membership Certificates and in all instances must be complied with:

A. NOTICE OF INTENT TO SELL

Should you elect to sell your Co-Op Membership Certificate, there are several procedures which **MUST** be followed before soliciting a purchaser, whether on your own or through a sales agency. They are as follows:

1. Notify the Board of Trustees in writing addressed to the Co-Op Office of your intent to sell so that the Co-Op has an option to repurchase your Membership Certificate should it so elect.
2. Obtain the Co-Op's decision not to repurchase your Membership Certificate in writing.
3. The Co-Op will make a completed inspection of the residence before permission to sell is granted. Inspection is the responsibility of the Co-Op following payment of the necessary fee by the seller. Required repairs and replacements will be the responsibility of the seller. Copies of the inspection report and repair report will become part of the closing package. House must be broom cleaned and ready for sale. **Prior to listing, a Permission to Sell letter must be obtained from the office.**
4. Notify the Co-Op of your listing and submit a copy of your contract with your sales agency, if that is your choice.
5. A unit that has been for sale for six months or longer will be subject to a re-inspection at the seller's expense. Necessary repairs will be at the seller's expense.
6. It is the responsibility of the seller to remove any existing satellite dish **at his/her expense.**

B. LISTING WITH SALES AGENCY

You may elect to sell your Membership Certificate on your own or engage the services of a sales agency of your own choice, however, no signs of any kind are permitted.

In the event that a sale is pending with you or through a sales agency of your own choosing, it's necessary that an interview be scheduled with the prospective purchaser and a member(s) of the Board of Trustees so that a full opportunity is available to the purchaser to learn the nature and responsibilities of the Co-Operative membership, etc. This is an excellent opportunity to review the By-Laws, Rules & Regulations and the Proprietary Lease in order to prevent any future misunderstandings.

C. CREDIT CHECK

Upon receipt of a sales contract, all potential buyers must be subject to a credit check and criminal background check at their expense and an interview. **All registered residents must be subject to a criminal background check at their expense.**

D. CAPITAL DEPRECIATION AND TRANSFER FEE

The sale of your Membership Certificate, whether by yourself or through a sales agency, is subject to a Capital Depreciation Assessment and Inspection and Transfer Fee of three percent (3%) of the sales price which is due and payable to the Co-Op except as provided in Section (c) "Transfer in open market" on Page 12 of the By-Laws. The division of such fees is to be made in accordance with the policy of the Board of Trustees existing at that time. The Capital Depreciation Assessment is dedicated to future repairs and improvements to the premises of the Co-Op.

E. DOCUMENTS NEEDED AT TIME OF CLOSINGS

At the time of closing the transaction, the following documents and other items must be delivered to the Co-Op for re-issuance to the purchaser:

1. Original Membership Certificate of the Seller.
2. Original Proprietary Lease of the Seller.
3. Up to date copy of the By-Laws and Rules & Regulations
4. Monthly Carrying Charges Coupons where applicable.

There will be a penalty fee for each missing document.

F. TRANSFER DUE TO DEATH OF A CERTIFICATE HOLDER

In the event of the death of a Certificate Holder, or one of the joint owner(s), the Membership Certificate must be transferred to the heir at law or surviving joint owner(s) if eligible. Pursuant to Article III, Section 8(b), the Secretary of the Co-Op must be notified of such death within thirty (30) days and the Membership Certificate must be transferred within three (3) months thereafter.

To accomplish a transfer of membership in this event, the following documents and other information will have to be delivered to the Co-Op Office:

1. Original Membership Certificate of deceased Certificate Holder.
2. Original Proprietary Lease of deceased Certificate Holder.
3. Copy of Co-Op By-Laws.
4. Original Death Certificate of deceased Certificate Holder.
5. Transfer Inheritance Tax Waiver for the dwelling unit.
6. Copy of the Certificate Holder's Will and an original Surrogate's Certificate in the event that the Membership Certificate has been devised to an heir at law. This would not be the case upon the death of one of several joint owner(s).
7. Monthly Carrying Charges Coupons.

G. AUCTION OF UNIT

The auction of any unit in Crestwood Village Co-Op Two, Inc. is prohibited.

ALTERNATE DISPUTE RESOLUTION

An Alternate Dispute Resolution procedure, required by New Jersey State Law, has been approved by the Board of Trustees on August 10, 1998. This procedure will allow a fair and efficient procedure for individual unit owners to take a decision of the Board of Trustees to a hearing of their peers who can overturn the decision or accept the

decision of the Board. A member of the Board of Trustees must be represented at all hearings involving a Trustee/resident issue.

ALTERNATIVE DISPUTE RESOLUTION AND PROCEDURES

Pursuant to N.J.S.A. 46:8B-1, et. seq., the following was approved by the Board of Trustees:

"The Trustees shall provide a fair and efficient procedure for the resolution of disputes between individual unit owners and the Association, and between unit owners, which shall be readily available as an alternative to litigation."

AND ITS AMENDMENT DATED DECEMBER 11, 2000. THOSE SECTIONS INDICATED BY AN (a)

(A) VIOLATION OF MASTER DEED, BY-LAWS OR RULES & REGULATIONS OF THE ASSOCIATION

1. Any unit owner, Area Representative, member of the Board of Trustees or agent of the Association has the right to request that a unit owner or the Association cease or correct any act or omission which appears to be in violation of the Master Deed, By-Laws or Rules and Regulations of the Association. Such informal requests should be made to the Board of Trustees in writing before any formal mediation process is initiated.

2. When in the opinion of the Board of Trustees, the health, safety, and welfare of the Village is being immediately and adversely affected by a violation of the Rules & Regulations, the right and privilege to use the community facilities may be suspended by the Board of Trustees, without notice, for a period of not greater than seventy-two (72) hours until a proceeding can be held as hereinafter provided.

2.(a) ADR, Procedure, Section A, Paragraph 2, is hereby amended to reflect that the Association shall provide notice of suspension referenced therein to the affected unit owner. The unit owner shall have further right to specifically request the ADR procedure.

3. The Association shall make initial attempts to secure compliance with the Master Deed, By-Laws, or Rules & Regulations of the Association through correspondence to the unit owner which sets forth the time, date, place, and nature of the violation as well as a time period in which said violation must be corrected. If the unit owner does not respond or make election to proceed to negotiation with five (5) days, the notice shall indicate that all allegations contained herein shall be deemed to be admitted and the Board of Trustees shall have the right to impose those sanctions set forth in Paragraph 20.

3.(a) ADR Procedure, Section A, Paragraph 3, is hereby amended to reflect that the notice provided for therein shall be delivered to the unit owner via certified mail, return receipt requested or hand delivery. This paragraph is further amended to reflect that the unit owner has the option to proceed in court.

4. If the unit owner responds or otherwise elects to proceed, the parties may negotiate the dispute with the assistance of the Area Representative for the unit owner involved. Where the dispute involves owners from different areas, then with the Area Representative from the two areas possessing the greater seniority.

4.(a) ADR Procedure, Section A, Paragraph 4 is hereby amended to reflect that the area representative shall recuse himself/herself if he or she is in any way involved in, or party to, the

dispute. This paragraph is further amended to reflect that the negotiation meeting referenced therein shall be arranged and take place within five (5) days and shall conclude within ten (10) days unless the time is extended by mutual written consent of the parties. This paragraph is further amended to reflect that if an area representative is involved in the dispute, the neighboring area representative shall act as the substitute area representative for the recused area representative. The area representatives referenced in the paragraph shall be under the same constraints as the mediators referenced in paragraph 9. This paragraph shall specifically apply where the unit owner's area representative shall act as the area representative in negotiating the complaint.

5. The Alternate Dispute Resolution Committee shall not have the power to bind the parties or make determinations.

6. If the parties agree to a settlement, the Alternate Dispute Resolution Committee shall memorialize that settlement in writing, with copies given to each party and one copy filed with the Co-Op.

6.(a) ADR Procedure, Section A, Paragraph 6, is hereby amended to reflect that the parties to the dispute shall sign the settlement statement which shall indicate that the parties understand and consent to it.

MEDIATION

7. If the dispute has not been resolved through negotiation, as set forth above, the parties shall proceed to mediation before electing arbitration or litigation.

8. A formal mediation process shall be initiated upon the written notice of all parties to the dispute or by a unit owner if the dispute is with the Co-Op itself. The notice shall contain a brief statement setting forth the source and nature of the complaint.

9. The mediation shall be conducted in accordance with the Mediation Rules of the American Arbitration Association (AAA) then in effect and as modified by the mediator(s). The mediation shall be conducted by three members of the Mediation/Grievance Committee ("committee"). The committee shall consist of five members appointed for a one year term. Any Certificate Holder in good standing maybe appointed to this committee by the Board of Trustees.

Where the dispute involves complaint against the Co-Op itself, a specially appointed, limited term Grievance Committee shall conduct the mediation. Such special committee shall consist of three Certificate Holders of the Co-Op in good standing who have volunteered their services for the mediation dispute. A list of volunteers shall be maintained by the Co-Op and updated annually. Each party to the dispute shall select one volunteer from this list to the special committee. These two people shall then select the third person from the same list. At the conclusion of the mediation process for each dispute, the specially appointed committee shall terminate. Where the dispute involves issues that are deemed by the Grievance Committee, either appointed or special, as too complicated, complex, or problematic for the committee to adequately mediate, the committee shall have the power to refer the dispute to a professional mediator(s). The cost of such mediation shall be shared equally among the parties.

9.(a) ADR Procedure, MEDIATION, Paragraph 9, is hereby amended to reflect that the unit owner shall be entitled to request recusal of a committee member if it appears that there is a conflict between the member and the party to the dispute. The unit owner shall be entitled to request that any committee member disclose any connection to the dispute, even if the member is selected by the unit owner or the first two committee members. If the dispute is referred to a

paid mediator, it shall be a common expense of the Co-Op, and shall not be shared equally among the parties to the dispute. At the request of any party to the dispute, the Co-Op attorney may provide insight into the committee may not want to mediate, i.e., those matters requiring legal interpretations previously not settled.

10. Each party to the mediation may prepare and submit to the committee, no later than 48 hours prior to the time set for mediation, a written statement setting forth either the violation complained of or defense thereto. The position statement shall not exceed three typed pages, nor shall it be construed to limit the evidence the parties may use or seek to introduce in any further proceedings. No responsive or supplemental statements shall be permitted.

11. The committee shall manage the mediation proceedings as the committee deems best so as to make it expeditious, economical, and less burdensome than litigation.

12. A hearing on the dispute shall be held within ten (10) days of the receipt of the written statement. Each party shall attend the mediation.

13. If the parties agree to settle the dispute, the committee shall memorialize the settlement in writing, with copies given to each party and one copy filed with the Co-Op.

14. Mediation proceedings shall be conducted in private, with only the parties to the dispute permitted to attend. Nothing said or disclosed, nor any document produced, which is not independently discoverable, shall be offered or received as evidence or used to impeach or for any other purpose in any future proceedings or litigation.

15. The committee shall not have the power to bind either party or issue a determination, but shall make any recommendations necessary to assist in arriving at a settlement. If the parties do not settle the dispute through mediation, the committee shall write its conclusions and recommendations, with copies forwarded to both parties and filed with the Co-Op. The recommendation shall also be used for any further alternative dispute resolution proceedings.

ARBITRATION

16. If the dispute has not been resolved, the unit owner may elect to proceed to binding arbitration before a sole arbitrator who is designated as such by the American Arbitration Association. Selection of the sole arbitrator shall be from a panel of six names supplied by the AAA. From that six, each party shall rank in order from one to six its preference. Those names will then be returned to the AAA, who will, in turn, select the arbitrator based on each party's rankings. Referral to arbitration shall be by mutual agreement of the parties, except if the Co-Op is a party to the dispute, the request for arbitration by a unit owner shall be sufficient. All costs of arbitration, including any filing and selection fees, shall be shared by the parties.

17. If the dispute involves the Board of Trustees or Co-Op, the unit owner's election to proceed to arbitration shall control. If the dispute is between two or more unit owner's, all parties must agree to arbitration. If arbitration is not chosen, the parties are free to elect litigation or some other form of dispute resolution not adopted herein.

18. A formal arbitration proceeding shall be commenced upon the filing with the Association of a Notice of Intent to Arbitrate by all parties to the dispute, or by the unit owner in the event of a dispute with the Association. The notice shall contain a brief statement of the source and nature of the dispute. By submission of the notice, both parties acknowledge and confirm that they intend to give up their right to have the dispute decided by a court or jury,

except as otherwise provided for in Paragraph 23.

19. Arbitration shall be conducted in accordance with the Rules of the AAA then in effect and as modified by the arbitrator. There shall be no dispositive motion practice nor shall the arbitrator be bound by the rules of evidence or civil procedure.

20. The arbitrator shall, within ten (10) days of the conclusion of the hearing, determine the claims of the parties and render a final award in writing. The arbitrator may, but is not required to, provide a concise statement of the basis for his or her conclusions. Such conclusions and/or awards may include, but is not limited to:

- (1) A fine as per the Board of Trustees for each violation and for each day the violation continues after the party has been notified of the determination or as permitted by State Law.
- (2) Suspension of the right to use any of the community facilities owned, operated, or managed by the Co-Op for such period as the Board may deem appropriate.
- (3) Injunctive relief or specific performance as obligated by the Master Deed, the By-Laws, or the Rules & Regulations of the Co-Op.

21. Within thirty (30) days of the delivery of an award, the arbitrator may make corrections on his or her own initiative or as requested by a party, provided that all corrections are made in writing.

22. The arbitrator shall base the award on the applicable provisions of the Master Deed, By-Laws, or Rules & Regulations of the Association.

23. Within forty-five (45) days of the transmittal of the award, a party may seek judicial review of the arbitration award solely and exclusively on the grounds that it was obtained through fraud, corruption, or misconduct or was in contravention of the Master Deed, By-Laws or Rules & Regulations of the Co-Op. Any suit, action, or proceeding seeking such judicial review shall be instituted in the Superior Court of New Jersey. If an award is reviewed, the prevailing party shall be entitled to recover from the non-prevailing party all costs and reasonable attorney's fees incurred in the review proceeding, including those of the Co-Op's counsel.

GENERAL PROVISIONS

24. No provision or proceeding herein shall be construed to limit a party's right to be represented by counsel at any stage set forth above.

25. Any inadvertent omission or failure to conduct a proceeding in exact conformity with this Resolution shall not invalidate the results of such proceeding, so long as a prudent and reasonable attempt has been made to ensure due process according to the general steps set forth herein.

26. Any judicial review, as set forth in Paragraph 23 or otherwise, may not be initiated until the dispute has completed negotiation and mediation stages of the alternative dispute resolution process.

27.(a) ADR, Procedure, GENERAL PROVISIONS, Paragraph 26, is hereby amended to reflect that although once the ADR process has been started, it must be completed, the unit owner shall have the option to proceed directly to court, and is not required to initiate the ADR process.

The amendment to the ADR Procedures established in this resolution shall become effective on the 11th day of December, 2002, shall apply to the Association from and after that date, and supersedes all prior resolutions regarding Alternative Dispute Resolution.