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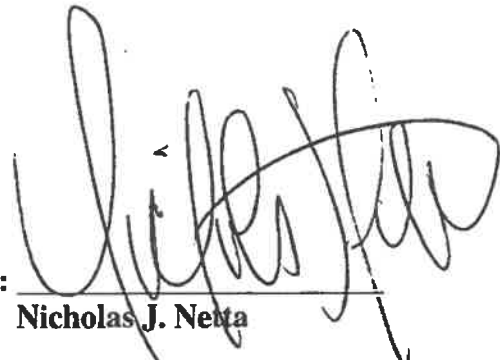
**MASTER DEED
AND
BY-LAWS**

**Of
SPRINGS EDGE, A CONDOMINIUM
Dated: November 9, 2002**

**Grantor: SPRINGS EDGE, L.L.C.
823 South Springfield Avenue
Springfield, New Jersey 07081**

**Property: BLOCK 3701, LOT 5
Township of Springfield
Union County**

Prepared By:


Nicholas J. Netta

**Record and return to:
Nicholas J. Netta Architects
25 Route 22 East, Suite 290
Springfield, New Jersey 07081**

DB5358-0461

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Exhibit "B" - Foundation Location

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Exhibit "D" - Schedule of Unit's Percentage Interest in Common Elements.

Exhibit "E" - Schedule of Unit's Percentage Interest in Common Expenses.

Exhibit "F" - By-Laws of the Springs Edge Condominium Association, Inc.

MASTER DEED

THIS MASTER DEED, made this 9th day of February, 2003, by SPRINGS EDGE, L.L.C., a limited liability company of the State of New Jersey, having an office at 25 Route 22 East, Suite 290, Springfield, New Jersey 07081 (hereinafter referred to as "Grantor").

WHEREAS, Grantor is the owner of the fee title to those lands and premises described in **Exhibit "A"** attached hereto and made a part hereof, which lands and premises are hereinafter referred to as the "Entire Tract"; and

WHEREAS, Grantor intends to develop these lands, which are located in the Township of Springfield as a Condominium development consisting of eight (8) condominium units, in addition to a recreational area. Grantor, by this Master Deed, proposes to develop the aforesaid lands with all the improvements to be constructed thereon into a Condominium and to offer the Units for sale, subject to the terms, limitations and provisions stated in this Master Deed and the attached By-Laws; and

WHEREAS, Grantor has deemed it desirable for the efficient preservation of the values and amenities in said community, to create an entity, to which should be delegated and assigned the powers of maintaining and administering the Common Elements and facilities administering and enforcing the covenants and restrictions, and collecting and disbursing the assessment and charges hereinafter created; and

WHEREAS, Grantor shall incorporate under the laws of the State of New Jersey, as a not-for-profit corporation, "Springs Edge Condominium Association, Inc.", for the purpose of exercising the functions of the aforesaid.

WHEREFORE WITNESSETH:

1. Purpose:

Grantor does hereby submit, declare and establish "**Springs Edge, A Condominium**", in accordance with N.J.S.A. 46:8B-1 et seq.; on that parcel of land and premises described in **Exhibit "A"** aforesaid, and all as shown in **Exhibit "B"** on a certain plan entitled "Foundation Location" prepared by Guarriello & Dec Associates, LLC, Civil Engineers and Land Surveyors, dated July 20, 2002.

2. Definitions:

The term used herein and in the By-Laws shall have the meanings stated in the Condominium Act and as follows unless the context otherwise requires:

(a) "Assigns" means any person to whom rights of a Unit Owner have been validly transferred by lease, mortgage or otherwise.

(b) "Association" means the entity responsible for the administration of Springs Edge, a condominium, which entity shall be incorporated.

(c) "By-Laws" means the governing regulations adopted pursuant to the Condominium Act for the administration and management of the Condominium Property.

(d) "Common Elements" means general Common Elements and limited Common Elements, all as hereinafter defined. Common elements do not include a Unit.

(e) "Common Expenses" means expenses for which the Unit Owners are proportionately liable, including but not limited to:

1. All expenses of administration, maintenance, repair and replacement of the Common elements together with all expenses that may arise pursuant to any sanitary sewerage usage agreements;
2. Expenses declared common by provisions of state statutes or this Master Deed or By-Laws; and
3. Expenses agreed upon as common by the Unit Owners.

(f) "Common Surplus" means the excess of all common receipts over all common expenses.

(g) "Condominium" means the form of ownership of real Property under a Master Deed providing for ownership by one or more owners of Units of improvements together with an undivided interest in Common Elements appurtenant to each such Unit.

(h) "Condominium Property" or "Property" means the land covered by the Master Deed, and all improvements thereon, including the proposed Buildings to contain a total of eight (8) Units, the driveways, parking areas, underground detention basin, and all easements, rights and appurtenances belonging thereto or intended for the benefit thereof.

(i) "Grantor" means Springs Edge, L.L.C., a New Jersey limited liability company, its successors and assigns.

(j) "General Common Elements" means all appurtenances and facilities and other items set forth in N.J.S.A. 46:8B-3(d), which are not part of the Units, nor are limited Common Elements.

(k) "Institutional Holders of a First Mortgage" means a savings and loan association, a commercial bank, a savings bank, an insurance company or any entity that is approved to handle governmental related or insured mortgage loans or a mortgage given by the Grantor.

(l) "Limited Common Elements" means those Common Elements, which are for the use of one or more specified Units to exclusion of other Units.

(m) "Majority" or "Majority of the Unit Owners" means the holders of fifty-one (51%) percent of the aggregate number of votes of the Association.

(n) "Master Deed" means the Master Deed recorded under the terms of the Condominium Act, as such Master Deed may be amended or supplemented from time to time.

(o) "Member" means the owner or co-owner of a Unit.

(p) "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof.

(q) "Unit" means a part of the Condominium Property designed or intended for residential use, having a direct exit to a common Element or Common Elements leading to a public street or way or to an easement or right of way leading to a public street or way, and includes, the proportionate undivided interest in the Common Elements and in any limited Common Elements assigned thereto in the Master Deed or any amendment thereof. A Unit is more particularly described in Article 4 of this Master Deed.

(r) "Unit Deed" means a deed of conveyance of a Unit in recordable form.

(s) "Unit Owner" means the person or persons owning a Unit in fee simple.

(t) "Utility services" includes but is not limited to electric power, gas, hot and cold-water, and heating, refrigeration, air-conditioning, garbage and sewage disposal.

3. Description of Project:

The entire tract is intended to consist of eight (8) Condominium Units, underground detention basin, as well as any other structures thereon, and all rights, driveways, parking areas, waters, privileges and appurtenances thereto belonging or appertaining. The Units are to be located as more specifically shown on **Exhibit "B"** attached hereto. Each Unit has a numerical designation to identify its location. Said designations being more particular set for in **Exhibit "B"** attached hereto.

4. Description of Units:

(A) Each of the eight (8) Condominium Units shall consist of and is defined to include the following:

(1) the volumes or cubicles of space enclosed by the unfinished inner surfaces of perimeter walls, the underside of the roof rafters and basement floors thereof, including vents, doors, windows and such other structural elements that ordinarily are regarded as enclosures of space;

(2) all interior dividing walls, floors, and partitions (including the space occupied by such walls, floors or partitions and any load bearing interior walls, floors and partitions);

(3) the decorated inner surfaces of said perimeter walls (including decorated inner surfaces of all interior load bearing floors and walls), floors and ceilings consisting of wall paper, pain, plaster, carpeting, tiles and all other finishing materials affixed or installed as a part of the physical structure of the Unit and all immediately visible fixtures, mechanical systems and equipment installed and for the sole and exclusive use of the Unit, including, but not limited to, the air condition and heating systems, fire sprinkler system, plumbing system and electrical system commencing at the point of disconnection from the development's main systems and the utility lines, pipes or systems serving the Unit; and

(4) Each Condominium Unit shall be deemed to include the mechanical equipment, HVAC equipment, fixtures, appliances and hot water heater that service that particular Unit.

B. The dimensions, areas, and locations of each type of Condominium Unit are as shown graphically on the plans attached hereto and made a part hereof as **Exhibit "B"**, and **Exhibit "C"**, as same may be amended from time to time, as hereinafter provided.

The respective Units shall not be deemed to include any pipes, wires, conduits or other utility lines running through such Unit which are utilized for or serve more than one Unit, the same being deemed Common Elements as hereinafter provided.

5. Common Elements:

The term "Common Elements" when used throughout this instrument shall mean both General and Limited Common Elements (in all instances the term "General Common Element(s)" shall also mean "general common area(s)" and the term "Limited Common

Element(s)' shall also mean "limited common area(s)") and the ownership of both are vested in all the Unit Owners subject provisions hereinafter stated in this instrument.

A. General Common Elements:

All appurtenances and facilities and other items set forth in N.J.S.A. 46:8B-3(d) which are not part of the Units or individual appurtenances as hereinabove described, shall comprise the general Common Elements as graphically shown on **Exhibit "B"** and **"C"** aforesaid. The general Common elements shall include by way of description, but not by way of limitation:

1. All land described in **Exhibit "A"** aforesaid and which are not limited Common Elements hereinafter described, whether or not occupied by a Unit or other structure.

2. All streets, curbs, sidewalks, driveway area, lawn areas, walkways, parking areas, driveways, subject to the right of the Association to adopt rules and regulations governing the use of the parking areas and driveways.

3. Lawn areas, shrubbery, conduits, utility lines and waterways, on-site detention basin, subject to the easements and provisions set forth in Article 7(C) hereof.

4. The electrical, cable T.V., if any, and telephone-wiring network throughout the Condominium tract.

5. Public connections for gas, sewerage, electricity, light, telephone and water.

6. Exterior lighting and other facilities necessary to the upkeep and safety of the Units, Common Area facilities and grounds.

7. The Mater T.V. Antenna, if any, and cable T.V. wiring network.

8. Any easement or other right hereafter granted for the benefit of the Unit Owner(s).

9. All other appurtenances, facilities or elements of the Condominium rationally of common use or necessary to the existence, upkeep and safety thereof. Each Unit Owner or co-owner, tenant or occupant of a Unit may use the elements held in common in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other owners, co-owners, tenants or occupants. The Association shall have the right, by proper Board of Trustees' actions, to adopt regulations governing the use of the parking areas, roadways and all recreational facilities and Buildings.

B. Limited Common Elements:

The decks, porches, stairs and railing appurtenant to a Unit, but not all Units, as well as the driveway area (approximately sixteen (16) feet by eighteen (18) feet) immediately in front of a Unit's garage are Limited Common Elements and are reserved for the exclusive use of such

Units, except in times of emergency, but Limited Common Elements may not be added to, modified or altered without the written consent of the Association. Any such exterior stairs, porches and decks, but not the aforesaid driveway area, shall be kept free and clean of debris, dirt, snow and other accumulations by the Unit Owner. Any expenses of repair or replacement relating to such Limited Common Elements, or involving structural maintenance, repair or replacement, shall be paid for by the Association unless such work is due to the negligence of the Unit Owner, his/her family, guests and/or employees, in which event the Unit Owner shall pay for such work.

6. Ownership Estate and Percentage Interest:

The owners of a Unit shall have such an estate therein as may be acquired by grant, by purchase or by operation of law, including an estate in fee simple, and shall acquire as an appurtenance to each Unit, an undivided percentage interest in the Common Elements of the Condominium as set forth in **Exhibit "D"** attached hereto and made a part hereof, subject to any amendments as herein provided. The said appurtenant undivided percentage interest in the Common Elements shall not be divisible from the Unit from which it appertains.

The foregoing undivided percentage interest as designed in **Exhibit "D"** shall be used to allocate the division of proceeds, if any, resulting from casualty loss and eminent domain proceeding or any sale and the division of common surplus, if any, if the Condominium Unit(s) having common ownership of the Common Elements. Such interest shall not be changed except as stated in the next two paragraphs and Article 14, without the acquiescence of all of the owners of all of the Condominium Units aforesaid, which change, if made, shall be evidenced by the appropriate amendment to this Master Deed recorded in the Union County Register's Office.

The proportionate liability of each Unit Owner for Common Expense assessments and charges shall be apportioned in accordance with the percentage interest as set forth in **Exhibit "E"**.

Said percentage interest is expressed as a finite number to avoid an interminable series of digits. The last digit has been adjusted to that value which is most nearly correct.

The foregoing percentage interest shall have no relation to the number of votes allocated to each Unit Owner as a member of Springs Edge Condominium Association, Inc. Each Unit except any owned by the Association, shall be entitled to two (2) votes, or as more specifically set forth in the Association's By-Laws.

The Grantor reserves the right, for so long as it shall remain the owner of any of the units to change the price, design, exterior finish and layout (interior and exterior) of such Units. However, none of the aforesaid changes shall change or otherwise affect the undivided interest of any of the sold Units in the General and Limited Common Elements.

7. Easements:

A. Every Unit Owner, including Grantor, their respective heirs, successors and assigns are granted the following perpetual easements in, upon, through, over, under and across the Condominium Property:

1. To keep, maintain, use, operate, repair and replace the Owner's Unit in its original position and in every subsequent position to which it changes by reason of the gradual forces of nature and the elements;

2. To continue and maintain thereof, any encroachment by the Owner's Unit on any surrounding Unit or any Common Element, or any encroachment by a Common Element on a Unit or Units, now existing as a result of the renovation, maintenance, repair, settlement, construction, reconstruction, shifting or movement of any portion of a Unit, or which may come into existence hereafter as a result of the construction of a Unit after damage by fire or other casualty, or as a result of a condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Unit stands;

3. To have ingress and egress, in common with others, to the Owner's Unit, in, through, upon, over and across the General Common elements, as well as the use and enjoyment of the General Common Elements, subject to the Association's right to adopt rules and regulations, as to the use and enjoyment of the General Common Elements.

4. To use in common with all other Unit Owners the pipes, wires, utility lines, conduits, television cable or any other General Common Elements located within any of the other Units or Common Elements and serving that Owner's Unit;

5. To use and enjoy the surfaces of the walls of the Owner's Unit (including windows and doors) ceiling and floors contained within the Unit, together with an easement for the maintenance, use, operation, repair and replacement or any portion of any plumbing, utility or other mechanical system and facilities not located within the Unit, when such system and facility does not serve the entire Condominium Property; and

6. To use, enjoy and possess the Limited Common Element, which may be appurtenance to a Unit.

7. To have, as to the Condominium Units, free unobstructed ingress and egress over the driveway that services that Unit's garage together with the exclusive use of that driveway area appurtenant to the Unit.

B. The Grantor and any Designated Transferee shall have the following easements with respect to the Condominium Property:

1. A blanket and non-exclusive easement in, upon, through, over, under and across the Common Elements for as long as the said Grantor and/or its Designated Transferee shall be engaged in the construction, development, sale, and/or ownership of Condominium

Units, which easement shall be for the purpose of construction, installation, maintenance and repair of the Units, Common facilities and appurtenances thereto, and other improvements as may be required pursuant to governmental approvals, for ingress and egress to all Condominium Units and all Common Elements, and for unrestricted use of the Common Areas (including but not limited to the roadways, parking areas and recreational area), to use one or more Units as existing and future models for sales promotion and exhibition, office use and the right to exhibit "For Sale" signs and other sales promotional related signs on or about the Common Elements. The right of ingress and egress to the Units shall be during reasonable hours with prior notice except in the event of an emergency; and

2. A blanket and on-exclusive easement, in, upon, through, over, under and across the Common Elements for the purpose of construction, installation, operation, maintenance, repair and replacement of all retention/detention basins, sewer, water, power and telephone, cable T.V., pipes, lines, mains, conduits, waters, poles, transformers and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility systems serving the Condominium Property. The foregoing easement shall expire when the Grantor and/or its Designated Transferee are no longer engaged in the construction, sale or ownership of any Units.

3. A blanket and non-exclusive easement in, upon through, over, under and across the Common Elements for the purposes of construction and completion of the Condominium Property in accordance with applicable governmental regulations and requirements.

C. The Condominium Property shall also be subject to the following easements:

1. Any utility easements and any other easements, restrictions, rights of way, agreement of record or filed hereinafter by the Grantor and/or its Designated Transferee, which shall include, but not be limited to JCP&L, FirstEnergy and Verizon, and any easements or restrictions that are required to be filed by Grantor and/or its Designated Transferee;

2. A blanket perpetual and non-exclusive easement to and for the benefit of the Township of Springfield, Union County, New Jersey, the Association, the police, fire and ambulance personnel in the proper performance of their respective duties, in, over, through, upon, under and across the Condominium Property and for the repair, service, replacement, installation, and maintenance of the Condominium Property. The Association, its agents, contractors, employees and officers, as to the aforesaid easement, except in the case of emergency or necessary repairs, as relates to ingress to a Unit, shall be subject to advance notice and be exercisable only during normal business hours, and with the permission of the unit Owner or occupant;

3. A blanket, perpetual and non-exclusive easement, in, upon, over, across and through the Common Elements for the purpose of the installation, maintenance, repair, service and replacement of all gas, sewer, water, power, and telephone pipes, lines, mains, conduits, waters, poles, transformers, and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility systems serving the Property, which easement

shall be for the benefit of any governmental agency, or utility company or other entity which requires same for the purpose of furnishing one or more of the foregoing services;

4. The right of the Association to dedicate or transfer, provided that any such, dedication or transfer is first subject to the acceptance thereof by such public entity or agency, all or any part of the Common Elements to any public entity, including any municipal, County, State, Federal, or other public agency, authority or utility, for such purposes and subject to such conditions as may be agreed upon by the Unit Owners and first mortgage holders, provided that no such dedication, transfer, or determination, as to the purposes of, or as to the conditions of, such dedication or transfer, shall become effective unless such dedication, transfer and determination as to the purpose and conditions thereof shall be authorized by the vote in person or by proxy of two-thirds (2/3) of all of the votes eligible to be cast by all of the members of the Association and all first mortgage holders, and unless written notice of the proposed resolution, authorizing such action is sent to every Unit Owner and first mortgage holder at least ninety (90) days in advance of the scheduled meeting, at which such action is taken. A true copy of such resolution, together with a certificate of the result of the vote taken thereon, shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association, and such certificate shall be annexed to any instrument of dedication or transfer affecting the Common Elements, prior to the recording thereof in the Office of the Union County Register. Such certificate shall be conclusive evidence of authorization by the Unit Owners.

The foregoing is subject to the right of the Association, without having to obtain the aforesaid authorization, to execute any easements for the benefit of the Condominium Property.

5. A perpetual exclusive easement for the benefit of the Association its agents, employees and contractors for the maintenance of any Common Elements including those which presently or may hereafter encroach upon a Unit.

6. A perpetual non-exclusive easement of access for the benefit of the Association, its agents, employees and contractors to each Unit (a) to inspect same; (b) to remedy any violations of the provisions of this Master Deed, and By-Laws or any Rules and Regulations of the Association; and (c) to perform any operations required in connection with its maintenance, repairs and replacements as set forth in this Master Deed and the By-Laws; provided that any requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

7. Rights of others in and to any brooks, streams, and watercourses.

8. By-Laws Administration Members:

The administration of the Common Elements of Springs Edge, a Condominium, shall be in accordance with the provisions of the Condominium Act, this Master Deed, the Articles or Incorporation, the By-Laws attached hereto as **Exhibit "F"** and made a part hereof, and any other documents, amendments, or supplements to the foregoing which may subsequently be required by a lending institution, the Federal Housing Administration, Veterans Administration,

Federal National Mortgage Association or other governmental agency insuring the mortgage on any Unit, by any other governmental agency having regulatory jurisdiction over the Condominium, or by any title insurance company selected by Grantor to insure title to any Unit(s). Grantor hereby reserves for itself, its successors and assigns, for a period of the earlier of five years from the date hereof, or the last Unit title closing in the ordinary course of business, the right to execute on behalf of all contract purchasers, Unit Owners, mortgagees, other lienholders or parties claiming a legal or equitable interest in the Condominium, any such agreements, documents, amendments or supplements which may be so required.

By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Condominium each and every contract purchaser, Unit Owner or occupant, or holder of any mortgage or legal or equitable interest in said Condominium does automatically and irrevocably name, constitute, appoint and confirm (a) the Grantor, and its Designated Transferee an attorney-in-fact for the purpose of executing the foregoing instructions and (b) the Association, as an attorney-in-fact for the purpose of executing the instruments referred to in Article 8 of this Master Deed. The Power of Attorney aforesaid is expressly declared to be coupled with an interest in the subject matter and same shall run with the title to any and all Condominium Units and be binding upon successors and assigns of any of the foregoing parties. Further, said Power of Attorney shall not be affected by the death or disability of any principal. The foregoing right shall be subject to the condition that any such agreement, document, amendment or supplement shall not affect the ownership percentage interest in the Common Elements of any Unit Owner(s), or adversely affects the priority or validity of any mortgage encumbering any Unit unless the Unit Owner(s) and the applicable mortgagee(s) consent in writing.

Irrespective of the foregoing, the Grantor shall not be permitted to cast any votes held by it for the purpose of amending this Master Deed, the By-Laws, or any other document for the purpose of changing the permitted use of a Unit or the purpose of reducing the Common Elements or facilities.

Springs Edge, a Condominium, shall be administered, supervised and managed by the Springs Edge Condominium Association, Inc., a not-for-profit corporation of the State of New Jersey, presently having its principal office at 25 Route 22 East, Suite 290, Springfield, New Jersey 07081, which shall act by and on behalf of the owners of the Units in Springs Edge, a Condominium, in accordance with this instrument, the By-Laws of the Association annexed hereto as **Exhibit "E"** and in accordance with the Condominium Act of the State of New Jersey, its supplements and amendments. The said By-Laws form an integral part of ownership herein described and this instrument shall be construed in conjunction with the provisions of said By-Laws. Pursuant to the requirements of the Condominium Act of the State of New Jersey, the Springs Edge Condominium Association, Inc. is hereby designated as the form of administration of Springs Edge, a Condominium, the same being more particularly set forth in the By-Laws of the Association hereunto attached. The said Association shall also be empowered to exercise any of the rights, powers, privileges or duties, which may, from time to time, be established by law or which may be delegated to it by the owners or co-owners of Units in Springs Edge, a Condominium.

All owners of Units shall be members of the Association and agree by acceptance of a deed to any Unit or by acceptance of any other legal or equitable interest in the Condominium that they shall be bound by the By-Laws or Rules of the Association for the use of the Units or common areas, as these Rules and By-Laws presently exist or as they are hereinafter adopted or amended by the Association as provide din its By-laws.

9. Management and Roadway-Utility Maintenance:

The Springs Edge Condominium Association, Inc. is hereby designated as the managing body of the Condominium and its Common Elements. Grantor shall appoint the incorporators and/or initial Trustees of the Association.

Every Unit Owner, by acceptance of a deed or other conveyance for a Unit, whether or not it shall be expressed in such deed or conveyance shall be deemed to covenant and agree to pay to the Association the Annual Assessments in the manner adopted by the Association and any other assessments or charges as may be provided for in the By-Laws.

The Association through its Board and at their option, and for the benefit of the Condominium and the Owners may acquire and may pay for out of the maintenance fund, hereinafter provided for, the following;

(a) Water, garbage, electrical and gas, and other necessary utility services for the Common Elements and (if not separately metered or charged) for the Units, maintenance and gardening services for the Common Elements.

(b) Those premiums relating to bonds and policies of insurance as are required pursuant to the provisions of the Association's "By-Laws" as well as any other kinds and types of insurance which the Association's Board of Trustees may deem prudent and desirable. Such insurance shall include, but not by way of limitation, fire and extended Property insurance, public liability insurance, workmen's compensation, fidelity bonds, and Trustee's liability.

(c) The services of a person or firm (the "Manager") to manage the Common Elements to the extent deemed advisable by the Association as well as such other personnel as the Board of Trustees of the Association shall determine shall be necessary or proper for the operation of the common Elements whether such personnel are employed directly by the Association or are furnished by the Manager.

(d) Legal and accounting services necessary or proper in the operation of the Association, the Common Elements, or enforcement of these restrictions.

(e) Painting, maintenance and repair, construction and reconstruction of the General Common Elements and such furnishings, equipment and planting for the General Common Elements, as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to acquire the same for the Common Elements.

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(f) Any other Property services, taxes or assessments which the Association is required to secure or pay for, pursuant to the terms of this Master Deed or the By-Laws, or which, in its option, shall be necessary or proper for the operation of the common Elements; provided however, that if the Association determines that any such Property services, taxes or assessments are provided or paid for a single Unit, the cost thereof shall be especially assessed to the Unit Owner of such Unit; provided further, that nothing herein shall permit the Association to assess the Unit Owners for any new improvements or additions to the Common Elements except as hereinafter provided or as stated in the By-Laws, **Exhibit "F"**.

(g) Any amount necessary to discharge any lien or encumbrance levied against the Common Elements, or any part thereof, which may, in the opinion of the Association, constitute a lien against any part of such areas rather than merely against the interest therein of particular Unit Owner, where on or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it.

(h) All assessments against the Unit Owners for costs incurred for the ownership, operation and maintenance of such real and personal Property, which is or may be held or leased by the Association for the use and benefit of the Unit Owners.

The Association may delegate any of its duties, powers or functions to any person, corporation or firm to act as Manager. Neither the Association, nor the members of its Board, shall be liable for any omission or improper exercise by the Manager of any such duty, power or function so delegated.

The Association or its agents may enter any Unit in the event of any emergency involving illness or potential danger to life or property, or when necessary in connection with any maintenance or construction for which it is responsible. Such entry shall be made with as little inconvenience to the Unit Owner as practicable, and the Association at the expense of the maintenance fund shall repair any damage caused thereby.

The Association shall provide for an annual independent audit of the accounts, including operating budget and reserve funds, of the Association and for delivery of a copy of such audit to each Unit Owner within ninety (90) days after the end of the Association's fiscal year.

The Association is authorized and empowered to grant such licenses, easements and rights-of-way for sewer lines, CATV, water lines, underground conduits, storm drains and other public or private utility purposes as may be necessary and appropriate for the orderly maintenance, preservation and enjoyment of the Common Elements, or for the preservation of the health, safety, convenience and welfare of the Unit Owners over, in, through those portions of the Common Elements upon which no Unit or other structure has been erected and through those portions of the Property's General Common Elements.

As stated herein or in the By-Laws, (**Exhibit "F"**), and expressly subject to the provisions of this Article 16 of this Master Deed, the Association may restore and repair damaged Common Elements, may construct new improvements or additions to the Common

Elements or demolish existing improvements provided that in the case of any improvement, addition or demolition involving a total expenditure, which expenditure is not in the adopted budget, in excess of \$10,000 for one expenditure per year and \$20,000 in total for any such expenditures in one fiscal year, a two-thirds vote of the Unit Owners in person or by proxy (other than Grantor) in the project as to the maximum total cost therefor shall first be obtained, and provided that no Unit shall be altered or damaged by any such demolition or construction without the consent of the Unit Owner thereof. The approval of the Grantor shall be required as to any new capital improvement work as long as the Grantor owns one or more Units for sale in the ordinary course of business and the Association will be assessing the Grantor for such capital improvement work. The Association shall levy a special assessment on all Unit Owners in the Property for the cost of such work. The Grantor, while in control of the Association, will not make any additions, alterations, purchases or improvements that will cause a special assessment or a substantial increase in the monthly assessment except in case of emergency, or unless required by a governmental agency or mortgage lender. Additionally, Grantor will not cast any votes so as to change the use of any Units or cause an encroachment upon the Common Elements.

The Association, as successors in interest to certain of Grantor's obligations, and in accordance with any Developer's Agreement, Municipal Resolution or ordinance and any easement that may be recorded hereinafter, shall be responsible for the repair, replacement, construction, reconstruction, improvement, betterment, protection, cleaning, and snow removal, (when more than two inches of snow) as applicable, of all the driveways, parking areas, walkways, and sidewalks located within the properties described in **Exhibit "A"** or appurtenant thereto.

10. Restrictions:

A. The Condominium Property is subject to all covenants, restrictions and easements of record as well as any restrictions stated in the Master Deed and the attached By-Laws.

1. No Unit, except those Units owned by the Grantor or its Designated Transferee and used as sales offices, administrative offices or models, shall be used for any purpose other than as a private residence.

2. There shall be no obstruction of the Common Elements nor shall anything be temporarily or permanently placed upon, stores in or affixed to the Common Elements without the prior written consent of the Board or unless expressly permitted by the Rules or Regulations. However, this restriction shall not be deemed to preclude any residence of a Unit or his guests from utilizing any driveway in front of the Unit's garage for the parking of automobiles, subject to the Rules and Regulations promulgated by the Association and any other restrictions contained in this Master Deed. Nor shall this restriction apply to the Grantor or its designated Transferee while it is engaged in the development of the Condominium Property.

3. No vehicles of a size larger than a panel truck, and no mobile home, recreation vehicle, boat, boat trailer or the like shall be parked within the Condominium, except that those

vehicles temporarily within the Condominium for the purpose of servicing the Condominium itself or one of the Units, shall be permitted without the express written consent of the Board.

4. No portion of the Common Elements or other portion of the Condominium shall be used or maintained or the dumping of rubbish or debris except in designated areas. Trash, garbage or other waste shall be kept in sanitary containers within the Condominium for weekly or more frequent collections. Recyclable material shall be stored separately in accordance with the Township of Springfield's requirements for same.

5. No exterior loudspeakers other than as contained in portable radios, television sets or burglar alarm system shall be permitted, nor shall unshielded floodlights be installed in any exterior area of any Unit or any balcony, patio or terrace appurtenant thereto without the permission of the Board. Despite the foregoing, in the event any portable radio, television sets, or burglar alarm system becomes a nuisance, the Association shall have the right to require the Unit Owner to remove the exterior loudspeakers from the Unit's exterior or interior.

6. The owner of each Unit, regardless of type, shall not cause or permit any clothes, sheets, blankets, or laundry of any kind or other articles to be hung or displayed on the outside of windows or placed on the outside window sills, walls, or balconies of any Unit or in any parking area.

7. No noxious or offensive activities shall be carried on, in or upon the Common Elements or in any Unit nor shall anything be done therein either willfully or negligently which may be or become an annoyance or nuisance to the other residents in the Condominium.

8. No immoral, improper, offensive or unlawful use shall be made of any Unit; and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed.

9. No clothes, poles, lines or clothes trees shall be installed or maintained, nor shall any laundry or other thing be hung out to dry outside of any Unit.

10. No "For Sale" signs or equivalent document shall be displayed, erected, placed, installed or otherwise maintained on the Common Elements or in, on, or about a Unit until after December 31, 2004. This restriction shall not apply to the Grantor.

The foregoing restrictions shall not be interpreted in any manner so as to prevent, restrict, interfere or delay Grantor's construction of the Condominium development or its ability to sell or lease any Units or to maintain model Units and sales offices.

11. Rights and Obligations of Grantor:

The Grantor covenants and agrees that for so long as it owns one or more of the Condominium Units, the Grantor shall be subject to the provisions of this Master Deed and of all exhibits attached hereto; and the Grantor covenants to take no action that will adversely affect

the rights of the other owners of Condominium Units and their successors in interest, as their interests may appear, by reason of the removal of any portion of the Condominium.

As long as the Grantor is the owner of one unsold Unit in the ordinary course of business, neither the Association nor any Unit Owner or mortgagee shall do anything to interfere with the rights of the Grantor as set forth in the Master Deed and the Association's By-Laws or the right of the Grantor to do any construction as to unsold Units or to construct such additional improvements as Grantor deems advisable. Such rights shall also include but not be limited to the right to install and maintain displays, signs, sales information on or about unsold Units and the Common Elements as well as the right to operate and maintain leasing-sales offices, and model Units. Each Unit Owner by accepting a deed to a Unit hereby acknowledges that the construction and sales activities of Grantor may temporarily or permanently constitute an inconvenience or nuisance to the Unit Owners, and each Unit Owner hereby consents to such inconvenience or nuisance.

The rights of Grantor hereunder and elsewhere in the Master Deed and By-Laws may be assigned by Grantor and any successor in interest to any portion of Grantor's interest in any portion of the Condominium by a recorded written assignment. Written approval of Grantor, as developer of the Property, will be required before any amendment to this Article shall be effective.

While the Grantor maintains control of the executive board, it shall take no action which adversely affects a Unit Owner's rights under N.J.A.C. 5:25-5.5. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

12. No Partition:

Subject to the provisions of the Master Deed and By-Laws and the Condominium Act, the Common Elements shall remain undivided and no Unit Owner(s) shall bring any action of partition or division thereof. In addition, the undivided interest in the Common Elements shall not be separated from the Unit to which it appertains, and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

13. Compliance by Unit Owners:

Each Unit Owner or occupant shall comply with the provisions of this Master Deed, by By-Laws, the Rules and Regulations of the Association and its representative(s), and any other documents, amendments or supplements to the foregoing which subsequently may be required by any governmental authority, as same may be lawfully amended from time to time. Failure to comply with any such provisions, rules or regulations shall be grounds for an action to recover sums due, damages or injunctive relief by the Grantor, the Association, and any other Unit Owner.

Each Unit Owner shall be responsible for correcting any building code violations and municipal ordinances and violations. In furtherance of this obligation, a Unit Owner shall

also be responsible for any fines, penalties or other expenses relating to such violations and agrees to indemnify and hold harmless the Grantor and the Association from any and all such fines, penalties or other expenses. In the event a Unit Owner fails to comply with the foregoing provisions the Grantor or Association shall have the right to recover any monies paid out, damages, institute injunctive relief, and correct such violations.

In the event a Unit Owner or occupant fails to so comply then the Association or Judicial Committee shall notify the Unit Owner or occupant of the violation, in writing, and in the notice state the violations(s) and require that it be cured within ten (10) days of receipt of the notice. If the violation(s) is not cured within the requisite period then the Association shall have the right, but not the duty, to institute the appropriate legal action to force compliance and curing of the violation(s). In the event that the Association institutes legal action then it shall be entitled to recover from the Unit Owner the Association's costs and expenses, including attorney's fee relative to such proceeding. The cost and expense shall be considered to be a lien affecting that Unit and the Association shall have the right to enforce the payment of such lien as if it were a Common Expense.

14. Amendment:

A. These covenants, conditions and restrictions may be amended as to content as follows:

1. By the Grantor, for a period of the earlier of five years or the last Unit title closing in the ordinary course of business, to effectuate any changes as may be required by and lending institution, any governmental agency insuring a mortgage on any Unit, by any other governmental agency having regulatory jurisdiction over this Condominium or by any title insurance company that may have an interest in or as to a Unit as well as an amendment pursuant to Article 6 of this Master Deed. Additionally, the Grantor, until it has sold the last Unit in the ordinary course of business, shall have the sole right to amend **Exhibits "B" and "C"** relating to the shape, location, design and size of any Units not yet conveyed by Grantor or its Designated Transferee, to a third party. Such amendment shall be effective only upon recordation in the Union County Register's Office of an instrument in writing, signed and acknowledged by the Grantor, setting forth the amendment. The Grantor, not by the Association, any Unit Owner or any Mortgagee need, only sign such amendment in the above instances.

2. Grantor shall have the right at any time it owns a Unit(s) in ordinary course of business to amend the Master Deed to alter the architectural renderings, which are attached as **Exhibit "C"** and redistribute, as to the unsold Units, each Unit(s) percentage interest of Common Elements.

3. The provisions of this Master Deed other than this Article, may be amended by an instrument in writing, signed and acknowledged by the President and Secretary of the Association, certifying that such amendment has been approved by the vote or written consent of at least seventy-five (75%) percent of the record Owners, subject to the rights of institutional holders of first mortgages as provided in Article 27, and such an amendment shall be effective upon its recordation in the Union County Clerk's Office.

B. Despite anything to the contrary stated in this Master Deed, the consent of all affected Unit Owners shall be required for any amendment effecting a change in the following:

1. the boundaries of any Unit not owned by the Grantor or its designated Transferee;
2. the undivided interest in the Common Elements appertaining to any of the Units or the liability for Common Expenses appertaining thereto, except as provided in Article 6 and Subsection A above;
3. the number of votes in the owners' association appertaining to the Unit; or
4. the fundamental purposes to which any Unit or the Common Elements are restricted.

C. Despite anything to the contrary stated in this Master Deed or the attached By-Laws, there shall be no amendment to either document if said amendment shall impair or prejudice the rights and priorities of any mortgagee holding a mortgage encumbering any Unit, or be detrimental to the sale, lease and use of Units by the Grantor.

D. No amendment shall impair or adversely affect the rights of the Grantor or its Designated Transferee or discriminate against them or cause either of them to suffer any financial, legal or other detriment or assess either of them for capital improvements or directly or indirectly interfere with their sale, lease or ownership of Units or their use of Units and/or the Common Elements unless the Grantor or its Designated Transferee has consented to such amendment.

15. Provisions and Restrictions Relative to Leases:

No Condominium Unit shall be rented by the Unit Owners thereof for transient or hotel purposes, which shall be defined as "(a) rental for any period less than six months or (b) any rental if the occupants of the Unit are provided customary hotel services, such as room service for food and beverage, said service furnishing laundry and linen and bellboy services". No Unit Owner shall rent less than the entire Unit. Other than the foregoing obligations, the Unit Owners shall have the absolute right to lease same provided that said lease is in writing and is made subject to the covenants and restrictions contained in this Master Deed, the By-Laws and other documents referred to herein, including the rights to amend the Master Deed and By-Laws reserved to Grantor herein and provided further that any failure of the tenant to comply with the terms and conditions of such documents shall constitute a default under the lease. The foregoing restrictions shall not apply to the Grantor or any lender in possession of a Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure.

In the event a tenant of a Unit Owner defaults under his lease by failure to comply with the provisions of this Master Deed, By-Laws or rules and regulations of the Association, then, in

addition to all other remedies which it may have, the Association shall notify the Unit Owner of such default(s) and demand that the same be cured through the Unit Owner's efforts within thirty (30) days after such notice. If then the Unit Owner shall immediately thereafter, at his own cost and expense, institute and diligently prosecute an eviction action against his tenant on account of such default(s). Such action shall not be compromised or settled without the prior consent of the Association. In the event the Unit Owner fails to fulfill the foregoing obligation, then the Association shall have the right, but not the duty, to institute and prosecute such action as attorney-in-fact for the unit Owner, at the Unit Owner's sole cost and expense, including legal fees incurred. Said costs and expenses shall be deemed to constitute a lien on the particular Unit involved, and collection thereof may be enforced by the Association in the same manner as the Association is entitled to enforce collection of Common Expenses. By acceptance of a deed to any Unit, each and every Unit Owner does thereby automatically and irrevocably name, constitute, appoint and confirm the Association as his attorney-in-fact for the purposes described in this subparagraph.

16. Insurance Damage or Destruction:

A. The Association, through its Board of Trustees, shall, as stated in Article 9, be required to obtain and maintain fire insurance with extended coverage insuring not only all the Common Elements, and also but only as to each Condominium Unit (including all structural walls and interior partition walls initially installed therein by the Grantor, but not including carpeting, drapes, wall covering, fixtures, appliances, individual Units' heating and air conditioning equipment, furniture, furnishings or other personal Property supplied or installed by Unit Owners) together with all service machinery contained therein and covering the interests of the Condominium, the Board of Trustees and all Unit Owners and their mortgagees, as their interests may appear, in the amount determined by the Board of Trustees, each of which policies shall contain a standard mortgagee 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 interest may appear, subject, however, to the loss payment provisions in favor of the Board of Trustees. All such policies shall provide that adjustment of loss shall be made by the Board of Trustees and that the net proceeds thereof shall be payable to the Association, subject to the rights of the Unit mortgagees.

1. Premiums for any such insurance coverage shall be included in the monthly assessment for common expenses and such premium charges shall be held in a separate escrow account of the Association to be used solely for the payment of said premiums, as same become due.

2. All policies of physical damage insurance shall contain waivers of subrogation with respect to claims against Unit Owners, and their family members and officers and trustees of the Association and the Association shall use its best efforts to obtain a waiver of subrogation against Unit Owner's guests and Association employees. Said policies shall also contain waivers of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all mortgagees of Units.

Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies, if required.

B. All Unit Owners shall carry insurance for their own benefit insuring their carpeting, wallcovering, appliances, fixtures, individual Unit's heating and air conditioning equipment, furniture, furnishings and other personal property provided that all such policies shall contain waivers of subrogation further provided that the liability of the carriers issuing insurance obtained by the Board of Trustees shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

C. In the event of damage or destruction to the Condominium Property said damage or destruction shall be promptly repaired and restored by the Association using the proceeds of insurance for that purpose and all costs for repair or reconstruction, in excess of available insurance proceeds shall be a Common Expense, subject to the following conditions:

1. Common Elements exclusive of Common Facilities:

(a) If the Common Elements are damaged to the extent of seventy-five (75%) percent of its then replacement cost, which shall be deemed to constitute substantially total destruction of the Condominium Property and if sixty-seven (67%) percent of both the Unit Owners' and the institutional holders of first mortgage liens (based upon one vote for each mortgage held), vote not to proceed with the repair or restoration, the Association shall proceed to realize upon the salvage value of the Condominium Property, either by sale or such other means as the Association may deem advisable and shall collect the proceeds of any insurance. Thereupon the net proceeds of such sale, together with the net proceeds of such insurance, shall be considered as one fund to be divided among the Unit Owners in proportion to their respective interests of the Common Elements after first paying out of the share due each Unit Owner, such amounts as may be required to satisfy, to the extent monies are available, unpaid liens on the Unit in order of priority of such liens.

(b) The Association shall arrange in the case of repair and restoration, for the repair and restoration of the Condominium Property, including damage to the Condominium Units (including any equipment which is part of a Common Element system, but not including carpeting, drapes, wallcovering, heating and air conditioning units, appliances, equipment fixtures, furniture, furnishings or other personal property owned, supplied or installed by a Unit Owner).

(c) In the event that the net proceeds of insurance received by or payable to the Association shall exceed the cost of such repair or restoration, then the excess of such insurance proceeds shall be paid by the Association to the Condominium Unit Owners in proportion to their respective interests in the Common Elements after first paying out of the share due each Unit Owner, such amounts as may be required to reduce unpaid lines on the Unit in the order of priority of such liens.

(d) In the event that the net proceeds of insurance received by or payable to the Association is insufficient to cover the cost of such repair or restoration and the Condominium Unit Owners have voted to proceed with the repair or restoration, then in that event, the Association shall cause such repair or restoration to be done and the cost of same not covered by insurance proceeds shall be levied against each Condominium Unit in accordance with its respective interest in the Common Elements.

Restoration and repair of the damage to the interior of any individual Unit shall be made by and at the expense of the owner of said Unit and in the event of a determination to rebuild partial or total destruction, it shall be completed as promptly as practicable, and in a lawful and workmanlike manner.

(1) Common Facilities:

(e) If the Common Facilities are damaged to the extent of seventy-five (75%) percent of its then replacement cost, which shall be deemed to constitute substantially total destruction of the Common Facilities and if sixty-seven (67%) percent of both the Unit Owners and the Institutional Holders of First Mortgage liens (based upon one vote for each mortgage held), vote not to proceed with the repair or restoration, the Association shall proceed to realize upon the salvage value of the Common Facilities, either by sale or such other means as the Association may deem advisable and shall collect the proceeds of such sale, together with the net proceed of such insurance, shall be considered as one fund to be divided among the Unit Owners in proportion to their respective interest of the Common Expenses as to the Common Facilities (**Exhibit "E"** to this Master Deed) after first paying out of the share due each Owner, such amounts as may be required to satisfy, to the extent monies are available, unpaid liens on the Unit in the order of priority of such liens.

(f) the Association shall arrange in the case of repair and restoration, for the repair and restoration of the Common Facilities.

(g) In the event that the net proceeds of insurance received by or payable to the Association shall exceed the cost of such repair or restoration, then the excess of such insurance proceeds shall be paid by the Association to the unit Owners in proportion to their respective interest in the Common Expenses of the Common Facilities after first paying out of the share due each Owner, such amounts as may be required to reduce unpaid lines on the Unit in the order of priority of such liens.

(h) In the event that the net proceeds of insurance received by or payable to the Association is insufficient to cover the costs of such repair or restoration and the Unit Owners have voted or proceed with the repair or restoration, then in that event, the Association shall cause such repair or restoration to be done and the cost of same not covered by insurance proceeds shall be levied against each Unit in accordance with its respective interest in the Common Expenses and the Common Facilities.

1. General Conditions:

(i) Four (4) months from the date of any partial or total destruction, if a Resolution to not rebuild has not been adopted, as herein provided, or if reconstruction has not actually commenced within said period, then the covenant against partition, shall terminate and be of no further force and effect.

(j) Any such reconstruction or repair shall be substantially in accordance with the plans and specifications attached hereto as Exhibit "C".

(k) Despite destruction of a Unit and the resulting inability to occupy same, the Owner of that Condominium Unit will remain liable for assessments for Common Expenses until such time as the Master Deed is terminated, as aforesaid; in the event of the reconstruction of his Condominium, liability for assessments will, of course, continue.

(l) Despite any provision to the contrary stated in this Master Deed and the By-Laws, the institutional holder of any first mortgage shall have a first priority as to the distribution to it of the insurance proceeds applicable to that Unit in the event of substantial damage to or destruction of said Unit or in the event that the Unit is the subject matter of any condemnation or eminent domain award.

17. Blanket Mortgages:

At its option, Grantor may, with the unanimous written approval of all Unit Owners, encumber the entire Condominium Property or some or all of the Units therein with a single or blanket permanent mortgage constituting a first lien thereon and any such Units may be sold or otherwise conveyed or transferred subject to the lien of such mortgage, all in accordance with the provisions of N.J.S.A. 46:8B-23.

18. Common Expenses - Assessment - Late Charges - Contributions:

A. Common Expenses shall be charged to Unit Owners according to the percentage of their respective undivided interest in the Common Elements as set forth in **Exhibit "E"** of this Master Deed and shall be subject to enforcement by the right of line, all in accordance with the provisions of the Condominium Act, this Master Deed and By-Laws. These Common Expenses shall be paid by each Unit Owner through a monthly assessment, as more particularly set forth in the Association By-Laws.

B. In addition to the monthly assessment, the Association shall have the power through its Board of Trustees to levy a special assessment(s), against each Unit Owner according to each Unit's undivided percentage interest in the Common Expenses (**Exhibit "E"**), all as more specifically set forth in the Association's By-Laws.

Any assessment or charge of the Association that is not received by the Association from a Unit Owner within ten (10) days of its due date shall obligate the unit Owner to pay a late fee

as set forth in Article IV, Section 9 of the By-Laws in addition to all other rights and remedies of the Association.

C. Despite any other provision herein contained, until such time as the Township of Springfield assesses each Condominium Unit separately, the Association shall pay the New Jersey Real Property Taxes assessed against the Condominium Property and shall prior to such payment levy a supplemental assessment payable by the Unit Owners, which supplemental assessment shall be allocated and assessed to each Unit in the same percentage as that Unit's share of the Association's Common Expenses (**Exhibit "E"**) and such action shall not require a vote of the Unit Owners.

D. Common Expenses are those expenses of administration and of maintenance, repair or replacement of the Common Elements, including or not including the Common Facilities as applicable, and the expense of administering the Association and all of its real and personal Property in proportions and amounts as shall from time to time be fixed by the Trustees of the Association and to any other expense and reserves that may be lawfully agreed upon.

No Unit Owner may exempt himself or herself from contributing toward such expense by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit owned by him or her.

E. Additionally, the Association shall establish a Reserve Fund and each Unit Owner by the acceptance of a deed to a Unit, whether it be expressed therein or not, shall be obligated to pay his or her share of the Common Expenses, monthly assessments, special assessment and Reserve Fund, all as more specifically set forth in the Association's By-Laws.

Every Unit Purchaser (except the Grantor or its Designated Transferee) shall pay to the Association as a non-refundable contribution to the "Working Capital" and "Reserve Fund" the sums so stated in the By-Laws, Article IV, Section 6.

F. Any Unit owned by the Association shall be exempted from the payment of any Common Expenses, monthly assessments, special assessments or Reserve Fund.

G. As long as the Grantor or its Designated Transferee is the owner of one or more Units, the Association shall take no action which discriminates against Grantor or its Designated Transferee or impairs in any manner Grantor's or its Designated Transferee's ability to construct, develop, show, ability to own, sell or lease the unit(s), or use any Units as model Units or make use of the Common Facilities.

H. Despite anything to the contrary stated in this Master Deed and By-Laws, as to any Units owned by the Grantor or its Designated Transferee, which Units are under development or title has not been conveyed to a purchaser, the assessment levied against such a Unit(s) shall be in proportion to the benefit derived by the Unit(s) from the items included in the budget.

19. Unpaid Assessment Liens Foreclosure Purchase:

A. All charges and expenses chargeable to any Unit shall constitute a lien against said Unit in favor of the Springs Edge Condominium Association, Inc. which lien shall be prior to all other liens except, assessments, liens and charges for taxes past due and unpaid on the Unit; a bona fide mortgage lien, if any, to which the Unit is subject; and any other lien recorded prior to recording the claim of lien.

1. Such lien shall be effective from and after the time of recording in the public records of Union County of a claim of lien stating the description of the Unit, the name of the record owner, the amount due and the date when due. Such claim of lien shall include only sums, which are due and payable when the claim of lien is recorded and shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by the lien, the party making payment shall be entitled to a recordable satisfaction of lien.

2. Any assessments that remain unpaid for over thirty (30) days shall bear interest from the assessment due date at the highest rate permitted by law.

3. Liens for unpaid assessments may be foreclosed by suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. The Association shall have the power to bid in the Unit at foreclosure sale and to acquire, hold, lease, mortgage and convey. The title acquired by any purchaser following any such foreclosure sale shall be subject to all of the provision of this instrument, the By-Laws and Rules and Regulations of the Springs Edge Condominium Association, Inc. and the Condominium Act of the State of New Jersey, and by so acquiring title to the Unit, said purchaser covenants and agrees to abide and be bound thereby.

The Association shall file a claim of lien, as aforesaid, if said monthly assessment or other Association charge or assessment remains unpaid for a period of sixty (60) days. Thereafter, if said line is not paid within ten (10) days from the date of recording same, the Association may foreclose same, as aforesaid. The Association shall have the right as part of the aforesaid foreclosure action to accelerate the remaining monthly assessments in the Association's fiscal year provided that at least three (3) months of unpaid monthly assessments constitute the basis of the foreclosure action. In any such action, the Association shall be entitled to recover attorneys' fees and costs of suit.

The Association may maintain suit against a delinquent Unit Owner, as provided in the By-Laws, to recover a money judgment for any unpaid expenses, charges and assessments without foreclosing or waiving the lien securing same.

In addition to the right to file a lien claim and foreclose same, as provided above, the Association, in accordance with the aforesaid time period may take action to recover the amount due either by foreclosure of the lien or by suit to recover a money judgment as hereinabove provided.

20. Unit Conveyances - Unpaid Assessments - Title Certificate:

A. Buyer of such Unit shall be jointly and severally liable for all unpaid assessments pertaining to such Unit duly made by the Association or accrued up to the date of such conveyance, without prejudice to the right of the Buyer to recover from the Seller any amounts paid by the Buyer but the Buyer shall be exclusively liable for those accruing while he (she) is the Unit Owner.

B. If a mortgagee of a first mortgage of record or other purchaser of a Unit acquires title to such Unit as a result of foreclosure of the first mortgage, or by a deed in lieu of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of Common Expenses or other assessments by the Association pertaining to such Unit or chargeable to the former Unit Owner which became due prior to acquisition of title as a result of the foreclosure. Such unpaid share of Common Expenses shall be collectable from all of the remaining Unit Owners, including such acquirer, his (her) successors and assigns.

C. A Unit may be sold by the sheriff on execution, free of any claim, not a lien of record, for Common Expenses or other assessments by the Association but any funds derived from such sale remaining after satisfaction of prior liens and charges but before distribution to the previous Unit Owner, shall be applied to payment of such unpaid Common Expenses or other assessments if written notice thereof shall have been given to the sheriff before distribution. Any such unpaid Common Expenses which shall remain uncollectable from the former Unit Owner for a period of more than sixty (60) days after such sheriff's sale may be reassessed by the Association as Common Expenses to be collected from all Unit Owners including the purchaser who acquired title at the sheriff's sale, his successors and assigns.

D. Every purchaser of a Unit prior to title acquisition shall obtain from the Association a certificate setting forth what, if any, assessments and charges are due and owing as to that Unit. At the time the request for the certificate is made, the name and address of the prospective purchaser and Mortgagee, if applicable, shall also be submitted to the Association. No certificate shall be issued without such information having been submitted. Failure of a purchaser to obtain the certificate and pay any monies due to the Association within fifteen days of title closing shall obligate the purchaser to pay a late payment fee, as provided in the Association By-Laws. The certificate shall be conclusive evidence as to any assessments and charges applicable to a Unit except as to the then present Unit Owner. The Association shall have the right to impose a charge for such certificate. The provisions stated in this paragraph shall not apply to a mortgagee who acquires title by way of a foreclosure of its mortgage or by a deed in lieu of foreclosure or to a Unit Owner who acquires title from the Grantor or its Designated Transferee.

21. Subordination of the Assessment Lien to Mortgages:

The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now, or hereinafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such Property, pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer of such Property

shall not relieve such Property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

22. Unit Exterior Changes:

A. No addition, removal, change, modification, decoration or alteration of the Unit's exterior, including, but not limited to the exterior finishings, color, enclosure of decks, porches and/or stairs, or the erection or implacement of antennae of any nature, shall be made as to any Unit nor shall any building, fence, wall, or structure of any kind be commenced, erected or maintained upon the Condominium Property unless done by the Grantor, nor shall any Unit Owner make any structural modifications or alterations or decorations of any nature to the exterior of the Unit or anything within the Unit's Limited Common Elements, unless done by the Grantor, until the plans and specifications, showing the nature, kind, shape, height, materials and location in relation of the same shall have been submitted to and approved, in writing, as to harmony of external design and location in relation to surrounding structures by the Board of Trustees of the Association or its designated Committee. Nor shall any Unit Owner impair any easement without first obtaining the written consent of the Association's Board and the consent of those Unit Owners or other parties for whose the easement exists. In the event said Board or its committee fails to approve such design and location within sixty (60) days after said plans and specifications have been submitted to it then in that event, the request shall be deemed to have been denied. The Board or its designated committee may request of the unit Owner any additional information necessary to make its decision and impose any requirements to insure the safety, well-being and protection of other Unit Owners and the Association as well as impose any fees to cover its costs of hiring professional to review the plans. Unless the Board of its designated committee grants an approval, no work of any kind shall be done.

(1) Prior to any interior work being done, other than minor repairs, improvements or decorating to the interior of a Unit, the plans and specifications shall first be delivered to the Association. Unless the Association denies same within thirty (30) days of their receipt, same shall be deemed approved.

(2) No act shall be done, under any circumstances, which does, or may tend to impair the structural and/or architectural integrity of the Units or adversely affect any of the Common Elements.

Nothing herein shall be construed to prohibit the reasonable adaptation of any Unit for handicapped use.

B. Despite any language to the contrary stated in Section A of this Article 22 each Unit Owner shall be bound by and comply with all local ordinances and regulations of the Township of Springfield.

23. Exterior Maintenance and Repairs:

A. The Association shall be responsible for the general maintenance of the Common Properties, its grounds, all facilities, and any Unit or building owned by the Association,

including the grounds surrounding the Units. The Association shall also be responsible for snow plowing, when there is more than two inches of snow, of all driveways and parking areas.

B. The Association shall be responsible for the exterior maintenance, exterior painting and exterior decoration of all the Condominium Units as to only the exterior walls, gutters, leaders and roof subject to the provisions of Article 23 (C).

C. If, due to the negligence act or omission of a Unit Owner, or of a member of his or her family or of a guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacement as, as may be determined by the Association.

D. Necessary Maintenance/Repair Work by Association Occasioned by Condominium Unit Owner's Neglect.

a. Every Condominium Unit Owner, by the acceptance of a deed for the same, or by acceptance of title, as devisee or heir, covenants, that he, she or it will not permit the Unit, or any improvements (including, but not limited to Units exterior finishings and roofing) thereon, to be otherwise maintained than in good repair and in safe, neat and attractive condition. In the event any Unit Owner shall fail to so maintain his (her) (its) Unit, and such neglect in the judgment of the Board of Trustees of the Association, should result in a condition of unsightliness, tending to adversely affect the value or enjoyment of neighboring Units, or should constitute a hazard to persons or property, the Board of Trustees of the Association, or its Architectural Committee, may give notice of such condition to the Unit Owner, demand that such condition be abated within seven (7) days from the date the notice is sent. If the Unit Owner does not rectify the condition at the end of such period, the Association may cause such work to be performed as is necessary to rectify the condition. The cost of such work shall be assessed against the unit upon which the services are performed, and shall be added to and become part of the annual maintenance assessment or charge to which such Unit is subject under Article 18 hereof, and as part of such annual assessment or charge, it shall be a lien and obligation of the owner in all respects, as provided in Article 19 hereof, except the payment for any work performed, pursuant to this Section, shall be due upon presentation to the Unit Owner, either in person or by regular mail, of the Association's invoice therefor. Default in prompt and full payment within ten (10) days from the date the invoice is sent to the Unit Owner, shall entitle the Association to an annual interest rate equal to five points above the stated prime rate of commercial banks or the maximum allowed under the New Jersey usury statutes, whichever is lower, on the amount due from the date of the invoice, which interest shall also constitute a lien upon the unit and obligation of the Unit Owner thereof.

b. For the purpose of performing any work under this Section, the Association, through its authorized agents, servants, employees, or contractors, shall have the right to enter upon any unit, or its limited common elements, at reasonable hours, except Sundays or legal holidays and except in emergencies.

c. Any exterior maintenance, repairs and replacement by a Unit Owner in regard to type of material, finishing, color and design shall be subject to the approval of the Association.

24. Unit Maintenance, Repairs, Decorating and Replacement.

A. Each Unit Owner shall furnish and be responsible for at its own expense, all the maintenance, repairs and replacements in or about his, her or its own Unit. Every Unit Owner shall be responsible for the maintenance, repair and replacement of any doors, windows, conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which may be part of or appurtenant to the Unit and Limited Common Element, including the duty to repair any appliances, plumbing fixtures, interior walls, ceilings and floor surfaces. Each Unit Owner is responsible for the maintenance, repair and replacement of all portions of the interior of the Units including, but not limited to all windows, doors, conduits, ducts, plumbing, piping, wiring and other facilities for the furnishing of utility services, all the Unit's systems including HVAC units as well as the deck, porch and stairs. Such maintenance, repairs and replacements as may be required for the bringing of water and electricity to the Unit and sanitary sewerage disposal after exiting the Unit shall be furnished by the Association as part of the Common Expenses. The Association shall repair any system, which is an integral part of the Common Elements and not for the benefit of any one Unit. The Association may provide, by proper resolution of its Board, for ordinary maintenance and minor repairs and replacements to be furnished to the Units by Association personnel and charged as a Common Expense.

1. To the extent that equipment, facilities and fixtures within any Unit or Units shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or the Common Elements, then the use thereof by the individual Unit Owners shall be subject to the By-Laws and the rules and regulations of the Association. The authorized representatives of the Association or Board of Trustees, or of the manager or managing agent for Condominium Property, shall be entitled upon prior notice, except in cases of emergencies, to reasonable access to the individual Units as may be required in connection with the maintenance, repairs or replacements of or to Common Elements or any equipment, facilities or fixtures affecting or serving other Units or the Common Elements.

2. The decks, porches, stairs and railings, as well as the driveway area immediately appurtenant to a Unit shall be for the exclusive use of that Unit. Any such deck, porch, stairs or railings shall be kept free and clean of debris, dirt, snow and any other accumulation by the Unit Owner. The Association shall be responsible for any repairs and replacement to the deck, porch, stairs, railings and pavement unless such work is due to the negligence of the Unit Owner, his (her) family, guest and/or employees, in which event the Unit Owner shall pay for the work.

3. Each Unit Owner shall furnish and be responsible for, at its own expense, all of the decorating within its own Unit from time to time, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings, which constitute the exterior boundaries of the respective unit owned by it, and such owner shall maintain such interior

surfaces in good condition at its sole expense as may be required from time to time as it may see fit and at its sole expense. The use of and the covering of the interior surfaces of such windows, whether by draperies, shades or other items visible on the exterior of the Building, shall be subject to the rules and regulations of the Association. Decorating of the Common Elements (other than interior surfaces within the Units as above provided) and any redecorating of Units to the extend made necessary by any damage to existing decorating of such Unit caused by maintenance, repair or replacement work on the Common Elements by the Association shall be furnished by the Association as part of the Common Expenses.

4. The owners of any Unit shall be solely responsible for all repair, maintenance, operation, use and replacement of the mechanical/electrical/plumbing equipment pipes, lines, conduits, fixtures, appliances, HVAC equipment, fire sprinkler system, and hot water heater that service that particular Unit, there being no shared utilities among Units.

5. Any exterior maintenance, repairs and replacement by a Unit Owner, in regard to type, material, finishing, color and design shall be subject to the approval of the Association.

25. Unit Access:

The Springs Edge Condominium Association, Inc. shall have the irrevocable right, to be exercised by the Trustees or manager of the Association, to have access to each Unit from time to time during reasonable hours, with prior notice, except in case of emergencies, as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units.

In addition thereto, The Springs Edge Condominium Association, Inc. or its authorized personnel shall have the "Right of Access" to a Unit, as more specifically provided in the "By-Laws".

26. Title:

The present title to the Property hereby owned by the Grantor, and the title to each Unit which shall be hereafter conveyed or acquired in any manner is hereby expressly declared and made subject to the terms and conditions of this instrument and the By-Laws and acquisition of title by any person to a Unit shall be conclusively deemed to mean that the acquirer approves, adopts and ratifies the provisions of this instrument, the By-Laws and Rules and Regulations of the Springs Edge Condominium Association, Inc. and will comply therewith. The covenants, agreements and restrictions shall run with the land and shall be binding upon the Grantor, its successors and assigns and by all persons claiming by, through or under said Grantor, its successors and assigns.

27. Protective Provisions for the Benefit of Institutional Holders of First Mortgages:

A. Notwithstanding anything to the contrary stated in this Master Deed, the By-Laws or Articles of Incorporation of the Association, the following shall apply with respect to each Institutional Holder of a first mortgage on any Unit or Lot:

(1) Upon written request to the Association, such request to identify the name and address of the Institutional Holder, the Unit Owner's name and address, the Institutional Holder will be entitled to timely written notice of;

(a) Any condemnation loss or any casualty loss which affects a material portion of the Condominium Property, or the Unit upon which the Institutional Holder has a first mortgage;

(b) Any delinquency, which remains uncured for a period of sixty (60) days, in the payment of assessments or charges owed by a Unit Owner, whose Unit is subject to a first mortgage held by the Institutional Holder;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action by the Association, which would require the consent of a specified percentage of eligible mortgage holders as stated hereinafter in this Article.

(1) In the event of any material damage to or material destruction of any Unit or the Common Element; or if any Unit or a portion thereof is made the subject matter of any condemnation or eminent domain proceeding; then in such an event no Unit Owner or other party shall have priority over the Institutional Holder of a first mortgage on a Unit with respect to the distribution of any insurance proceeds, awards or settlement as affects that Unit.

(2) Any Institutional Holder of a first mortgage on a Unit is, upon request, entitled to:

(e) inspect the books and records of the Condominium during normal business hours;

(f) receive an annual audited financial statement of the Condominium within ninety (90) days following the end of any calendar year of the Association; and

(g) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

(1) No Unit in the Condominium may be partitioned or subdivided without the prior written approval of the Institutional Holder of any first mortgage lien on such Unit.

(2) Any lien the Association may have on any Unit in the Condominium for the payment of Common Expenses assessments attributable to such Unit is subordinate to the lien or equivalent security interest of any first mortgage on the Unit recorded prior to the date any such Common Expense assessments become due.

(3) Any management agreement for the Condominium will be terminable by the Association without cause and without penalty, upon thirty (30) days prior written notice thereof, and the term of any such agreement shall not exceed one year, renewable by agreement of the parties for successive one-year periods.

(4) The prior written approval of Institutional Holders of first mortgages, to the extent specified, and if applicable, the consent of Unit Owners to the extent specified, shall be required as to the following:

(h) Any restoration or repair of the project, after partial condemnation or damage due to an insurable hazard, shall be done substantially in accordance with the Mast Deed and the original plans and specifications, unless other action is approved by at least fifty-one (51%) Percent of the Institutional Holders of first mortgages (based upon one vote for each mortgage held).

(i) Any election to terminate the legal status of the Condominium after substantial destruction or substantial condemnation taking shall require the approval of at least fifty-one (51%) percent of the Institutional Holders of First Mortgages (based upon one vote for each mortgage held).

(j) No reallocation of interest in the Common Element may be effected without the approval of at least fifty-one (51%) percent of the Institutional Holders of First Mortgages (based upon one vote for each mortgage held).

(k) When professional management has been required by any Institutional Holder of a First Mortgage, any decision to establish self-management by the Association shall require the approval of at least fifty-one (51%) percent of Institutional Holders of First Mortgages (based upon one vote for each mortgage held) and the consent of Union Owners having at least sixty-seven (67%) percent of the total number of votes for all Units.

(l) Except as to amendments to the Master Deed or By-Laws or termination of the condominium made as a result of destruction, damage or condemnation, as provided for in subparagraph (g) of this Article or to a reallocation of interest in the Common Elements which might occur

pursuant to any contraction of the development as states in the Master Deed and By-Laws, the following shall apply:

(l) Termination of the Condominium shall require the approval of at least sixty-seven (67%) percent of the Institutional Holders of first mortgages (based upon one vote for each mortgage held).

(m) The consent of Unit Owners having at least sixty-seven (67%) percent of the total number of votes for all Units and the approval of fifty-one (51%) percent of the Institutional Holders of first mortgages (based on one vote for each mortgage held), as to any material amendment to the Master Deed or By-Laws, which establish, provide for, govern or regulate any of the following: "voting, assessments, assessment liens or subordination of such lines; serves for maintenance, repair and replacement of the common Elements; Insurance or Fidelity Bonds; rights to use the Common Elements; responsibility for maintenance and repair of the Common Elements; expansion or contraction of the Condominium Property or the addition, annexation or withdrawal of Property to or from the Condominium Property; Unit boundaries; interests in the General of Limited Common Elements; convertibility of Units into Common Elements or of Common Elements into Units; leasing of Units; imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer or otherwise convey the Unit; any provisions which are for the express benefit of Institutional Holders of first mortgages.

(1) Any Institutional Holder of a First Mortgage who receives a written notice pursuant to the provisions of this Article and does not deliver to the Association a negative response within thirty (30) days of the receipt of said notice shall be deemed to have approved the action stated in the notice.

(2) If an Institutional Holder of a First Mortgage lien on the Unit obtains title to a Unit as a result of foreclosure on the first mortgage, then such acquirer of title, his successors and assigns, is not liable for the share of Common Expenses and other assessments by the Association pertaining to such Unit or chargeable to the former Unit Owner which became due prior to acquisition of title as a result of the foreclosure. Such unpaid share of Common Expenses and other assessments shall be deemed to be Common Expenses collectible from all of the remaining Unit Owners, including such acquirer, its successors and assigns.

28. Transfer of Grantor's Rights

A. No special rights created or reserved to the Grantor under this Master Deed ("Special Rights") may be transferred except by an instrument evidencing the transfer

recorded in the Office of the Union County Clerk, Elizabeth, New Jersey. The instrument shall not be effective unless executed by the transferee.

B. Upon transfer of any such Special Right, the liability of the transferor is as follows:

(1) A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations imposed upon it. Lack of privity does not deprive any Unit Owner of standing to bring an action to enforce any obligation of the transferor.

(2) If a transferor retains any such Special right, or if a successor to any such Special Right is an affiliate of the Grantor, the transferor is subject to liability for all obligations and liabilities imposed on a Grantor by law or by the Master Deed, arising after the transfer, and is jointly and severally liable with the successor for the liabilities and obligations of the successor which relate to the Condominium.

(3) A transferor who retains no such Special Rights has no liability for any act or omission or any breach of a contractual or warranty obligation arising from the exercise of any such Special Right by a successor Grantor who is not an affiliate of the transferor.

C. Unless otherwise provided in a mortgage instrument or deed of trust, in case of foreclosure of a mortgage, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings, of any Units owned by Grantor in the Condominium, a person acquiring title to all the Units being foreclosed or sold, but only upon his request, succeeds to all such Special Rights, or only to any such Special rights to maintain models, sales offices and signs. The judgment or instrument conveying title shall provide for transfer of only the Special Rights requested.

D. Upon foreclosure, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings, of all Units in the Condominium owned by Grantor:

(1) The Grantor ceases to have any such Special Rights; and

(2) The period of Grantor control terminates unless the judgment or instrument conveying title provides for transfer of all such Special Rights to a successor to Grantor.

E. The liabilities and obligations of persons who succeed to all Special Rights are as follows:

(1) A successor to all such Special Rights who is an affiliate of the Grantor is subject to all obligations and liabilities imposed on any Grantor by law or by the Master Deed.

(2) A successor to all such Special Rights, other than a successor described in subsection (3) or (4) of Section "E" of this Article hereof who is not an affiliate of Grantor is subject to all obligations and liabilities imposed upon Grantor by law or the Master Deed, except it is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Grantor or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Grantor.

(3) A successor to only a Special Right to maintain models, sales offices and signs, if it is not an affiliate of Grantor may not exercise any other Special Right, but is not subject to any liability or obligation as a Grantor.

(4) A successor to all special Rights who is not an affiliate of Grantor and who succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Units under Section C of this Article aforesaid, may declare its intention in a recorded instrument to hold those rights solely for transfer to another party. Thereafter, until transferring all such Special rights to any person acquiring an instrument permitting exercise of those rights, that successor may not exercise any of those right other than the right to control the Board for the duration of any period of Grantor control, and any attempted exercise of those rights is void. So long as a successor may not exercise Special Rights under this subsection, it is not subject to any liability or obligation as a Grantor other than liability for the successor's acts and omissions under the Master Deed.

F. Nothing in this paragraph subjects any successor to a Special right to any claims against or other obligations of a transferor other than claims and obligations arising under the Master Deed.

G. Any transferee of such Special rights shall file the appropriate document and comply with the applicable requirements of the Planned Real Estate Development Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.).

29. General Provisions:

A. Duration:

(1) All provisions of this Master Deed and the By-Laws annexed thereto, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be constructed to be easements appurtenant to the land or covenants running with the land, as the case may be, and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, successors and assigns and shall restrict the use of the units, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public, other than other rights that may be created by law.

(2) The Condominium shall continue until:

(a) terminated by casualty loss, condemnation or eminent domain as more particularly provided herein; or

(b) such time as withdrawal of the Property from the provisions of the New Jersey Condominium Act is authorized by a vote of at least 80% in number and in common interest of the Units subject to the rights of first mortgagees as provided in this Master Deed. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective common interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of its share of such net proceeds all liens on its Unit. The foregoing right of partition shall be subject to the right of the Board of Trustees upon an 80% vote of the full Board, within 120 days of the vote authorizing the termination, to accept an offer for sale of this Property.

(1) Any deed of revocation to remove the Condominium Property from the provisions of the Condominium Act shall be duly executed by Unit Owners holding at least eighty (80%) percent of the allocated Association votes and the deed of revocation shall be recorded in the same office as the within Master Deed all in accordance with N.J.S.A. 46:8B-26 et seq.

B. Notices: Notices provided for in the Act, Master Deed or By-Laws shall be in writing, and shall be addressed to the Association or to any Unit Owner at the Unit Owner's or at such other address as hereinafter provided. The Association or Board of Trustees may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Unit Owners at such time. Any Unit Owner may also designate a different address or addresses for notice by giving written notice of such change of address to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail or when delivered in person with written acknowledgment of the receipt thereof, or, if addressed to a Unit Owner, when deposited in the mailbox for the Unit, or at the door of that Unit.

C. Enforcement: Enforcement of this Master Deed and By-Laws shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant, provision or restriction, of same documents, either to restrain violation or to recover damages, and against the Unit to enforce any lien created by these documents; and failure by the Association or any Unit Owner to enforce any covenant, provision or restriction of said documents herein contained shall in no event be deemed a waiver of the right to do so thereafter.

D. Severability: If any term, condition or provision of this Master Deed is declared illegal or invalid for any reason by a court of competent jurisdiction, the

remaining terms, conditions and provisions of this Master Deed, shall nevertheless remain in full force and effect and such invalidity shall in no way impair title to the eight (8) Condominium Units and Common Elements established hereby.

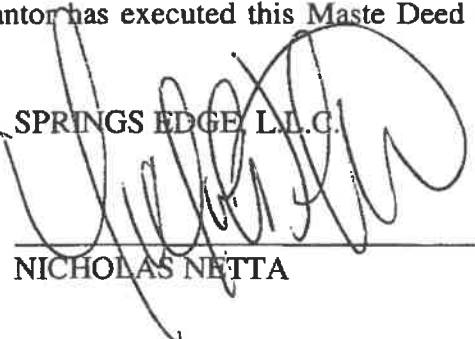
E. Priority: despite any language to the contrary contained within this entire Master Deed, and any amendments or supplements thereto, all the terms, conditions and provisions of same shall, at all times, be subject and subordinate to all of the ordinances, codes, resolutions and regulations of the Township of New Springfield.

30. Exhibits

Exhibit attached hereto and made a part hereof are the following:

1. Exhibit "A" - Metes and bounds description of the Condominium Property.
2. Exhibit "B" - "Foundation Location", prepared by Guarriello & Dec Associates, LLC, Civil Engineers and Land Surveyors, dated July 20, 2002, and plan entitled "Site Plan".
3. Exhibit "C" - Architectural plans for Units 1, 2, 3, 4, 5, 6, 7 and 8 prepared by the Nicholas J. Netta Architects, L.L.C., Springfield, New Jersey.
4. Exhibit "D" - Chart consisting of "Schedule of Unit's Percentage Interest in Common Elements".
5. Exhibit "E" - Chart consisting of "Schedule of Unit's Percentage Interest in Common Expenses".
6. Exhibit "F" - By-Laws of the Springs Edge Condominium Association, Inc.

IN WITNESS WHEREOF, the Grantor has executed this Master Deed as of the above date.

SPRINGS EDGE, L.L.C.
By: 
NICHOLAS NETTA

STATE OF NEW JERSEY:

ss.

COUNTY OF UNION:

I certify that on February 9th, 2003, Nicholas Netta personally came before me and acknowledged under oath, to my satisfaction that:

(a) he is the Operating Manager of the Springs Edge, L.L.C., the corporation named in this Master Deed.

(b) this Master Deed was signed and delivered by Springs Edge, L.L.C. as its voluntary act.

Signed and sworn before me on

February 9th, 2003.



Richard H. Kress
An Attorney at Law of the
State of New Jersey

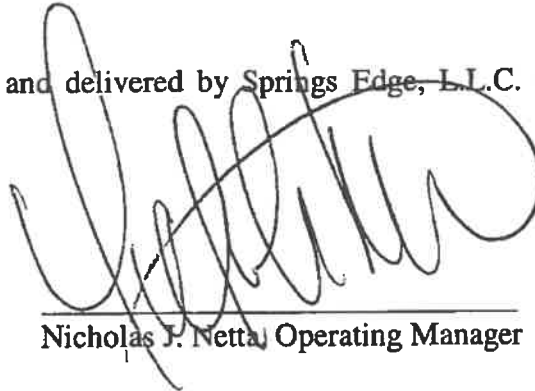

Nicholas J. Netta, Operating Manager

EXHIBIT "A"

METES AND BOUNDS DESCRIPTION OF THE CONDOMINIUM PROPERTY

DB5358-0498

FIRST AMERICAN TITLE INSURANCE COMPANY

TITLE INSURANCE COMMITMENT

File Number: 133 GLA 404267

SCHEDULE C LEGAL DESCRIPTION

All that certain Lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Township of Springfield, County of Union, State of New Jersey:

BEGINNING at a point on the southeasterly side line of South Springfield Avenue, said point marking the intersection of the boundary between the property in question and lands formerly of S. Curcio, with the said southeasterly side line of South Springfield Avenue; said point also being 470.00 feet, more or less, southwesterly from the intersection of the southeasterly side line of South Springfield Avenue, produced northeasterly with the southwesterly side line of Hillside Avenue, (formerly Turkey Road), produced northwesterly, and from said point; thence running

(1) South 41 degrees 24 minutes 10 seconds West, along the southeasterly side line of South Springfield Avenue, 154.80 feet to a point; thence running

(2) South 48 degrees 35 minutes 50 seconds East, perpendicular to the line of South Springfield Avenue, and making a new line through said Tract 2, 193.56 feet to a point; thence running

(3) North 41 degrees 55 minutes 20 seconds East, 164.53 feet to a point on the southwesterly side line of lands formerly of said S. Curcio; thence running

(4) North 51 degrees 27 minutes West, along the said southwesterly side line of lands formerly of S. Curcio, 195.29 feet to the southeasterly side line of South Springfield Avenue, and the place of BEGINNING.

BEING the northeasterly portion of Tract 2, as shown on "Map of Survey of Property Situated in the Township of Springfield, Union Co., N.J." dated May 11, 1973, by Lennox Associates, Engineers and Surveyors, Springfield, N.J. (Parcel owned by the Estate of Giuseppina Montanari).

The above description is drawn in accordance with a survey made by Guarriello and Dec Assoc. LLC dated July 20, 2002.

NOTE FOR INFORMATION ONLY: Being Lot(s) 5, Block 3701, Tax Map of the Township of Springfield, County of Union.

Issued by:

General Land Abstract Company

One Gateway Center Suite 2503

Newark, NJ 07102-5311

Telephone: (973) 621-7400 Fax: (973) 621-7488

Schedule A - Legal Description

085358-0499

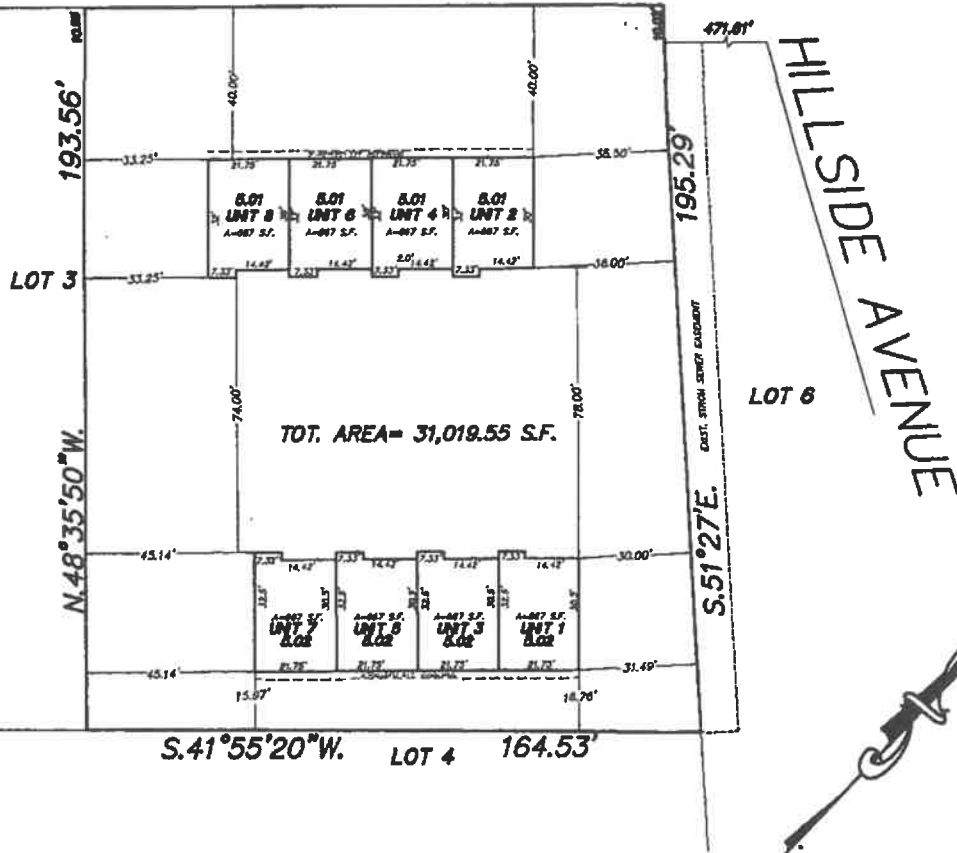
EXHIBIT "B"

FOUNDATION LOCATION

DB5358-0500

ESSEX
ROAD

(50' ROW) (60' ROW)
SOUTH SPRINGFIELD AVENUE
N.41°24'10"E. 154.80'



FOUNDATION
LOCATION

PREPARED BY:

Edward S. Dec
EDWARD S. DEC

N.J. PROFESSIONAL ENGINEER
AND LAND SURVEYOR # 38974

SITE PLAN OF
823 SOUTH SPRINGFIELD AVENUE
TOWNSHIP OF SPRINGFIELD, UNION COUNTY, N.J.
ALSO KNOWN AS LOT 5, BLOCK 3701 AS SHOWN ON THE
TAX MAP OF THE TOWNSHIP OF SPRINGFIELD, UNION CO. N.J.

GUARRIELLO & DEC ASSOC. LLC
CIVIL ENGINEERS AND LAND SURVEYORS
131 NORTH MICHIGAN AVENUE
P.O. BOX 208
KENILWORTH, N.J. 07033

TEL-908-620-1139

FAX-908-620-1102

SCALE 1" = 40'

DATE JULY 20, 2003

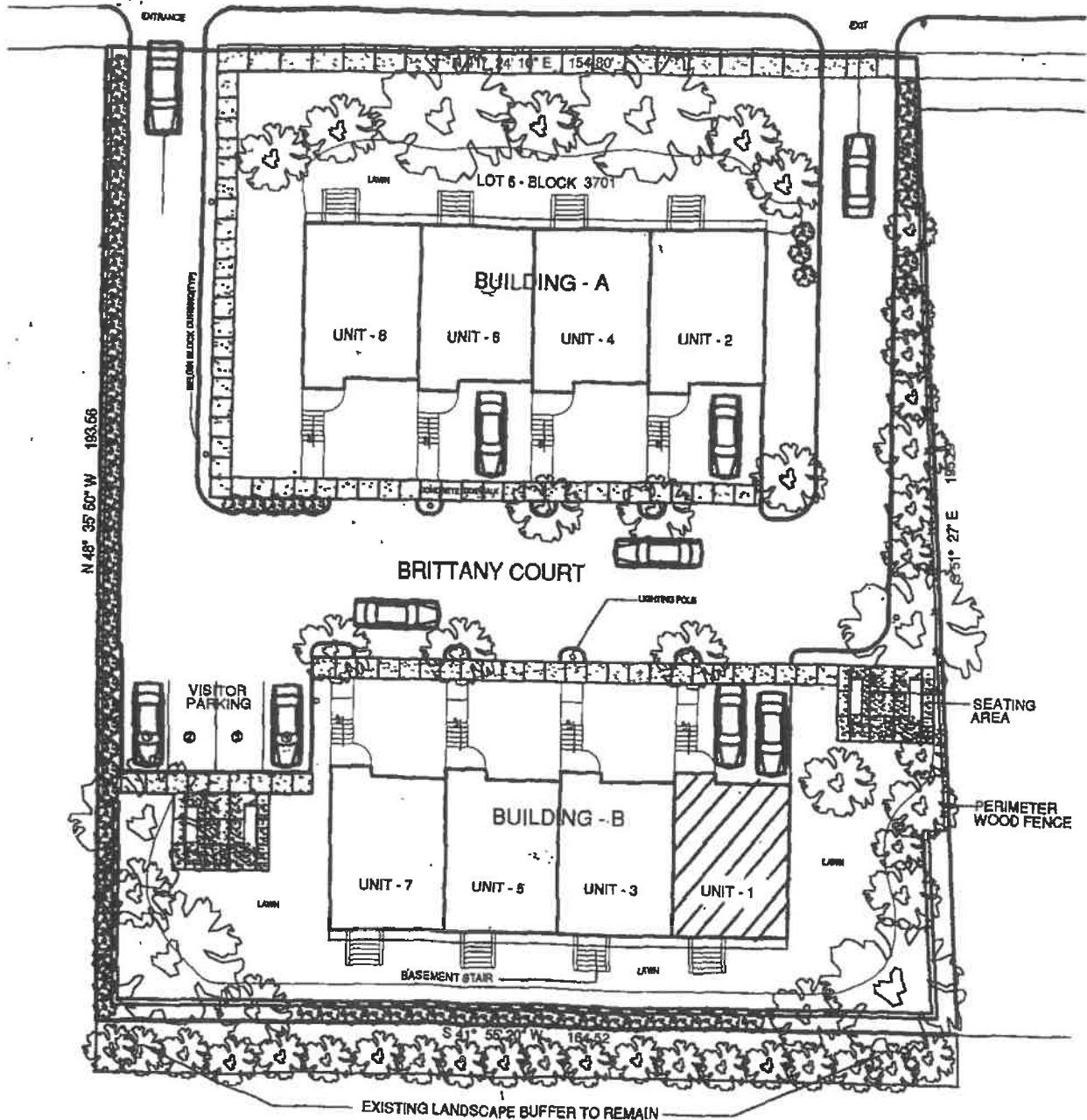
085358-1501

EXHIBIT "C"

ARCHITECTURAL PLANS FOR UNIT TYPES

DB5358-0502

SOUTH SPRINGFIELD AVE.

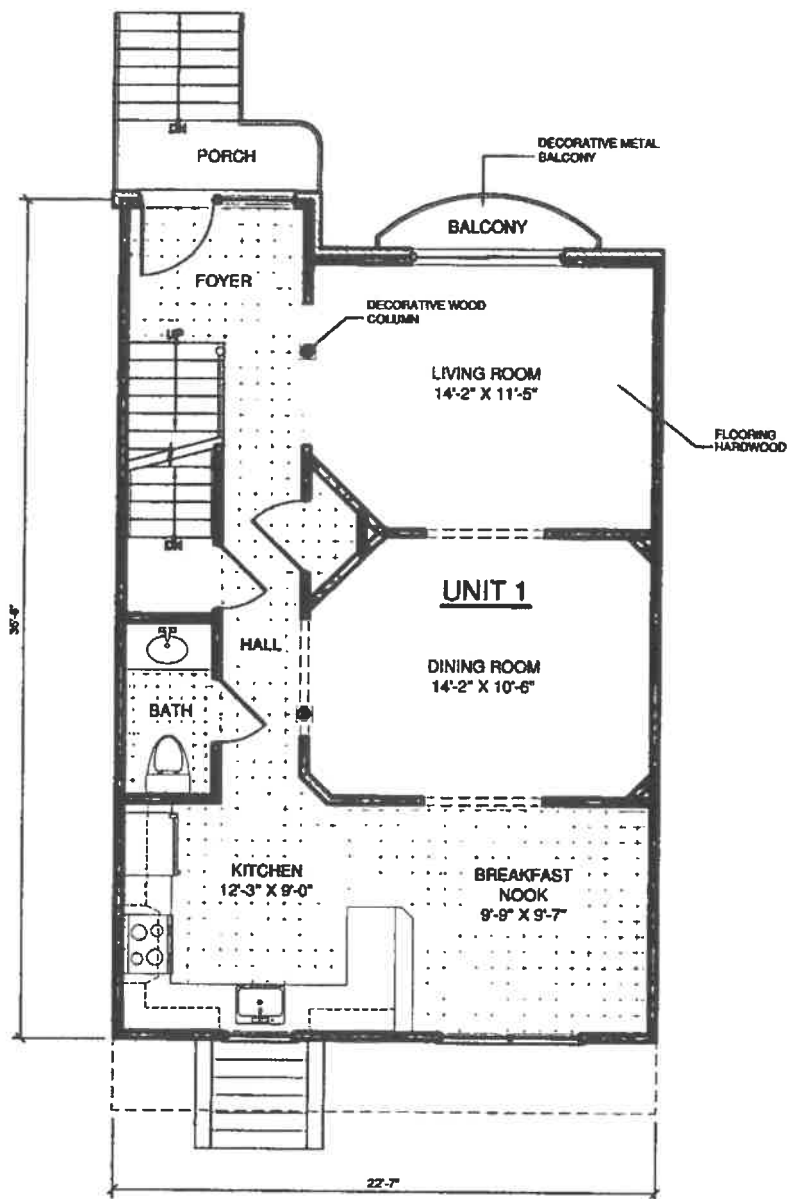


SITE PLAN

SCALE:

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0503

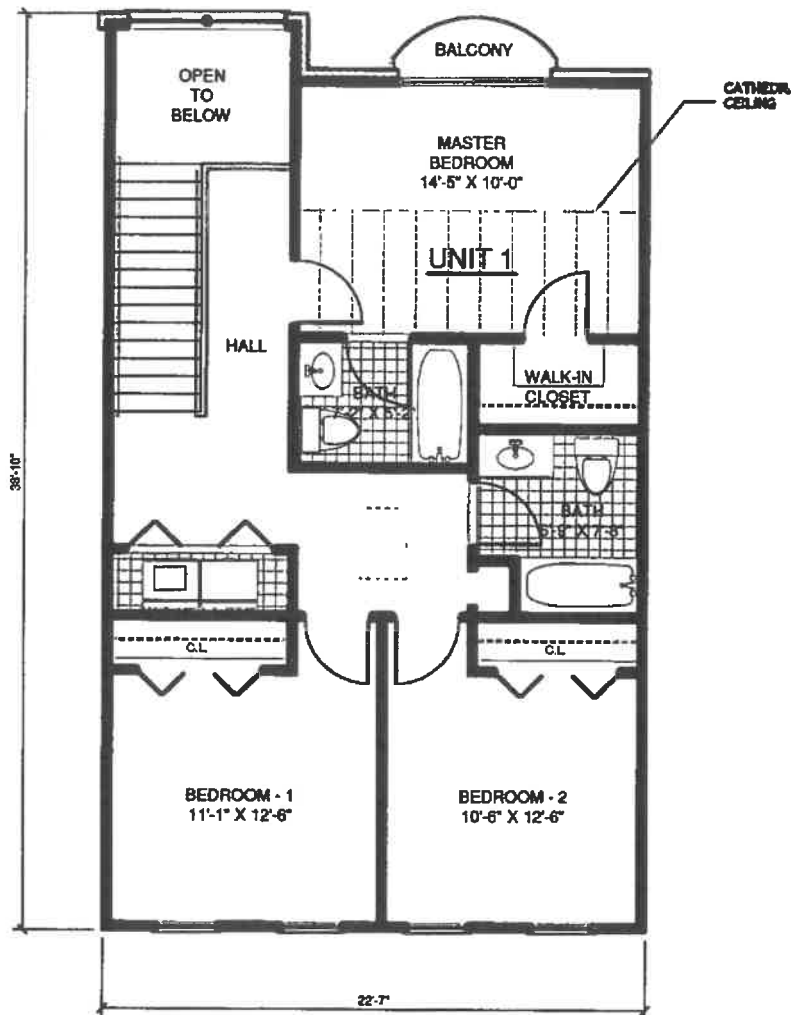


FIRST FLOOR PLAN

SCALE: 1/8" = 1'-0"
(755 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0504

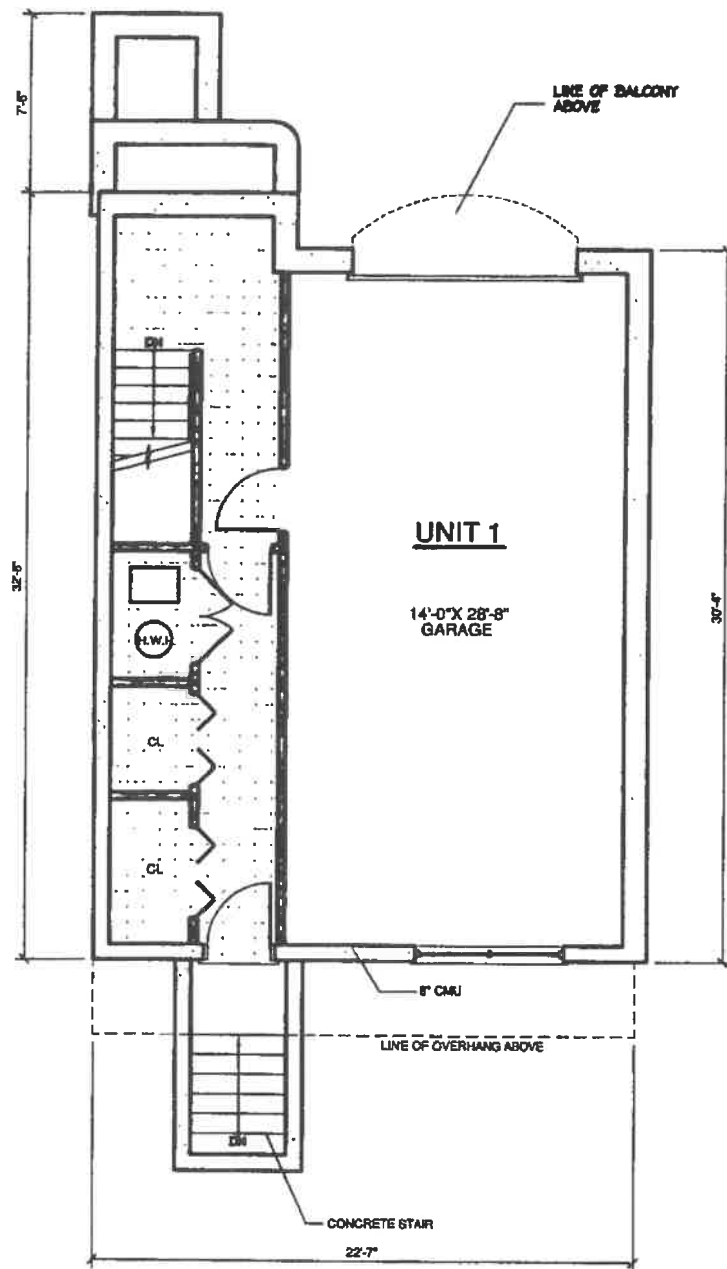


SECOND FLOOR PLAN

SCALE: 1/8" = 1'-0"
(766 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

0B5358-0505



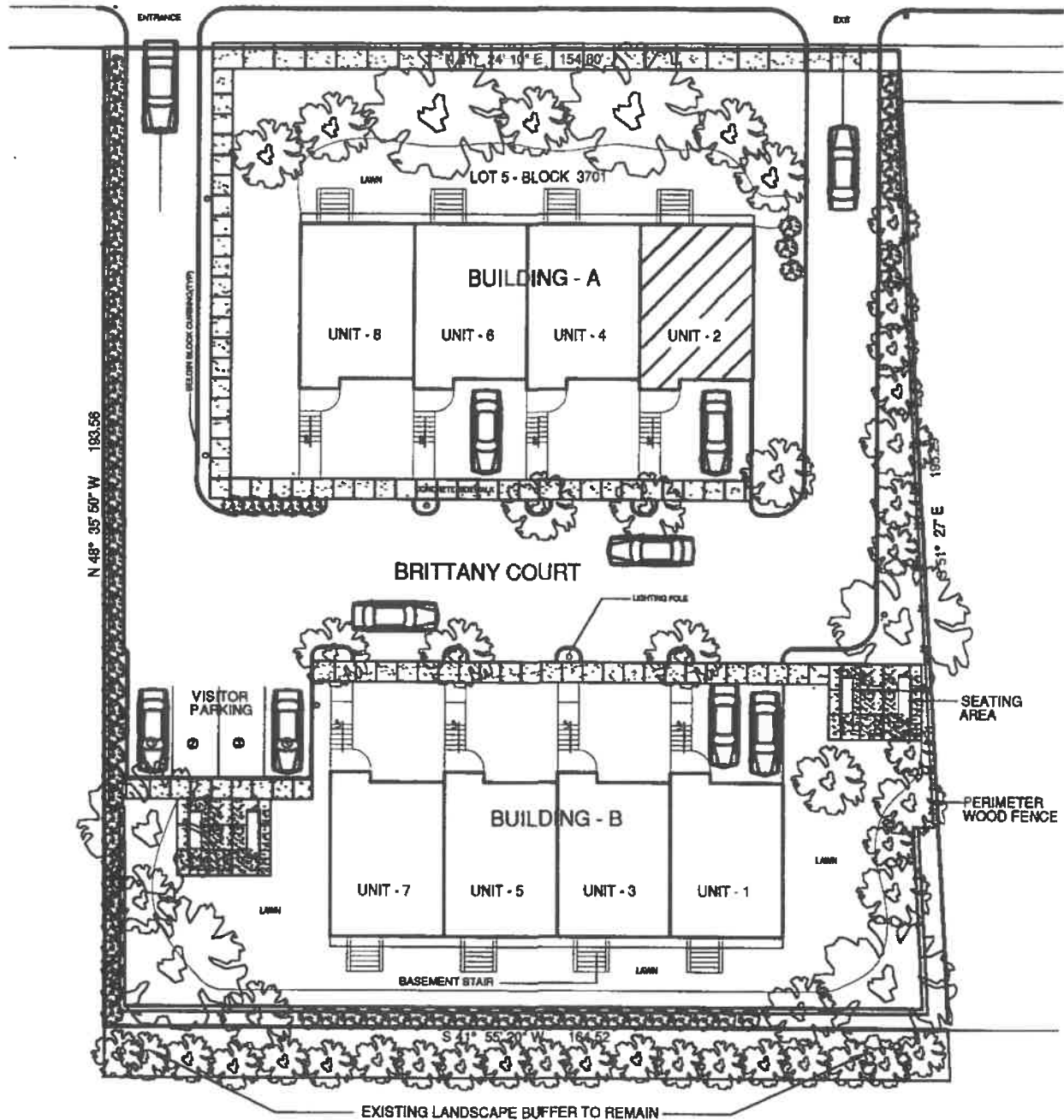
BASEMENT PLAN

SCALE: 1/8\" = 1'-0\"
(786 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

0B5358-0506

SOUTH SPRINGFIELD AVE.

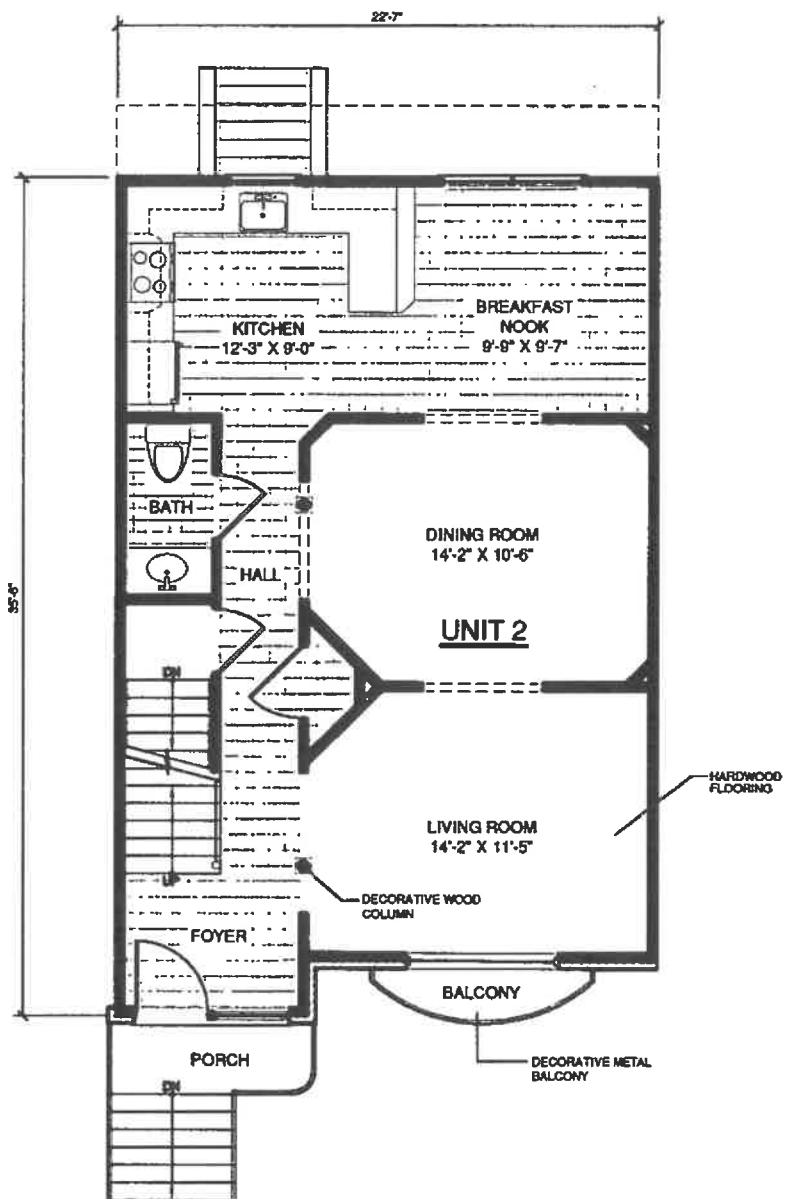


SITE PLAN

SCALE:

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

085358-0507

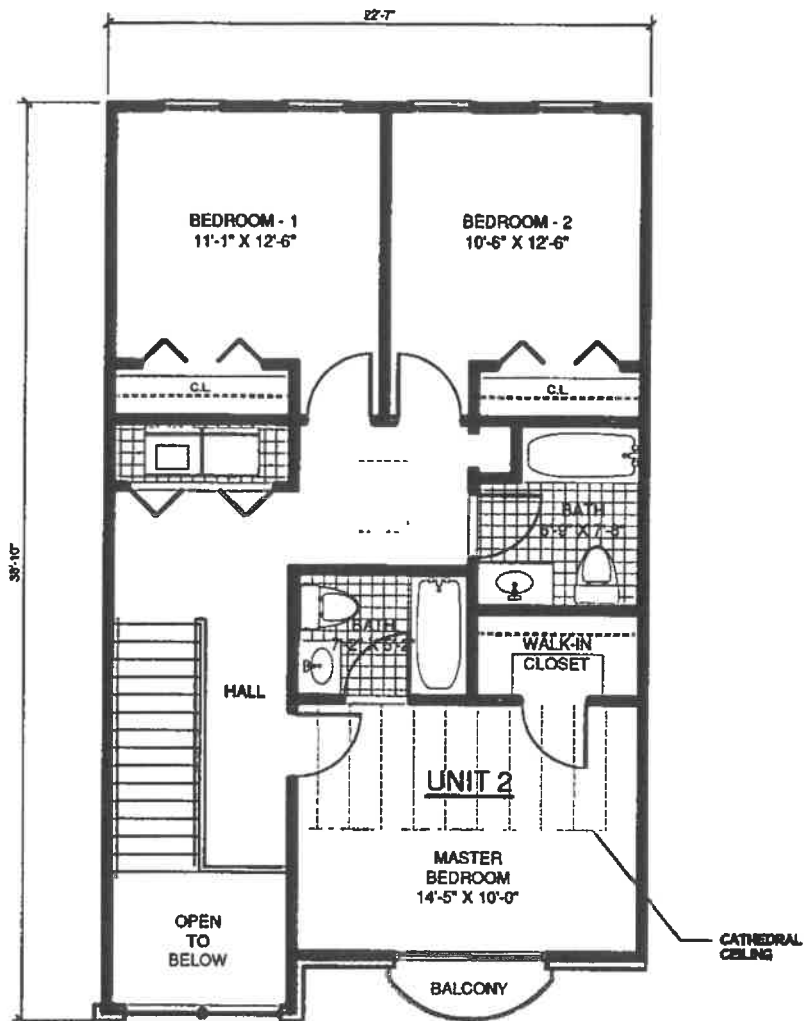


FIRST FLOOR PLAN

SCALE: 1/8" = 1'-0"
(756 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

0B5358-0508

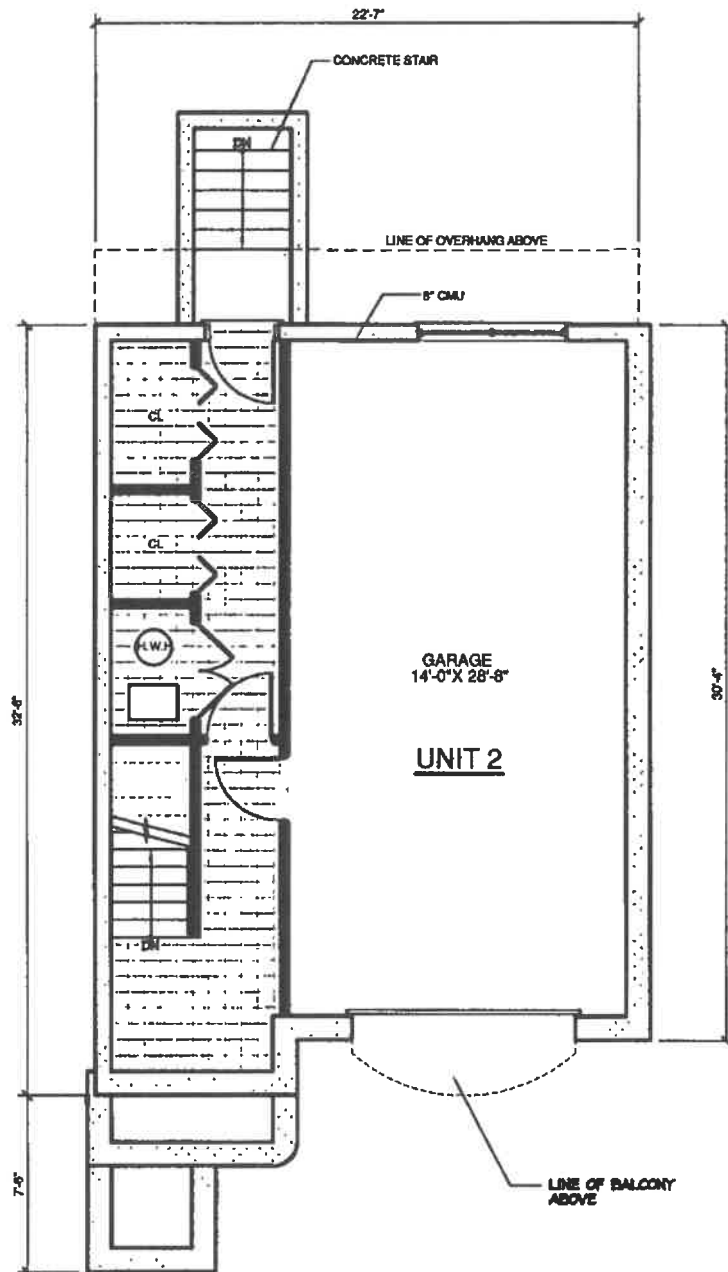


SECOND FLOOR PLAN

SCALE: 1/8" = 1'-0"
(755 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

085358-0509

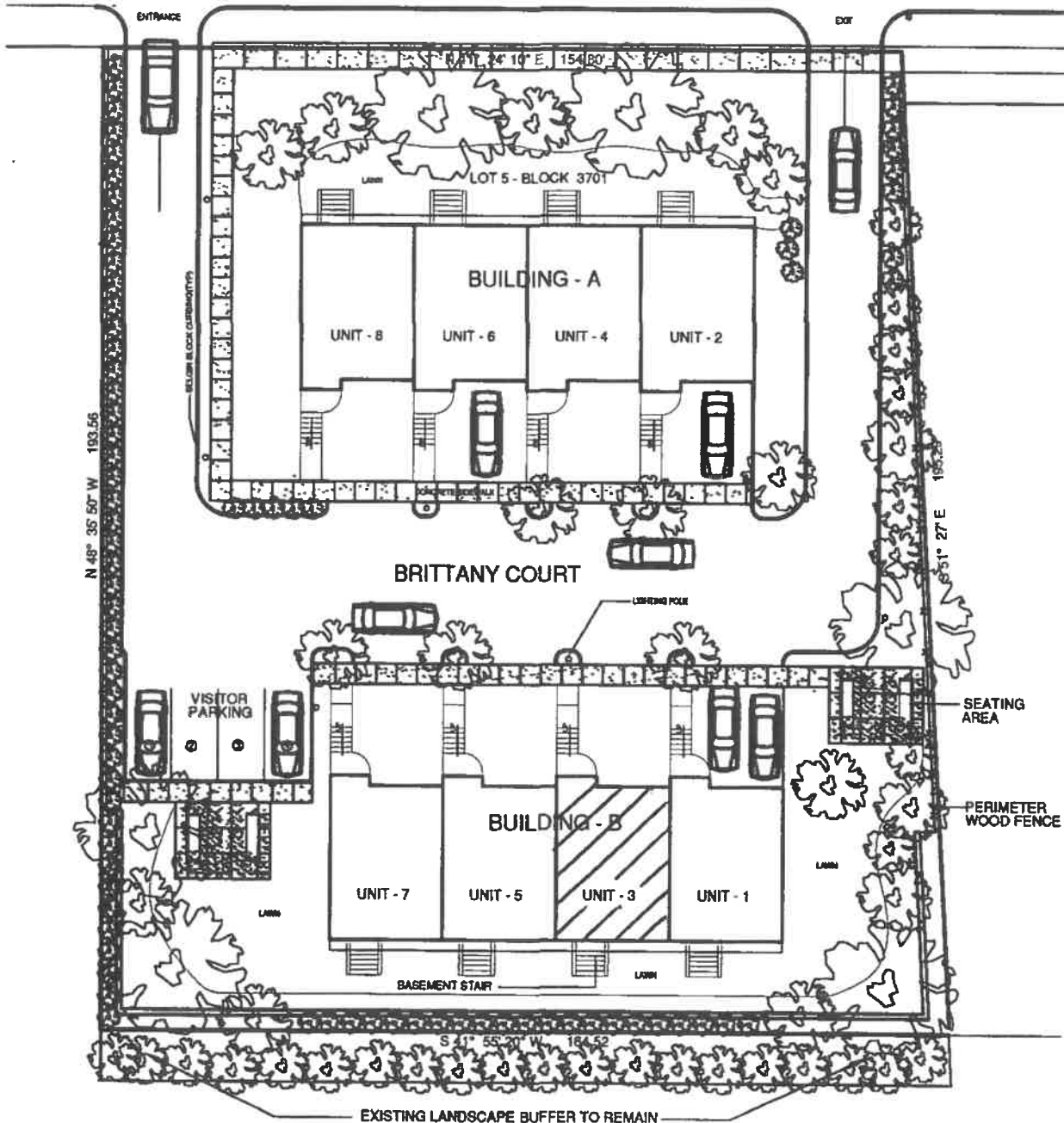


BASEMENT PLAN
 SCALE: 1/8" = 1'-0"
 (75% S.D. P.T.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0510

SOUTH SPRINGFIELD AVE.

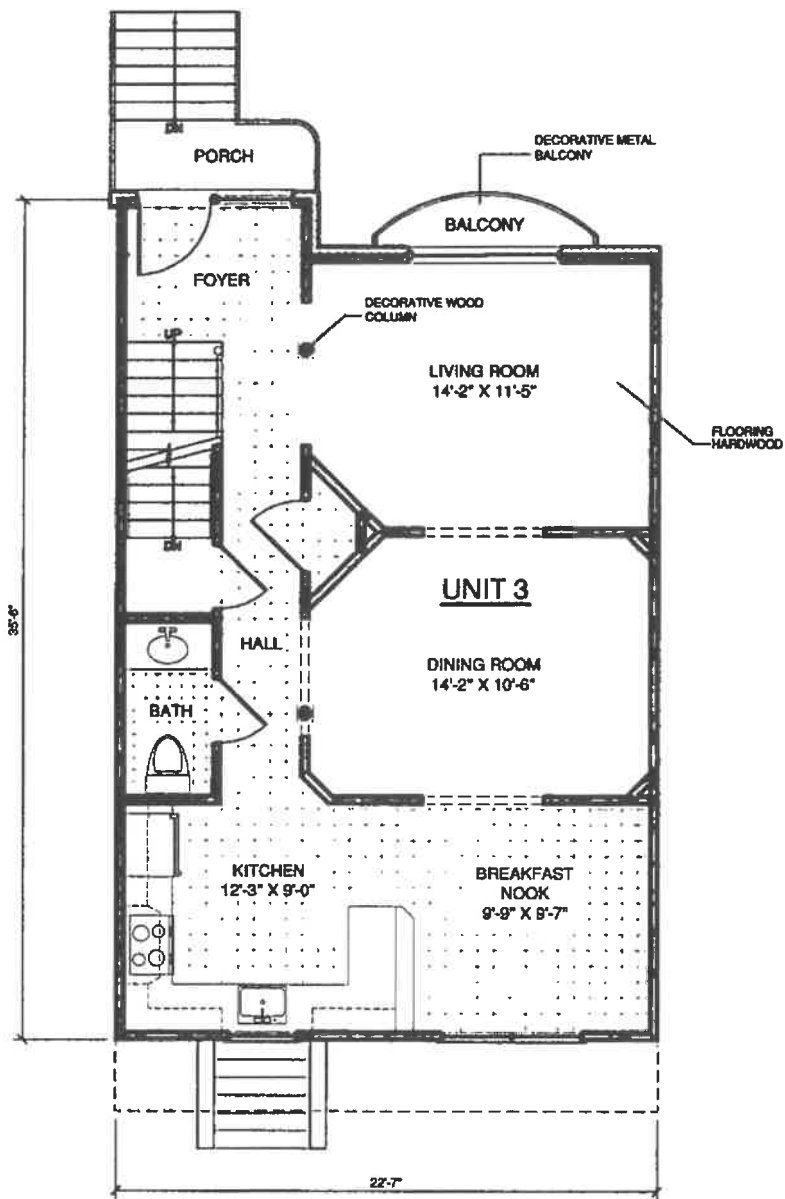


SITE PLAN

SCALE

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0511

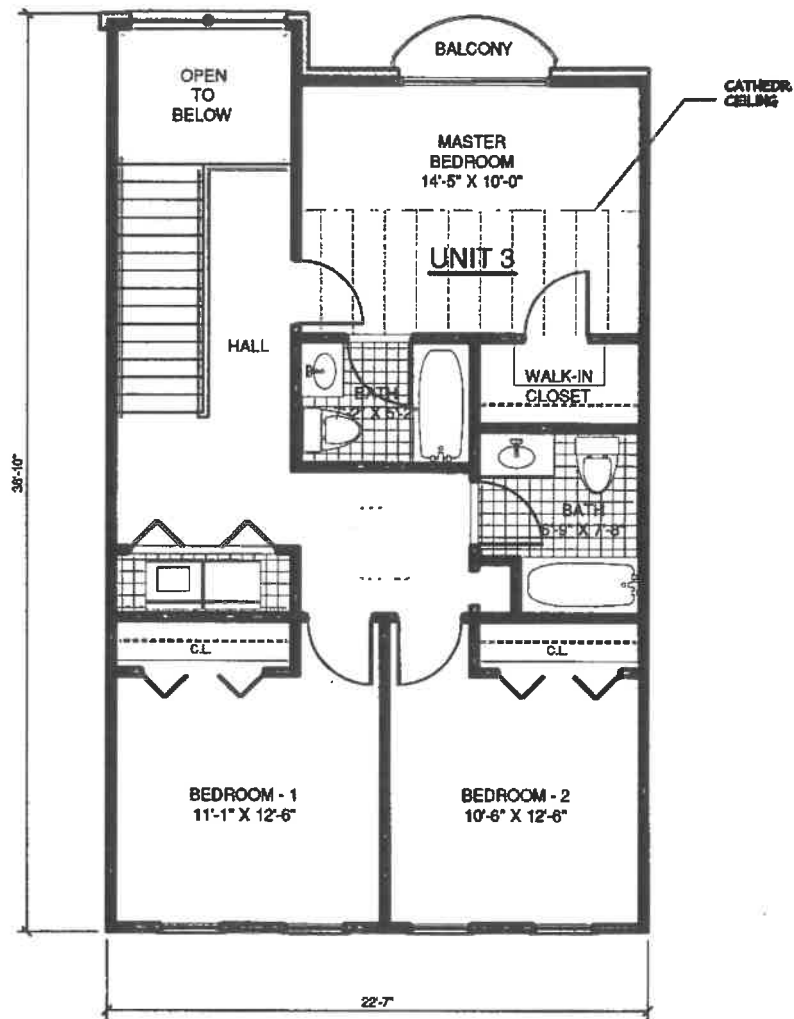


FIRST FLOOR PLAN

SCALE: 1/8" = 1'-0"
(768 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

085358-0512



SECOND FLOOR PLAN

SCALE: 1/8" = 1'-0"
(765 SQ. FT.)

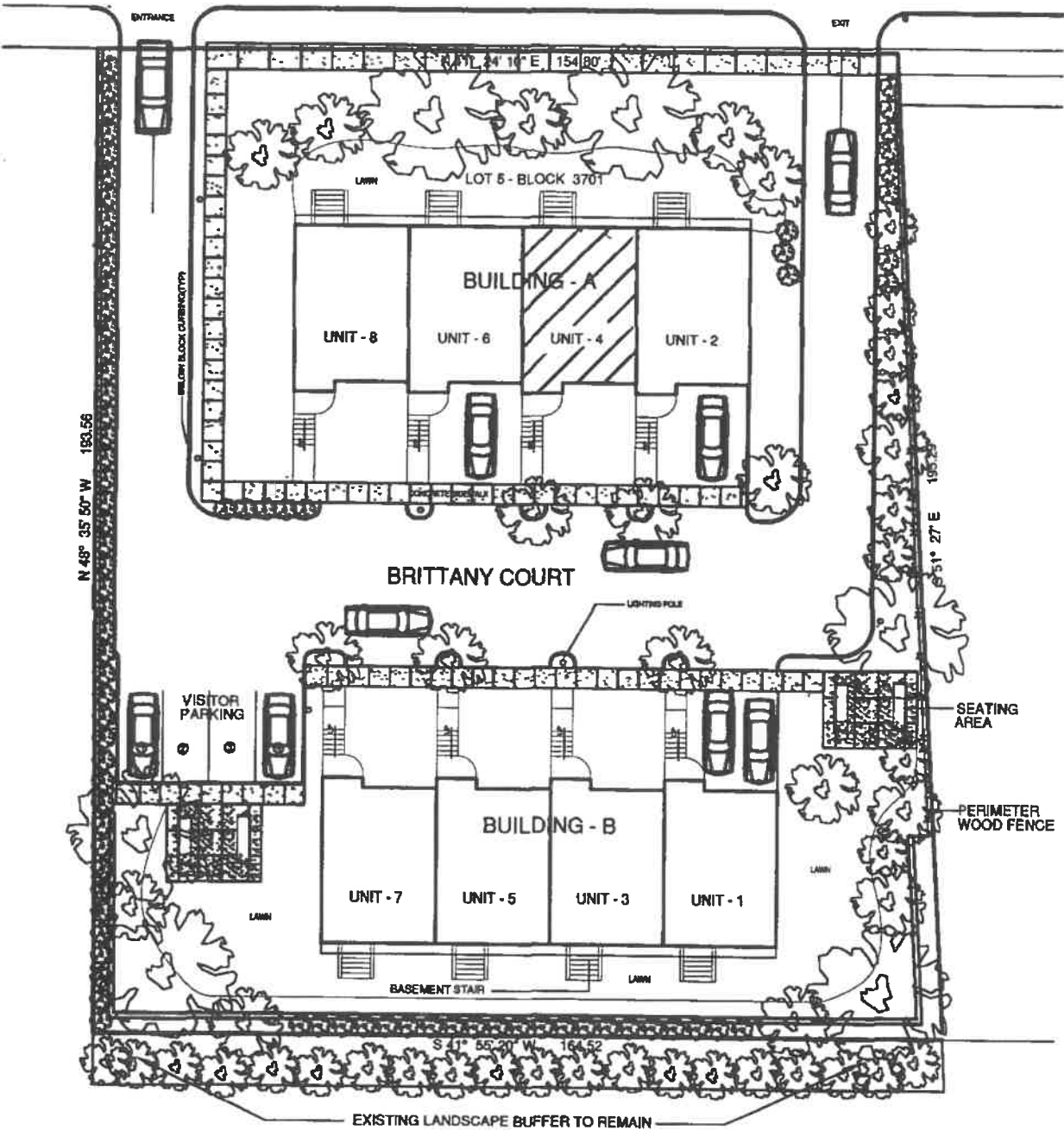
ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0513



DB5358-0514

SOUTH SPRINGFIELD AVE.

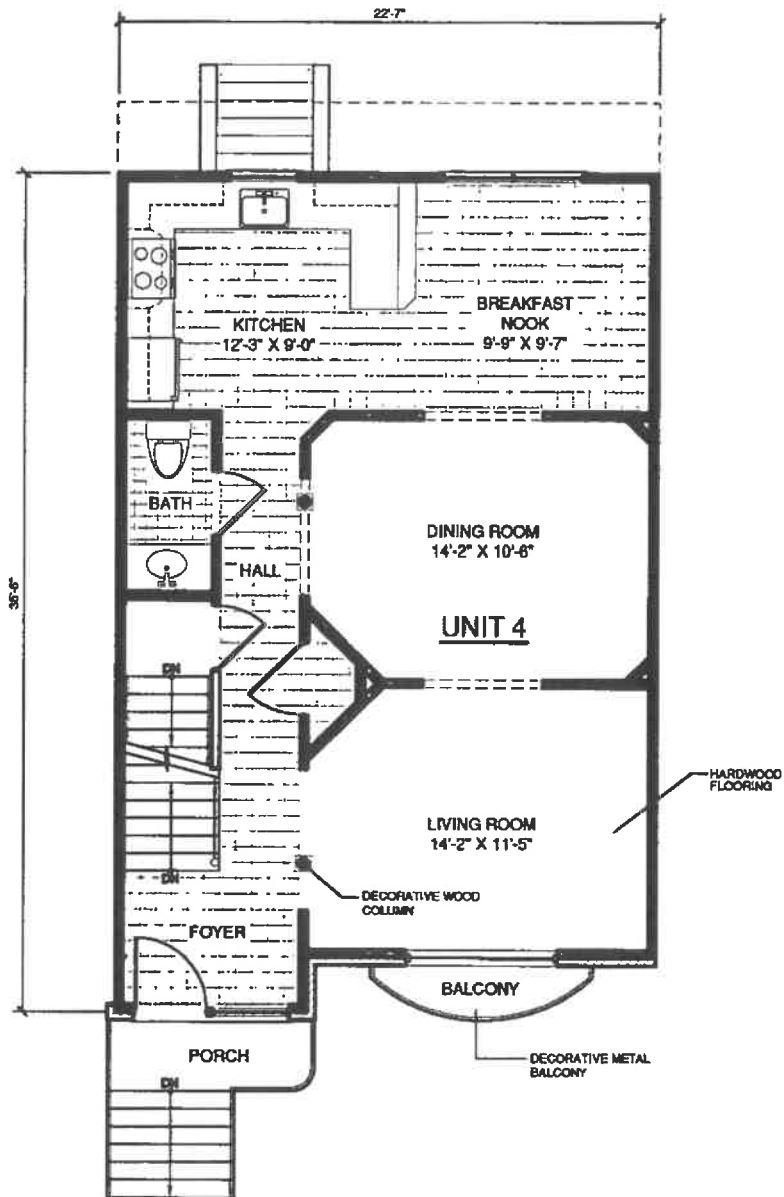


SITE PLAN

SCALE:

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0515

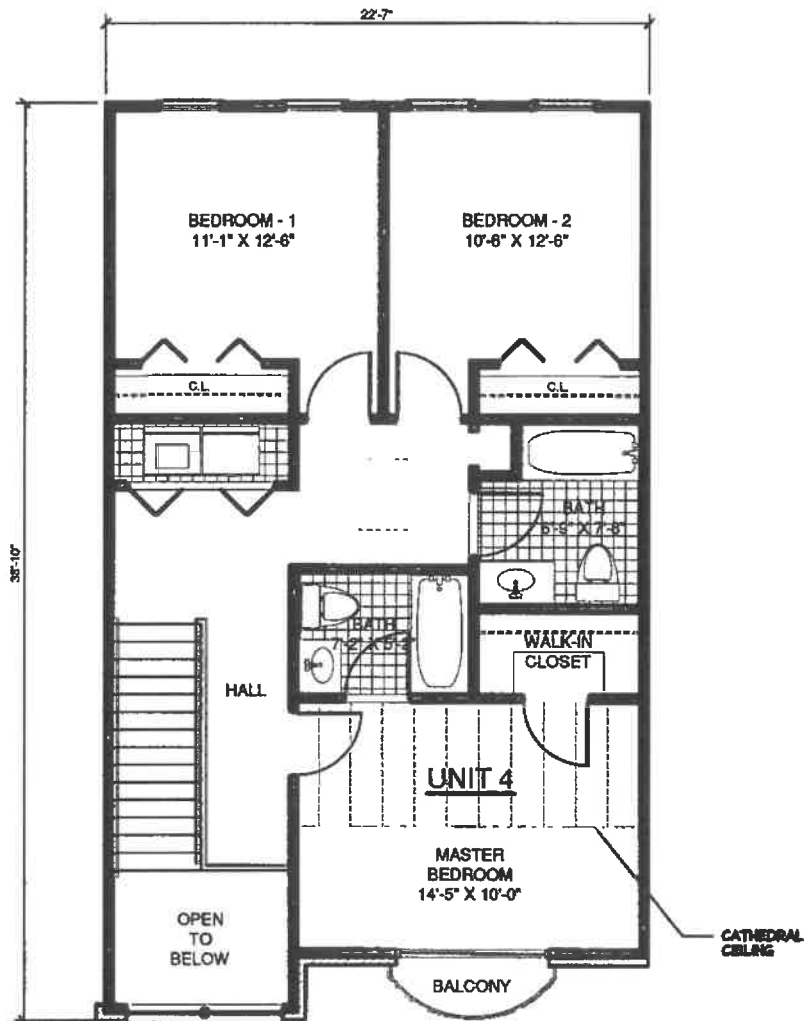


FIRST FLOOR PLAN

SCALE: 1/8" = 1'-0"
(755 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

085358-0516

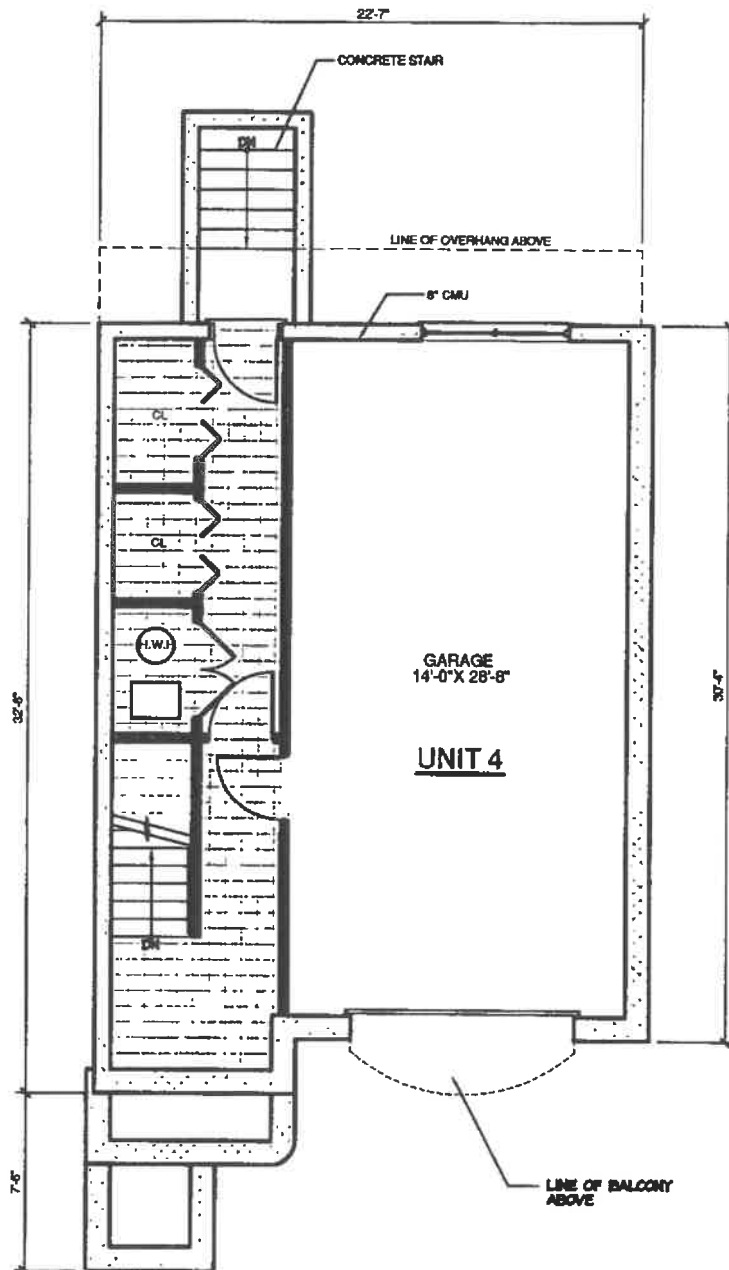


SECOND FLOOR PLAN

SCALE: 1/8" = 1'-0"
(758 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0517

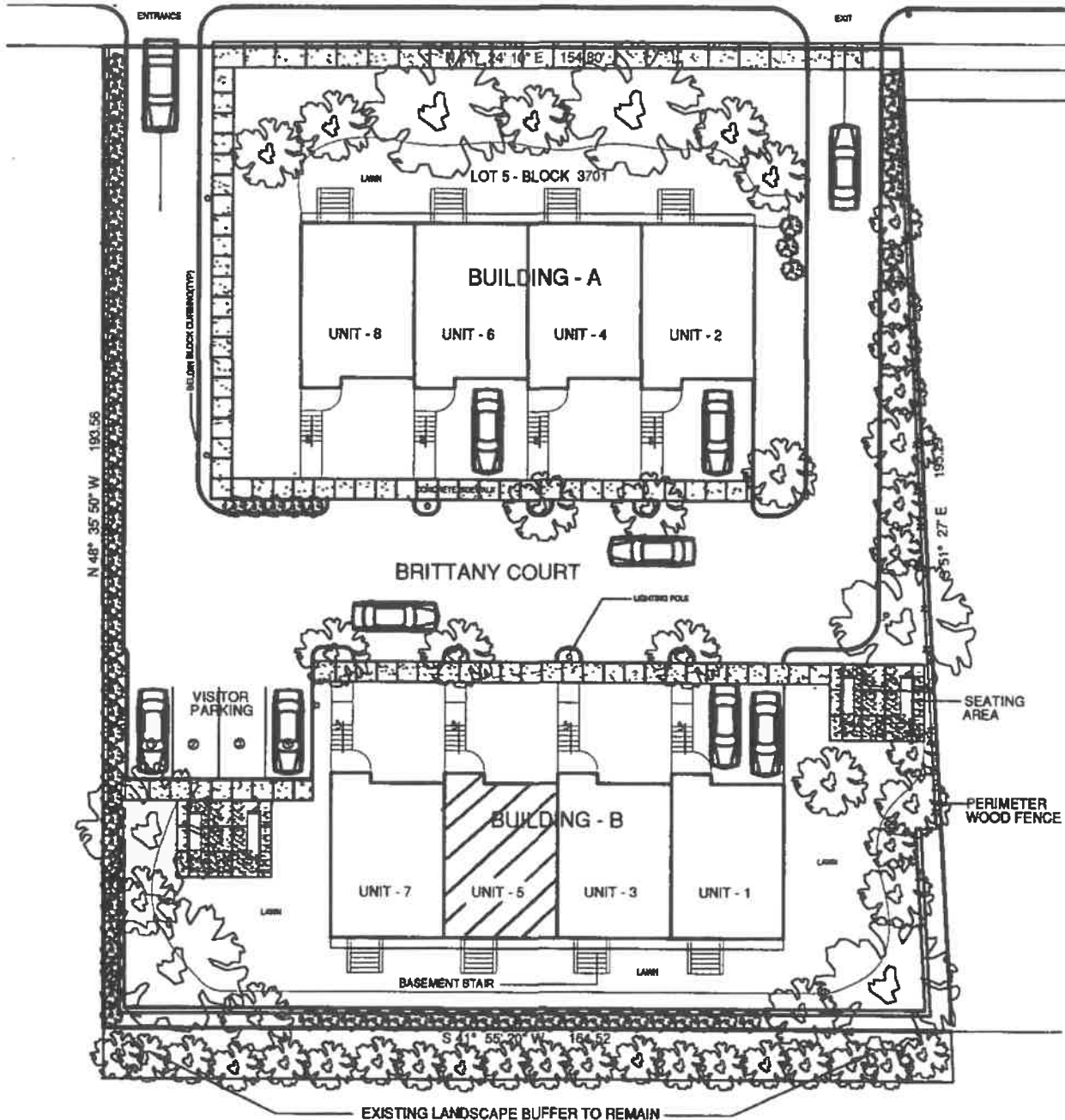


BASEMENT PLAN
 SCALE: 1/8" = 1'-0"
 (75% S.C. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0518

SOUTH SPRINGFIELD AVE.

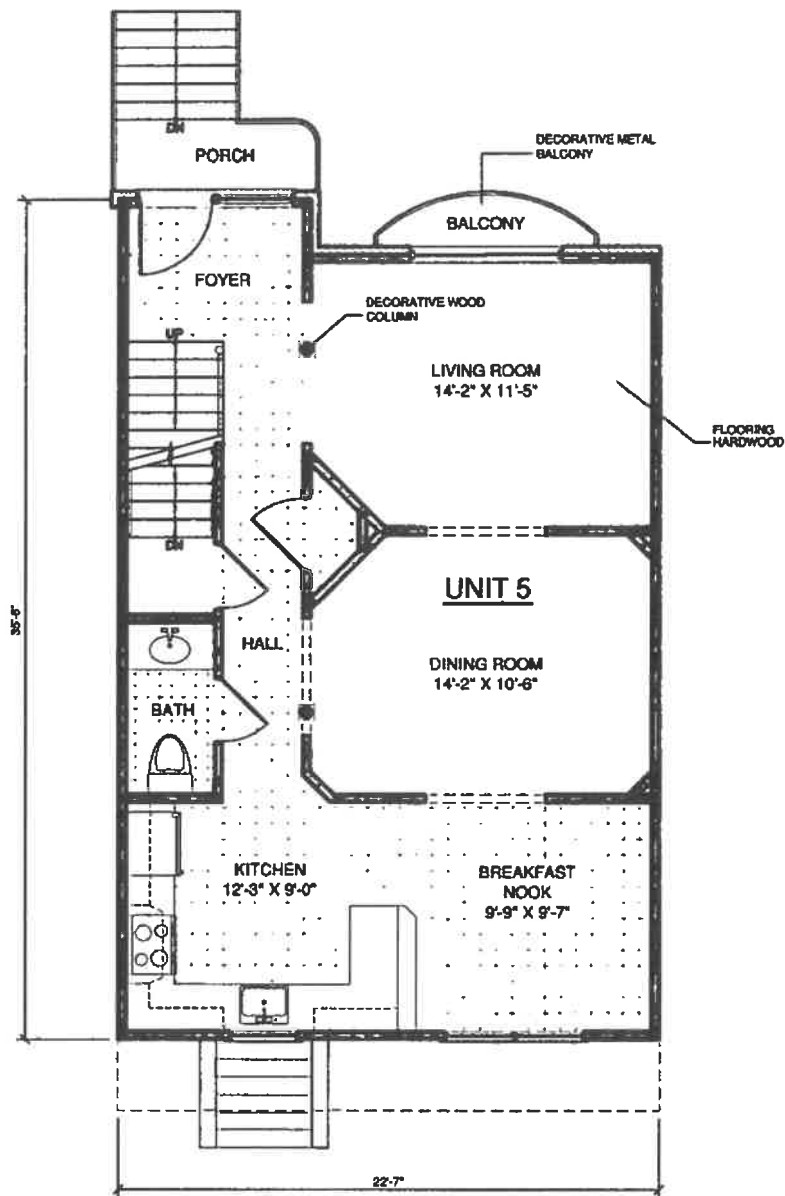


SITE PLAN

SCALE:

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0519

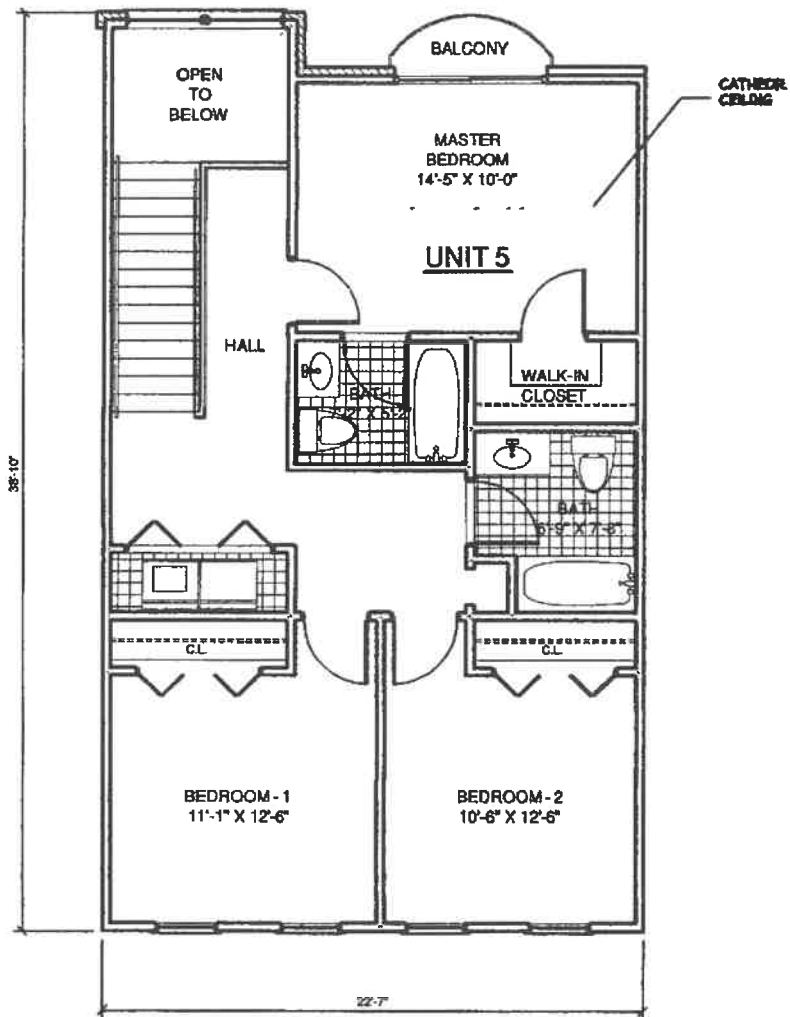


FIRST FLOOR PLAN

SCALE: 1/8" = 1'-0"
(755 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0520

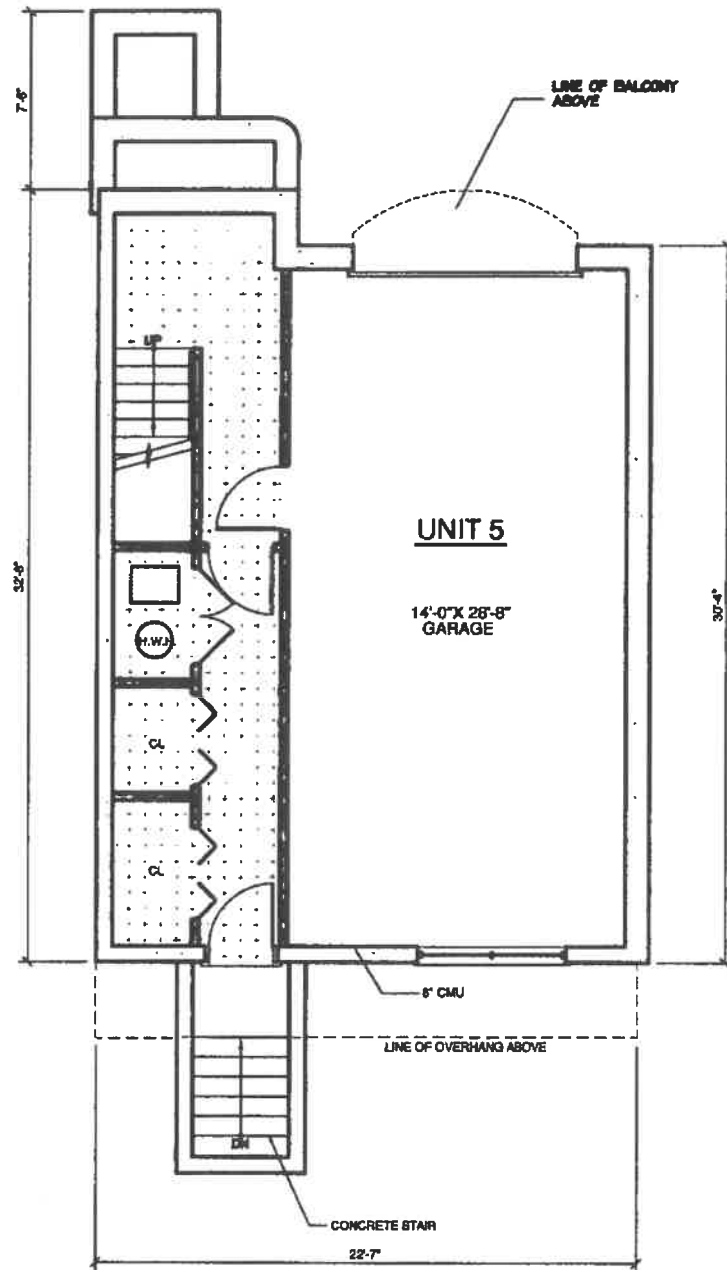


SECOND FLOOR PLAN

SCALE: 1/8" = 1'-0"
(755 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

0B5358-0521

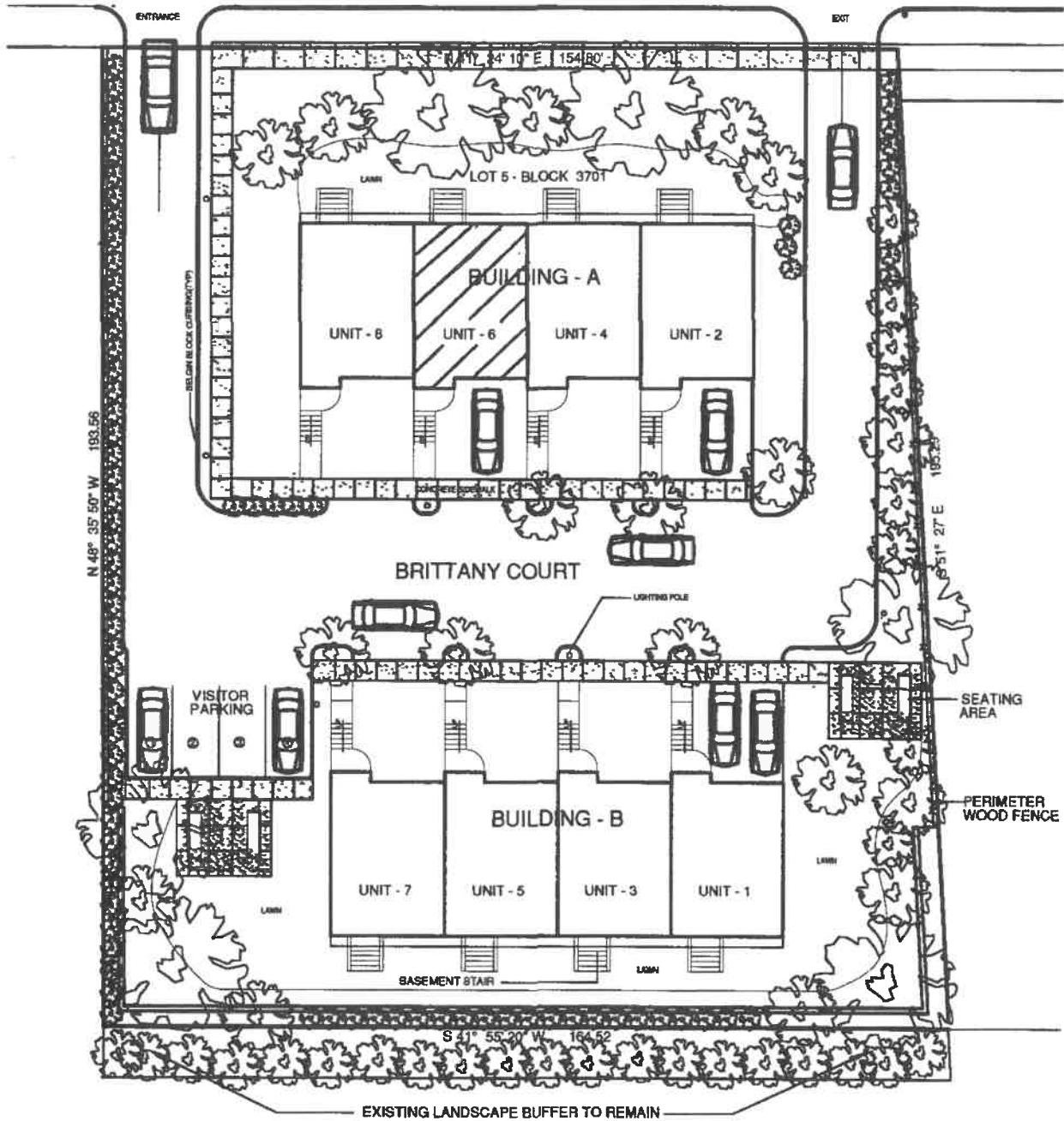


BASEMENT PLAN
 SCALE: 1/8" = 1'-0"
 (786 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0522

SOUTH SPRINGFIELD AVE.

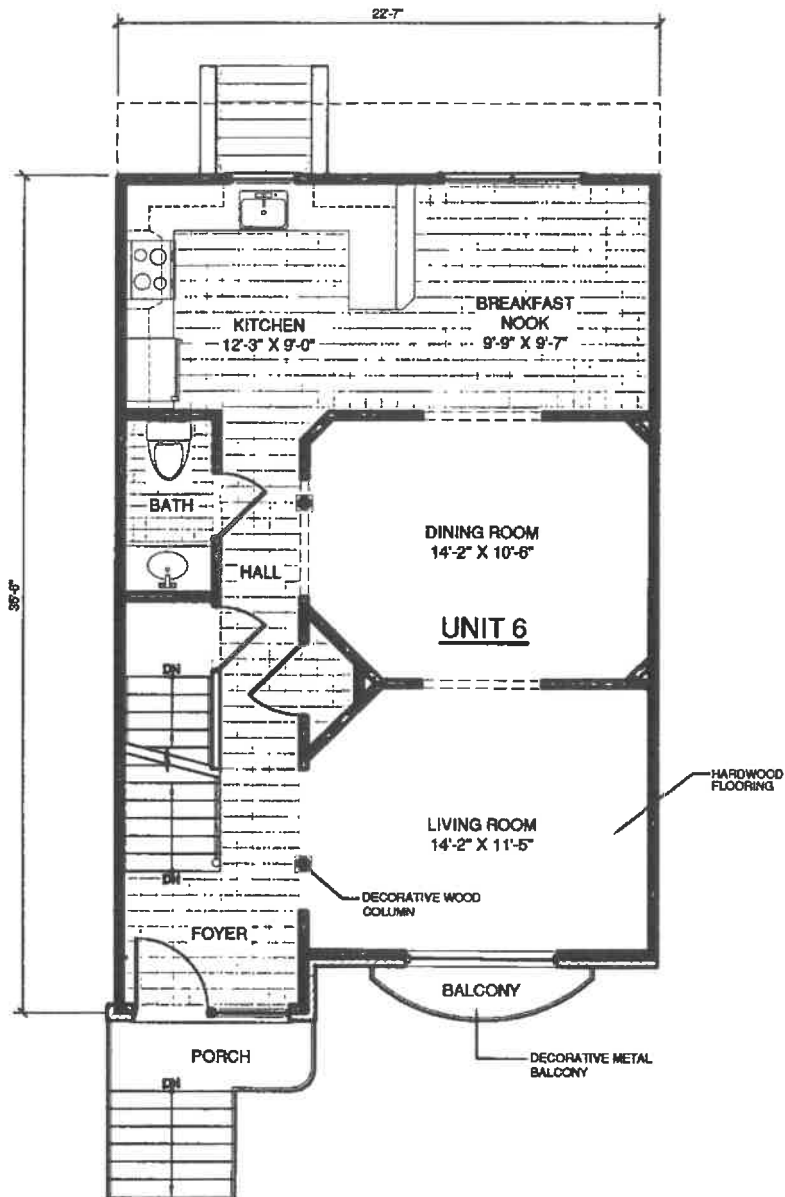


SITE PLAN

SCALE:

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0523

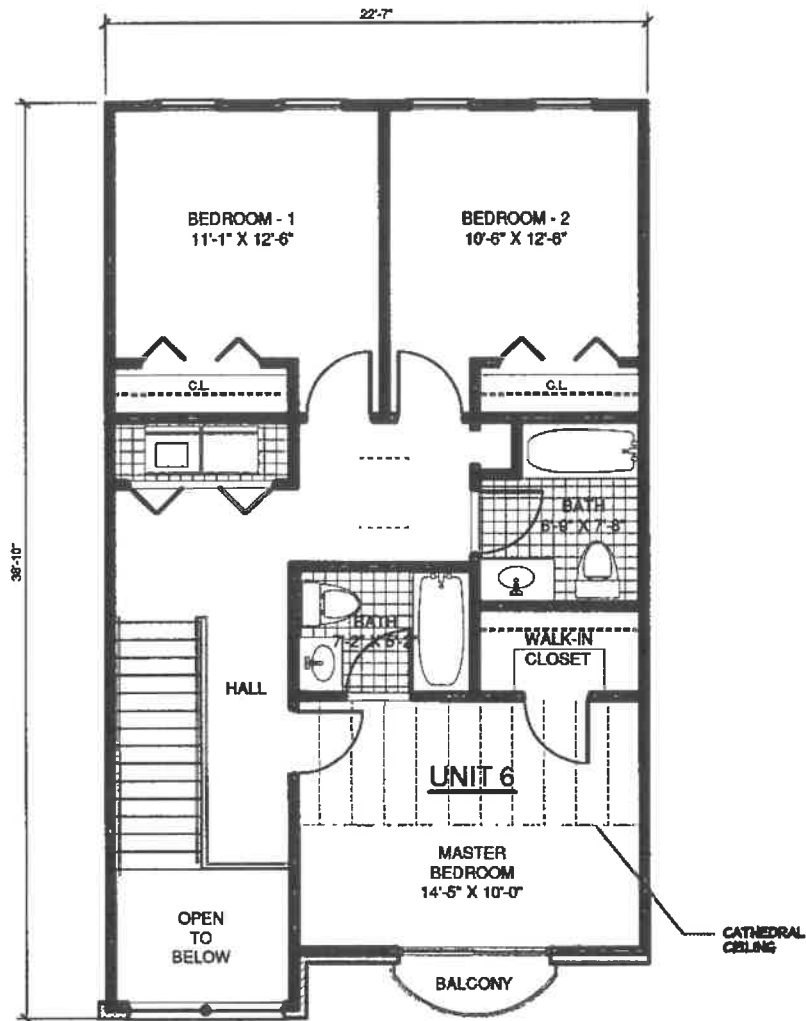


FIRST FLOOR PLAN

SCALE: 1/8" = 1'-0"
(785 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

0B5358-0524

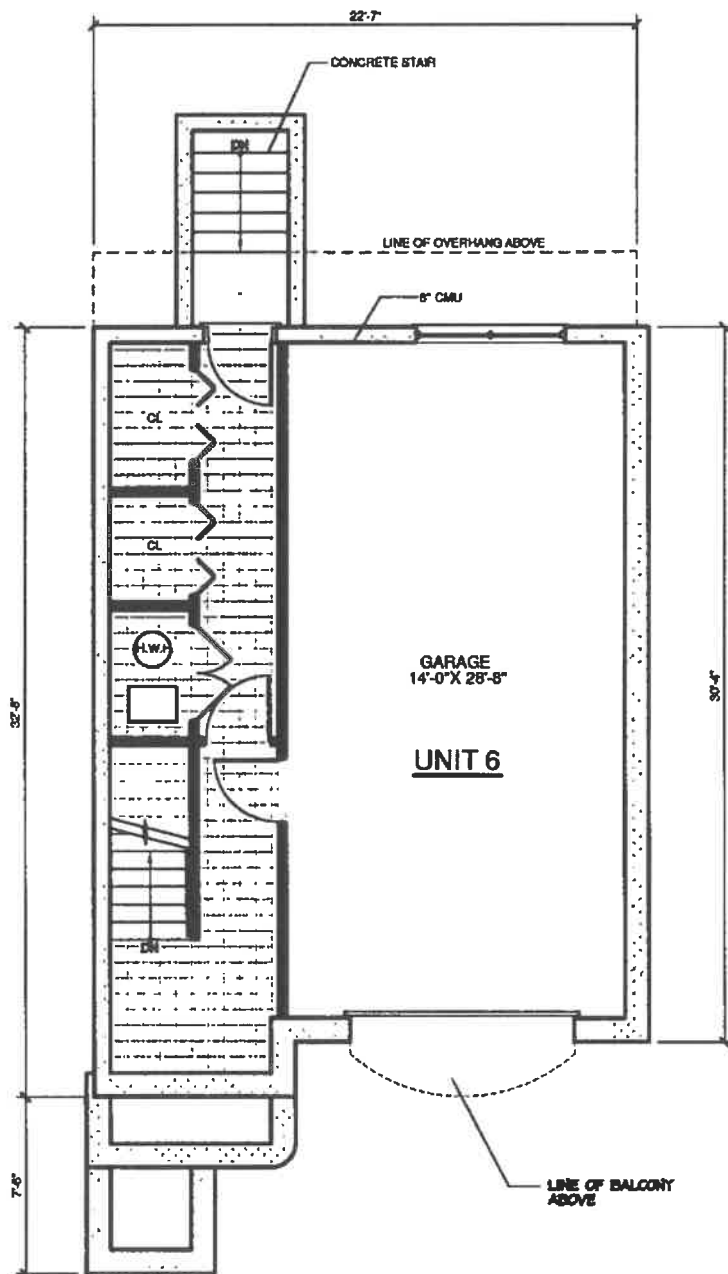


SECOND FLOOR PLAN

SCALE: 1/8" = 1'-0"
(758 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

085358-0525

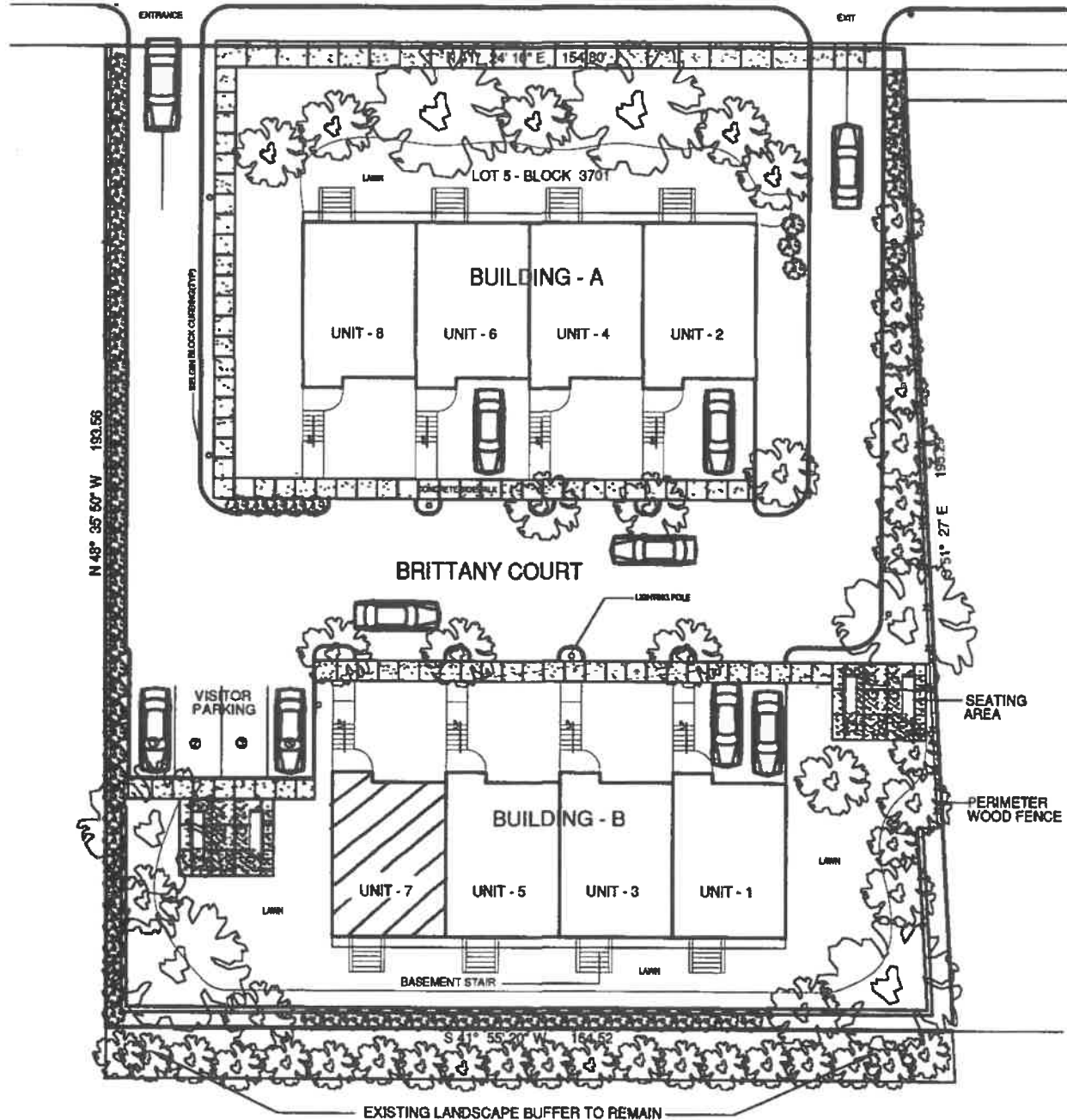


BASEMENT PLAN
 SCALE: 1/8" = 1'-0"
 (768 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

085358-0526

SOUTH SPRINGFIELD AVE.

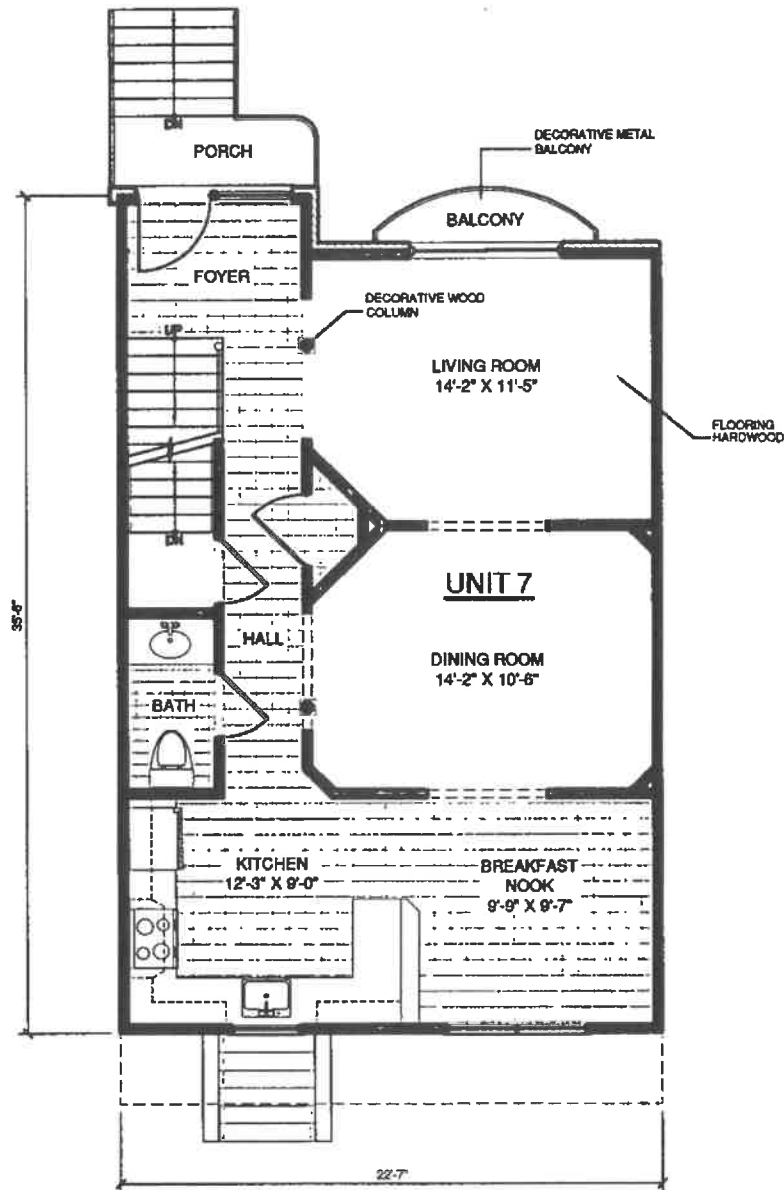


SITE PLAN

SCALE:

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0527

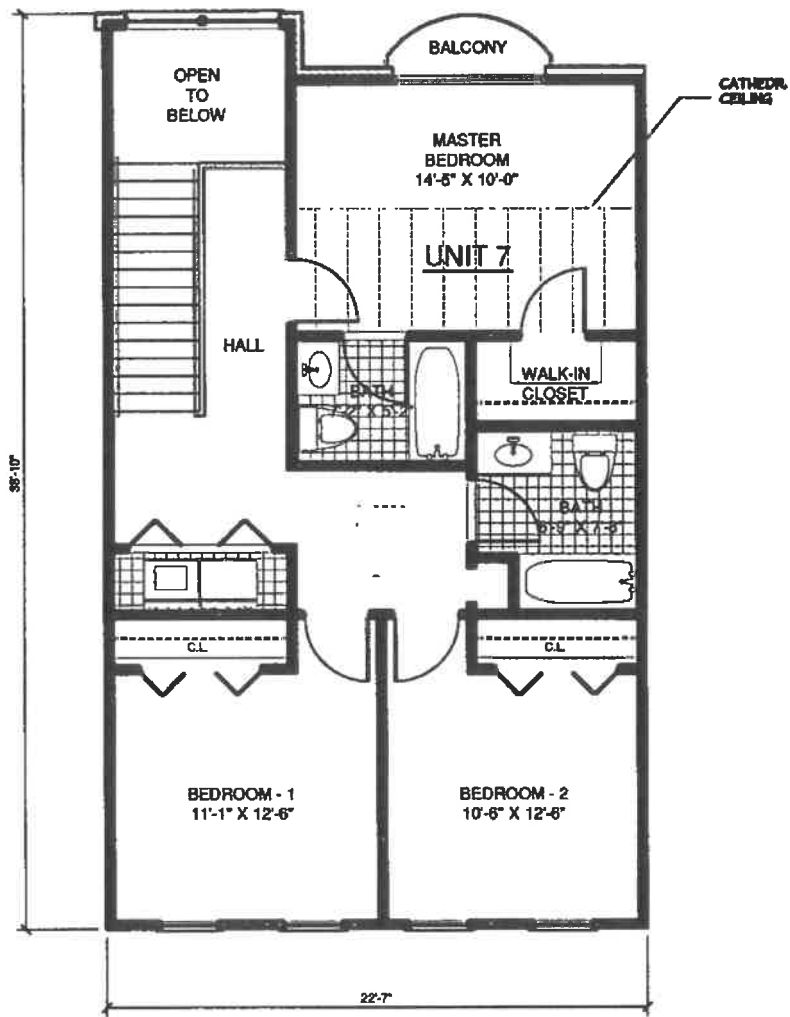


FIRST FLOOR PLAN

SCALE: 1/8" = 1'-0"
(755 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0528

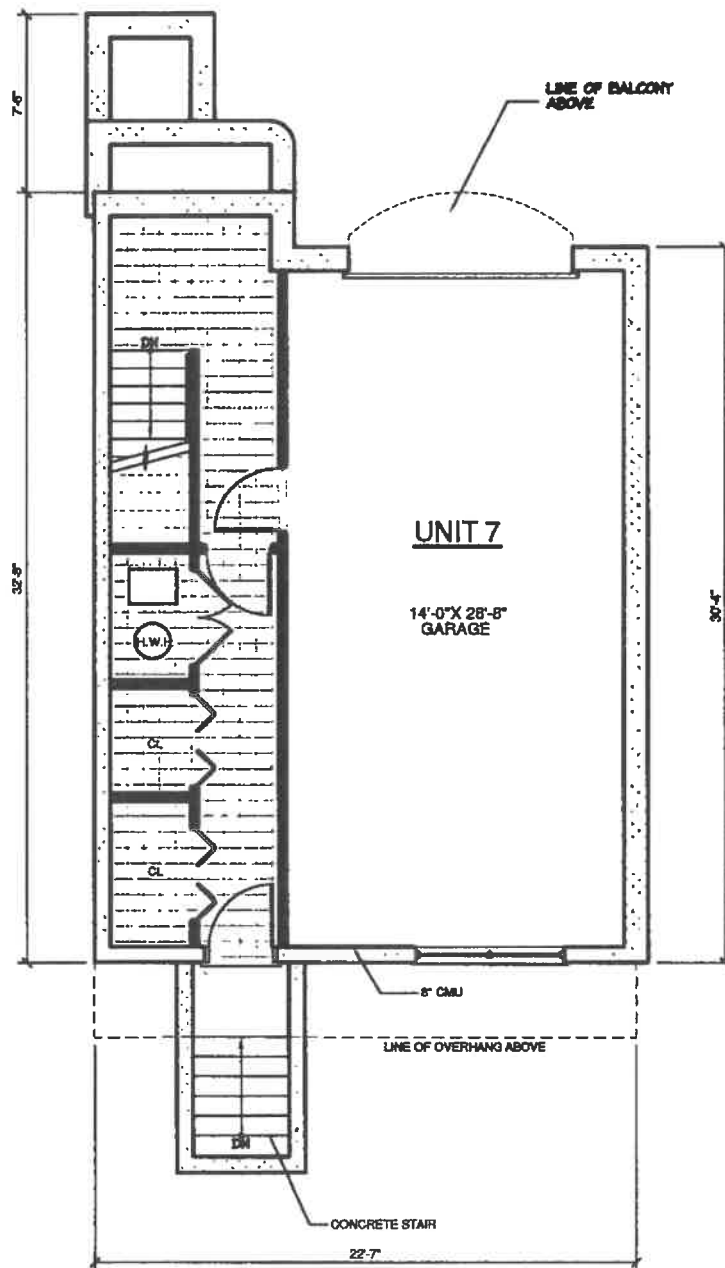


SECOND FLOOR PLAN

SCALE: 1/8" = 1'-0"
(755 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0529



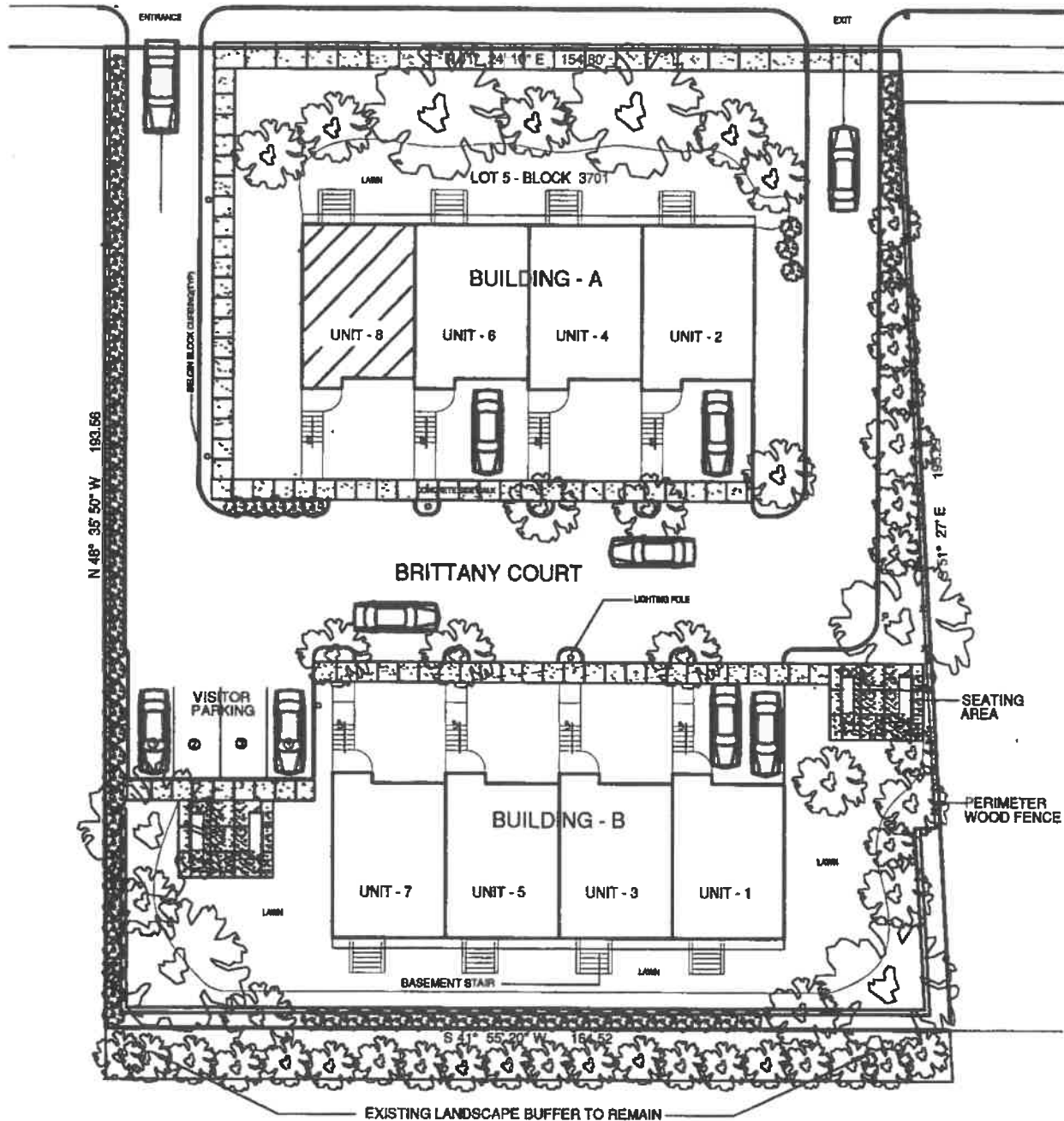
BASEMENT PLAN

SCALE: 1/8" = 1'-0"
(768 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0530

SOUTH SPRINGFIELD AVE.

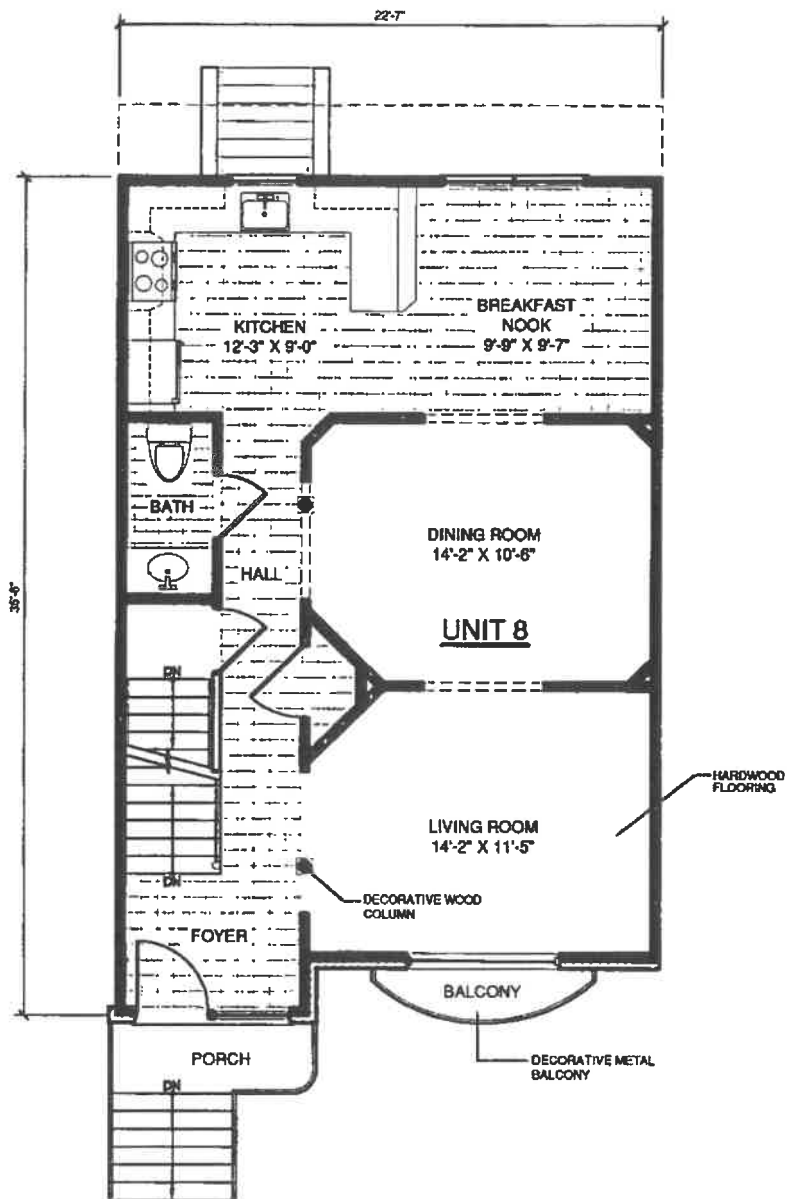


SITE PLAN

SCALE:

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

085358-0531

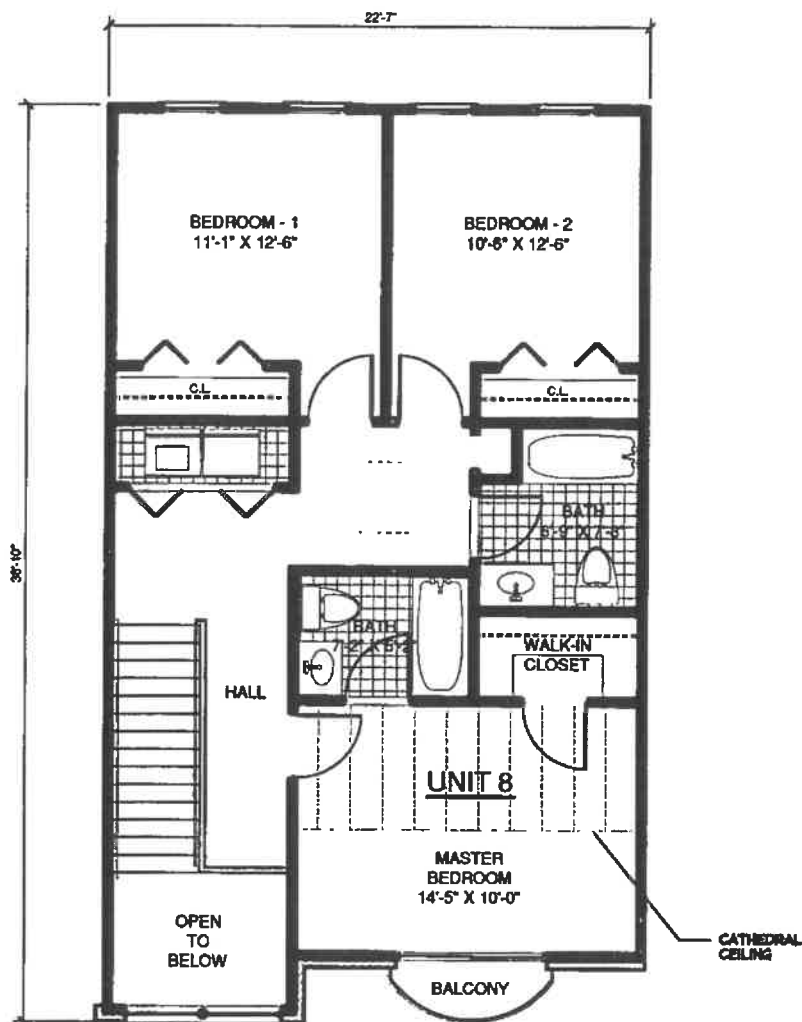


FIRST FLOOR PLAN

SCALE: 1/8" = 1'-0"
(788 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0532

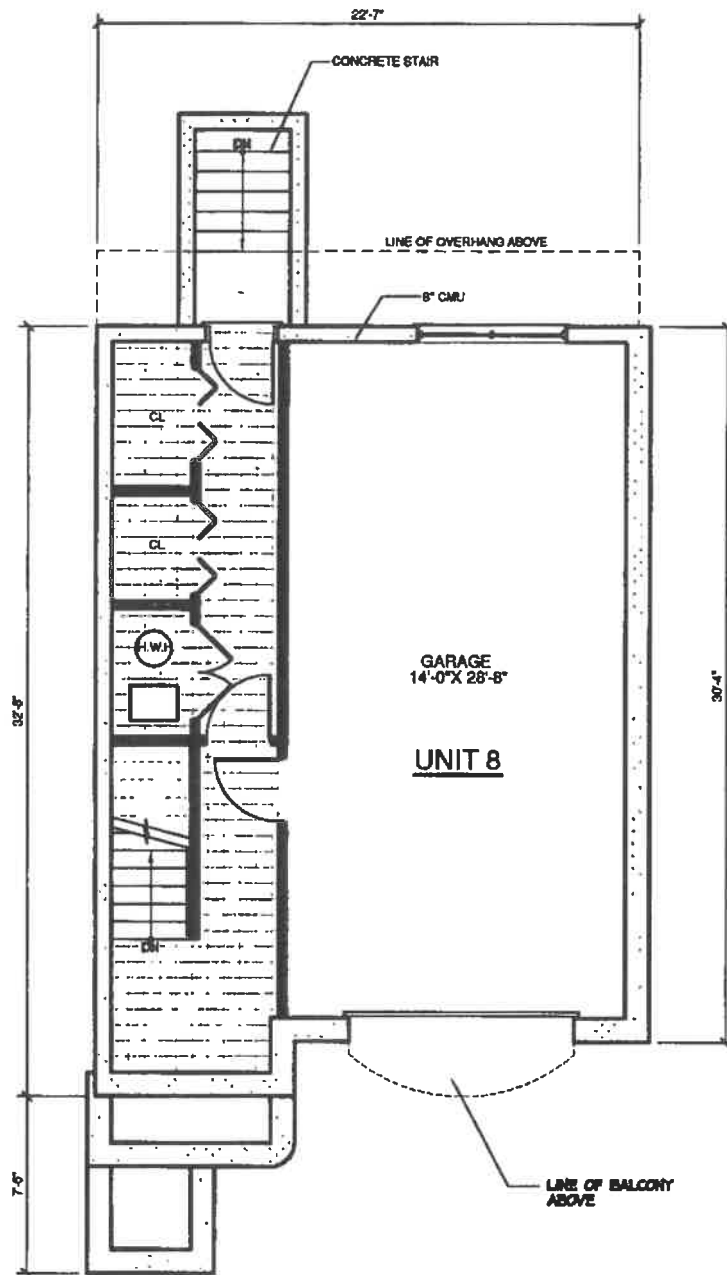


SECOND FLOOR PLAN

SCALE: 1/8" = 1'-0"
(755 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0533



BASEMENT PLAN
 SCALE: 1/8" = 1'-0"
 (758 SQ. FT.)

ALL SIZES AND DIMENSIONS ARE APPROXIMATE

DB5358-0534

EXHIBIT "D"

SCHEDULE OF UNIT PERCENTAGE INTEREST IN COMMON ELEMENTS

UNIT	PERCENTAGE
1	12.5%
2	12.5%
3	12.5%
4	12.5%
5	12.5%
6	12.5%
7	12.5%
8	12.5%

DB5358-0535

EXHIBIT "E"

SCHEDULE OF UNIT PERCENTAGE INTEREST IN COMMON EXPENSES

UNIT	PERCENTAGE INTEREST
1	12.5%
2	12.5%
3	12.5%
4	12.5%
5	12.5%
6	12.5%
7	12.5%
8	12.5%

085358-0536

EXHIBIT "F"

**BY-LAWS
OF
SPRINGS EDGE CONDOMINIUM ASSOCIATION, INC.**

DB5358-0537

BY-LAWS
OF
SPRINGS EDGE CONDOMINIUM ASSOCIATION, INC.

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**BY-LAWS
OF
THE SPRINGS EDGE CONDOMINIUM ASSOCIATION, INC.
A NEW JERSEY NOT-FOR-PROFIT CORPORATION**

I.

Name, Office and Purpose

A. **NAME AND PRINCIPAL OFFICE:** These are the By-Laws of The Springs Edge Condominium Association, Inc. (hereinafter called the "Association"). The principal office of the Association shall be located at 25 Route 22 East, Suite 290, Springfield, New Jersey 07081.

B. **PURPOSE.** The Association is formed to serve as a means through which the condominium unit owner, (hereinafter "Unit Owners") may take action with regard to the administration, management, maintenance, repair and operation of the Property, in accordance with the provision of a master deed (hereinafter the "Master Deed") to be recorded in the office of the Union County Clerk, to which these By-Laws are appended as an exhibit. The statutes relating to condominiums in effect in the State of New Jersey pursuant to which the Condominium is to be promulgated and governed are P.L. 1969, Ch. 257, R.S.46:8B-1 et seq. Of the laws of the State of New Jersey (hereinafter the "Condominium Act") and the Association is intended to be that defined in the Condominium Act.

II.

Definitions

The following words, when used in these By-Laws, (unless the context shall prohibit), shall have the following meanings:

a. "Association" shall mean and refer to The Springs Edge Condominium Association, Inc., its successors and/or assigns.

b. "By-Laws" means the governing regulations adopted pursuant to the Condominium Act for the administration and management of the Condominium property.

c. "Common Elements" means General Common Elements and Limited Common Elements, all as hereinafter defined. Common Elements do not include a Unit.

d. "Common Expenses" means expenses for which the Unit Owners are proportionately liable, including, but not limited to:

a. all expenses of administration, maintenance, repair and replacement of the Common Elements and Limited Common Elements;

b. expenses agreed upon as common by all Unit Owners; and

c. expenses designated as common by the provision of the condominium Act, the Master Deed or the By-Laws.

e. "Common Surplus" means the excess of all common receipts over all Common Expenses.

f. "Condominium" means the form of ownership of real property under a Master Deed providing for ownership by one or more owners of Units of improvements together with an undivided interest in Common Elements appurtenant to each such Unit.

g. "Condominium Property" or "Property" means the land covered by the Master Deed, and all improvements thereon, including the sixteen Units, the driveways, parking areas, detention basins and all easements, rights and appurtenances belonging thereto or intended for the benefit thereof.

h. "Grantor" means Springs Edge, L.L.C., a limited liability company, its successors and assigns.

i. "General Common Elements" means all appurtenances and facilities and other items set forth in N.J.S.A. 46:8B-3(d) which are not part of the Unit nor are Limited Common Elements.

j. "Institutional holders of a first mortgage" means a savings and loan association, a commercial bank, a savings bank, an insurance company or any entity that is approved to handle governmentally insured or related mortgage loans or a mortgage given by the Grantor.

k. "Limited Common Elements" means those Common Elements which are for the use of one or more specified units to exclusion of other units.

l. "Majority" or "Majority of the Unit Owners" means the holders of fifty-one percentage figures of the aggregate number of votes of the Association.

m. "Master Deed" means the Master Deed recorded under the terms of the Condominium Act, as such master Deed may be amended or supplemented from time to time.

n. "Member" means the owner or co-owner of a Unit.

o. "Owner" shall mean and refer to the record owner, whether one or more persons, firm, associations, corporations or other legal entities, of the fee simple title to any Unit, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee, unless and until such mortgagee has acquired title pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

p. "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof.

q. "Unit" means a part of the Condominium Property designed or intended for residential use, having a direct exit to a common element or Common elements leading to a public street or way or to an easement or right of way leading to a public street or way, and includes the proportionate undivided interest in the Common Elements and in any way Limited Common Elements assigned thereto in the Master Deed or any amendment thereof. A Unit is more particularly described in Article 4 of the Master Deed.

r. "Unit Deed" means a deed of conveyance of a Unit in recordable form.

s. "Unit Owner" means the person or persons owning a Unit in fee simple.

t. "Utility Services" includes, but is not limited to electric power, gas, hot and cold water, heating, refrigeration, air conditioning garbage and sewage disposal.

III.

Plan of Unit Ownership

A. **APPLICABILITY OF BY-LAWS:** The provisions of these By-Laws are applicable to the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the buildings ("Building") and all other improvements thereon (including the Units and the Common Elements), and all

easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all as set forth in the Master Deed.

B. APPLICATION: All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the rules and regulations of the Association and the Master Deed. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the rules and regulations of the Association and the provisions of the Master Deed, as they may be amended from time to time, are accepted, ratified and will be complied with. Each purchaser of a Unit in the Condominium shall, by virtue of its ownership, become a member of the Association.

IV. Membership-Assessments

A. MEMBERSHIP: Every person or entity who is a record Owner of a fee or undivided fee interest in any Unit shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member. Membership shall be appurtenant to and may not be separated from ownership of any Unit.

B. ASSOCIATE MEMBERSHIP: Every person who is entitled to possession and occupancy of any Unit as a tenant or lessee of a Member, may be an Associate Member of the Association, and as such, shall be privileged to use its Common Elements, subject to the Rules and Regulations of the Association.

C. The rights of membership are subject to the payment of monthly and special assessments and other charges and fees levied by the Association as provided in these By-Laws. The obligation of such assessments is imposed against each owner of and become a lien upon the Owner's Unit, against which such assessments are made as provided by Article 18 in the Master Deed to which the Properties are subject and which is being recorded simultaneously with these By-Laws and which provide as follows:

A. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is or will be deemed to covenant and agree to pay to the Association: (i) monthly assessments or charges; (ii) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time, as hereinafter provided; (iii) assessments for a Reserve Fund; and (iv) any other fees, payments, assessment or charges as may be provided for under the provisions of the Master Deed or these By-Laws. The aforesaid assessments and charges, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided shall also be the personal obligation of the person or persons who was the Owner of such Unit at the time

when the assessment fee is due. In the case of co-ownership of a Unit, all such co-owners of the Unit shall be jointly and severally liable.

B. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Property and in particular for the improvement and maintenance of the Common Elements, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Elements, the facilities thereon, including but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof, and all costs and expenses incidental to the operation and administration of the Association and its facilities and services.

C. Establishment of Monthly Assessments. The monthly assessment shall be established by vote of the Board of Trustees, for each succeeding one (1) year period, and prior to the end of such period of one (1) year, for a succeeding period of one (1) year, subject to the rights of Members as hereinafter provided in Sub-Section E. In the event the monthly assessments are not made in time, then it shall be presumed that an assessment was made in the amount of the last year's prior assessment, increased by ten percent as long as Grantor is not in control; and the monthly installments shall be due upon each installment payment date until changed by an amendment assessment. The Board of Trustees of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual monthly assessment for any year at a lesser amount, but such action shall not constitute a waiver by the Association of its right to revert to the full assessment for the remaining year or years in the then current period fixed as provided in the preceding paragraph.

D. Temporary Tax Assessment. Notwithstanding any other provision herein contained, until such time as the Borough of New Providence assesses each condominium Unit, the Association shall pay the New Jersey Real Property Taxes assessed against the condominium property and the Board of Trustees at least forty-five (45) days prior to the tax due date(s) and shall levy a supplemental assessment payable by the Unit Owners, which supplemental assessment shall be allocated and assessed to each Unit in the same percentage as that Unit's share of the Association's Common Expenses. Said course of action shall not require a vote of the Unit Owners.

E. Special Assessments.

(a) In addition to the monthly assessments authorized by Sub-Section C hereof, the Association may levy in any assessment year: a special assessment for the purposes of defraying in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Elements, including the necessary fixtures and personal property related thereto and also to cover any budget deficits.

(b) In all instances specified within this Sub-Section E where a special assessment is levied, the Association shall act in an agency capacity in collecting the special assessment and shall establish a separate bank account for the depositing of each special assessment, and not co-mingle these funds with the general assessments set forth in Sub-Section B except if the special assessment is to pay for any budget deficit. All funds accumulated in the separate accounts shall only be used for the stated purposes,

and the Association shall be under a fiduciary obligation to expend the funds so collected for the stated purposes.

(c) The Grantor, while in control of the Association, will not make any alterations or improvements that will cause a special assessment or a substantial increase in the monthly assessment except in cases of emergency or as may be required by a government agency, lending institution, or title insurance company.

(d) All such special assessments, except for budget deficit assessments, (which shall only require a majority vote of the Trustees), shall require the approval of two-thirds (2/3) of the votes of the members (other than Grantor) who are voting in person or by proxy, at a meeting duly called for this purpose. The foregoing vote requirement shall not be required (i) if the total expenditure is less than \$10,000 provided however that the total of all such expenditures in any one fiscal year shall not exceed \$20,000; or (ii) if the work is done pursuant to the provisions of Article 16 of the Master Deed; or (iii) if the work is of an emergency nature. The affirmative vote of the Grantor shall be required as to any new (i.e. previously non-existing) capital improvement work as long as the Grantor owns at least 10% of the total number of units.

F. Change in Monthly Assessments. Subject to the limitations of Sub-Section C hereof, and for the periods therein specified, the Trustees may increase the maximum and basis of the monthly assessments previously fixed by Sub-Section C hereof prospectively for any such period provided that any such change shall have the assent of two-thirds of the votes of the Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least twenty (20) days in advance and shall set forth the purpose of the meeting.

G. Quorum for Any Action Authorized Under Sub-Sections E and F. The quorum required for any action authorized by Sub-Sections E and F hereof shall be as follows:

At the first meeting called, as provided in Sub Sections E and F hereof, the presence at the meeting of Members, or of proxies, entitled to cast fifty-one (51%) percent of all the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirement set forth in Sub-Sections E and F, and the required quorum at any such subsequent meeting shall be one-half other required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than twenty (20) days following the preceding meeting.

H. Date of Commencement of Assessments: Due Date. The monthly assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Trustees of the Association to be the date of commencement. The first monthly assessments shall be made for the balance of the fiscal year and shall become due and payable on the first day of each month remaining in the fiscal year. The assessments for any year, after the first year, shall become due on the first day of the first month of said fiscal year and payable monthly in accordance with the method of payment adopted by the Resolution.

The amount of the monthly assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the monthly assessment provided for in Sub-Section C hereof as the remaining number of months in that year bear to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property, which is hereafter added to the properties now subject to assessment at the time other than the beginning of any assessment period. The due date(s) of any special assessment under Sub-Section E hereof shall be fixed in the Resolution authorizing such assessment. Notwithstanding anything to the contrary stated in these By-Laws and the Master Deed as to any Units owned by the Grantor or its Designated Transferee, which Units are under development or unsold, the assessment assessed against such a Unit(s) shall be in proportion to the benefit derived by the Unit(s) from the items included in the budget.

D. The membership rights of any person whose interest in a Unit is subject to assessments under Article IV, Sections 1 & 2 of these By-Laws, whether or not he be personally obligated to pay such assessment, may be suspended by action of the Trustees during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be restored automatically. If the Trustees have adopted and published rules and regulations governing the use of the common elements and the personal conduct of any person thereon, as provided in Article VI, Section 1 & 2 of these By-Laws, they may, in their discretion suspend the rights of any such person for violation of such rules and regulations for a period not to exceed sixty (60) days.

E. (a) the Association, through its Board of Trustees, shall establish and maintain a Reserve Fund for purposes of defraying the cost of the repair and replacement of the capital improvements and mechanical equipment constituting the Common Elements.

(b) All monies so collected shall be established in a separate fund, as provided in Article IV, Section 3E(b) to be held strictly in furtherance of the purposes stated in subparagraphs (a) of this Section.

(c) Additionally the Association, through its Board of Trustees, shall have the right, during any calendar year, to levy a special assessment for the purpose of adding to the reserve fund account established in subsection (a) of this Section 5 for the purposes set forth in subsection (a) of this Section 5.

In determining the special assessment to be so levied, the Board of Trustees shall take into consideration the existing capital improvements and their respective life span. The Board of Trustees shall have the absolute right to levy this special assessment in accordance with the provisions of this Section without the requirement or need to acquire the consent of the members.

(d) In the event withdrawals are made from the fund for the aforesaid purposes, the Board of Trustees, after due consideration as to the condition of the existing capital improvements and their respective life span may, upon a two-thirds vote of the Board and without the need to comply with the requirements of Section 3E of this Article, for

the next succeeding year and thereafter, add to the monthly assessments a special assessment, so as to reestablish the Reserve Fund.

F. CONTRIBUTIONS: WORKING CAPITAL FUND AND RESERVE FUND:

(a) Each Unit Purchaser shall, at time of the title closing of the Unit, pay to the Association a non-refundable non-transferable sum in the amount of \$500.00 as a membership fee to be made part of the working Capital Fund. This sum shall be held by the Association in its common account for the payment of current and ordinary charges.

(b) Each Unit Purchaser shall, at the time of the title closing of each unit, pay the Association a non-refundable non-transferable sum equal to one month of the then maintenance charge as a "Reserve Fund" contribution. This sum shall be held by the Association in its fiduciary capacity pursuant to Article IV, Section 3E(b) as part of its Reserve Fund established pursuant to Article IV Section 5.

(c) The sums required under subparagraphs (a) and (b) above shall not be required to be paid by any Designated Transferee who acquires title from the grantor or a predecessor Designated Transferee.

G. The Association, in furtherance of its collection of the monthly assessment, shall establish and maintain a separate fund for that portion of the monthly assessment applicable to the insurance premiums. All such monies collected or insurance premiums shall be held in the separate fund, as provided in Article IV, Section 3E(b) to be held strictly in furtherance of and for payment of insurance premiums.

H. TRANSFER OF TITLE CERTIFICATE: The provisions of Article 20 of the Master Deed are incorporated herein. In the event the stated information is not submitted to the Association and any required payment is not made within fifteen (15) days of title closing there shall be imposed in addition to any other late payment fees or charges, a late payment fee of Fifty (\$50.00) Dollars for each fifteen (15) day period that the stated monies or information are not received by the Association. This fee shall be deemed to be an assessment and shall be in addition to all other rights and remedies of the Association. The aforesaid late payment fee and the stated time period may be changed at any time by a majority vote of the Board of Trustees.

I. LATE PAYMENTS: Any assessment or charge of the Association that is not received by the Association from an Owner within five (5) days of its due date shall obligate the Owner to pay a late payment fee equal to ten (10%) percent of the unpaid assessment or charge. If the assessment or charge is not received by the Association within thirty (30) days of its due date, the late payment fee shall be Fifty (\$50.00) Dollars For every succeeding thirty (30) day period thereafter during which the Association does not receive the unpaid assessment or charge there shall be an additional late payment fee of Sixty (\$60.00) Dollars. These fees shall be in addition to all other rights and remedies of the Association. The fees shall be deemed to be an assessment. The aforesaid late

payment fees and their respective time periods may be changed at any time by a majority vote of the Board of Trustees.

V.

Voting Rights

Unit Owner(s) shall be entitled to a total of two (2) votes for each Unit in which he (she) (it) hold(s) the interest required for membership by Article IV, Section 1. When more than one person holds such interest or interests in any Unit, all such persons shall be members and the votes for such Unit shall be exercised as they among themselves determine. But in no event shall more than two votes be cast with respect to any such Unit. Any Unit owned by the Association shall have no votes.

In regard to any Unit(s) under construction or unsold for which a building permit has been issued, the Grantor or its Designated Transferee shall have the right to exercise that Unit(s) votes.

The Grantor shall not be entitled to cast any votes held by it as to unsold Units for the purposes of amending the Master Deed or By-Laws, for the purposes of changing the permitted use of a Unit or for the purpose of reducing the Common Elements facilities.

VI.

Board of Trustees

A. **NUMBER AND QUALIFICATION:** The affairs of the Association shall initially be governed by a Board of Trustees consisting of not less than three (3) individuals. Until the Master Deed shall have been recorded by the Grantor, and at least 25% of the total number of Condominium Units have been conveyed by Grantor, the Board of Trustees of the Association shall consist of such persons as shall be designated by the Grantor who shall serve as such until the first meeting of the Unit Owners as provided in Section 3 of this Article VI and subject to the provisions of Section 5 of this Article VI. Thereafter, the Board of Trustees shall consist of five (5) individuals, each of who shall be owners or spouses of owners of Units, or in the case of partnership owners shall be members, designees or employees of such partnership, or in the case of corporate owners shall be officers, designees, stockholders or employees of such corporation, or in the case of fiduciary owners, shall be fiduciaries or officers or employees of such fiduciaries provided that at least one of the members of the Board of Trustees shall be a resident of the State of New Jersey.

B. **POWERS AND DUTIES:** The Association by its Board of Trustees shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things except as by law or by the Master Deed or these By-Laws, may not be delegated to the Board of Trustees by Unit Owners. The

Association shall discharge its powers in a manner that protects and furthers the health, safety and general welfare of the condominium residents. Such powers and duties of the Association by its Board of Trustees shall include but shall not be limited to the following:

(a) The operation, care, upkeep, repair and replacement of the Common Elements and services and personal property of the Association, if any, together with the right to use all funds collected by the Association to effectuate the foregoing.

(b) Determination of the Common Expenses required for the affairs and duties of the Association, including the establishment of reasonable reserves if required for depreciation, retirement and renewals.

(c) Collection of the Common Expenses by way of assessments from the Unit Owners together with any costs and expenses of collection thereof.

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Property, including the Common Elements and other property which may be owned by the Association.

(e) Adoption and amendment of rules and regulations covering: (I) the operation and use of the Property; and (ii) fines relating to violation of rules and regulations. In the furtherance of this power, the Association shall have the right to adopt resolutions relating to the ability to sue for nonpayment of these fines and fees as well as being entitled to collect court costs and any reasonable attorney's fees associated with such litigation.

(f) Opening of bank accounts on behalf to the Association and designating the signatories required therefor.

(g) Purchase or arrangement for such services, machinery, tools, supplies and the like as in the option of the Board of Trustees may from time to time, be necessary for the proper operation and maintenance of the Property and Common Elements and the facilities and general business of the Association. The Board of Trustees may also employ a manager for the Association at such compensation as it may deem appropriate to perform such duties as the Board of Trustees may so designate and may lawfully delegate.

(h) Employment of legal counsel, engineers and accountants and to fix their compensation whenever such services may be deemed necessary by the Board of Trustees.

(i) Maintenance of detailed books of account of the receipts and expenditures of the Association. The aforesaid books of account shall be audited when requested by the Board of Trustees but not less than annually by an independent certified public accountant and a statement reflecting the financial condition and transactions of the

Association shall be furnished to each Unit Owner on an annual basis within ninety days after the end of the Association's fixed year. The books of account and any supporting vouchers shall be made available for examination by a Unit Owner at convenient hours on working days that shall be established by the Board of Trustees and announced for general knowledge.

(j) Maintenance of adequate fidelity bonds for Association officers, agents and employees handling Association funds and records, at such times and in such amounts as the Board of Trustees may deem necessary but in any event in an amount no less than the amount of the annual budget and all reserve funds. The premiums for such coverage shall be paid by the Association and shall constitute a Common Expense.

(k) Payment of all taxes, assessments, utility charges and the like assessed against any property of the Association or assessed against any Common Element, exclusive of any taxes or assessments properly levied against any Unit Owners.

(l) Purchasing or leasing or otherwise acquiring in the name of the Association or its designee, corporate or otherwise on behalf of the Unit Owners, Units offered for sale or lease or surrendered by their Unit Owners to the Association or to the Board of Trustees, when so required in the discretion of the Board of Trustees. The foregoing right shall not be applicable as long as the Grantor controls the Board of Trustees.

(m) Purchasing of Units at foreclosure or other judicial sale in the name of the Association, or its designee, corporate or otherwise, on behalf of all Unit Owners when so required in the discretion of the Board of Trustees. The foregoing right shall not be applicable as long as the Grantor controls the Board of Trustees.

(n) Selling, leasing, mortgaging, or otherwise dealing with Units acquired or leased by the Association, or its designee, corporate or otherwise, on behalf of all Unit Owners.

(o) Leasing of Common Elements, where applicable, and provided such action is approved by two-thirds of the entire Board of Trustees.

(p) Adjust or increase the amount of any monthly assessment payment of Common Expenses and to levy and collect from Unit Owners special assessments in such manner as the Board of Trustees may deem necessary to defray and meet increased operating costs, capital expenses or to resolve emergency situations; provided, however, that all such special assessments or increased payment assessments shall be levied against the Unit Owners in the same proportions or percentages as provided in Exhibit D of the Mast Deed.

(q) Organizing corporations to act as designees of the Association in acquiring title to or leasing of Units on behalf of all Unit Owners.

(r) Those powers and duties as stated in the Master Deed.

(s) Making of repairs, additions and, improvements to or alterations of the Property and repairs to and restoration of the property in accordance with the other provisions of the Master Deed and these By-Laws after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings. When in the opinion of the Board of Trustees any of the Common Elements requires protection, renewal, maintenance or repair or when enforcement of any of the Association's rules and regulations so require or when the abatement of any nuisance is required or in the emergency situation, the Board of Trustees will have the right to enter any Unit for such purpose. Such entry shall, however, be done with as little inconvenience to the Unit Owners thereof as is reasonably possible, provided, however, that such entry shall be upon notice and be during reasonable hours, except in the case of emergencies; each Unit Owner, by the acceptance of a deed conveying each Unit to the Unit Owner, expressly and irrevocably grants and confirms the rights of entry aforesaid.

(t) To grant and execute any agreements relative to CATV licenses or any other agreement of mutual benefit to the Association and Unit Owners.

(u) To have and to exercise any and all powers, rights and privileges which a corporation organized under the General Non-Profit Corporation Law of the State of New Jersey may by law now or hereafter have or exercise.

(v) The Association shall discharge its powers in a manner that protects and furthers the health, safety and general welfare of the residents of the condominium regime.

(w) 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.

Notwithstanding the foregoing "Powers and Duties," the Association or the Board shall take no action which would discriminate against the Grantor or its Designated Transferee, affect or interfere with its right to construct, sell, lease, own or use any Unit(s) or the Common Elements or impair or adversely affect the rights of the Grantor or its Designated Transferee unless the Grantor or its Designated Transferee has consented to such action.

C. TERM OF OFFICE: The term of office of the members of the Board of Trustees elected at the first special meeting of the Unit Owners, which meeting shall be held within 60 days of conveyance of 25% of all the Condominium Units in accordance with Section 5E(a) of this Article VI, shall be until the second special meeting of the unit Owners. The term of office of the members of the Board of Trustees elected at the second special meeting of the Unit Owners, which meeting shall be held within 60 days of conveyance of 50% of all the Condominium Units in accordance with Section 5E(b) of this Article VI, shall be two years and the term of office of the members of the Board of Trustees appointed by the Grantor shall be one year. The term of office of the member of

the Board of Trustees elected at the third special meeting of the unit Owners, which meeting shall be held within 60 days of conveyance of 75% of all the Condominium Units in accordance with Section 5E(c) of this Article VI, shall be fixed in the following manner. Those members of the Board of Trustees initially selected by the grantor shall resign and the Unit Owners shall elect such members to the Board of Trustees who shall serve out the remainder of the terms of the resigned members. At the expiration of the initial term of office of each respective member of the Board of Trustees, his successor shall be elected to serve for a term of two years. The members of the Board of Trustees shall hold office until their respective successors shall have been elected by the Unit Owners at the next annual meeting of the Association.

D. (a) **NOMINATION:** Nomination for election to the Board of Trustees shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Trustees and four (4) members of the Association. The Nominating Committee shall not consist of any individuals appointed by the Grantor-Sponsor. The Nominating Committee shall be appointed by the Board of Trustees prior to each meeting of the members, to serve from the close of each annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Trustees as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made also from among members.

(b) **ELECTION:** Election to the Board of Trustees shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Master Deed. The persons receiving the largest number of votes shall be elected. Cumulative voting is permitted.

E. **SURRENDER OF CONTROL OF BOARD OF TRUSTEES:** Control of the Condominium Association shall be surrendered to the Condominium Unit Owners in the following manner:

(a) At a special meeting held within 60 days of conveyance of 25% of all the Condominium Units, not less than 25% of the members of the Board of Trustees shall be elected by the Condominium Unit Owners other than Grantor.

(b) At a special meeting held within 60 days of conveyance of 50% of all the Condominium Units, not less than 40% of the members of the Board of Trustees shall be elected by the Condominium Unit Owners other than Grantor.

(c) At a special meeting held within 60 days of conveyance of 75% of all the Condominium Units, the Condominium Unit Owners shall elect members to the Board of Trustees to replace the members previously selected by the Grantor so that all of the Board of Trustees shall be or have been elected by Unit Owners, except that as long as

any Condominium Units remain unsold, in the regular course of business, the Grantor may retain one member of the Board of Trustees. If there are no Units remaining unsold in the regular course of business, then the Condominium Unit Owners shall elect members to the Board of Trustees to replace those Trustees previously selected by the Grantor.

Subject to the extension provisions stated in the above paragraph, Grantor or its Designated Transferee shall surrender control of the Board no later than five (5) years from the filing of the Master Deed and these By-Laws, subject to the following provisions.,

The Grantor may surrender control of the Board of Trustees of the Association prior to the time as specified, provided, the Condominium Unit Owners agree by a majority vote of those eligible and present to vote to assume control.

Once controlled by the Condominium Unit Owners, the Association shall not take any action that would be detrimental or create an impairment to the Grantor's or its Designated Transferee's ability to sell, construct or show any Units owned by Grantor or its Designated Transferee or in any way discriminate against the Grantor, its Designated Transferee or its Units.

Notwithstanding the above provisions the time as to transfer of control by Grantor shall be in accordance with N.J.A.C. 26-8.4.

F. REMOVAL OF MEMBERS OF THE BOARD OF TRUSTEES; At any annual or special meeting of Unit Owners, any one or more of the members of the Board of Trustees may be removed with or without cause by a majority vote pursuant to Section 7 of Article IX hereof and a successor may then and there or thereafter be elected to fill the vacancy thus created, however, any Trustee appointed by the Grantor can only be removed for cause. Any member of the Board of Trustees whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting called for such purpose. The foregoing provisions are subject to the condition that if the ten vacant position was previously filled by a Unit Owner other than the Grantor then only the non-Grantor Unit Owners may vote on who is to fill the vacant position.

G. VACANCIES: Vacancies in the Board of Trustees caused by any reason other than the removal of a member thereof by a vote of the Unit Owners and which vacancy has a remaining term of less than six months, shall be filled by a vote of a majority of the remaining trustees at a special meeting of the Board of Trustees held for that purpose promptly after the occurrence of any such vacancy. However, if the vacating Board member was a Unit Owner than only the remaining Unit Owner Board members may elect the replacement Board member. Each person so elected shall be elected at the next annual meeting of the Unit Owners, and the term of the newly elected trustee shall be for the balance of the term of the vacated trusteeship. As to any vacancy having an unexpired term exceeding six months, then said vacancy shall be filled by a

person duly elected by the appropriate Unit Owners at a special meeting, and the term of the newly elected trustee shall be for the balance of the term of the vacated trusteeship.

Notwithstanding the foregoing, the Grantor or its Designated Transferee, as applicable, shall have the right to appoint a successor as to any vacating Board member who was appointed by the grantor or its Designated Transferee.

H. ANNUAL MEETING: The Board of Trustees shall hold annual meeting within thirty (30) days of the date that the Unit Owners hold their first meeting, and thereafter after each Unit Owner's annual meeting, said Trustees' annual meetings shall be held at such time and place as shall be fixed by the Unit Owners at the meeting at which such Board of Trustees shall have been elected and no notice shall be necessary to the newly elected members of the Board of Trustees in order legally to constitute such meeting.

In any event, the Board shall meet within two years of the filing date of the Association's Certificate of Incorporation and thereafter on an annual basis.

I. REGULAR MEETINGS: Regular meetings of the Board of Trustees may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Trustees, but at least two such meetings shall be held during each fiscal year of the Association. Notice of regular meetings of the Board of Trustees shall be given to each member of the Board of Trustees by mail or telegraph at least ten (10) business days prior to the day designated for such meeting.

J. SPECIAL MEETINGS: Special meetings of the Board of Trustees may be called by the President of the Association on three (3) business days' notice to each member of the Board of Trustees given by mail or telegraph, which notice shall state the time, place and purpose of the meetings. Special meetings of the board of Trustees shall be called by the President or Secretary in like manner and on like notice at the written request of at least three members of the Board of Trustees.

K. WAIVER OF NOTICE: Any member may at any time waive notice of any meeting of the Board of Trustees in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Trustees at any meeting of the Board of Trustees shall constitute a waiver of notice by it of the time and place thereof. If the members of the Board of Trustees are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

L. QUORUM OF BOARD OF TRUSTEES: At a meeting of the Board of Trustees, two-thirds of the Trustees shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board present at a meeting at which a quorum is present shall constitute the decision of the Board of Trustees. If at any meeting of the Board of Trustees there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting

at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

M. FIDELITY BOND: The Board of Trustees shall obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for Association funds. While the Grantor maintains a majority of the Board, it shall post a fidelity bond in an amount equal to the annual budget. For the second and succeeding year, the bond shall include accumulated reserves. The premiums on such bonds shall constitute a Common Expense.

N. COMPENSATION: No member of the Board of Trustees shall receive any compensation from the Association for acting as such.

O. LIABILITY OF THE BOARD OF TRUSTEES: The members of the Board of Trustees shall not be liable to the unit Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Trustees against all contractual liability to others arising out of the performance of their duties on behalf of the Association unless any action or inaction shall have been made in bad faith or contrary to the provision of the Master Deed of these By-Laws. It is intended that the members of the Board of Trustee shall have no personal liability with respect to any contract made or action taken or not taken by them on behalf other Association. It is also intended that the liability of any Unit Owner arising out of any contract made or action taken or not taken by the Board of Trustees or out of the aforesaid indemnity in favor of the members of the Board of Trustees shall be limited to such proportion of the total liability thereunder as its interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements. Every agreement made by the Board of Trustees on behalf of the Association shall provide that the members of the Board are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as its interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

P. MANAGING AGENT AND MANAGER: The Board of Trustees may employ a managing agent and/or a manager for the Condominium at a compensation established by the Board of Trustees, to perform such duties and services as the Board of Trustees shall authorize. The Board of Trustees may delegate to the managing agent or the manager all of the powers granted to the Board of Trustees by these By-Laws, but notwithstanding such delegation, will remain responsible to the Unit Owners for the proper performance of such duties and services.

Q. GRANTOR'S/DESIGNATED TRANSFEREE'S PROTECTIVE PROVISIONS: Notwithstanding anything to the contrary stated in these By-Laws or the Master Deed, the Association or its Board of Trustees, shall take no action which directly or indirectly discriminates against the Grantor and/or its Designated Transferee or their respective rights as set forth in the Master Deed and these By-Laws or impairs in any

manner their ability to develop the condominium property and to sell or promote the sale or rental of any Unit(s) or use any Unit(s) for model Units, sales offices and business offices. This Section Q shall not be amended without Grantor's and/or its Designated Transferee's written consent.

VII.

Officers

A. **DESIGNATION:** The principal offices of the Association shall be the President, Vice-President, Secretary and Treasurer, all of whom shall be elected by the Board of Trustees. The Board of Trustees may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary. The President and Vice-President, but no other officers, must be members of the Board of Trustees.

B. **ELECTION OF OFFICERS:** The Officers of the Association shall be elected annually by the Board of Trustees at the organization meeting of each new Board of Trustees and shall hold office at the pleasure of the Board of Trustees.

C. **REMOVAL OF OFFICERS:** Upon the affirmative vote of a majority of the members of the Board of Trustees, any officer may be removed with or without cause and its successor may be elected at any regular meeting of the Board of Trustees or at any special meeting of the Board of Trustees called for such purpose.

D. **PRESIDENT:** The President shall be the Chief Executive Officer of the Association. It shall preside at all meetings of the Unit Owners and of the Board of Trustees. It shall have all of the general powers and duties which are incident to the office of President of a corporation organized under New Jersey Law, including but not limited to the power to appoint committees from among the Unit Owners from time to time as it may in its discretion decide is appropriate to assist in the conduct of the affairs of the Association.

E. **VICE-PRESIDENT:** The Vice-President shall take the place of the President and perform its duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Trustees shall appoint some other member of the Board of Trustees to act in the place of the President on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon it by the Board of Trustees or the President.

F. **SECRETARY:** The Secretary shall keep the minutes of all meetings of Unit Owners and of the Board of Trustees; it shall have charge of such books and papers as the Board of Trustees may direct; and it shall, in general, perform all the duties incident to the office of Secretary of a corporation organized under New Jersey Law. The Secretary shall also perform the duties aforesaid for any committees as the Board of Trustees or the President may so direct.

G. **TREASURER:** The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. It shall be responsible for the deposit of all monies and other valuable effect in the name of the Association in such depositories as may from time to time be designated by the Board of Trustees and it shall generally perform all duties incident to the office of Treasurer of a corporation under New Jersey Law. It shall render to the President and the Board of Trustees at the regular meetings of the Board of Trustees whenever either the President or the Board of Trustees shall require, a full account of its transactions as Treasurer and a full account of the financial condition of the Association.

H. **COMPENSATION OF OFFICERS:** No officers shall receive any compensation from the Association for acting as such.

I. **AGREEMENTS, CONTRACTS, DEED, CHECKS, ETC.:** All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any two officers of the Association or by such other person or persons as may be designated by the Board of Trustees.

J. **INDEMNIFICATION OF OFFICERS:** Each officer, his (her) heirs, administrators and executors shall be indemnified and held harmless by the Association against any losses, expenses and counsel fees reasonably incurred in connection with any action or proceeding in which said officer, his/her heirs, administrators and executors are made a party by reason of such office. Provided, however, that should such officer be adjudged willful misconduct, the aforesaid indemnity shall not apply. In the event of a settlement, such officer shall be indemnified only as to such matters covered by the settlement which the Association is advised by its counsel is not the result of such gross negligence of willful misconduct of such officer. The aforesaid indemnification is intended to encompass the aforesaid acts of the officers as such to the extent herein provided and is not intended to be operative with respect to any duties, obligations or liabilities assumed by such officers as Unit Owners or Association members. Nothing herein stated to the contrary shall serve to indemnify members of the Board of Trustees appointed by the Grantor from their fiduciary responsibilities.

VIII.

Operation of the Property-Insurance

A. **DETERMINATION AND ESTABLISHMENT OF COMMON EXPENSES:** The Board of Trustees shall, in accordance with Article IV, prior to the beginning of each fiscal year of the Association, cause the management company to prepare a budget upon receipt by it of recommendations from the Finance Committee. The budget shall determine the amount of monthly assessment payable by each Unit Owner to meet the Common Expenses of the Association including any reserves and to make up for any deficit in the Common Expenses for any prior year.

The Board of Trustees shall allocate and assess such Common Expenses among the Unit Owners according to the percentage as set forth in Exhibit "E" of the Master Deed. Unit Owners shall be advised of the amount of Common Expenses payable by each of them and these charges shall be paid to the Association in twelve (12) equal monthly assessments on the first day of each month of the fiscal year in advance at the office of the Association. A statement of the aforesaid monthly assessments shall be mailed to each Unit Owner at the commencement of each fiscal year and no further billing by the Association shall be required. The Common Expenses shall include such amounts as the Board of Trustees may deem proper for the operation and maintenance of the Property, including but not limited to the cost of insurance premiums on all policies as required by these By-Laws or the Master Deed, and amounts for working capital of the Association, for a general operating reserve, for a reserve fund for replacements and to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Association or its designee, corporate or otherwise, on behalf of all Unit Owners of any Unit whose owner has elected to sell or lease such Unit, or of any Unit which is to be sold at a foreclosure or other judicial sale. The Board of Trustees shall advise all Unit Owners promptly in writing, of the amount of monthly assessments payable by each of them aforesaid, and shall furnish copies of each budget on which such and monthly assessments are based to all Unit Owners.

B. INSURANCE:

A. The Board of Trustees shall be required to obtain and maintain, to the extent obtainable, the following insurance upon the Common Elements and upon equipment and personal property owned by the Association. The policies so obtained shall be for the benefit and protection of the Association and the owners of the Units and their respective mortgagees as their interests may appear. Such policies shall include provisions that they be without contribution, that improvements to Units made by Unit Owners shall not affect the valuation of the Property for the purposes of insurance and that the insurer waives its rights of subrogation as to any claims against Unit Owners, the Association and their respective employees, servants, agents and guests. The coverages shall be against the hereinafter enumerated perils and contingencies:

(1) A policy of property insurance equal to replacement value of the condominium property (including all building service equipment and the like, and including all structural or non-structural wall and any equipment within a Unit which is integral part of a Common Element system. This replacement value amount shall be adjusted every three years from the date of this Master Deed based upon the percentage increase in the Consumer Price Index for Metropolitan New York using January 1999 as the base year for determining such increase. In the event that the Consumer Price Index for Metropolitan New York is no longer available, then the substitute index, or if not available, a comparable index, shall be used. Said insurance must protect against at least the following:

(a) loss or damage by fire, flood, and other hazards covered by the standard extended coverage endorsement, and by sprinkle leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage;

(b) such other risks as are customarily covered in similar projects.

(2) A comprehensive policy of public liability insurance covering all of the Common Elements in the condominium property with a Severability of Interest Endorsement or equivalent coverage which would preclude the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association or another Unit Owner, with limits not less than One Million Dollars covering all claims for personal injury and/or property damage arising out of a single occurrence, including protection against water damage liability, liability for non-owned and hired automobile, liability for property of others, and, if applicable, host liquor liability, and such other risks as are customarily covered in similar projects. Any such policy shall be subject to Federal Home Loan Mortgage Association or Federal Home Loan Mortgage Corporation approval, if applicable.

(3) The Association shall maintain adequate fidelity coverage against dishonest acts by its officers, trustees and employees, and all others who are responsible for handling funds of the Association. Such fidelity bonds shall meet the following requirements:

(a) all shall name the Owners Association as an obligee;

(b) all shall be written in an amount equal to at least 50% of the estimated annual operating expenses of the Association including reserves.

(c) all shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" of similar expression.

(d) all shall provide that they may not be canceled or substantially modified without at least 10 days prior written notice.

(4) Any insurance obtained shall be subject to the following:

(a) The named insured under any such policies shall be the Association, as a trustee for the Owners of the Units, or its authorized representative, including any trustee with which such Association may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be referred to as the "Insurance Trustee" who shall have exclusive authority to negotiate losses under these policies (any Insurance Trust Agreement shall be subject to the prior approval of the Federal national Mortgage Association or the Federal Home Loan Mortgage Corporation or their successor); and

(b) insurance coverage obtained and maintained may not be bought into contribution with insurance purchased by the owners of the Units or their mortgagees;

(c) coverage must not be prejudiced by (a) any act or neglect of the owners of the Units when such act or neglect is not within the control of the Association or (b) any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no control;

(d) coverage may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least 10 days' prior written notice to any and all insureds; and

(e) all policies must contain a waiver of subrogation by the insurer as to any and all claims against the Association, the owner of any Unit and/or their respective agents, employees or tenants, and of any defenses based of coinsurance or on invalidity arising from the acts of the insured.

(f) all policies of property insurance must provide that, despite any provisions giving the carrier (insurer) the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any Insurance Trustee).

(5) WORKMEN'S COMPENSATION: Coverage to meet the requirements of laws.

(6) All liability insurance shall contain cross-liability endorsements to cover liabilities of the Association and the Unit Owners, as a group, to an individual owner.

(7) Such other insurance as the Board of Trustees may deem proper and necessary, or as required under the Master Deed.

Each Unit Owner shall have the right and should obtain insurance at his (her) (its) own expense, affording coverage upon his (her) (its) personal property, fixtures, appliances, wall and floor coverings, furnishings, including betterments and improvements within the Unit, and for his (her) (its) personal liability and as may be required by law, but all such insurance shall contain the same waiver of subrogation as that referred to hereinabove (if same is available) and to the extent possible be obtained from an insurance company from which the Association obtains coverage against the same risk liability or peril if the Association has such coverage. However, a Unit Owner shall not be obligated to purchase such insurance through the broker handling the same for the Association.

B. All insurance policies maintained by the Association shall be for the benefit of the Association, the Unit Owner, and their mortgagees, as their respective interest may appear and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association, as Trustee. The Association, as Trustee, shall hold such proceeds for the benefit of the Association, the Unit Owners and their respective mortgagees in accordance with the provisions of the Master Deed.

C. PAYMENT OF COMMON EXPENSES:

A. All members shall be obligated to pay the Common Expenses by paying the monthly assessment assessed by the Board of Trustees pursuant to the provisions of Section 1 of article VIII of these By-Laws, which payment shall be made monthly on the first day of each month to the Association at the principal office of the Association or at such other place as may be designated by the Board of Trustees.

B. The pro-rata contribution of member toward the Common Expenses which a member shall be obligated to pay shall be based upon the member's percentage interest in the Common Expenses as the same is set forth in Exhibit "E" of the Master Deed. No abandonment of the Unit owned by a member or a waiver of the use and enjoyment of any of the Common Elements shall exempt or excuse any member from his contribution toward the expenses aforesaid.

C. Notwithstanding anything to the contrary stated in these By-Laws, as to any Units owned by the Grantor or its Designated Transferee which Units are under development or title has not been conveyed to a purchaser, the assessment levied against such Unit(s) shall be the lesser of (a) in proportion to the benefit derived by the Unit(s) from the budget items or (b) the actual budget deficit between income and expenses, excluding Reserve Fund contributions for Units still owned by Grantor or its Designated Transferee.

D. **PAYMENT OF SPECIAL ASSESSMENTS:** Special assessments, when levied by the Board of Trustees, pursuant to these By-Laws, shall be paid by the members in such manner as may be determined by the Board of Trustees; provided, however, that the pro-rata contribution of each member for such special assessment shall be in accordance with Section 3 of this Article.

E. **DEFAULT IN PAYMENT OF ASSESSMENTS AND CHARGES:** All monthly assessments, special assessments, late charges, fees and other charges levied by the Association and chargeable to and payable by a member for its Unit shall constitute a lien against said Unit in favor of the Association without the necessity for the filing of any such lien or notice of lien with the office of any State, County or Municipal Official. The aforesaid lien shall be prior to all other liens except:

- (a) any similar liens by the Association for prior charges and assessments;
- (b) assessments, liens and charges for unpaid taxes due on said Unit;
- (c) permitted first mortgages of record upon such Unit.

All assessments that remain unpaid for over thirty days shall bear interest from the assessment due date at the highest rate permitted by law in addition to the late payment fee stated in Article IV.

The lien aforesaid may be foreclosed as provided in the Master Deed, in the same manner as real estate mortgages, and in the event of such foreclosure the Association

shall, in addition to the amount due, be entitled to recover interest as hereinbefore provided on such sum or sums due, together with the reasonable expenses of such action, including costs and attorney's fees.

A suit by the Association against the delinquent member to recover a money judgment for the unpaid Common Expenses and assessments shall be maintainable without foreclosing or waiving the lien securing the same. The action for a money judgment shall be instituted by the Association in accordance with the time periods set forth in Article 19 of the Master Deed. As part of such legal action the Association shall be entitled to recover interest as hereinabove provided on such sum or sums, together with the reasonable expenses of such action, including costs and attorney's fees.

The provisions of article 19 of the Master Deed as relates to unpaid assessments or charges are made a part of these By-Laws.

F. MAINTENANCE AND REPAIR:

A. All maintenance, repairs and replacements to the "Common Elements", except as hereinafter provided, whether located inside or outside of the Units (unless necessitated by the negligence, misuse, or neglect of a Unit Owner, its tenants, agents, guests, licensees or servants, in which case such expense shall be charged to such Unit Owner), and regardless of whether there is special benefit thereby to particular Unit Owners, shall be made by the Association and be charged to all members as a Common Expense.

B. All maintenance, repairs and replacements to such portion of any Unit which does not comprise a part of the Common Elements or any part or parts thereof belonging in whole or in part to other members, shall be made promptly and carefully by the member or members owning such Units at their own risk, cost and expense. Each member shall be liable for any damages, liabilities, costs or expenses, including attorney's fees, caused by or arising out of its failure to promptly and/or carefully perform any such maintenance and repair work.

C. The Unit Owner shall be responsible for the repair, use, maintenance and replacement of the Unit's appliances, fixtures, mechanical systems, heating and air-conditioning equipment and hot water heater.

D. Articles 23 and 24 of the Master Deed are incorporated in these By-Laws.

G. PORCHES, DECKS AND STAIRS: The porch, deck, stairs, and railings (all the foregoing being Limited Common Elements) which are appurtenant to a Unit shall be for the exclusive use of the Unit Owners of such Units. Any such Limited Common Element shall be kept free and clean of debris dirt, snow and any other accumulation and maintained by the Unit Owners of such Units. The Association shall be responsible for all maintenance, repairs and replacements of such Limited Common Elements unless such work is due to the negligence of the unit Owner, his (her) family, guests and/or employees, in which event the Unit Owner shall pay for such work. The Unit Owner(s)

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shall be responsible for abating any municipal violations to said Limited Common Element.

H. RESTRICTIONS ON USE OF UNITS: In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property (including the Association property) shall be restricted to and shall be in accordance with the following provisions:

(a) The Common Elements as well as the property and facilities of the Association shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units and parking spaces.

(b) No nuisances shall be maintained by any Unit Owner, nor shall any use or practice be allowed by any owner which is a source of annoyance to, or which interferes with, the peaceful possession, peaceful enjoyment or proper use of the Units or Common Elements by Unit Owners.

(c) No immoral, improper, offensive or unlawful use shall be made of any Unit or part thereof or of any of the Common Elements, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violation of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof shall be complied with by and at the sole expense of the Unit Owners or the Association, whichever shall have the obligation to maintain or repair such portion.

(d) No portion of a Unit (other than the entire Unit) may be rented, and no transient tenants may be accommodated therein, except as permitted in the Master Deed.

(e) Those restrictions set forth in the Master Deed.

The foregoing restrictions shall not be interpreted in any manner so as to prevent, restrict, interfere with or delay Grantor's construction of the condominium development or its ability to maintain model units and sales offices as well as the right to sell and lease Units.

I. ADDITIONS, ALTERATIONS OR MODIFICATIONS: No member shall make any structural additions, alterations, changes to a Unit's exterior (walls and roof) finish, design and materials or improvements in or to its Unit (or elsewhere on the Property) without the prior written consent thereto of the Board of Trustees or impair any easement without the written consent of the Board of Trustees or of the unit Owner(s) for whose benefit such easement exists. The provisions of this Section shall not apply to the Units owned by the Grantor or its designated Transferee until such Units shall have been initially sold by the Grantor and paid for. The grantor, while in control of the Association, will not make any additions, alterations, purchases or improvements that will cause a special assessment or a substantial increase in the monthly assessment, except in cases of emergency or if required by a governmental agency or a mortgage

lender. Additionally, Grantor will not cast any votes to change the use of any Units or cause an encroachment upon the Common Elements.

J. USE OF COMMON ELEMENTS: A Unit Owner shall not place or cause to be placed in, on or about the Common Elements, other than the areas designated as storage areas, any furniture, packages, or objects of any kind. The Common Elements shall be used for no purpose other than for normal transit. In no event shall any hazardous or flammable item be stored or placed in, on or about the Common Elements.

The Association shall have the right to adopt rules and regulations regarding the use of all Common Elements, especially but not limited to parking areas and the recreational facilities.

K. RIGHT OF ACCESS: A Unit Owner shall grant a right of access to its Unit to the Association or any person authorized by the Association for the purpose of making inspections, or for the purpose of correcting any condition originating in its Unit and threatening any Unit or Common Element, or for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services or other Common Elements in its Unit or elsewhere in the Property, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not.

L. ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY ASSOCIATION: The Association shall have the right to make or cause to be made such alterations and improvements to the Common Elements (which do not adversely prejudice the right of any Unit Owner unless its written consent has been obtained), provided the making of such alterations and improvements is first authorized by the Board of Trustees of the Association and, if the cost of same exceeds Ten Thousand (\$10,000.00) Dollars, for one contract or Twenty Thousand (\$20,000) Dollars, in total, for all such work in any one fiscal year, said work is approved as required under Article IV, Section 3E. The costs of such alterations and improvements shall be assessed as Common Expenses, unless in the judgment of not less than two-thirds of the Board of Trustees, the same are exclusively or substantially exclusively for the benefit of the Unit Owners requesting the same in which case such requesting Owners shall be assessed therefor in such proportion as they approve jointly and failing such approval, in such proportions as may be determined by the Board of Trustees.

M. RULES OF CONDUCT: Rules and regulations concerning the use of Units and the Common Elements may be promulgated and amended by the Association with the approval of a majority of the Unit Owners. Copies of such rules and regulations shall be furnished by the Association to each Unit Owner. The conjunction with the adoption of such rules and regulations, the Board may include the levying of fines and penalties in the event of a violation.

N. GRANTOR'S PROTECTIVE PROVISIONS: As long as the Grantor holds one Unit for sale in the ordinary course of business, the following shall apply despite anything to the contrary stated in these By-Laws or the Master Deed and shall not be amended.

(a) Neither the Association or the Board of Trustees shall take any action that will impair or adversely affect the rights of the Grantor as set forth in the Master Deed and these By-Laws or cause the Grantor to unilaterally suffer any financial, legal or other detriment, including, but not limited to, any direct or indirect interference with the Grantor's construction, sale, leasing or use of Grantor's Units, the construction and development of the Condominium Property, and its rights to maintain "FOR SALE" signs and other similar advertising material.

(b) The Grantor shall not be liable for any assessments relating to new capital improvements unless it consents to same.

(c) The Association and its Board of Trustees shall continue the same level of maintenance, operation and services as provided immediately prior to the Grantor relinquishing control of the Board of Trustees.

IX.

Meetings of Unit Owners

A. PLACE OF MEETINGS: The Unit Owners of the Condominium shall hold meetings at the principal office of the Association at 25 Route 22 East, Springfield, New Jersey, or at such other place as may be fixed, from time to time, by the Board of Trustees and designated in the notice of such meeting. The first annual meeting of the Unit Owners shall be held during the twenty-third month from the date of filing of the Association's Certification of Incorporation. Thereafter an annual meeting of the Unit Owners shall be held on the first Monday of the same month in which the first annual meeting was held or in the event that day is a holiday on the first day thereafter which is not a legal holiday in each succeeding year. At the annual meeting, the Unit Owners shall in accordance with Article VI elect a Board of Trustees of the Association and may transact such other business as may properly come before the meeting.

B. SPECIAL MEETINGS: Special meetings may be called by the President, Vice-President, Secretary or a majority of the Board of Trustees and must be called by such officers upon receipt of a written request of twenty-five (25%) percent or more of the Unit Owners. Such written request shall state the purpose or purposes of the proposed meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

C. RECORD DATE: For the purpose of determining the Unit Owners entitled to notice of any meetings of the Association or any adjournment thereof or for the purpose of any other action, the Board of Trustees shall fix in advance a date as the record date for such determination. Such date shall not be more than forty-five (45) days nor less

than ten (10) days before the date of the meeting. If no record date is fixed, then the date shall be determined in accordance with the provisions of law relating thereto.

D. NOTICE OF MEETING: Notice of meetings of the Unit Owners shall be in writing. Notice of the meeting other than the annual meeting shall indicate and state that it is being issued by or at the direction of the person or persons calling the meeting. Such notice shall be mailed or delivered not less than ten (10) or more than forty-five (45) days prior to the date of the meeting. Notice of all meetings at which disposition is to be made of assets, granting of rights or easements in the Property must also be given to the holders of the first mortgages of any Units.

E. WAIVER OF NOTICE: Notice of a meeting need not be given to any Unit Owner who signs a waiver of notice either in person or by proxy, whether before or after the meeting. The attendance of any Unit Owner at a meeting in person or by proxy, without protesting prior to the conclusion of such meeting, shall constitute a waiver of notice of meeting by it.

F. QUORUM: The presence in person or by proxy of Unit Owners holding at least fifty-one (51%) percent or more of the votes eligible to be cast by all the Unit Owners shall constitute a quorum at a meeting of the Unit Owners. In the event that there is not the required quorum present, then at the adjourned meeting the required quorum shall be only thirty (30%) percent or more of the vote eligible to be cast by all the Unit Owners.

G. MAJORITY VOTE: The vote by a majority of the Unit Owners at a meeting at which a quorum shall be present shall be binding upon the Unit Owners for all purposes except where in the Master Deed or these By-Laws or the provisions of New Jersey law, a higher percentage rate is required.

H. VOTING: The Association may, but shall not be required to, issue certificates or other evidence of membership. Each Unit shall have two votes. A fiduciary shall be entitled to vote with respect to any Unit owned in a fiduciary capacity. If a Unit is owned by more than one Unit Owner, the votes allocable to such Unit may be divided in any manner, as the Unit Owners owning the same shall determine. A Unit which has been acquired by the Association in its own name or in the name of its agents, designee or nominee on behalf of all of the Unit Owners shall not be entitled to a vote so long as it continues to be so held. Votes may be cast by each Unit Owner in person or by its proxy when filed with the Secretary of the Association. The designation of any such proxy shall be made in writing and filed with the Secretary of the Association before the appointed time of the meeting. A proxy is valid only for the particular meeting designated therein. A proxy may be revoked by the Unit Owner by appearance in person at the meeting and there and then filing with the Secretary at that time notice of the revocation.

I. GOOD STANDING: As used in these By-Laws, a Unit Owner shall be deemed "in good standing" and shall therefore be entitled to vote as herein provided at any meeting of Unit Owners subject, however, to the limitations of Section 8 of this

Article, if said Unit Owner shall have fully paid all then due assessments and charges as permitted by these By-Laws, levied against its Unit and itself at least five (5) days prior to the date fixed for a particular meeting. Provided further than in the event any interest, penalties, costs, fees and the like have been levied against said Unit Owner and its Unit, these interest, penalties, costs, fees and the like shall likewise be fully paid within the aforesaid time.

J. ADJOURNMENT OF MEETINGS: If any meeting of Unit Owners cannot be held because a quorum has not attended, the meeting shall be adjourned to a time not less than 48 hours from the time the original meeting was called.

K. WRITTEN CONSENT TO UNIT OWNERS APPROVAL OR DISAPPROVAL: Any action that may be taken by a vote of the Unit Owners may be taken without a meeting (provided the laws of the State of New Jersey so provide) on written consent of the Unit Owners, duly acknowledged, setting forth the action so taken or to be taken by the Unit Owners holding in interest the majority of the total outstanding votes of all Unit Owners in accordance with Section 8 hereof, unless these By-Laws or the provisions of the New Jersey law shall require a greater percentage of such votes with respect to a particular action.

X.

Committees

A. The Board of Trustees shall have the right to appoint Members to the following committees, if it deems the committee(s) necessary to fulfill a purpose stated in these By-Laws: The Nominations Committee, the House and Grounds Committee, the Architectural Control Committee, the Finance Committee, the Judicial Committee and the Rules and Regulations Committee. Unless otherwise provided herein, each committee shall consist of Chairman and two or more members and shall include a member of the Board of Trustees for board contact. The committee(s) may be appointed by the Board of Trustees prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting. The Board of Trustees may appoint such other committees as it deems desirable.

B. The Nominations Committee shall have the duties and functions described in Article VI, Section 4(a).

C. The House and Grounds Committee shall advise the Board of Trustees on all matters pertaining to the maintenance, repair or improvement of the common Elements and Facilities of the Condominium property and shall perform such other functions as the Board in its discretion determines.

D. The Architectural Control Committee shall have the duties and functions described in Article 22 of the Master Deed applicable to the Condominium property. It shall watch for any proposals, programs or activities which may adversely affect the

residential value of the Condominium property and shall advise the Board of Trustees regarding Association action on such matters.

E. The Financial Committee shall (a) supervise and approve the annual audit of the Association's books; (b) assist the Management Company, as may be requested, in the preparation of the annual budget; (c) oversee the preparation of the balance sheet statement for presentation to the Board for its consideration and adoption. The treasurer shall be an ex-officio member of the Committee.

The Financial Committee shall consist of five members, at all times at least one member shall be a Residential Condominium Unit Owner.

F. JUDICIAL COMMITTEE: The Board of Trustees shall establish annually a Judicial Committee consisting of one Board member and two Unit Owners.

The Judicial Committee shall insure compliance with the terms, provisions and conditions of the Master Deed, By-Laws and any Rules and Regulations of the Association. In furtherance of same, the Committee shall have the power to issue a cease and desist Order to the Unit Owner or the appropriate party whose actions are inconsistent with the above-stated documents. The Committee shall also be responsible to provide interpretations of the above-stated documents upon request by any Unit Owner or Trustee. In regard to the forgoing powers, the Committee may not take any action against a Unit Owner(s) except in the case of an emergency nature, without first giving the involved Unit Owner(s) a hearing upon a ten (10) day written notice. At such hearing, the Unit Owner(s) shall have the opportunity to be heard, present witnesses, and cross-examine witnesses, as to alleged violations, with or without counsel. As to any emergency actions taken by the Committee, a hearing shall still be held within fifteen (15) days after the Committee's action upon notice to the involved Unit Owner(s).

The Judicial Committee shall also have the authority to hear disputes between Unit Owners and the Association as well as between individual Unit Owners. Any aggrieved party shall have the right to request the Committee to hear such dispute(s) by requesting such a hearing in writing. The request shall set forth the nature of the dispute and all interest parties. The Committee shall hold a hearing no earlier than fifteen (15) days nor later than forty-five (45) days after receipt of the written request. At the hearing, all parties shall have the right to be heard, with or without counsel, and the right to present witnesses and other testimony as well as the right to cross-examine witnesses.

Any action, ruling or decision by the Judicial Committee may be appealed to the Board of Trustees by an interested party. The Board, by a majority vote of all its Trustees, may affirm, modify or reverse the action, ruling or decision of the Judicial Committee.

The Judicial Committee shall have the right, after holding a hearing, and upon an affirmative vote of two members of the Committee to take any one or more of the following actions: (1) to levy a fine which shall be deemed to be an added assessment; or (2) to suspend or condition the right of a Unit Owner as to its (his) (her) (their) voting

rights. The Committee shall be entitled to collect from the Unit Owner all costs and expenses, if any, incurred by the Committee relative to the adjudged violation. If the Committee finds that no violation has occurred, then such costs and expenses, if any, shall be paid by the complainant. In either case, such costs and expenses shall be deemed to be an added assessment.

The failure to the Board or the Judicial Committee to enforce the Rules and Regulations of the Association, these By-Laws or the Master Deed shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth above and otherwise provided by the By-Laws shall be cumulative, and none shall be exclusive. However, any individual Unit Owner must exhaust all available internal remedies of the Association prescribed by these By-Laws, or by the Rules and Regulations of the Association, before that Unit Owner may resort to a court of law for relief with respect to any alleged violation of the Master Deed, these By-Laws or the Rules and Regulations of the Association by another Unit Owner or Unit occupant that the foregoing limitation pertaining to exhausting administrative remedies shall not apply to the Board or to any Member where the complaint alleges nonpayment of Annual Assessment or Special Assessment.

G. The Rules and Regulations Committee shall have the power to propose rules and regulations as solely relates to the common roads, recreational facilities, and open areas for the Board's consideration and adoption. The Committee shall have the power to issue a cease and desist request to a Unit Owner, his guests, invitees, or lessees whose actions are inconsistent with the provisions of the Condominium Act, the Master Deed, the By-Laws, the Rules and Regulations or resolutions of the Board (upon petition of any Unit Owner or upon its own motion). The Committee shall from time to time, as required, provide interpretations of the Master Deed, articles of Incorporation and By-Laws, rules and Regulations and resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a Unit Owner or the Board. Any action, ruling or decision of the Committee may be appealed to the Board by any party deemed by the board to have standing as an aggrieved party and a vote of a majority of the full authorized membership of the Board may modify or reverse any such action, ruling or decision.

H. With the exception of the Nominations Committee, each committee shall have the power to appoint a subcommittee from among its membership and may delegate to any such sub-committee any of its powers, duties and functions.

I. It shall be the duty of each Committee to receive complaints from members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints, as it deems appropriate without hearing and refer all other complaints to the Judicial Committee for its disposition.

XI

Obligation to Institutional Holders of First Mortgages

The Association and its Board of Trustees shall be bound by and shall comply with the terms and provisions of Article 27 of the Master Deed. The terms and provisions of said Article 27 are incorporated herein as if set forth at length.

XII.

Records

A. **RECORDS AND AUDIT:** The Board of Trustees shall keep detailed records of its actions, minutes of the meetings of the Board of Trustees, minutes of the meetings of the Unit Owners and financial records and books of account of the Association, including a chronological listing of receipts and expenditures as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Expenses against such Units, the date when due, the amounts paid thereon and the balance remaining unpaid. While the Grantor maintains a majority of the Association's Board, it, and thereafter the Association, shall have an annual audit of the accountant. A copy of the audit report shall be delivered to all Unit Owners, within ninety days after the end of the Association's fiscal year, and to all mortgagees of Units who have requested the same. The audit shall cover the operating budget and reserve accounts. The cost of the audit shall be a Common Expense.

XIII.

Dissolution

A. **PROCEDURE:** Upon a vote of at least eighty (80%) percent in number and in common interests of the Unit Owners to dissolve the provisions of the then applicable laws of the State of New Jersey including the provisions of the New Jersey Condominium Act shall be followed, subject to the rights of any mortgagee or lienor with respect thereto.

B. **OWNERSHIP UPON DISSOLUTION:** In the event of dissolution, the Property shall thereupon be owned by all of the Unit Owners as tenants in common, each having an undivided percentage interest therein equal to its proportionate share of the Common Elements owned prior to termination. As to any deed of revocation withdrawing the entire property from condominium status, the deed shall be signed by all Unit Owners and the holders of all mortgages or other liens affecting all Units, all as is provided in New Jersey Statutes Annotated, 46:8B-26 et seq.

XIV.

Compliance with By-Laws and Master Deed

The within By-Laws, rules and regulations adopted pursuant hereto, all future amendments hereof and thereof, and the covenants and restrictions in the Master Deed shall be strictly complied with by each Unit Owner. Failure to comply with any of the same shall entitle the Association to bring suit to recover monies due or for damages and/or injunctive relief or both against the offending Unit Owner. If suit has been instituted by the Association and the Unit Owner has been found by the Court to have committed the violation complained of, the Unit Owner shall reimburse the Association for reasonable attorney's fees and such other costs as shall be established by the Court. Nothing herein shall be deemed to preclude any Unit Owner from bringing an action for relief against another unit Owner or Unit Owners for a violation which affects such aggrieved Unit Owner's occupancy.

XV.

Miscellaneous

A. **NOTICES:** All notices herein shall be sent by registered or certified mail to the Association, care of the Secretary, at the office of the Association to such other address as the Board of Trustees may hereafter designate from time to time in writing to all Unit Owners and to all first mortgagees of any Unit. All notice sot any Unit Owner shall be sent by registered or certified ail other than notes as to Association Meetings, which may be sent ordinary mail, to the address designated for its Unit, or to such other address as may have been designated by such Unit Owner from time to time in writing to the Association. All notices to mortgagees of Units shall be sent by registered or certified mail to their respective addresses as designated by them from time to time in writing to the Association. All notices shall be deemed to have been given when mailed except notices of change of address which shall be deemed to have been given when received.

B. **INVALIDITY:** The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, or enforceability or effect of the balance of these By-Laws.

C. **CAPTIONS:** The captions herein are inserted only as a matter of convenience or reference and in no way define, limit or describe the scope of the By-Laws or the intent of any provision thereof.

D. **GENDER:** The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

E. **WAIVER:** No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

XVI.

Amendments to By-Laws

A. **AMENDMENTS TO BY-LAWS:** Except as hereinafter provided otherwise, these By-Laws may be modified or amended by the affirmative vote of at least seventy-five (75%) percent of all the votes eligible to be cast by all Unit Owners (whether or not present) at a meeting of Unit Owners duly held for such purpose. In the event that at a meeting called for the purpose of making an amendment to these By-Laws, a quorum is not obtained, then in that event at the adjourned meeting the aforesaid required percentage shall be reduced to forty (40%) percent provided at least ten days written notice has been given to all Unit Owners as to the adjourned meeting date.

Notwithstanding anything to the contrary stated in these By-Laws, there shall be no amendment to it if said amendment shall impair or prejudice the rights and priorities of any mortgagee holding a mortgage encumbering any Unit.

The Grantor shall not cast any votes held by it for unsold Units for the purpose of amending the Master Deed, By-Laws or any other document for the purpose of changing the permitted use of a Unit or for the purpose of reducing the Common Elements or any facility.

No amendment shall impair or adversely affect the rights of the Grantor to its Designated Transferee or cause either of them to suffer any financial, legal or other detriment or assess either of them for capital improvements or directly or indirectly interfere with their sale, lease or ownership of any Unit or their use of their Units or the Common Elements unless the Amendment has been consented to by the Grantor or its Designated Transferee.

Modifications and amendments shall be recorded with the Union County Register's Office in order for the same to be valid and operative. Insofar as rights are conferred upon the Grantor or its Designated Transferee by these By-Laws, same may not be amended or modified (as to those portions only) without the consent in writing of the Grantor or its Designated Transferee, so long as the Grantor or its Designated Transferee shall be the owner of one or more Units.

XVII.

Conflicts

A. **CONFLICTS:** In case any of these By-Laws conflict with the provisions of the Master Deed or the Condominium Act of the State of New Jersey, the provisions of said Master Deed or the Condominium Act as the case may be, shall control.

NICHOLAS J NETTA ARCHITECTS
25 ROUTE 22 EAST
SUITE 290
SPRINGFIELD

Inst.#
118893

Deed

NJ 07081
Recording Fee
RT Fee

Paid
570.00
.00

0B5358-0571

AMENDMENT TO MASTER DEED

Of

SPRINGS EDGE, A CONDOMINIUM

Dated: June 22 2005

Grantor: SPRINGS EDGE, L.L.C.

823 South Springfield Avenue

Springfield, New Jersey 07081

Property: BLOCK 3701, LOT 5

Township of Springfield

Union County

Prepared By:


Nicholas J. Netta

Record and return to:

Received & Recorded Deed-1
Union County, NJ Inst# 156228 Pgs-5
6/29/2005 14:59
Joanne Rajoppi Consider. .00
County Clerk RT Fee .00

Operator
RAPUANO



085512-0698

AMENDMENT TO MASTER DEED

THIS AMENDMENT TO MASTER DEED, made this 12 day of June, 2005, by SPRINGS EDGE, L.L.C., a limited liability company of the State of New Jersey, having an office at 25 Route 22 East, Suite 290, Springfield, New Jersey 07081 (hereinafter referred to as "Grantor").

WHEREAS, Grantor has established the condominium form of ownership for those lands and premises described in Exhibit "A" attached hereto and made a part hereof, under the name SPRINGS EDGE, A CONDOMINIUM, which lands and premises are hereinafter referred to as the "Entire Tract"; and

WHEREAS, Grantor has developed these lands, which are located in the Township of Springfield as a Condominium development consisting of eight (8) condominium units, subject to the terms, limitations and provisions stated in the Master Deed and the attached By-Laws; and

WHEREAS, Grantor has deemed it efficient and desirable for the operation of the Condominium and the Springs Edge Condominium Association to make certain changes and amendments to the Master Deed and By-Laws as are necessary and proper for the operation of the Condominium; and

WHEREAS, these changes and amendments are required by the Town of Springfield, located in the County of Union, and State of New Jersey, as a condition of its Final Approval for the issuance of Final Certificates of Occupancy and the release of all bonds posted by the Grantor with respect to completing the condominium development; and

WHEREAS, the Master Deed and By-Laws may be amended pursuant to Article 14 of the Master Deed and Article XVI of the By-Laws, which were filed and recorded on February 24, 2003 in the Union County Clerk's Office in Deed Book 5358, page 0461 et seq., and re-recorded on September 24, 2003 in Deed Book 5392, page 0342 et seq., to cure a defect in the chain of title, provided that at least seventy-five (75%) percent of the record owners have approved said amendment; and

WHEREAS, a meeting of the Springs Edge Condominium Association was held on May 28, 2005 and one-hundred (100%) percent of the record owners were present in person, by proxy or by telephone; and

WHEREAS, the aforementioned record owners unanimously approved this Amendment to the Master Deed, and have duly authorized the Grantor to prepare and file this Amendment to the Master Deed.

NOW, THEREFORE, the provisions contained herein shall be deemed to be amendments to the Master Deed:

1. **Effect of Amendment.** The Master Deed and By-Laws are incorporated herein by reference, including all definitions contained therein. Other than as contained herein, the Master Deed

EXHIBIT "A"

METES AND BOUNDS DESCRIPTION OF THE CONDOMINIUM PROPERTY

DB5512-0700

FIRST AMERICAN TITLE INSURANCE COMPANY

TITLE INSURANCE COMMITMENT

File Number: 133 GLA 404267

SCHEDULE C LEGAL DESCRIPTION

All that certain Lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Township of Springfield, County of Union, State of New Jersey:

BEGINNING at a point on the southeasterly side line of South Springfield Avenue, said point marking the intersection of the boundary between the property in question and lands formerly of S. Curcio, with the said southeasterly side line of South Springfield Avenue; said point also being 470.00 feet, more or less, southwesterly from the intersection of the southeasterly side line of South Springfield Avenue, produced northeasterly with the southwesterly side line of Hillside Avenue, (formerly Turkey Road), produced northwesterly, and from said point; thence running

(1) South 41 degrees 24 minutes 10 seconds West, along the southeasterly side line of South Springfield Avenue, 154.80 feet to a point; thence running

(2) South 48 degrees 35 minutes 50 seconds East, perpendicular to the line of South Springfield Avenue, and making a new line through said Tract 2, 193.56 feet to a point; thence running

(3) North 41 degrees 55 minutes 20 seconds East, 164.53 feet to a point on the southwesterly side line of lands formerly of said S. Curcio; thence running

(4) North 51 degrees 27 minutes West, along the said southwesterly side line of lands formerly of S. Curcio, 195.29 feet to the southeasterly side line of South Springfield Avenue, and the place of BEGINNING.

BEING the northeasterly portion of Tract 2, as shown on "Map of Survey of Property Situated in the Township of Springfield, Union Co., N.J." dated May 11, 1973, by Lennox Associates, Engineers and Surveyors, Springfield, N.J. (Parcel owned by the Estate of Giuseppina Montanari).

The above description is drawn in accordance with a survey made by Guarriello and Dec Assoc. LLC dated July 20, 2002.

NOTE FOR INFORMATION ONLY: Being Lot(s) 5, Block 3701, Tax Map of the Township of Springfield, County of Union.

Issued by:

General Land Abstract Company

One Gateway Center Suite 2503

Newark, NJ 07102-5311

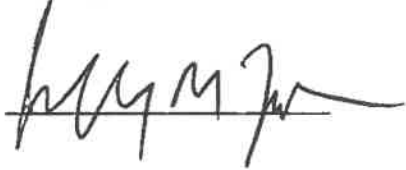
Telephone: (973) 621-7400 Fax: (973) 621-7488

and By-Laws shall be deemed to remain in full force and effect with its provisions unaltered or amended. In the event of any conflict between the Master Deed and By-Laws, and this Amendment, the provisions of this Amendment shall be deemed to govern.

2. Paragraph 10 of the Master Deed – Restrictions is hereby amended to include this additional provision, which shall be sub-paragraph A-11. "No deck shall be erected, attached, constructed, installed, or in any way maintained, to or on the Common Elements or any portion thereof, nor on or about any Condominium Unit, in accordance with the terms and conditions for Final Site Plan Approval, as granted by the Springfield Planning Board.

IN WITNESS WHEREOF, the Grantor has executed this Amendment to Master Deed as of the day and year first above written.

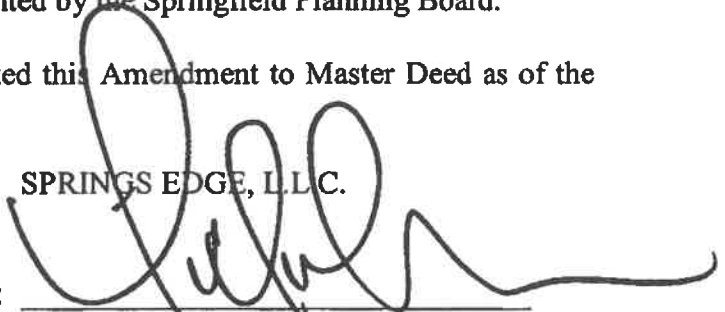
WITNESS:



SPRINGS EDGE, L.L.C.

By:

NICHOLAS J. NETTA



STATE OF NEW JERSEY:

SS.

COUNTY OF UNION:

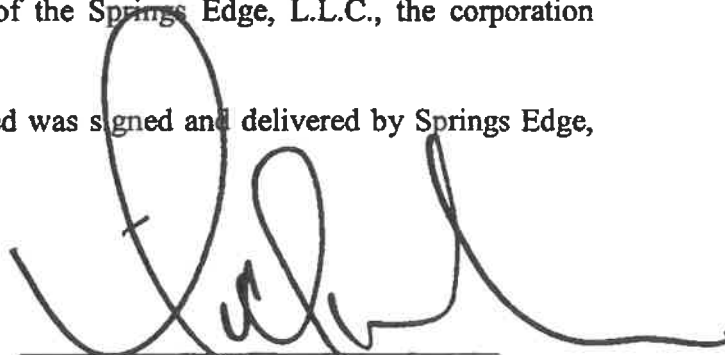
I certify that on June 22, 2005, Nicholas J. Netta personally came before me and acknowledged under oath, to my satisfaction that:

(a) he is the Operating Manager of the Springs Edge, L.L.C., the corporation named in this Amendment to Master Deed.

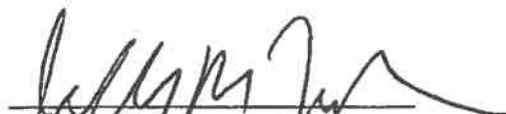
(b) this Amendment to Master Deed was signed and delivered by Springs Edge, L.L.C. as its voluntary act.

Sworn and subscribed to before

me this 22 day of June, 2005



Nicholas J. Netta, Operating Manager


Jeffrey M. Zuber, Esq.
An Attorney at Law of the
State of New Jersey

RUANE AND ZUBER ESQS
11 DUNDAR RD
STE 105
SPRINGFIELD

Deed

NJ 07081
Recording Fee
RT Fee

Inst. #
156228

Paid
80.00
.00

HO-
misc

DB5512-0702

END OF DOCUMENT -