

Record and return to:
Ronald L. Perl, Esq.
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202 Carnegie Center
Princeton, NJ 08540

**FORRESTAL VILLAGE COMMUNITY SERVICES ASSOCIATION, INC.
EXHIBIT "D" TO DECLARATION OF COVENANTS AND RESTRICTIONS
As amended: February 26, 2018**

WHEREAS, Section V of the Management Standards Agreement permits the Board of Directors to amend the Agreement by majority vote following prior notice to all Owners at least thirty (30) days before the vote; and

WHEREAS, the Management Standards Agreement is thirteen (13) years old with one amendment in 2008, contains obsolete dollar amounts, no longer reflects current industry standards in property management or insurance and contains obsolete language better suited to the sale of properties by the developer than the management of an established, mature community; and

WHEREAS, the Board of Directors wrote the following revised Agreement with the advice of NJ Counsel Ronald L. Perl, Esq. of Hill Wallack LLP, a law firm with a national reputation in community association documents; and from its engineering consultant and reserve specialist, FWH Associates P.A.; its Managing Agent, First Service Residential,, its accounting firm, Wilkin and Guttenplan and its insurance advisor, Felsen Insurance Services, Inc.; and

WHEREAS, notice of the Board's intent to change the Management Standards Agreement was sent to each homeowner of record by email or USPS mail on or before December 3, 2017;

NOW, THEREFORE, BE IT RESOLVED THAT: The Management Standards Agreement dated June 26, 2000 and amended on September 26, 2016 is hereby rescinded and replaced by the following revised Agreement:

MANAGEMENT STANDARDS AGREEMENT

Forrestal Village Community Services Association, Inc. ("Association") is a community association responsible for the management and administration of the community known as Princeton Landing. Pursuant to the Forrestal Village Declaration of Covenants and Restrictions ("Declaration"), the Board of Directors ("Board") is authorized to exercise all powers provided by law and the Founding Documents to conduct the affairs of the Association. The Association, acting through the Board, is authorized to employ personnel and independent contractors; retain professionals such as certified public accountants, attorneys, and engineers; and contract with a professional management company ("Management") to assist in carrying out the Association's responsibilities as provided in the Declaration. The Board, and Management retained by the Board, shall be obligated to exercise these powers in compliance with the provisions of this Management Standards Agreement ("Agreement"). For purposes of this Agreement, the person or entity charged with carrying out the obligations and duties described in this Agreement shall be designated "Management".

I. DEFINITIONS

The terms in this Agreement shall be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms in this Agreement shall have the same meaning as set forth in the Declaration, unless otherwise indicated.

II. MANAGEMENT

The Board shall contract with Management to assist with the management, administration, and operation of the Association, and shall make a reasonable effort to determine that such Management is qualified to provide management services to common interest residential communities such as Forrestal Village Community Services Association. Factors that may be considered in making this determination may include, but are not limited to, the quality and length of service provided by Management to other common interest residential communities, Management's background and experience in managing other common interest residential communities, recommendations from other common interest residential communities, and evaluation of the services and personnel to be provided by Management. The Board may designate Management as an agent for the Association. The Board shall conduct an Annual Review of the Management Company and share the results with them. The term of any Management contract shall be for not more than three (3) years and shall be terminable upon no more than ninety (90) days' notice. The contract may be renewed with the same Management. It may also be extended in up to three (3) year increments at the discretion of the Board.

III. PERSONNEL

A. Employees. All personnel involved in the management and operation of the Association shall either be employees of Management or independent contractors. Management shall provide trained and qualified, full-time, on-site employee maintenance representative(s) sufficient in number to handle the normal repair and maintenance workload. One Manager shall be designated as the Lead Manager for the team. Management and the employee(s) will be expected to provide their own transportation around the site. The Board shall be given the opportunity to meet final candidates for Management positions, however the final decision on hiring will be made by the Management company.

Management shall have the authority to

- (1) select, hire, promote, supervise, direct, train and discharge all employees engaged in the operation and management of the Association; and
- (2) fix compensation for all employees engaged in operation and management of the Association; and
- (3) generally establish and maintain all policies relating to employment and compensation.
 - i. All customary costs and expenses incident to the employment of employees shall be Management's expense, including without limitation: payroll taxes, workers' compensation insurance, liability and health insurance.
 - ii. Management shall be responsible for the payment of all expenses to its employees; and
- (4) implement a customer service reporting mechanism to determine the degree of satisfaction with workmanship of employees as part of their supervision, and provide copies of such reports to the Board members.

B. Contractors. Management shall have the authority to engage independent contractors to perform services for the Association. Management shall make a good faith effort to investigate the qualifications of all contractors, verify that such contractors are licensed and carry appropriate insurance, and shall be responsible for supervising, contracting with, paying and terminating independent contractors.

C. Supervision. Management shall have the sole right and responsibility to oversee, supervise, and direct its employees and independent contractors.

IV. FISCAL MANAGEMENT OF THE ASSOCIATION

Management shall perform the following services with regard to the fiscal management of the

Association:

A. Operating Accounts. Management shall establish and maintain operating accounts which are insured to the maximum allowed by the Federal Deposit Insurance Corporation. Management shall promptly cause the deposit of funds collected or received on behalf of the Association into the operating accounts. Management shall have the authority to draw from the operating accounts to pay or discharge any liabilities or obligations incurred by or on behalf of the Association and for any other disbursements incurred on the Association's behalf so long as such disbursements, liabilities, and obligations are within the scope of the budget approved by the Board. Management shall ensure that all funds collected on behalf of the Association are maintained separately from, and not commingled with, funds of any other person or entity.

B. Reserve Accounts. Management shall establish and maintain separate reserve accounts, which are insured to the maximum allowed by the Securities Investor Protection Coverage on behalf of the Association. These reserve accounts shall include "Capital Replacement Reserve", "Deferred Maintenance Reserve", and "Operating Reserve". Management shall promptly cause appropriate funds to be collected and deposited in such reserve accounts. The Capital Replacement Reserve must be maintained in a separate investment account. For investment purposes, the Deferred Maintenance Reserve and the Operating Reserve may be combined into one investment account. Management may invest and oversee the investment of the reserve accounts at the direction of the Board, but shall not expend reserve funds except in accordance with the approved budget or by direction from the Board. The reserve accounts shall be established and maintained as follows:

1. Capital Replacement Reserve:

- a. The annual contribution to the Capital Replacement Reserve shall be determined each year during the Board's development and approval of the operating budget for the following year. The contribution will take into account the existing Capital Replacement Reserve balance and anticipated expenditures during the coming years for the replacement of capital improvements, according to a Schedule of Reserves for Replacement of Capital Items approved by the Board from time to time through a policy resolution, and for other capital remediation.
- b. The annual contribution must be sufficient to assure that the Capital Replacement Reserve balance remains at or above a minimum threshold amount established by the Board from time to time through a policy resolution.
- c. The Board shall engage an engineer or other Reserve Professional to assist in determining the appropriate items to be included in the Schedule of Reserves for Replacement of Capital Items, along with the condition of each item, its estimated replacement cost and its estimated remaining useful life, at least once every five (5) years.

2. Deferred Maintenance Reserve:

- a. The annual contribution to the Deferred Maintenance Reserve shall be determined each year during development and approval by the Board of the operating budget for the following year. The contribution will take into account the existing Deferred Maintenance Reserve balance, the number of years remaining before periodic maintenance will be needed, and the estimated cost of such maintenance.
- b. Deferred maintenance items shall be limited to those items which require repetitive periodic maintenance, such as painting, staining and wood replacement, but which fail to qualify as items to be included in the Capital Replacement Reserve.

3. Operating Reserve:

- a. The annual contribution to the Operating Reserve shall be equivalent to a minimum of three percent (3%) of operating expenses for the year.
- b. Operating expenses excludes contributions to the Deferred Maintenance Reserve and the Capital Replacement Reserve.
- c. The Board of Directors also reserves the right to create other specific purpose funds for the different cost centers as deemed necessary.

4. Withdrawals from Reserve Accounts:

- a. Withdrawals from any Reserve Account shall be approved by a resolution approved by the Board of Directors.
- b. Withdrawals from the Capital Replacement Reserve down to the minimum threshold may only be used for restoration, repair and replacement of existing capital improvements and for other capital remediation, not for new facilities or additions or improvements to existing facilities or property, with the exception that such funds may be used for upgraded materials in replacement projects. The threshold amount is to be used only for emergency replacement of capital improvements.
- c. Withdrawals from the Deferred Maintenance Reserve down to the minimum threshold may only be used for painting, staining, wood replacement and other cyclical maintenance projects which are performed to maintain the appearance and integrity of the community in accordance with the Association's governing documents. When approved by the Board, Deferred Maintenance funds may be transferred to other accounts.
- d. Withdrawals from the Operating Reserve may only be used for unanticipated major expenditures, uninsured casualty losses and single-year budget overruns caused by unforeseen and unanticipated events. Operating Reserve amounts in excess of a minimum threshold established by the Board from time to time may be transferred to other accounts with the approval of the Board in accordance with the Association's governing documents.
- e. The Board of Directors may borrow against the Reserve Accounts for current operations only for extreme circumstances, providing such loans are repaid to the Reserve Account within three (3) years.

C. Collection of Assessments and Fees:

- 1. Management shall prepare invoices, bill and collect all assessments and fees levied by the Association. Management shall maintain accurate and up-to-date records for the Association's operations and for each Assessable Unit on which are posted all debits and credits, including monthly computations of late charges on delinquent accounts.
- 2. Management shall take such actions as may be required to collect all Association assessments and other fees levied by the Association against Assessable Units in accordance with Association policies. In accordance with Association policies, Management may cause the record ownership of Assessable Units to be researched, liens to be prepared and recorded against the Assessable Units, and when appropriate, satisfactions of liens to be prepared and recorded. In accordance with Association policy,

Management shall forward necessary documentation to the Association's attorney for legal collection and/or foreclosure action.

D. Disbursements.

1. Management shall see that all accounts payable and disbursements are made in the ordinary course of business. Management shall have the power and authority to implement all contracts after review by the FVCSA attorney and approval by the Board. Management shall procure equipment and supplies, and make disbursements necessary to carry out the Association's responsibilities. Except in the case of an emergency, Management shall not make total expenditures in excess of the total operating budget and reserve funds authorized per reserve policies without the prior approval of the Board. Management shall resolve any accounting issues regarding cash balance, equity, reserve funds and others and consult with the Association's auditor in this regard when necessary.

2. Management shall review all vendors' and contractors' invoices and charges to the Association to ensure accuracy and shall review compliance under all contracts for goods and services and procure back-up documentation as necessary to support all charges. Management shall code all charges by account to Association's general ledger and remit timely payment of all authorized and valid charges.

E. Other Taxes. Management shall pay, prior to delinquency, in the name and for the account of the Association, in such installments as permitted by law, all real estate taxes, personal property taxes and assessments levied or assessed on or against the Association's property. Upon prior written notice to, and unless directed otherwise by, the Association, Management may in good faith at any time contest the validity of the amount of any such tax or assessment in the name of the Association. Any costs reasonably incurred in connection with such contest shall be expenses of the Association.

F. Budgets. Management shall provide to the Board and Parcel Committees by September 15th of each year draft budgets for each cost center (twelve parcels, General Fund, Smith House and the Smith House Pool) with input on all known contracts, utility increases and related items to assist in the preparation of preliminary operating, deferred maintenance, capital reserve budgets, (as well as the monthly maintenance fees). Management will issue the draft budget to each Parcel, and in the month of October, will schedule a meeting with the Parcel committees to review the proposed budget for that Parcel. If necessary, Management will be make reasonable efforts in October to accommodate Parcel committees that cannot meet during normal business hours. The Management shall prepare the final draft budget for the Board to consider and adopt no later than Friday before the annual meeting of the Association pursuant to the Governing Documents.

G. Records and Books of Account. Management shall maintain, in accordance with industry accepted accounting principles, an accurate and complete set of accounting records, including records of receipts and disbursements of the Association arising from operation of the Association. The method of accounting shall be an accrual basis.

H. Financial Statements and Reports. At the end of each fiscal year, Management shall assist the Association's auditor with the preparation of a certified financial statement prepared on an accrual basis. The Board shall have the financial accounts and statements audited by an independent auditor annually. Management shall also provide monthly financial reports to the Board which include, but are not limited to, a balance sheet, income statement (in actual-versus-budget form), a list of disbursements, a list of delinquent accounts and status of unencumbered reserve accounts. Such reports are to be available on the Friday before the monthly Board meetings. Management shall cooperate with the Association's auditor in the preparation of all required federal income and other tax returns, which returns, after review by the Board, shall be filed by the accountant or Management on behalf of the Association. Management shall be authorized to use the services of the Association's independent auditor.

I. Controls. In order to maintain adequate financial control procedures, Management shall ensure that the controls in the accounting department include an appropriate segregation of duties, as well as a formal review and approval process for transactions.

J. Adverse Budget Trends. Management shall continually review receipts and expenditures and provide notice to the Board of revised expectations of actual or pending obligations which appear to represent an adverse trend relative to the adopted budget. Failure of Management to provide such notice shall not be construed as negligence on its part. However, this provision shall impose a duty upon Management which, if not performed, may be deemed a just cause for contract termination.

V. PROPERTY MANAGEMENT

Management shall be responsible for management, operation and maintenance of the Common Areas, Parcel Common Areas and all other properties which are the responsibility of the Association. When feasible, Management shall plan for community-wide deferred maintenance and capital projects to efficiently maintain the common areas and building integrity. In this regard, Management shall perform the following services on behalf of the Association:

A. Contracting for Services and Placing Orders. In addition to supervising its employees in the performance of their duties, Management shall obtain and analyze for the Board consideration, proposals from independent contractors that may be required for the proper maintenance and operation of the Common Areas. Management shall secure for and credit to the Association any discounts, commissions, benefits or rebates obtainable as a result of any contracts or purchases, and obtain the best possible prices and terms. Management shall supervise any such contractors on behalf of the Association.

B. Maintenance and Repairs. Management shall arrange for personnel to maintain and repair, and shall supervise the maintenance and repair of, all facilities and other improvements within the Common Areas and all personal property and equipment of the Association, and obtain and coordinate input from Parcel Committees as required by Association's Policy Resolutions. All such property and facilities shall be maintained, repaired and replaced in a manner consistent with the standards established by the Board. Management shall not make any structural changes or major alterations or additions to the improvements within the Common Areas, except as may be unavoidable in connection with emergency repairs required to avoid imminent danger to life or property, for the preservation of property, or to avoid suspension of necessary services to the Association and its property. Such emergency repairs shall not exceed \$5,000 without prior approval of the Board. Such approval may be obtained by an e-mail affirmative vote of a quorum of the Directors

C. Work Order Management. Management shall implement a process with which to efficiently manage the community, complete work orders without delay, and effectively communicate with the Board, residents, parcels and other committees. Acknowledgement of receipt of the work order shall be provided to the homeowner within two (2) business days. Work Order records for each unit shall be maintained electronically and summary reports prepared for the Parcel Committees and Board. Such reports shall include the status (open, completed, waiting for approval, waiting for supplies, etc.) of the work order, for the prior twelve (12) month period. Records shall also include parcel projects and projects identified during inspections. Management shall provide the necessary computer software to record, control and analyze Work Orders.

D. Inspection of Property. Management shall conduct periodic inspections of the Association's property and lots at least once per calendar quarter. and prepare reports to the Board and Parcels as necessary, regarding its condition, including recommendations for repair, replacement and maintenance, by unit number where applicable. Should violations of Association Policy Resolutions be observed, they will be reported to the Covenants Committee.

E. Landscaping and Maintenance. Management shall, with approval of the Board, obtain and supervise contractors responsible for the maintenance of landscaping, and shall supervise the maintenance of all landscaping within the Common Areas and Parcels in accordance with the standards established by the Board, and with input from the Landscape Sub-Committee regarding optional services and replacement plantings.

F. Authority to Purchase Materials and Supplies. Management shall have the authority to purchase equipment, tools, goods, supplies and materials as shall be reasonably necessary to its duties and responsibilities pursuant to this agreement up to \$3,000 without Board approval. Except as otherwise provided herein, purchases shall be in the name of the Association and shall be an Association expense. All purchases made pursuant to this subparagraph shall be made on an "as needed" basis and shall be the property of the Association. An annual inventory inspection shall be conducted of all supplies and equipment owned by the Association, and the inventory report be available to Board members upon request.

G. Commitment Authorizations. Management shall have the authority to commit Association funds up to \$3,000 for any single expenditure provided such commitment does not serve to obligate the Association for more than one (1) year and that it is within the budget authorization. All other expenditures shall require approval by the Board. Competitive bids will be obtained for items over \$5,000; and between \$3,000 and \$5,000 competitive bids are recommended at the discretion of Management.

H. Swimming Pools Management. Management, with approval of the Board, shall obtain and supervise contractors and their on-site employees who are responsible for the maintenance and operation of the swimming pool adjacent to the Smith House and the swimming pool in Parcel I. Management shall ensure that said contractors apply and enforce FVCSA rules and regulations concerning use of both pools.

VI. INSURANCE

A. Location of Policies. The Association shall retain the original of all insurance policies in a place of safekeeping such as a safe, a safety deposit box, or in a fireproof container in the Management's office.

B. Qualifications of Carrier.

1. The carrier issuing insurance shall have a financial rating by Bests' Insurance Reports of 7 or better or A or better. Additionally, the rating must represent a surplus at least equal to one hundred (100) percent of the insured value of personal and real property of the Association. In the event that the Lead Carrier does not meet the qualifications set forth above (except that the Lead Carrier must have a 7 or better Best rating in any event), reinsurance by a re-insurer with a rating equal to 9 or better shall be acceptable.
2. The carrier issuing Required Insurance must be specifically authorized by laws of and licensed by the State of New Jersey to transact such business as is required to provide the Required Insurance.
3. The policyholder's rating of the carrier issuing Required Insurance shall be A or better.

C. Policy Provision as to Coverage, Amounts and Endorsements.

1. Property Insurance - Association Buildings and Facilities: A policy of property insurance in an amount equal to the full replacement value (i.e., 100% of current "replacement cost" exclusive of land, excavation and other items normally excluded from coverage) of the common facilities owned by the Association (including all building service equipment and the like) with an "Agreed Amount Endorsement" or its equivalent, and, if economically feasible, a "Demolition Endorsement" or its equivalent, and an "Increased Cost of Construction Endorsement" or "Contingent Liability from Operation of

Building Laws Endorsement” or the equivalent. The policy shall afford protection against at least the following:

- a. Loss or damage by fire and other hazards covered by a Special Perils Property Endorsement, including but not limited to debris removal, vandalism, malicious mischief, windstorm and water damage.
- b. Such other risks as shall customarily be covered with respect to projects similar in construction, location and use; i.e. Boiler and Machinery.

2. Property Insurance - Units: A policy of property insurance in an amount equal to the full replacement value (i.e., 100% of current “replacement cost” exclusive of land, excavation and other items normally excluded from coverage) of all of the Units, except those in Parcel II, with an “Agreed Amount Endorsement” or its equivalent, and, if economically feasible, a “Demolition Endorsement” or its equivalent, and an “Increased Cost of Construction Endorsement” or “Contingent Liability from Operation of Building Laws Endorsement” or the equivalent. The said insurance shall cover the interest of all unit owners, except those in Parcel II, and their mortgagees, as their respective interests may appear. Each of such policies shall contain a standard mortgage clause in favor of each mortgagee of a Unit, which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interests may appear. The policy shall afford protection against at least the following:

- a. Loss or damage by fire and other hazards covered by a Special Perils Property Endorsement, including but not limited to debris removal, vandalism, malicious mischief, windstorm and water damage.
- b. Such other risks as shall customarily be covered with respect to projects similar in construction, location and use.

3. Public Liability Insurance: A comprehensive general liability insurance policy covering the Association and Owners, including but not limited to endorsements for Blanket Contractual, Broad Form Property Damage, Additional Interest of Employees, Auto and Watercraft Non-Ownership, Fire Damage Legal Liability, Personal and Injury and Advertiser’s Liability, Limited World-Wide Liability, Incidental Malpractice, Host Liquor Liability and Medical Payments, as may be applicable. The public liability coverage at a minimum shall be structured as follows:

- a. A policy providing for \$1,000,000 per occurrence and \$2,000,000 aggregate coverage shall be maintained in full force.
- b. A \$10,000,000 “umbrella” policy shall be maintained in full force with an insured’s retained limit of not more than \$10,000 for coverages not insured by the underlying insurance, including, but not limited to General Liability, Employers’ Liability, and Directors and Officers Liability.

4. All Other Coverages.

- a. Worker’s Compensation and Employer’s Liability shall be maintained in force with minimums of \$100,000/\$500,000/\$1,000,000.
- b. The Board is constrained from “contracting” with any person who is not a bona fide independent contractor. The Board shall obtain from each contractor his or her employer identification number and, where applicable, evidence of having in force a policy of general liability and property damage acceptable to the Board.

c. Directors and Officers Liability shall be purchased in the amount of \$1,000,000 per claim and include Management as additional insured. Coverage shall include full prior acts if written on a claims-made basis.

d. The Board shall be required to maintain adequate fidelity coverage to protect loss of money through any fraudulent, dishonest acts on the part of officers, directors, employees or others who are responsible for handling funds of the Association. Such fidelity bonds shall meet the following requirements:

(1) All such fidelity bonds shall name the Association as an obligee with Management named as an additional named insured.

(2) In determining the amount of coverage, the Board shall consider such factors as projected annual income, reserve account balances, financial control procedures, recommendations of its auditors and Professional Community Management Firm, and requirements of FNMA, FHLMC or other institutional or governmental purchasers or issuers of mortgages.

(3) Such fidelity bonds shall contain an endorsement affording coverage for non-compensated officers and directors.

(4) The Professional Community Management Firm shall be required to maintain professional liability coverage or errors and omissions coverage.

5. Insurance Provisions.

In all cases as applied to paragraph 1, above, and to the extent clearly applicable to paragraph 3, the insurance obtained shall be subject to the following provisions and limitations:

a. The named insured shall be the Association who, through the Board, acting as trustee for the owners collectively and severally, shall negotiate loss claims, receive and administer funds received pursuant to claim settlements.

b. Such policies shall provide that coverage shall not be prejudiced by any act or neglect of the owner(s) of Living Units or Lots, or by conditions over which the Association has no control.

c. All policies shall provide that coverage may not be canceled or substantially modified (including cancellation for non-payment of premium) without Prior Notice to the insured.

d. All such policies shall contain a waiver of subrogation endorsement, where allowable by law.

e. All policies of property insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to make a cash settlement in lieu of the right to restore, such option shall not be exercised without the prior written approval of the Board.

f. Each and every policy for Required Insurance shall contain a stipulation that the carrier receives a copy of the Governing Documents, including this Agreement, and that all provisions of each and every policy are in conformance

with the provisions of said instruments as the carrier shall have been in possession of at time of issuance of such policies.

VII. ADMINISTRATIVE PROCEDURES

Management shall render the following services for the benefit of the Board and the Association Members:

A. Registered Agent - Legal Matters. Management shall, upon request of the Board, serve as registered agent for the Association to accept service of process on behalf of the Association and shall promptly forward same to the Association's attorney for handling the Association's interest in any legal process. Management shall act as a liaison between the Association's attorney and the Association. If the Association becomes involved in litigation or potential litigation requiring the Manager to conduct research or document preparation, participate in depositions, or testify in court, Management may charge the Association a fee as agreed in the Management Contract, provided that such litigation or potential litigation does not involve any conflict, claim, or dispute between the Association and Management or any affiliate of Management.

B. Changes in Ownership - Assessment of Fees. Upon receipt of notice of a pending sale of an Assessable Unit, Management shall prepare and provide to the requesting Owner, purchaser or closing agent, within the time frame required by the Governing Documents, a certificate stating the total amount of assessments and other charges due to the Association on the Assessable Unit. Management shall collect on behalf of the Association any applicable assessments and fees authorized by the Governing Documents and Board resolution. Upon receipt of notice of the transfer of title to an Assessable Unit, Management shall promptly update the Association's records and provide to the new Owner an information package regarding the Association, its facilities and services. Management shall not be responsible for providing any of the information or services described above relating to the transfer of title to an Assessable Unit of which Management has not been properly notified.

C. Informational Services, Correspondence and Complaints. Management shall receive, maintain and distribute, as appropriate, all correspondence and communications directed to the Association. Management shall produce and distribute all correspondence, announcements, newsletters, and other Association information to the Members and others. Management shall consider and, when reasonable, attempt to remedy complaints of Members. Management shall refer any unresolved complaints to the Board.

D. Rules and Regulations. In accordance with the Governing Documents, the Board is responsible for establishing Association policies. Management is responsible for implementation of the Association policies and establishment of administrative rules and procedures to carry on the Association's affairs. Management may make recommendations to the Association's Board with respect to such policies and rules and regulations.

E. Meetings. Management shall assist with organizing and conducting meetings of the Association and its Board. For such meetings, Management shall arrange for suitable meeting places, prepare agendas, send out notices of the meetings, and prepare written ballots as required by the Governing Documents and New Jersey law. Management's lead manager shall be expected to attend Board meetings and working sessions. When requested by FVCSA, Management staff members shall attend and provide input for any Board or community-wide committee meeting. Such meetings are typically held after normal business hours. On request, Management shall also provide a member of its senior management team to attend occasional after-hours meetings. Management shall, upon request, take and publish minutes of meetings attended. The number of meetings per month to be determined in consultation with the Board. Management also shall organize and provide notice of Parcel meetings.

F. Records. Management shall prepare and maintain in a complete and organized manner all records of the affairs and proceedings of the Association and of the Board. Management shall maintain and secure records electronically to the largest extent. Management shall provide a repository, if necessary, for the Association's official records for such time as may be required by law and shall provide access thereto for such persons as are entitled to have access in accordance with the provisions of this Agreement and the Governing Documents. Management shall maintain the books of signed policy, administrative and general resolutions. Management shall also maintain and update a master file of residents, a file of all FVCSA correspondence received or issued, and a master file of tenant registrations and leases. Management shall also maintain a permanent file of important papers, such as, contracts, insurance certificates, and minutes of the Board and Committees. Management shall annually purge records according to the Record Retention Schedule and archive permanent records accordingly.

G. Access to Information. Management shall respond to requests from agents for potential buyers and from banks and mortgage institutions for such information as they may deem necessary to process a sale and/or a mortgage application. Management shall be entitled to recover its incurred costs of time and materials from the originator of such requests and FVCSA shall not be liable for such costs and expenses. Management shall make available for inspection all office records, books, listings and accounts to any FVCSA homeowner upon reasonable notice, during normal business hours. In order for any FVCSA homeowner to access such data, the homeowner will be required to sign a Confidentiality Agreement. Management shall make available for reference by FVCSA homeowners, at the on-site office, an up-to-date set of Governing Documents, including the Book of Resolutions, and an up-to-date set of Minutes of Open Meetings of the Board of Directors, FVCSA.

H. Website Management. Management shall maintain the website for FVCSA including the attendant databases (financial; address book). Management shall also keep current and post the reference documents (e.g., Governing Documents; Board minutes; newsletters; announcements, calendar, history, community information and reports).

I. Fidelity Bonds. Management shall procure and maintain a fidelity bond or similar insurance coverage with a company approved by the Board or, at the Board's discretion, be included as an additional insured on the Association's insurance policy. In either case, the coverage shall protect the Association and the Board from and against any loss of money or of the personal property belonging to the Association or for which the Association is legally liable, occasioned by any dishonest or fraudulent acts committed by Management or any of its officers, directors, agents or employees handling the Association's funds or property. The cost of such fidelity bond shall be an Association expense.

J. Insurance. Management shall, at the discretion of the Board, be responsible for contracting in the name of the Association for, and keeping current, all insurance coverage required by law, by the Governing Documents, by the Board of Directors, and by the provisions of this Agreement. Management shall also be responsible for filing and processing claims; reviewing the status and scope of coverage; making recommendations, from time to time, as to the adequacy of coverage; adjusting all claims arising under the Association's insurance policies subject to the provisions of the Governing Documents; and receiving on behalf of the Association all insurance proceeds, subject to the provisions of the Governing Documents. The cost of all insurance obtained hereunder shall be an expense of the Association.

K. Licenses, Permits and Governmental Compliance. Management shall file such reports and other documents and pay such fees as are required to operate and maintain the Association's corporate status in good standing. Management shall arrange for and renew as necessary all permits and licenses required by law for the operation of the Common Areas and the conduct of the Association's business. All fees incurred for such licenses, permits, and other documents necessary to governmental compliance shall be an expense of the Association. Management shall be knowledgeable with and assist the Board in complying with applicable laws and

regulations such as the Fair Housing Act, Law against Discrimination and Telecom Act. These are examples and are not intended to be an exhaustive list.

L. Enforcement. Management shall assist the Association in enforcing the Governing Documents by promptly notifying Owners of violations, preparing and mailing any notices required pursuant to the enforcement procedures set forth in the Governing Documents, and, in appropriate cases, referring enforcement matters to the Association's attorney.

M. Policy Development. Management shall assist the Board in developing policy resolutions and administrative resolutions; inform the Board regarding routine matters involving public officials, residents, organizations and other interested parties; and inform the Board of decisions, tax rulings, legislation, insurance, township regulations and financial practices pertaining to community associations which come to Management's attention.

VIII. MISCELLANEOUS

A. In order for amendments to this Agreement to be valid, the proposed amendment shall be approved by a two-thirds majority Board; notice of the proposed amendment shall be given to all Members, and the amendment shall be recorded.

B. Management shall not accept from vendors, independent contractors or others who provide services or goods to the Association any remuneration in the form of commissions, finder's fees, service fees, gifts having intrinsic value or the like in consideration of such goods and services.

C. Management and its employees who make decisions on behalf of the Association must disclose to the Board the extent of financial interest that they may have in any firm's or person's activities when such firm or person is proposed to provide goods or services to the Association.

D. All lenders who have an interest in the Properties shall have a right to inspect the books and records, most recent annual reports and audited financial statements of the Association during normal business hours.

E. The Board may determine additional duties related to operation of the Association for which Management shall be responsible. However, the exercise of such right shall not materially modify or decrease the Association's or Manager's obligations hereunder without an amendment to this Agreement.

BOOK OF MINUTES

ATTEST: s/