

MOUNTAINVIEW MANOR, A CONDOMINIUM  
MASTER DEED

116570

THIS MASTER DEED, made this 28th day of October, 1986 by RANS ASSOCIATES, INC., a New Jersey Corporation, having an office at 1394 Palisade Avenue, Fort Lee, New Jersey 07024 (hereinafter referred to as "Grantor").

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

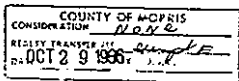
WHEREAS, said lands and premises were previously developed as a residential apartment buildings now known as MOUNTAINVIEW MANOR, A CONDOMINIUM consisting of 24 buildings containing a total of two hundred twenty (220) units, and Grantor, by this Master Deed, proposes to convert the aforesaid lands and premises, together with improvements constructed thereon, all as shown graphically on the exhibits attached hereto into a condominium and to offer the said units for sale, subject to the limitations contained in this Master Deed; and

WHEREAS, Grantor has deemed it desirable for the efficient preservation of the values and amenities in said community, to create an entity, which shall own land and common facilities and 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 non-profit, "MOUNTAINVIEW MANOR CONDOMINIUM ASSOCIATION, INC.", for the purpose of exercising the functions of the aforesaid.

PREPARED BY:

*L. T. Lowen*  
LAWRENCE T. LOWEN, ESQ.



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INSTRUMENT REC'D IN DEED

## WHEREFORE WITNESSETH:

1. Purpose.

Grantor does hereby submit, declare and establish "MOUNTAINVIEW MANOR, A CONDOMINIUM", in accordance with N.J.S.A. 46:8B-1 et seq., for that parcel of land and premises described in Exhibit "A" aforesaid, all as shown on that map of property of Mountainview Manor, Rockaway Township, Morris County, New Jersey, made by John T. Reddington, Surveyor, and attached hereto as Exhibits B-1 through B-34 and made a part hereof.

2. Definitions.

The terms 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 Mountainview Manor Condominium Association, Inc., 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:

(i) all expenses of administration, maintenance, repair and replacement of the common elements and limited common elements;

(ii) funds collected from unit owners ad common expenses or otherwise; and

(iii) receipts designated as common by the provisions of the Condominium Act, the Master Deed or the By-Laws.

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

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(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 buildings, pool and recreation areas, and all easements, rights and appurtenances belonging thereto or intended for the benefit thereof.

(i) "Grantor" means HANS ASSOCIATES, INC., 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) "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 owners of more than 50% of the aggregate number of shares 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) "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof.

(p) "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 amendments thereof. A Unit is more particularly described in Article IV of this Master Deed.

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

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

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

### 3. Description of Project.

The Project is comprised of 24 two-story buildings, containing a total of 220 condominium units including 1 resident superintendent apartment. The project is situated on a site designated as Lots 8, 9 and 10, Block 11507 in the tax records of the Township of Rockaway, County of Morris and State of New Jersey. Each dwelling unit has a numerical and alphabetical designation to identify its location and type. Said designations are being more particularly set forth in Exhibit C, Sheets 1-4 attached hereto.

### 4. Description of Units.

A. Each of said 220 units consists of and is defined to include (a) the volumes or cubicles of space enclosed by the unfinished inner surfaces or perimeter and interior walls, ceilings and floors thereof, including vents, doors, windows and such other structural elements that ordinarily are regarded as enclosures of space and (b) all interior dividing walls and partitions (including the space occupied by such walls or partitions) excepting load bearing interior walls and partitions and (c) the decorated inner surfaces of said perimeter and interior walls (including decorated inner surfaces of all interior load bearing walls), floors and ceilings consisting of wall paper, paint, plaster, carpeting, tiles and all other finishing materials affixed or installed as a part of the physical structure of the unit and (d) 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 conditioning and heating systems (HVAC), hot water heaters, commencing at the point of disconnection from the structural body of the building and from the utility lines, pipes or systems serving the unit. No pipes, hot water heaters, wires, conduits or other public utility lines or installations constituting a part of the overall systems designed for the service of the entire building or other units therein nor any of the structural members or portions of any kind, including fixtures and appliances within the unit, which is not removable without

jeopardizing the soundness, safety or usefulness of the remainder of the buildings shall be deemed to be a part of any unit. The word "unit" when used throughout this instrument shall be deemed to refer to each of the aforesaid 220 units as herein described.

B. Each unit also includes all appliances, fixtures, interior partitions and other improvements to be constructed or located within the unit described and shall include the following individual appurtenances which are exclusive to such unit although all or parts thereof may not be located within the unit:

(1) Complete heating system (HVAC) and plumbing system, hot water heaters, at the point of disconnect from the wall, and any window air conditioners which may be installed.

(2) All electrical wiring and fixtures. 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 to 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 in Article 4 or not limited common elements as hereinafter 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:

(a) All lands described in Exhibit "A" aforesaid and which are not limited common elements hereinafter described, whether or not occupied by a building or structure containing the above described units.

(b) All streets, curbs, sidewalks, stoops, yards, parking areas, walkways, which the Association will have the right, by proper action of its Board, to assign to unit owners.

(c) Lawn areas, shrubbery, conduits, utility lines, subject to the easements and provisions set forth in Article 7(c) hereof.

(d) The electrical, cable T.V. and telephone wiring network throughout the condominium tract.

(e) Public connections for gas, electricity, light, telephone and water.

(f) The foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, and entrances and exits of the building.

(g) Exterior lighting and other facilities necessary to the upkeep and safety of the buildings and grounds.

(h) Utility rooms and those rooms, which the Association may reserve exclusively for the management, operation or maintenance of the common elements or of the condominium property.

(i) Any easement or other right hereafter granted for the benefit of the unit owner(s).

(j) All central services and utility systems, laundry, hot water heaters, machinery, equipment and facilities, other than the individual heating, ventilating and air-conditioning ("HVAC") units or hot water heaters located within or without Unit furnishing heating, ventilation, air-conditioning to that Unit.

(k) 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 will have the power to assign a parking space, to a particular unit.

**B. Limited Common Elements**

The limited common elements shall include any garage which is assigned to a particular unit. The garage shall be for the exclusive use of such Apartment Unit. Each Apartment Unit Owner's right to use the garage assigned to his Unit may not be transferred apart from the conveyance of title to such Unit. Notwithstanding anything herein to the contrary, the Owners of an Apartment Unit to which a garage is assigned shall make all repairs thereto caused by their own negligence, misuse or neglect or that of their guests or lessees and shall be responsible for all snow removal, cleaning and general maintenance of said garage. Any other repairs or maintenance by or with respect to the Apartment Unit Limited Common Elements shall be the responsibility of the Association.

**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 interest in the common elements of the Condominium as set forth in Exhibit "D-1" attached hereto and made a part hereof, subject to any amendments as herein provided. The said appurtenant undivided interest in the common elements shall not be divisible from the unit from which it appertains.

The Percentage Interest in Common Expenses as designated in Exhibit "D-2" shall be used to allocate the burden of common expenses, the division of proceeds, if any, resulting from casualty loss and eminent domain proceeding or any sale and the division of profit, if any, of the condominium unit(s) having common ownership of the common elements. Such percentage shall not be changed without the acquiescence of all of the owners of all of the condominium units aforesaid, which change, if made, shall be evidenced by an appropriate amendment to this Master Deed recorded in the Office of the Clerk of Morris County.

Said percentage is expressed as a finite number to avoid an interminable series of digits. The third or fourth digit, as applicable, has been adjusted to that value which is most nearly correct.

The foregoing percentage shall have no relation to the number of votes allocated to each unit owner as a member of Association. Each unit, after conveyance from the Grantor, shall be entitled to two votes, all 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 of value of such units. However, no change in the price or value of any of the units shall change or otherwise affect the percentage of interest of any of the said units in the general common elements.

**7. Easements**

(a) Grantor, for itself, its successors and assigns, hereby declares that every unit owner shall have a perpetual easement in, upon, through and over the land described in Exhibit "A" aforesaid, to keep, maintain, use, operate, repair and replace his 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.

(b) Grantor hereby reserves unto itself, its successors and assigns an easement in, upon, through and over the common elements for as long as the said Grantor, its successors and assigns, shall be engaged in the renovation, development and sale of the condominium units, which easement shall be for the purpose of renovation, installation, maintenance and repair of the existing building and appurtenances thereto, for ingress and egress to all unsold condominium units and all common elements, and for use of the areas, roadways, parking lots, existing and future model units for sales promotion and exhibition. In addition, Grantor hereby reserves the irrevocable right to enter into, upon, over or under any condominium unit, with notice, at reasonable hours, except in an emergency, for a period of 1 year after the date of delivery of the unit deed for such purposes as may be

reasonably necessary for the Grantor or its agents to complete the Condominium or service any unit thereof.

(c) Grantor, for itself, its successors and assigns, hereby declares that each unit owner, subject to the provisions of this Master Deed, shall have a perpetual easement to use the common hallways, fire escapes, interior stairs, common entrances and lobby area.

(d) Grantor, for itself, its successors and assigns, further declares that every unit owner shall have a perpetual and exclusive easement to use and enjoy the surfaces of the main walls (including windows, doors and chimneys therein), ceilings and floors contained within their unit together with an easement for the maintenance, use, operation, repair and replacement of any portion of the heating, any air conditioning, plumbing, hot water heaters, utility or other mechanical systems and facilities not located within the unit.

(e) Grantor reserves unto itself, its successors, assigns and agents, an easement in, upon, through and over the lands comprising the common elements for the purpose of installation, maintenance, repair and replacement of all sewer, water, power and telephone, cable T.V., pipes, lines, mains, conduits, hot water heaters, waters, poles, transformers and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility system serving the Condominium property.

(f) Every unit owner shall have a perpetual easement for the continuance of any encroachment by his unit on any adjoining unit or on any common elements, now existing as a result of a renovation, maintenance, repair, settlement, construction, reconstruction, shifting or movement of any portion of the building, or which may come into existence hereafter as a result of the building of a unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the building stands.

8: By-Laws and Administration.

The administration of the common elements of Condominium Property, shall be in accordance with the provisions of the Condominium Act, this Master Deed, the Articles of Incorporation, the By-Laws attached hereto as Exhibit "E" and made a part hereof, and any other documents, amendments or supplements to the following which may subsequently be required by 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 two (2) years from the date hereof, or until the last unit is sold in the normal course of business, whichever is later, 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 Grantor, its successor and assigns, an attorney-in-fact for the purpose of executing the foregoing instruments. 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 the successors, heirs 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.

MOUNTAINVIEW MANOR, A CONDOMINIUM, shall be administered, supervised and managed by MOUNTAINVIEW MANOR CONDOMINIUM ASSOCIATION, INC., a non-

profit corporation of the State of New Jersey, presently having its principal office at Richard Mine Road, Rockaway Township, New Jersey, which shall act by and on behalf of the owners of the units in Condominium Property, 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 this plan 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 Condominium Association is hereby designed as the form of administration of Condominium Property, 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 Condominium Property.

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 provided in its By-Laws.

#### 9. Management.

MOUNTAINVIEW MANOR CONDOMINIUM ASSOCIATION, INC. is hereby designated as the managing body of the Condominium Property and its Common Area. The incorporators and/or initial Directors of the Association shall be appointed by Grantor.

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; sewer, garbage, electrical and gas, and other necessary utility services for the Common Areas and (if not separately metered or charged) for the units, maintenance and gardening service for the Common Areas.

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(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 Directors 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, flood insurance and Director's liability.

(c) The services of a person or firm (the "Manager") to manage the Common Areas to the extent deemed advisable by the Association as well as such other personnel as the Board of Directors 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 (as to the doors, windows, fixtures, interior surfaces of the unit, stoves, ranges or refrigerators, plumbing, heating and electrical systems, the Association shall only be obligated to perform normal repair work) 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.

(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 opinion, 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 "E".

(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 owners; where one 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.

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(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 any damage caused thereby shall be repaired by the Association at the expense of the maintenance fund.

The Association shall provide for an annual independent audit of the accounts of the Association and for delivery of a copy of such audit to each unit owner within thirty (30) days after completion thereof.

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, and through those portions of the Common Elements upon which no building or other structure has been erected and through those portions of the property's General Common Elements.

Other than as stated herein or in the By-Laws (Exhibit E), relating to restoration of damaged improvements, the Association may construct new improvements or additions to the Common Elements of the property or demolish existing improvements provided that in the case of any improvement, addition or demolition involving a total

expenditure in excess of \$3,500.00 the vote of a majority of the unit owners (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 Association shall levy a special assessment on all unit owners in the property for the cost of such work. While the sponsor maintains a majority of the Board of Directors, it shall make no additions, alterations, improvements or purchases not contemplated in this Offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender or in the event of an emergency.

10. Restrictions.

This Master Deed is subject to all covenants, restrictions and easements of record.

11. 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.

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, the By-Laws, the Rules and Regulations of the Association and its representative, 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, damage or injunctive relief by the Grantor, the Association and any other unit owner.

14. Amendment.

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

(a) By the Grantor, so long as Grantor owns four or more units, to effectuate any changes as may be required by 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 insure title to a unit. Such amendment shall be effective only upon recordation with the Morris County Clerk of an instrument in writing, signed and acknowledged by the Grantor, setting forth the amendment. Said amendment in this instance need only be signed by the Grantor and not by the Association.

(b) The Developer shall not be permitted to cast any votes held by him for unsold lots, parcels, units or interests for the purpose of amending the Master Deed, By-Laws or any other document for the purpose of changing the permitted use of a lot, parcel, unit or interest, or for the purpose of reducing the Common Elements or facilities.

(c) 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 eighty (80%) percent of the record owners, subject to the rights of first mortgage holders as provided in Article 27, and such amendment shall be effective upon its recordation in the Somerset County Clerk's Office.

Notwithstanding anything to the contrary stated in this Master Deed, the consent of all unit owners shall be required for any amendment effecting a change in (1) the boundaries of any unit; (2) the undivided interest in the common elements appertaining to the unit or the liability for common expenses appertaining thereto; (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.

Notwithstanding 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 of units by the Grantor.

15. Restrictions Against Short Term 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 one week 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 owners 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 such rental agreement 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 of removal and amendment reserved to Grantor herein. The foregoing restrictions shall not apply to 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.

16. Insurance - Damage or Destruction.

The Association shall obtain and continue in effect such insurance as shall be required pursuant to the provisions of this Master Deed and particularly the provisions of the Association's By-Laws, the same being attached hereto as Exhibit "E". Such insurance coverage shall be without prejudice to the rights of the unit owners of any such unit to



obtain individual unit. Premiums for any such insurance coverage shall be a common expense to 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.

In the event of damage or destruction to the Common Elements, or any portion thereof, then:

(a) If there is no damage to any unit and the insurance proceeds are sufficient to effect total restoration, then the Association shall cause such Common Elements to be repaired and reconstructed substantially as it previously existed.

(b) If there is no damage to any unit and the insurance proceeds are within Ten Thousand (\$10,000.00) Dollars or less or being sufficient to effect total restoration, then the Association shall cause such Common Elements to be repaired and reconstructed substantially as it previously existed, and the difference between the insurance proceeds and actual cost shall be levied as an assessment pro rata against each of the units.

(c) If there is no change to any unit and the insurance proceeds are insufficient by more than Ten Thousand (\$10,000.00) Dollars to effect total restoration, then the determination as to what action is to be taken shall be made by the majority vote of the unit owners present at a special meeting, or continuance thereof, called for that purpose.

(d) If there is damage to a unit and the insurance proceeds are sufficient to effect total restoration, then the Association shall cause such Common Elements and the perimeter walls of the unit to be repaired and reconstructed substantially as it had existed prior to destruction; providing, however, that the repair and replacement of the interior decorating, including carpeting and draperies, shall be the responsibility of the unit owner.

(e) If there is damage to a unit(s) and the insurance proceeds are within Two Thousand (\$2,000.00) Dollars or less as to each unit or being sufficient to effect total restoration, then the Association shall cause such Common Elements and the perimeter walls of the unit (s) to be repaired and reconstructed substantially as they had previously existed and the amount not covered by insurance proceeds shall be levied pro rata as an assessment against each of the units.

(f) If there is damage to a unit(s) and the insurance proceeds are insufficient by more than Two Thousand (\$2,000.00) Dollars as to each unit to effect total restoration, then the unit owners by majority vote at a special meeting or continuance thereof, called for that purpose, shall determine whether (a) to rebuild and restore in substantially the same manner as the improvements had existed prior to damage and to raise the necessary funds over the insurance proceeds by levying pro rata assessments against all units; (b) to rebuild and restore in a way which utilizes all available insurance proceeds and an additional amount not in excess of Two Thousand (\$2,000.00) Dollars per unit and which is assessable equally to all units but which is less expensive than replacing these improvements in substantially the same manner as they existed prior to being damaged; or (c) to not rebuild and to distribute the available insurance proceeds (i) to the unit owners and mortgagees of the damaged units, as their interest may appear, in such a way as to give consideration to the relative degree of damage sustained by each and the relative original value of each of those which had suffered the same degree of damage and (ii) if the proceeds are sufficient to cover the total value of the residential area, the remainder in pro rata distribution among all the units.

(g) 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.

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

Notwithstanding 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-22.

18. Common Expenses

Common Expenses shall be charged to unit owners according to the percentage of their respective undivided interest in the common expenses as hereinbefore set forth and shall be subject to enforcement by the right of lien, 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.

In addition to the monthly assessment, the Association shall have the power, through its Board of Directors, to levy a special assessment(s), against each unit owner according to each unit's undivided percentage interest, all as more specifically set forth in the Association's By-Laws.

While the Sponsor maintains a majority of the Board of Directors, it shall make no additions, alterations, improvements or purchases not contemplated in this Offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender or in the event of an emergency.

Common Expenses being those expenses of administration and of maintenance, repair or replacement of the common elements and the expense of administering and maintaining Condominium Property, and all of its real and personal property in proportions and amounts as shall from time to time, be fixed by the Directors of the Association and to any other expenses and reserves that may be lawfully agreed upon. No unit owner may exempt himself from contributing toward such expenses by waiver of the use or enjoyment of the common elements or by abandonment of the unit owned by him. 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 share of the Common Expenses, monthly assessments, special assessments and Reserve Fund, all as more specifically set forth in the Association's By-Laws.

19. Unpaid Assessment Liens - Foreclosure - Purchase

All charges and expenses chargeable to any unit shall constitute a lien against said unit in favor of Condominium Association which lien shall be prior to all other liens except (1) assessments, liens and charges for taxes past due and unpaid on the unit; (2) a bona fide mortgage lien, if any, to which the unit is subject; and (3) any other lien recorded prior to recording the claim of lien. Such lien shall be effective from and after the time of recording in the public records of Morris 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. All assessments that remain unpaid for over thirty (30) days shall yield interest from the assessment due date at the per annum rate of ten (10%) percent.

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. Suit to recover a money judgment for unpaid assessments may be maintained without waiving the lien securing the same. The title acquired by any purchaser following any such foreclosure sale shall be subject to all of the provisions of this instrument, the By-Laws and Rules and Regulations of Mountainview Manor 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 remains unpaid for a period of two (2) months. Thereafter, if said lien is not paid without one (1) month from the date of recording same, the Association shall foreclose same, as aforesaid. The Association shall have the right as part of the aforesaid foreclosure action to accelerate the remaining monthly assessments for that calendar year provided that at least two months of unpaid monthly assessments constitute the basis of the foreclosure action. In any such action the Association shall be entitled to recover attorney's fees and costs of suit.

20. Unit Conveyance - Unpaid Assessments.

Upon any voluntary conveyance of a unit, the Seller and 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 is the unit owner. Any unit owner or any purchaser of a unit prior to completion of a voluntary sale may require from the Association a certificate showing the amount of unpaid assessments pertaining to such unit and the Association shall provide such certificate showing the amount of unpaid assessments pertaining to such unit and the Association shall provide such certificate within ten (10) days after request therefor. The holder of a mortgage or other lien on any unit may request a similar certificate with respect to such unit. Any person other than the unit owner at the time of issuance on any such certificate who relies upon such certificate shall be entitled to rely thereon and his liability shall be limited to the amounts set forth in such certificate.

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, 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 successors and assigns.

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 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.

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 hereafter 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. Maintenance, Repairs and Decorating.

(a) Each unit owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own unit; and maintenance, repairs and replacements as may be required for the functioning of the heating and air conditioning systems (HVAC), hot water heaters, and whether located within or without the unit; and normal repairs or replacements, of the refrigerators, ranges and other kitchen appliances and lighting fixtures and other electrical appliances and plumbing

fixtures located within a unit; and such work shall be at the unit owner's sole cost and expense. Maintenance, repairs and replacements of the common elements shall be furnished by the Association as part of the common expenses. The Association may provide, by its rules and regulations, for ordinary maintenance and minor repairs and replacements to be furnished to units by building personnel and charged as a common expense.

(b) All maintenance, repairs and replacements to the common elements as defined in this Master Deed, the painting and decorating of the exterior doors and exterior window sashes shall be made by the Association and shall be charged to all the unit owners as a common expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a unit owner, in which case such expense shall be charged to such unit owner.

(c) If, due to the negligent act or omission of a unit owner, or of a member of his family or household pet, 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 expenses, then such unit owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association. Maintenance, repairs and replacements to the common elements or the units shall be subject to the By-Laws and the rules and regulations of the Association.

(d) 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 owner shall be subject to the By-Laws and the rules and regulations of the Association. The authorized representatives of the Association or Board of Directors, or of the manager or managing agent for the building, shall be entitled to access, with notice, to the individual units as may be required in connection with the maintenance, repairs or replacements of or to the common elements or any equipment, facilities or fixtures affecting or serving other units or the common elements.

(e) Each unit owner shall furnish and be responsible for, at his own expense, all of the decorating within his 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 him; and such owner shall maintain such interior surfaces in good condition at his sole expense as may be required from time to time, and each such owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his 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 extent 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 expense.

#### 24. Unit Access.

Mountainview Manor Condominium Association, Inc. shall have the irrevocable right, to be exercised by the Directors or manager of the Association, to have access to each unit from time to time, with notice, during reasonable hours 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.

#### 25. 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 the acquisition of title by any person to a unit shall be conclusively deemed to mean that that acquirer approves, adopts and ratifies the provisions of this instrument, the By-Laws and rules and regulations of Condominium Association and will comply therewith. The covenants, agreements and restrictions set forth herein 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, their heirs, executors, administrators and assigns.

25. General Provisions.

Section 1: Duration.

(a) 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 construed 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 rights that may be created by law.

(b) The Condominium shall continue until (i) terminated by casualty loss, condemnation or eminent domain as more particularly provided herein, (ii) 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 mortgages as provided in this Master Deed, and in accordance with N.J.S.A. 46:8B-26. 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 his share of such net proceeds all liens on his unit. The foregoing right of partition shall be subject to the right of the Board of Directors, upon an 80% vote of the full Board, within 120 days of the vote authorizing the termination, to accept an offer for sale of the Property. In such an instance, each unit owner shall be bound to execute the necessary and appropriate deed and other documents reasonably required to effect such sale.

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Section 2: Notices. Notice 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 building or at such other address as hereinafter provided. The Association or Board of Directors 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 notices to him by giving written notice of his 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 acknowledgement of the receipt thereof.

Section 3: 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.

Section 4: 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 condominium units and common elements established hereby.

Section 5: Priority. Notwithstanding any language to the contrary contained within this entire Master Deed and 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 Rockaway.

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27. Protective Provisions for the Benefit of Institutional Mortgages.

Notwithstanding anything to the contrary in this Master Deed or 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.

(a) The prior written approval of a sixty-six (66%) percent of the institutional holders of a first mortgage (hereinafter called "first mortgage") lien on any unit in the condominium is required for the following:

(i) The abandonment or termination of the Condominium except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

(ii) Any material amendment to the Master Deed or to the By-Laws or Articles of Incorporation, including but not limited to, any amendment which would change the percentage interests of the unit owners in the Condominium, the number of votes of a unit owner in the Association or the purposes to which any unit or the common elements are restricted.

(iii) The effectuation of any decision by the Association to terminate professional management and assume self-management of the Condominium.

(b) No unit in the Condominium may be partitioned or subdivided without the prior written approval of the holder of any first mortgage lien on such unit.

(c) Any lien the Association may have on any unit in the Condominium for the payment of common expense 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.

(d) By virtue of the provisions of this Master Deed and the By-Laws and Articles of Incorporation of the Association any institutional holder of a first mortgage on a unit in the Condominium is, upon request, entitled to:

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

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

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

(iv) notice of any default under this Master Deed or By-Laws which gives rise to a cause of action against the owner of a unit subject to the mortgage of such holder, where the default has not been cured within thirty (30) days.

(e) In the event of substantial damage to or destruction of any unit or any part of the common elements, the institutional holder of any first mortgage on a unit is entitled to timely written notice of any such damage or destruction. No unit owner or other party shall have priority over such institutional holder with respect to the distribution of such unit of any insurance proceeds.

(f) If any unit or portion thereof, or the common elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first mortgage on a unit is entitled to timely written notice of any such proceeding or proposed acquisition and no unit owner or other party shall have priority over such institutional holder with respect to the distribution to such unit of the proceeds of any award or settlement.

(g) If an institutional holder of a first mortgage lien on the unit obtains title to a unit as a result of foreclosure of 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 collectable from all of the remaining unit owners including such acquirer, his successors and assigns.

(h) Any management agreement for the Condominium will be terminable by the Association for cause upon sixty (60) days prior written notice thereof, and the term of any such agreement shall not exceed two (2) years, renewable by agreement of the parties for successive one (1) year periods.

28. Exhibits.

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

1. Exhibit A: Description of the "Entire Tract";
2. Exhibit B: Surveys of Property of Mountainview Manor, Rockaway Township, New Jersey;

3. Exhibit C: Architectural plans;
4. Exhibit D: Chart consisting of seven pages listing unit numbers and percentage interests in the common elements and common expenses;
5. Exhibit E: By-Laws of Mountainview Manor Condominium Association, Inc.; and
6. Exhibit F: Articles of Incorporation of Mountainview Manor Condominium Association, Inc.

IN WITNESS WHEREOF, the said Grantor hath caused these presents to be signed  
by its President the day and year first above written.

HANS ASSOCIATES, INC.

By:   
Milford J. Inganamort, President



STATE OF )  
                  ) ss.:  
COUNTY OF )

BE IT REMEMBERED that on October 28 1986, Milford J. Inganamort personally came before me and, who, I am satisfied:

- (a) he is the President of Hans Associates, Inc. the corporation named in this document;
- (b) this document was signed and delivered by him as such officer of the corporation as its voluntary act duly authorized by a proper resolution of its Board of Directors;
- (c) he knows the proper seal of the corporation which was affixed to this document.

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CINDY J. JACKSON  
NOTARY PUBLIC OF NEW JERSEY  
MY COMMISSION EXPIRES 2/25/89

EXHIBIT 5

METES AND BOUNDS DESCRIPTION

EXHIBIT A

BEGINNING at a point forming the intersection of the new northerly sideline of Richard Mine Road with the northwesterly right-of-way line of the Mount Hope Mineral Railroad, Branch of Central Railroad of New Jersey, and from said point running:

- (1) Along the new northerly sideline of Richard Mine Road NORTH 82 degrees 06 minutes 20 seconds WEST 74.66 feet to a point of curve; thence
- (2) Continuing along the same on a curve to the left having a radius of 330.00 feet, an arc distance of 160.11 feet to a point of tangency; thence
- (3) SOUTH 70 degrees 05 minutes 40 seconds WEST 139.00 feet to the easterly line of lands of Collicot; thence
- (4) Along said lands of Collicot, North 12 degrees 22 minutes 30 seconds East 283.90 feet; thence
- (5) Along the same NORTH 77 degrees 37 minutes 30 seconds WEST 75.00 feet to the line of lands of the Rockaway Township Board of Education; thence
- (6) Along said lands NORTH 89 degrees 10 minutes 05 seconds WEST 367.60 feet; thence
- (7) Along the same SOUTH 27 degrees 15 minutes 50 seconds WEST 36.10 feet to the northerly line of lands of Hora; thence
- (8) Along the lands of Hora NORTH 66 degrees 13 minutes 40 seconds WEST 99.45 feet to the lands of Wilson; thence
- (9) Along the easterly line of Wilson NORTH 9 degrees 00 minutes 25 seconds EAST 26.60 feet; thence
- (10) Along the northerly line of Wilson NORTH 89 degrees 19 minutes 45 seconds WEST 70.60 feet; thence
- (11) Along the northerly line of Beers NORTH 89 degrees 29 minutes 35 seconds WEST 100.29 feet; thence
- (12) Along the northerly line of Aurnhammer Associates, Inc. NORTH 77 degrees 04 minutes 40 seconds WEST 344.74 feet to the southeasterly line of lands of the United States of America; thence
- (13) Along said line of United States of America NORTH 51 degrees 48 minutes 10 seconds EAST 1,649.63 feet to the southwesterly line of Shire National Corp.; thence
- (14) Along said line of Shire National Corp. SOUTH 31 degrees 26 minutes 50 seconds EAST 1,507.96 feet to the northerly right of way line of Mount Hope Mineral Railroad; thence
- (15) Along said line of the railroad NORTH 72 degrees 42 minutes 35 seconds WEST 165.58 feet; thence
- (16) Along the same NORTH 87 degrees 50 minutes 35 seconds WEST 107.71 feet; thence
- (17) Along the same SOUTH 82 degrees 35 minutes 25 seconds WEST 206.51 feet; thence

(18) Along the same SOUTH 71 degrees 22 minutes 25 seconds WEST 207.44 feet; thence

(19) Along the same SOUTH 51 degrees 59 minutes 25 seconds WEST 76.32 feet to the new northerly sideline of Richard Mine Road and the point and place of BEGINNING.

The above described premises are also known as Lots 9, 9A and 9B in Block 203 as shown on the current Tax Map of the Township of Rockaway.

TOGETHER with an easement over the following described lands for the use by the mortgagor for a septic system:

BEGINNING at a point forming the intersection of the new southerly sideline of Richard Mine Road with the northwesterly right-of-way line of the Mount Hope Mineral Railroad, Branch of Central Railroad of New Jersey, and from said point running:

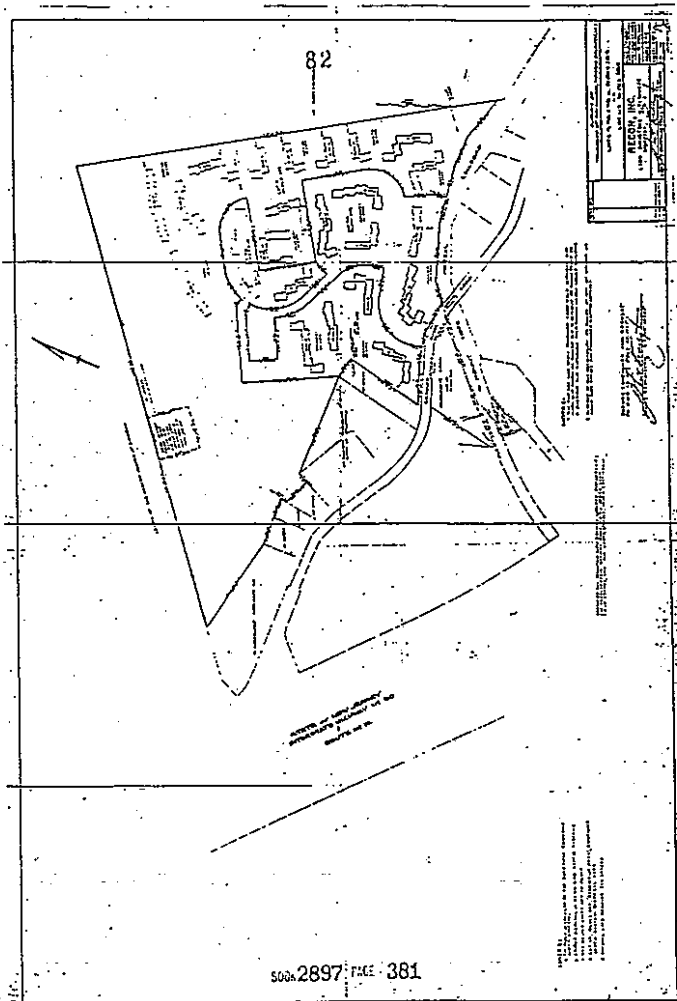
- (1) Along the southerly sideline of Richard Mine Road NORTH 62 degrees 06 minutes 20 seconds WEST 99.77 feet; thence
- (2) Along the same SOUTH 70 degrees 05 minutes 40 seconds WEST 213.60 feet; thence
- (3) SOUTH 11 degrees 15 minutes 30 seconds WEST 233.16 feet; thence
- (4) SOUTH 9 degrees 09 minutes 20 seconds EAST 28.90 feet to the northerly right-of-way line of the Mount Hope Mineral Railroad; thence
- (5) Northeasterly along the same on a curve to the right having a radius of 1,220.00 feet, an arc length of 22.55 feet; thence
- (6) Along the same NORTH 47 degrees 54 minutes 10 seconds EAST 103.06 feet; thence
- (7) Along the same NORTH 42 degrees 05 minutes 50 seconds WEST 10.00 feet; thence
- (8) Along the same NORTH 47 degrees 54 minutes 10 seconds EAST 150.00 feet; thence
- (9) Along the same NORTH 47 degrees 26 minutes EAST 120.74 feet; thence
- (10) Along the same NORTH 51 degrees 59 minutes 25 seconds EAST 66.55 feet to the southerly sideline of Richard Mine Road and the point and place of BEGINNING.

The above described easement is also known as Lot 63 in Block 204 as shown on the current Tax Map of the Township of Rockaway.

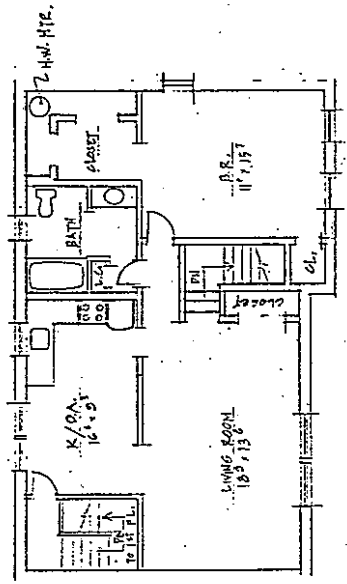
The above descriptions of the premises and easements are in accordance with a survey made by John T. Reddington, dated July 13, 1983.



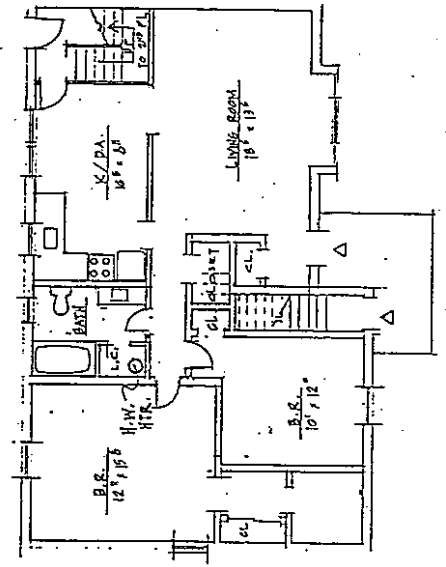
EXHIBIT 6  
SURVEY



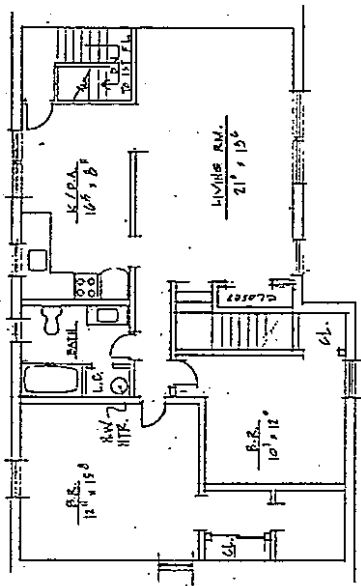




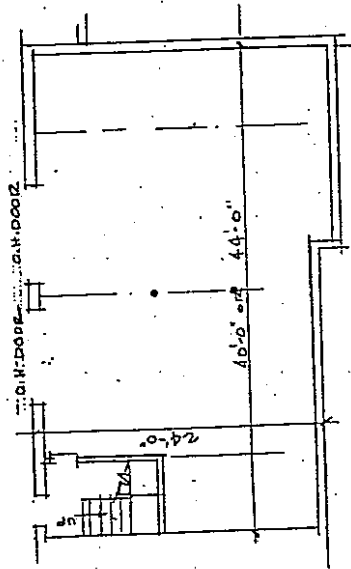
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ONE BEDROOM



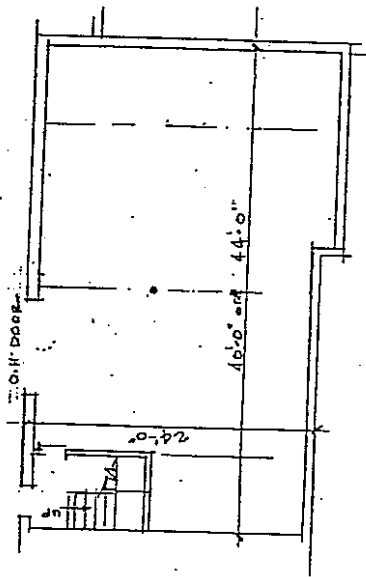
FIRST FLOOR - TYPE "C"  
TWO BEDROOM



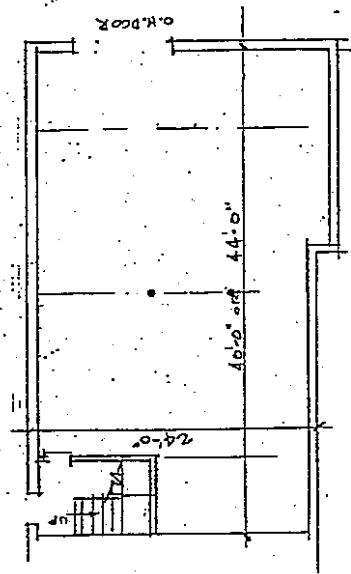
SECOND FLOOR - TYPE "D"  
TWO BEDROOM



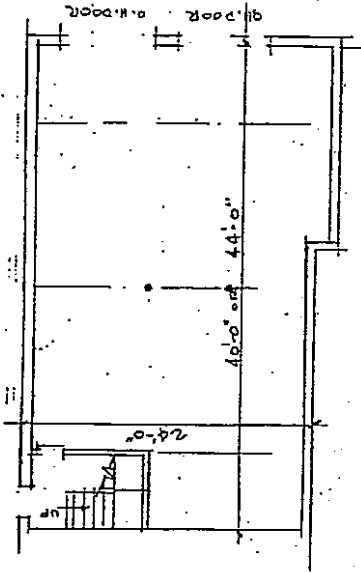
TYPE "A" GARAGE (2 CARS)



TYPE "B" GARAGE (LEAKS)



TYPE "B" GARAGE (LEAKS)



TYPE GARAGE (2 ENDS)

EXHIBIT B  
PERCENTAGE OF INTEREST

EXHIBIT D-1  
**MOUNTAINVIEW MANOR**  
**A CONDOMINIUM**  
**SCHEDULE OF PERCENTAGE INTEREST**  
**IN COMMON ELEMENTS**

Building	Unit	Floor	Description	Unit Type	Percentage Interest in Common Elements	Square Feet
A	1	2	K/DA LR 1BR BA	B	0.436	944
	2	1	K/DA LR 1BR BA	A	0.436	923
	3	1	K/DA LR 1BR BA	A	0.436	923
	4	2	K/DA LR 1BR BA	B	0.436	944
	5	1	K/DA LR 1BR BA	A	0.436	923
	6	2	K/DA LR 1BR BA	B	0.436	944
	7	1	K/DA LR 1BR BA	B	0.436	923
	8	2	K/DA LR 1BR BA	B	0.436	944
	9	2	K/DA LR 1BR BA	B	0.436	944
	10	1	K/DA LR 1BR BA	A	0.436	923
B	1	1	K/DA LR 1BR BA	A	0.436	923
	2	2	K/DA LR 1BR BA	B	0.436	944
	3	2	K/DA LR 1BR BA	B	0.436	944
	4	1	K/DA LR 1BR BA	A	0.436	923
	5	1	K/DA LR 1BR BA	A	0.436	923
	6	2	K/DA LR 1BR BA	B	0.436	944
	7	1	K/DA LR 1BR BA	A	0.436	923
	8	2	K/DA LR 1BR BA	B	0.436	944
	9	2	K/DA LR 1BR BA	B	0.436	944
	10	1	K/DA LR 1BR BA	A	0.436	923
C	1	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	2	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	3	2	K/DA LR 2BR BA w/Gar.	D	0.505	1,123
	4	1	K/DA LR 2BR BA w/Gar.	C	0.505	1,090
	5	1	K/DA LR 2BR BA w/Gar.	C	0.505	1,090
	6	2	K/DA LR 2BR BA w/Gar.	*		
	7	2	K/DA LR 2BR BA w/Gar.	D	0.505	1,123
	8	1	K/DA LR 2BR BA w/Gar.	C	0.505	1,090
D	1	2	K/DA LR 2BR BA	D	0.494	1,123
	2	1	K/DA LR 2BR BA	C	0.494	1,090
	3	2	K/DA LR 2BR BA	D	0.494	1,123
	4	1	K/DA LR 2BR BA	C	0.494	1,090
	5	1	K/DA LR 1BR BA	A	0.436	923
	6	2	K/DA LR 1BR BA	B	0.436	944
	7	1	K/DA LR 1BR BA	A	0.436	923
	8	2	K/DA LR 1BR BA	B	0.436	944
	9	2	K/DA LR 2BR BA	D	0.494	1,123
	10	1	K/DA LR 2BR BA	C	0.494	1,090

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**MOUNTAINVIEW MANOR**  
**A CONDOMINIUM**  
**SCHEDULE OF PERCENTAGE INTEREST**  
**IN COMMON ELEMENTS**

Building	Unit	Floor	Description	Unit Type	Percentage Interest in Common Elements	Square Feet
E	1	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	2	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	3	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	4	1	K/DA LR 1BR BA w/Gar.	A	0.505	923
	5	1	K/DA LR 2BR BA w/Gar.	C	0.505	1,090
	6	2	K/DA LR 2BR BA w/Gar.	D	0.505	1,123
	7	2	K/DA LR 2BR BA w/Gar.	D	0.505	1,123
	8	1	K/DA LR 2BR BA w/Gar.	C	0.505	1,090
	9	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	10	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	11	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	12	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
F	1	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	2	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	3	2	K/DA LR 1BR BA w/Gar.	A	0.448	944
	4	1	K/DA LR 1BR BA w/Gar.	B	0.448	923
	5	1	K/DA LR 2BR BA w/Gar.	C	0.505	1,090
	6	2	K/DA LR 2BR BA w/Gar.	D	0.505	1,123
	7	2	K/DA LR 2BR BA w/Gar.	D	0.505	1,123
	8	1	K/DA LR 2BR BA w/Gar.	A	0.505	1,090
	9	1	K/DA LR 1BR BA w/Gar.	B	0.448	923
	10	2	K/DA LR 1BR BA w/Gar.	A	0.448	944
	11	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	12	1	K/DA LR 1BR BA w/Gar.	B	0.448	923
G	1	1	K/DA LR 1BR BA	A	0.436	923
	2	2	K/DA LR 1BR BA	B	0.436	944
	3	2	K/DA LR 1BR BA	B	0.436	944
	4	1	K/DA LR 1BR BA	A	0.436	923
	5	1	K/DA LR 1BR BA	A	0.436	923
	6	2	K/DA LR 1BR BA	B	0.436	944
	7	1	K/DA LR 1BR BA	A	0.436	923
	8	2	K/DA LR 1BR BA	B	0.436	944
	9	2	K/DA LR 2BR BA	D	0.494	1,123
	10	1	K/DA LR 2BR BA	C	0.494	1,090

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MOUNTAINVIEW MANOR  
A CONDOMINIUM  
SCHEDULE OF PERCENTAGE INTEREST  
IN COMMON ELEMENTS

Building	Unit	Floor	Description	Unit Type	Percentage Interest in Common Elements	Square Feet
H	1	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	2	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	3	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	4	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	5	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	6	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
N-G	7	2	K/DA LR 1BR BA	B	0.436	944
	8	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	9	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	10	1	K/DA LR 1BR BA w/Gar.	B	0.448	923
J	1	1	K/DA LR 1BR BA	A	0.436	923
	2	2	K/DA LR 1BR BA	B	0.436	944
	3	2	K/DA LR 1BR BA	B	0.436	944
	4	1	K/DA LR 1BR BA	A	0.436	923
	5	2	K/DA LR 1BR BA	B	0.436	944
	6	1	K/DA LR 1BR BA	A	0.436	923
K	1	1	K/DA LR 1BR BA w/Gar.	A	0.436	923
	2	2	K/DA LR 1BR BA w/Gar.	B	0.436	944
	3	1	K/DA LR 1BR BA	A	0.436	923
	4	2	K/DA LR 1BR BA w/Gar.	B	0.436	944
	5	2	K/DA LR 1BR BA w/Gar.	B	0.436	944
	6	1	K/DA LR 1BR BA w/Gar.	A	0.436	923
L	1	1	K/DA LR 1BR BA	A	0.436	923
	2	2	K/DA LR 1BR BA	B	0.436	944
	3	2	K/DA LR 1BR BA	B	0.436	944
	4	1	K/DA LR 1BR BA	A	0.436	923
	5	2	K/DA LR 1BR BA	B	0.436	944
	6	1	K/DA LR 1BR BA	A	0.436	923
M	1	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	2	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	3	1	K/DA LR 1BR BA	A	0.436	923
	4	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	5	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	6	1	K/DA LR 1BR BA w/Gar.	A	0.448	923

MOUNTAINVIEW MANOR  
A CONDOMINIUM  
SCHEDULE OF PERCENTAGE INTEREST  
IN COMMON ELEMENTS

Building	Unit	Floor	Description	Unit Type	Percentage Interest in Common Elements	Square Feet
N	1	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	2	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	3	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	4	1	K/DA LR 1BR BA w/Gar.	A	0.436	923
	5	1	K/DA LR 1BR BA	A	0.448	944
	6	2	K/DA LR 1BR BA w/Gar.	B	0.448	923
	7	1	K/DA LR 1BR BA w/Gar.	A	0.448	944
	8	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	9	1	K/DA LR 2BR BA w/Gar.	C	0.505	1,090
	10	2	K/DA LR 2BR BA w/Gar.	D	0.505	1,123
P	1	1	K/DA LR 2BR BA w/Gar.	C	0.505	1,090
	2	2	K/DA LR 2BR BA	D	0.494	1,123
	3	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	4	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	5	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	6	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	7	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	8	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	9	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	10	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
Q	1	2	K/DA LR 2BR BA w/Gar.	D	0.505	1,123
	2	1	K/DA LR 2BR BA w/Gar.	C	0.505	1,090
	3	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	4	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	5	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	6	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	7	1	K/DA LR 2BR BA w/Gar.	C	0.505	1,090
	8	2	K/DA LR 2BR BA w/Gar.	D	0.505	1,123
R	1	2	K/DA LR 2BR BA w/Gar.	D	0.505	1,123
	2	1	K/DA LR 2BR BA w/Gar.	C	0.505	1,090
	3	2	K/DA LR 2BR BA w/Gar.	D	0.505	1,123
	4	1	K/DA LR 2BR BA w/Gar.	C	0.505	1,090
	5	2	K/DA LR 1BR BA w/Gar.	B	0.448	944
	6	1	K/DA LR 1BR BA w/Gar.	A	0.448	923
	7	1	K/DA LR 1BR BA	B	0.436	923
	8	2	K/DA LR 1BR BA	B	0.436	944
	9	1	K/DA LR 1BR BA	A	0.436	923
	10	2	K/DA LR 1BR BA	B	0.436	944
	11	2	K/DA LR 1BR BA	B	0.436	944
	12	1	K/DA LR 1BR BA	A	0.436	923



MOUNTAINVIEW MANOR  
A CONDOMINIUM  
SCHEDULE OF PERCENTAGE INTEREST  
IN COMMON ELEMENTS

Building	Unit	Floor	Description	Unit Type	Percentage Interest in Common Elements	Square Feet
S	1	2	K/DA LR 2BR BA	D	0.494	1,123
	2	1	K/DA LR 2BR BA	C	0.494	1,090
	3	2	K/DA LR 1BR BA	B	0.436	944
	4	1	K/DA LR 1BR BA	A	0.436	923
	5	2	K/DA LR 1BR BA	B	0.436	944
	6	1	K/DA LR 1BR BA	A	0.436	923
	7	2	K/DA LR 1BR BA	B	0.436	944
	8	1	K/DA LR 1BR BA	A	0.436	923
	9	2	K/DA LR 1BR BA	B	0.436	944
	10	1	K/DA LR 1BR BA	A	0.436	923
T	1	2	K/DA LR 2BR BA	D	0.484	1,123
	2	1	K/DA LR 2BR BA	C	0.484	1,090
	3	2	K/DA LR 1BR BA	B	0.436	944
	4	1	K/DA LR 1BR BA	A	0.436	923
	5	2	K/DA LR 1BR BA	B	0.436	944
	6	1	K/DA LR 1BR BA	A	0.436	923
	7	2	K/DA LR 1BR BA	B	0.436	944
	8	1	K/DA LR 1BR BA	A	0.436	923
U	1	1	K/DA LR 2BR BA w/Ger.	D	0.505	1,090
	2	2	K/DA LR 2BR BA w/Ger.	C	0.505	1,123
	3	1	K/DA LR 2BR BA w/Ger.	D	0.505	1,090
	4	2	K/DA LR 2BR BA w/Ger.	C	0.505	1,123
	5	1	K/DA LR 1BR BA w/Ger.	A	0.448	923
	6	2	K/DA LR 1BR BA w/Ger.	B	0.448	944
	7	1	K/DA LR 1BR BA w/Ger.	A	0.448	923
	8	2	K/DA LR 1BR BA w/Ger.	B	0.448	944
	9	1	K/DA LR 1BR BA	A	0.436	923
	10	2	K/DA LR 1BR BA w/Ger.	B	0.448	944
	11	1	K/DA LR 1BR BA w/Ger.	A	0.448	923
	12	2	K/DA LR 1BR BA w/Ger.	B	0.448	944
V	1	2	K/DA LR 2BR BA	D	0.494	1,123
	2	1	K/DA LR 2BR BA	C	0.494	1,090
	3	2	K/DA LR 1BR BA	B	0.436	944
	4	1	K/DA LR 1BR BA	A	0.436	923
	5	2	K/DA LR 1BR BA	B	0.436	944
	6	1	K/DA LR 1BR BA	A	0.436	923
	7	1	K/DA LR 1BR BA	A	0.436	923
	8	2	K/DA LR 1BR BA	B	0.436	923
	9	2	K/DA LR 2BR BA	D	0.494	1,123
	10	1	K/DA LR 2BR BA	C	0.494	1,090

MOUNTAINVIEW MANOR  
A CONDOMINIUM  
SCHEDULE OF PERCENTAGE INTEREST  
IN COMMON ELEMENTS

Building	Unit	Floor	Description	Unit Type	Percentage Interest in Common Elements	Square Feet
W	1	1	K/DA LR 1BR BA	A	0.436	923
	2	2	K/DA LR 1BR BA	B	0.436	944
	3	1	K/DA LR 1BR BA	A	0.436	923
	4	2	K/DA LR 1BR BA	B	0.436	944
	5	2	K/DA LR 2BR BA	D	0.494	1,123
	6	1	K/DA LR 2BR BA	C	0.494	1,090
	7	1	K/DA LR 2BR BA	C	0.494	1,090
	8	2	K/DA LR 2BR BA w/Ger.	D	0.505	1,123
	9	1	K/DA LR 1BR BA w/Ger.	A	0.448	923
	10	2	K/DA LR 1BR BA w/Ger.	B	0.448	944
	11	1	K/DA LR 1BR BA w/Ger.	A	0.448	923
	12	2	K/DA LR 1BR BA w/Ger.	B	0.448	944
X	1	1	K/DA LR 1BR BA w/Ger.	A	0.448	923
	2	2	K/DA LR 1BR BA w/Ger.	B	0.448	944
	3	2	K/DA LR 1BR BA	B	0.436	944
	4	1	K/DA LR 1BR BA	A	0.436	923
	5	1	K/DA LR 1BR BA	A	0.436	923
	6	2	K/DA LR 1BR BA	B	0.436	944
	7	2	K/DA LR 2BR BA w/Ger.	D	0.505	1,123
	8	1	K/DA LR 2BR BA w/Ger.	C	0.505	1,090
Y	1	1	K/DA LR 1BR BA w/Ger.	A	0.448	923
	2	2	K/DA LR 1BR BA w/Ger.	B	0.448	944
	3	2	K/DA LR 1BR BA w/Ger.	B	0.448	944
	4	1	K/DA LR 1BR BA w/Ger.	A	0.448	923
	5	2	K/DA LR 1BR BA w/Ger.	B	0.448	944
	6	1	K/DA LR 1BR BA w/Ger.	A	0.448	923
Z	1	1	K/DA LR 1BR BA	A	0.436	923
	2	2	K/DA LR 1BR BA	B	0.436	944
	3	1	K/DA LR 1BR BA w/Ger.	A	0.448	923
	4	2	K/DA LR 1BR BA w/Ger.	B	0.448	944
	5	1	K/DA LR 2BR BA w/Ger.	C	0.505	1,090
	6	2	K/DA LR 2BR BA w/Ger.	D	0.505	1,123
	7	2	K/DA LR 2BR BA w/Ger.	D	0.505	1,123
	8	1	K/DA LR 2BR BA w/Ger.	C	0.505	1,090

EXHIBIT D-2

## Schedule of Percentage Interest in Common Expenses

<u>Unit Type</u>	<u>Percentage Interest</u>
A	.431
B	.441
C	.510
D	.525

EXHIBIT 9

BY-LAWS

## BY-LAWS

## OF

MOUNTAINVIEW MANOR CONDOMINIUM ASSOCIATION, INC.  
A NEW JERSEY NOT-FOR-PROFIT CORPORATION

ARTICLE I

## Name, Office and Purpose

Section 1. NAME AND PRINCIPAL OFFICE: These are the By-Laws of Mountainview Manor Condominium Association, Inc. (hereinafter called the "Association"). The principal office of the Association shall be located at Richard Mine Road, Rockaway Township, New Jersey.

Section 2. PURPOSE: The Association is formed to serve as a means through which the condominium apartment 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 provisions of a master deed (hereinafter the "Master Deed") to be recorded in the Office of the Morris County Clerk, Rockaway, New Jersey, 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.

ARTICLE 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 Mountainview Manor Condominium Association, Inc., its successors and 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 expenses for which the Unit Owners are proportionately liable, including, but not limited to:

(i) all expenses of administration, maintenance, repair and replacement of the common elements and limited common elements;

(ii) receipts designated as common by the provisions of the Condominium Act, the Master Deed or the By-Laws.

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

(e) "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.

(f) "Condominium Property" or "Property" means the land covered by the Master Deed, and all improvements thereon, including 34 buildings, pool and recreation area, and easements, rights and appurtenances belonging thereto or intended for the benefit thereof.

(g) "Grantor" means Hans Associates, Inc., its successors and assigns.

(h) "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.

(i) "Limited Common Elements" means those common elements which are for the use of one or more specific Units to the exclusion of other Units.

(j) "Majority" or "Majority of the Unit Owners" means the owners of more than 50% of the aggregate number of share of the Association.

(k) "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.

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

(m) "Owner" shall mean and refer to the record owner, whether one or more persons, firms, 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.

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

(o) "Unit" means a part of the Condominium property designated 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 the Master Deed.

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

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

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

### ARTICLE III

#### Plan of Unit Ownership

Section 1. 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 building ("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.

Section 2. 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 or conveyance or the entering into a lease or the act of occupancy of an apartment 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 his ownership, become a member of the Association.

### ARTICLE IV

#### Membership-Assessments

Section 1. 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.

Section 2. ASSOCIATED 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.

Section 3. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of and becomes a lien upon the Owner's Unit against which such assessments are made as provided by Article 18 of 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: The Grantor for Unit owned by it within the Properties hereby covenants, and 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, be deemed to covenant and agree to pay to the Association: (i) annual 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 or for any other 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 or entity who was the Owner of such Unit at the time when the assessment fell due. In the case of co-ownership of a Unit, all such owners of the Unit shall be jointly and severally liable. Anything to the contrary hereby notwithstanding, neither Sponsor nor any institutional lender on any Unit shall be required to pay any assessment for capital improvements of any kind, including reserves, whether by law of regular or special assessments or otherwise. Further, this provision may not be amended without the written consent of the Sponsor and that of every institutional lender.

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. Basis and Maximum of Annual Assessments. The annual assessments shall be established by vote of the Board of Directors, for each succeeding one

(1) year period, and at 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.

The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a lesser amount, but such action shall not constitute a waiver by the Association of its rights 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. Special Assessments for Capital Improvements.

(1) In addition to the annual assessments authorized by Sub-Section C hereof, the Association may levy in any assessment year: (i) a special assessment, applicable to that year only, 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; (ii) a special assessment, applicable to that year only or for a specified number of years, for the purpose of establishing a reserve account for future capital improvements, provided that any such assessment, whether pursuant to (a)(i) or (a)(ii), shall have the assent of two-thirds (2/3) 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 thirty (30) days in advance and shall set forth the purpose of the meeting.

(2) In all instances specified within this Sub-Section D 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 E. 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.

(3) While the sponsor maintains a majority of the Board of Directors, it shall make no additions, alterations, improvements or purchases not contemplated in this Offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender or in the event of an emergency.

E. Change in Basis and Maximum of Annual Assessments.

Subject to the limitations of Sub-Section C hereof, and for the periods therein specified, the Association may change the maximum and basis of the assessments fixed by Sub-Section C hereof prospectively for any such period by the Board of Directors, provided that any such change shall have the assent of two-thirds (2/3) 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 thirty (30) days in advance and shall set forth the purpose of the meeting.

F. Quorum for Any Action Authorized Under Sub-Sections D

and E. The quorum required for any action authorized by Sub-Sections D and E hereof shall be as follows:

At the first meeting called, as provided in Sub-Sections D and E hereof, the presence at the meeting of Members, or of proxies, entitled to cast sixty (60%) 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 D and E, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

G. Date of Commencement of Annual Assessments: Due

Dates. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement.

The first annual assessments shall be made for the balance of the calendar year and shall become due and payable on the first day fixed for commencement. The assessments for any year, after the first year, shall become due on the first day of January of said year and payable in accordance with the method of payment adopted by the Resolution.

The amount of the annual 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 annual 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 a time other than the beginning of any assessment period.

The due date(s) of any special assessment under Sub-Section D hereof shall be fixed in the Resolution authorizing such assessment.

Section 4: The membership rights of any person whose interest in a Unit is subject to assessments under Article IV, Section 1 and 2 of these By-Laws, whether or not he be personally obligated to pay such assessment, may be suspended by action of the Directors during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically restored. If the Directors 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 and 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 thirty (30) days.

Section 5.

(a) The Association, through its Board of Directors 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) In accordance with the provisions of Article IV, Section 3D, the Association, through its Board of Directors, 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 Sub-Section (a) of this Section 5 for the purposes set forth in Sub-Section (b) of this Section 5.

In determining the special assessment to be so levied, the Board of Directors shall take into consideration the existing capital improvements and their respective life span. It being

the intention of this special assessment, together with the funds raised by the surcharge set forth in Sub-Section (a) to provide adequate funds for purposes set forth in Sub-Section (b).

(c) The Board of Directors shall have the absolute right to levy this special assessment in accordance with the provisions of this Article without the requirement or need to acquire the two-thirds (2/3) consent of the Members.

(d) In the event withdrawals are made for the fund for the aforesaid purposes, the Board of Directors, without the requirement or need to acquire the two-thirds (2/3) consent of the members shall, for the next succeeding year and thereafter, add to the monthly assessments a special assessment, so as to re-establish the Reserve Fund.

The Board of Directors, in accordance with the provisions of Article IV, Section 3D(1) shall have the right to increase the amount of monies in the Reserve Fund established under this Article IV. Additionally, the Board of Directors may, for any specified period of time, suspend the monthly surcharge provided for in Section 5(a) of this Article IV, when it deems the amount in the Reserve Fund meets good business and accounting principles.

#### ARTICLE V

##### Voting Rights

Each Unit Owner shall be entitled to two votes for each Unit in which he holds the interest required for membership by Section 1, Article IV. 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.

#### ARTICLE VI

##### Board of Directors

Section 1. NUMBER AND QUALIFICATION: The affairs of the Association shall be governed by a Board of Directors consisting of not less than five (5) members. Until the Master Deed shall have been recorded by the Grantor, the Board of Directors of the Association shall consist of such persons as shall be designated by the Grantor who shall

serve as such until the first annual meeting of the Unit Owners as provided in Section 1 of Article IX of these By-Laws. Thereafter the Board of Directors shall consist of five (5) persons (or such greater number as may be fixed by the Board of Directors from time to time), each of whom shall be owners or spouses of owners of Apartment Units or in the case of partnership owners shall be members or employees of such partnership, or in the case of corporate owners shall be officers, 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 Directors shall be a resident of the State of New Jersey.

Section 1. POWERS AND DUTIES: The Association by its Board of Directors 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 by these By-Laws, may not be delegated to the Board of Directors by Unit Owners. Such powers and duties of the Association by its Board of Directors 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 or renewals.

(c) Collection of the Common Expenses and 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 the operation and use of the Property.

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

(g) Purchase or arrangement for such services, machinery, tools, supplies and the like as in the opinion of the Board of Directors 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 Directors may also employ a manager for the Association at such compensation as it may deem appropriate to perform such duties as the Board of Directors 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 Directors.

(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 Directors but not less than annually by a 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 90 days of the fiscal year of the expiration of the Association. 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 Directors and announced for general knowledge.

(j) Maintenance and 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 Directors may deem necessary. The premiums for such coverages 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 Elements, exclusive of any taxes or assessments properly levied against any Unit Owner.

(l) Purchasing or leasing or otherwise acquiring in the name of the Association or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrender by their Unit Owners to the Association or to the Board of Directors, when so required in the discretion of the Board of Directors.

(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 Directors.

(n) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of the Board of Directors), or otherwise dealing with Units acquired or leased by the Association, or its designee, corporate or otherwise, on behalf of all Unit Owners.

(o) Adjust or increase the amount of any monthly installment payment of Common Expenses and to levy and collect from Unit Owners special assessments in such manner as the Board of Directors 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 Article IV hereof.

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

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

(r) 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 Directors any of the Common Elements requires protection, renewal, maintenance or repair or when enforcement of any of the Association's rules and regulations so required or when the abatement of any nuisance is required or in any emergency situation, the Board of Directors 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 with prior notice, except in cases of emergency. By the acceptance of a deed conveying each Unit to the Unit Owner; each Unit Owner expressly and irrevocably grants and confirms the rights of entry aforesaid.

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

(t) 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 by law now or hereafter have or exercise.

**Section 3. TERM OF OFFICE:** At the first annual meeting of the Unit Owners the term of office of three members of the Board of Directors shall be fixed at two (2) years and the term of office of the remaining two members of the Board of Directors shall be fixed at one (1) year. The two-year terms shall go to the three individuals receiving the highest number of votes; and the two one-year terms shall go to the two individuals



receiving the next highest number of votes. At the expiration of the initial term of office of each respective member of the Board of Directors, his successors shall be elected to serve for a term of two years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Unit Owners.

**Section 4. (a) NOMINATION:** Nomination for election to the Board of Directors 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 Directors and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each meeting of the members, to serve from the close of each annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors 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 from among members and non-members.

(b) **ELECTION:** Election to the Board of Directors 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.

**Section 5. SURRENDER OF CONTROL OF BOARD OF DIRECTORS:** Control of the Condominium Association shall be surrendered to the Condominium Unit Owners in the following manner:

(a) Within 60 days after conveyance of 25% of the Condominium Units, not less than 25% of the members of the Board of Directors shall be elected by the Condominium Unit Owners, other than Sponsor.

(b) Within 60 days after conveyance of 50% of the Condominium Units, not less than 40% of the members of the Board of Directors shall be elected by the Condominium Unit Owners, other than Sponsor.

(c) Within 60 days after conveyance of 75% of the Condominium Units, the Grantor's control of the Board of Directors shall terminate and at such time the Condominium Unit Owners, other than Sponsor shall elect the entire Board of Directors, except that so long as any Condominium Units remain unsold, in the regular course of business, the Grantor may retain one member of the Board of Directors.

Grantor may surrender control of the Board of Directors 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 to the Grantor's sale of the remaining unsold Condominium Units.

Notwithstanding the above provisions the time as to transfer of control by Grantor shall be in accordance with N.J.A.C. 5:26-B.4.

**Section 6. REMOVAL OF MEMBERS OF THE BOARD OF DIRECTORS:** At any annual or special meeting of Unit Owners any one or more of the members of the Board of Directors may be removed with or without cause by a majority vote pursuant to Section 7 of Article VI hereof and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting called for such purpose. When a member of the Board of Directors who has been elected by unit owners, other than Sponsor, is removed or resigns, that vacancy shall be filled by a unit owner other than the Sponsor.

**Section 7. VACANCIES:** Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by a vote of a majority of the remaining directors at a special meeting of the Board of Directors held for the purpose promptly after the occurrence of any such vacancy, and each person so elected shall be a member of the Board of Directors until a successor shall be elected at the next annual meeting of the Unit Owners and the term of the newly elected director shall be for the balance of the term of the vacated directorship. Notwithstanding

any of the foregoing, when a member of the Board of Directors who has been elected by unit owners other than Sponsor is removed or resigns that vacancy shall be filled by a unit owner other than Sponsor.

**Section 8. ORGANIZATION MEETING:** The first meeting of the members of the Board of Directors following the first annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by the Unit Owners at the first organization meeting at which such Board of Directors shall have been elected members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present thereat.

**Section 9. REGULAR MEETINGS:** Regular meetings of the Board of Directors 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 Directors, but at least two such meetings shall be held during each fiscal year of the Association. Notice of regular meetings of the Board of Directors by mail or telegraph at least five (5) business days prior to the day designated for such meeting.

**Section 10. SPECIAL MEETINGS:** Special meetings of the Board of Directors may be called by the President of the Association on five (5) business days' notice to each member of the Board of Directors given by mail or telegraph, which notice shall state the time, place and purpose of the meetings. Special meetings of the Board of Directors 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 Directors.

**Section 11. WAIVER OF NOTICE:** Any member may at any time waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time and place thereof. If the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**Section 12. QUORUM OF BOARD OF DIRECTORS:** At a meeting of the Board of Directors a majority of members thereof 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 Directors. If at any meeting of the Board of Directors 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.

**Section 13. FIDELITY BOND:** The Board of Directors shall obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for Association funds. The premiums on such bonds shall constitute a Common Expense.

**Section 14. COMPENSATION:** No member of the Board of Directors shall receive any compensation from the Association for acting as such.

**Section 15. LIABILITY OF THE BOARD OF DIRECTORS:** The Board of Directors 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 Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his 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 Directors 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 his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

The foregoing shall not exculpate the members of the Board of Directors appointed by the Grantor/Developer from their fiduciary responsibilities.

**Section 16. MANAGING AGENT AND MANAGER:** The Board of Directors may employ a managing agent and/or a manager for the Condominium at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or the manager all of the powers granted to the Board of Directors by these By-Laws, but notwithstanding such delegation, will remain responsible to the Unit Owners for the proper performance of such duties and services.

## ARTICLE VII

### Officers

**Section 1. DESIGNATION:** The principal officers of the Association shall be the President, Vice-President, the Secretary and Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors 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, need be members of the Board of Directors.

**Section 2. ELECTION OF OFFICERS:** The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

**Section 3. REMOVAL OF OFFICERS:** Upon the affirmative vote of a majority of the members of the Board of Directors or at any special meeting of the Board of Directors or at any special meeting of the Board of Directors call for such purpose.

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**Section 4. PRESIDENT:** The President shall be the Chief Executive Officer of the Association. He shall preside at all meetings of the Unit Owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of the 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 he may in his discretion decide is appropriate, to assist in the conduct of the affairs of the Association.

**Section 5. VICE-PRESIDENT:** The Vice-President shall take the place of the President and perform his 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 Directors shall appoint some other member of the Board of Directors 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 him by the Board of Directors.

**Section 6. SECRETARY:** The Secretary shall keep the minutes of all meetings of Unit Owners and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of the Secretary of a corporation organized under New Jersey Law. The Secretary shall also perform the duties aforesaid for any committees as the Board of Directors or the President may so direct.

**Section 7. TREASURER:** The Treasurer shall have the responsibility for the 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. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors and he shall generally perform all duties incident to the office of the Treasurer or a corporation under New Jersey Law. He shall render to the President and the Board of Directors at the regular meetings of the

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Board of Directors whenever either the President or the Board of Directors shall require, a full account of his transactions as Treasurer and a full account of the financial condition of the Association.

Section 8.     **COMPENSATION OF OFFICERS:** No officers shall receive any compensation from the Association for acting as such.

Section 9.     **AGREEMENTS, CONTRACTS, DEEDS, 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 Directors.

Section 10.   **INDEMNIFICATION OF OFFICERS:** Each officer, his 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 heirs, administrators and executors are made a party by reason of such office. Provided, however, that should such officer be adjudged in such action to have been guilty of gross negligence or 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 or 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.

#### ARTICLE VIII

##### Operation of the Property-Insurance

Section 1.     **DETERMINATION AND ESTABLISHMENT OF COMMON EXPENSES:** The Board of Directors shall, in accordance with Article IV, prior to the beginning of each fiscal year of the Association, prepare a budget which shall determine the

amount of common charges payable to each Unit Owner to meet the Common Expenses of the Association including any reserves and to make up for any deficits in the Common Expenses for any prior year. The Board of Directors shall allocate and assess such charges among the Unit Owners according to and in the percentage of their respective ownership of Common Expenses as set forth in 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 installments on the 1st day of each month of the fiscal year in advance at the office of the Association. A statement of the aforesaid yearly charges 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 Directors 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, an amount 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 Apartment Unit whose owner has elected to sell or lease such Apartment Unit, or of any Apartment Unit which is to be sold at a foreclosure or other judicial sale. The Board of Directors shall advise all Unit Owners promptly, in writing, of the amount of Common Expenses payable by each of them respectively, as determined by the Board of Directors, as aforesaid, and shall furnish copies of each budget on which such Common Expenses are based to all Unit Owners.

##### Section 2.     **INSURANCE:**

A. The Board of Directors 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 Apartment Units and their respective mortgages as their interests may appear. Such policies shall include provisions that they be without contribution that improvements to Apartment 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 coverage shall be against the hereinafter enumerated perils and contingencies:

(1) A policy of property insurance equal to the full replacement value (i.e., 90% of current "replacement cost" excluding land, foundation, excavation, and other items normally excluded from coverage) of the Condominium Property (including all building service equipment and the like, including all structural or non-structural walls, fixtures, equipment within each and every Unit). Said insurance must protect against at least the following:

(a) Loss or damage by fire or other hazards covered by the standard extended coverage endorsement, 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 \$1,000,000.00 covering all claims for personal injury and/or property damage arising out of a single occurrence, for non-owned and hired automobile, liability for property of others and, if applicable: garage-keeper's liability, host liquor liability, and such other risks as are customarily covered in similar projects. Any such policy shall be subject to Federal National Mortgage Association approval, if applicable.

(3) The Association shall maintain adequate fidelity coverage against dishonest acts by its officers, directors, 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 150% 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" or similar expression;

(d) all shall provide that they may not be cancelled or substantially modified without at least 30 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 Living 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 its successor); and

(b) insurance coverage obtained and maintained may not be brought into contribution with insurance purchased by the Owners of the Living Units or their mortgages;

(c) coverage must not be prejudiced by (i) any act or neglect of the Owners of the Living Units when such act or neglect is not within the control of the Association or (ii) 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 cancelled or substantially modified including cancellation for non-payment of premium without at least 30 days' prior written notice to any and all insureds; and

(e) 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 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 law.

(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 Directors may deem proper and necessary, or as required under the Master Deed. Each Unit Owner shall have the right to obtain insurance at his own expense, affording coverage upon his personal property, including betterments and improvements, and for his 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).

B. All insurance policies maintained by the Association shall be for the benefit of the Association and the Unit Owners, and their mortgages, 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, and the Association, as Trustee, shall hold such proceeds for the benefit of the Association, the Unit Owners, and their respective mortgages in accordance with the provisions of the Master Deed.

Section 3. **PAYMENT OF COMMON EXPENSES:**

A. All members shall be obligated to pay the Common Expenses assessed by the Board of Directors 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 Directors. Each member of the Association shall, in addition, be required to maintain with the Association a sum equal to 1/8th of the estimated annual assessment of his Unit as security by the Association for working capital. This amount is not refundable.

Unit Owners may be required to supplement said security from time to time by future payments in the event that the estimated annual assessment for

future years is increased, or if the amount theretofore paid has been applied in whole or in part for working capital.

B. The pro-rata contribution of each member toward the Common Expenses which a member shall be obligated to pay shall be based upon the percentage or share of the member's interest in the Common Expenses as the same is set forth in the Master Deed. No abandonment of the Unit owned by a member of 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.

Section 4. **PAYMENT OF SPECIAL ASSESSMENTS:** Special assessments, when levied by the Board of Directors, pursuant to these By-Laws, shall be paid by the members in such manner as may be determined by the Board of Directors; provided, however, that the pro-rata contribution of each member for such special assessment shall be in accordance with Section 3 of this Article VIII.

Section 5. **DEFAULT IN PAYMENT OF COMMON EXPENSES AND ASSESSMENTS:** All Common Expenses and assessments chargeable to and payable by a member for his 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 Apartment Unit;
- (c) permitted first mortgagee of record upon such Unit.

All assessments that remain unpaid for over thirty (30) days shall bear interest from the assessment due date at the per annum rate of ten (10%) percent.

The lien aforesaid may be foreclosed 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 of attorney's fees. A suit by the Association against the delinquent member to recover a money judgment or the unpaid Common Expenses and assessments shall be maintainable without foreclosing or waiving the lien securing the same. Both the foregoing actions shall be instituted by the Association upon the expiration of ninety (90) days after any Common Expense or assessment shall be due and payable. Failure to pay any installment of any of the Common Expenses and assessments when due, shall, at the option of the Board of Directors, render the entire annual amount due and payable, as if no installment provisions were operative.

**Section 6. MAINTENANCE AND REPAIR:**

A. All maintenance, repairs and replacements to the Common Elements<sup>o</sup>, whether located inside or outside of the Units (unless necessitated by the negligence, misuse, or neglect of a Unit Owner, his 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, any unusual repairs and all replacements of 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 Apartment 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 his failure to promptly and/or carefully perform any such maintenance and repair work.

**Section 7. RESTRICTIONS ON USE OF APARTMENT 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 garage spaces 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 or proper use of, the Apartment Units or Common Elements by Unit Owners.

(c) No immoral, improper, offensive or unlawful use shall be made of any Apartment 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. Violations of laws, orders, rules and 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 Apartment Unit) may be rented, all as stated in the Master Deed.

(e) The Unit or any part thereof shall only be used for residential purposes.

**Section 8. ADDITIONS, ALTERATIONS OR MODIFICATIONS:** No member

shall make any structural additions, alterations, or improvements in or to his Unit (or elsewhere on the Property) without the prior written consent thereto of the Board of Directors or impair any easement without the written consent of the Board of Directors or 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 until such Units shall have been initially sold by the Grantor and paid for.

**Section 9. USE OF COMMON ELEMENTS AND FACILITIES:** A Unit Owner shall not place or cause to be placed in the hallways, walkways, stairways, or other Common Elements, other than the areas designated as storage areas, any furniture, packages, or objects of any kind. The hallways, walkways, stairways shall be used for no purpose other than for normal transit.

**Section 10. RIGHT OF ACCESS:** A Unit Owner shall grant a right of access to his 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 his Apartment 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 his 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.

**Section 11. 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 his written consent has been obtained) provided the making of such alterations and improvements is first authorized by the Board of Directors of the Association and, if the cost of same exceeds \$3,500.00, said work is approved by not less than a majority of the Unit Owners. The costs of such alterations and improvements shall be assessed as Common Expenses, unless in the judgment of not less than seventy (70%) percent of the Board of Directors, 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 Directors.

While the Sponsor maintains a majority of the Board of Directors, it shall make no additions, alterations, improvements or purchases not contemplated in this Offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender or in the event of an emergency.

**Section 12. RULES OF CONDUCT:** Rules and regulations concerning the use of the Apartment 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.

#### **ARTICLE IX**

##### **Meetings of Unit Owners**

**Section 1. PLACE OF MEETINGS:** The Unit Owners of the Condominium shall hold meetings at the principal office of the Condominium at Richard Mine Road, Rockaway Township, New Jersey, or at such other place as may be fixed from time to time, by the Board of Directors and designated in the notice of such meeting. The first annual meeting of the Unit Owners shall be held at 7:00 o'clock p.m. on the first Monday of the fourth month following the recordation of the Master Deed, as aforesaid. Thereafter an annual meeting of the Unit Owners shall be held on the first Monday of each month 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 elect a Board of Directors of the Association and may transact such other business as may properly come before the meeting.

**Section 2. SPECIAL MEETINGS:** Special meetings may be called by the President, Vice-President, Secretary, or a majority of the Board of Directors, and must be called by such officers upon receipt of a written request of thirty percent (30%) 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 confirmed to the purposes stated in the notice.

**Section 3. 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 Directors shall fix in advance a date as the record date for such determination. Such date shall not be more than thirty (30) nor less than ten (10) days before the date of the meeting. If no record is fixed, then the date shall be determined in accordance with the provisions of law relating thereto.

**Section 4. 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 ninety (90) 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 Apartment Units.

**Section 5. 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 the meeting, the lack of proper notice of such meeting shall constitute a waiver of notices of meeting by him.

**Section 6. QUORUM:** The presence in person or by proxy of Unit Owners holding at least fifty-one percent (51%) or more ownership interest in the Common Elements (as defined in the Master Deed) shall constitute a quorum at a meeting of the Unit Owners.

**Section 7. MAJORITY VOTE:** The vote of a majority of shares (as defined in Section 8 of this Article IX) cast by 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.

**Section 8. VOTING:** The Association may, but shall not be required to, issue certificates or other evidence of membership. The aggregate number of votes for all Unit Owners shall be four hundred thirty-eight (438) and each Unit shall have two (2) 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 his 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 revocation.

**Section 9. 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 his Apartment Unit and himself at least five (5) days prior to the date fixed for a particular meeting. Provided further that in the event any interest, penalties, costs, fees and the like have been levied against said Unit Owner and his Apartment Unit, these interest, penalties, costs, fees and the like shall likewise be fully paid within the aforesaid time.

**Section 10. 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 one week from the time the original meeting was called.

Section 11. WRITTEN CONSENT TO UNIT OWNERS - APPROVAL OR DISAPPROVAL: Any action that may be taken by a vote of the Unit Owner 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 an 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 New Jersey law shall require a greater percentage of such votes with respect to a particular action.

ARTICLE X

Obligation to First Mortgage Holders

Section 1. Unless at least sixty-six (66%) percent of all holders of first mortgage liens on any and all Units have given their prior written approval of the Board of Directors shall not consent to or partake in any of the following:

(a) The abandonment or termination of the Condominium except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

(b) Any material amendment to the Master Deed or to the By-Laws or Articles of Incorporation, including, but not limited to, any amendments which would change the percentage interests of the Unit Owners in the Condominium, the number of votes of a Unit Owner in the Association or the purposes to which any Unit or the Common Elements are restricted.

(c) The effectuation of any decision by the Association to terminate professional management and assume self-management of the Condominium.

(d) The partitioning or subdividing of the Common Elements.

Section 2. The Board of Directors shall in writing, notify a holder of a first mortgage on any Unit of any default by the Owner (mortgagor) of such Unit in the

performance of such Owner's (mortgagor's) obligations under the Master Deed or these By-Laws which is not cured within thirty days.

Section 3. The Association and Board of Directors further agrees that:

(a) By virtue of the provisions of the Master Deed and these By-Laws and Articles of Incorporation of the Association any institutional holder of a first mortgage on a Unit in the Condominium is, upon request, entitled to:

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

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

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

(iv) notice of any default under these By-Laws or the Master Deed which gives rise to a cause of action against the owner of a Unit subject to the mortgage of such holder, where the default has not been cured within thirty (30) days.

(b) In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the institutional holder of any first mortgage on a Unit is entitled to timely written notice of any such damage or destruction. No Unit Owner or other party shall have priority over such institutional holder with respect to the distribution to such Unit of any insurance proceeds.

(c) If any Unit or portion thereof, or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first mortgage on a Unit is entitled to timely written notice of any such proceeding or proposed acquisition and no Unit Owner or other party shall have priority over such institutional holder with respect to the distribution to such Unit of the proceeds of any award or settlement.

(d) If an institutional holder of a first mortgage lien on the Unit obtains title to a Unit as a result of foreclosure of the first mortgage, then such

acquirer of title, his successors and assigns, is not liable for the share of Common Elements 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, his successors and assigns.

(c) Any management agreement for the Condominium will be terminable by the Association for cause upon sixty (60) 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.

#### ARTICLE XI

##### Records

Section 1. RECORDS AND AUDIT: The Board of Directors shall keep detailed records of its actions, minutes of the meetings of the Board of Directors, 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 Apartment Unit which among other things, shall contain the amount of each assessment of Common Expenses against such Apartment Units, the date when due, the amounts paid thereon and the balance remaining unpaid. An annual report of the receipts and expenditures of the Association certified by an independent public accountant shall be rendered by the Board of Directors to all Unit Owners and to all mortgagees of Apartment Units who have requested the same, promptly after the end of such fiscal year.

#### ARTICLE XII

##### Dissolution

Section 1. PROCEDURE: Upon a vote of at least eighty (80%) percent in number and in common interests of the Unit Owners to dissolve, in accordance with N.J.S.A.

46:8B-26 and the provisions of any other 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.

Section 2. 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 his proportionate share of the Common Elements owned prior to termination. Each Unit Owner may be required to execute such deed and any other document or instrument which may be reasonably required to effect the sale of the Property by the Association, as specifically provided in the Master Deed establishing the Condominium.

#### ARTICLE XIII

##### Compliance with By-Laws and Master Deed

Section 1. PENALTIES: The within By-Laws, the 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 effects such aggrieved Unit Owner's occupancy.

#### ARTICLE XIV

##### Miscellaneous

Section 1. 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, or

to such other address as the Board of Directors may hereafter designate from time to time in writing to all Unit Owners and to all mortgagees of Apartment Unit. All notices to any Unit Owner shall be sent by registered or certified mail to the address as may have been designated by such Unit Owner from time to time in writing to the Association. All notices to mortgagees of Apartment 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.

**Section 2. 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.

**Section 3. 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.

**Section 4. 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.

**Section 5. 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.

#### ARTICLE XV

##### Amendments to By-Laws

**Section 1. AMENDMENTS TO BY-LAWS:** Except as hereinafter provided otherwise, these By-Laws may be modified or amended by the affirmative vote of at least 75% of all shares of Unit Owners (whether or not present) at a meeting of Unit Owners duly

held for such purpose. Modifications and amendments shall be recorded with the Office of the Clerk of Monmouth County in order for the same to be valid and insofar as rights are conferred upon the Grantor by these By-Laws may not be amended or modified (as to those portions only) without the consent in writing by the Grantor, so long as the Grantor shall be the owner of one or more Apartment Units.

The Developer shall not be permitted to cast any votes held by him for unsold lots, parcels, units or interests for the purpose of amending the Master Deed, By-Laws or any other document for the purpose of changing the permitted use of a lot, parcel, unit or interest, or for the purpose of reducing the common elements or facilities.

#### ARTICLE XVI

##### Conflicts

**Section 1. 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 the Master Deed or the Condominium Act as the case may be, shall control.

#### ARTICLE XVII

##### Bond

**Section 1.** While the Developer maintains a majority of representation on the executive board, he shall post a fidelity bond or other guarantee acceptable to the Agency, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves.

#### ARTICLE XVIII

##### Audit

**Section 1.** While the Developer maintains a majority of the executive board, he shall have an annual audit of association funds prepared by an independent

accountant, a copy of which shall be delivered to each Unit Owner within 90 days of the expiration of the fiscal year of the Association. The audit shall cover the operating budget and reserve accounts.

EXHIBIT 10  
ARTICLES OF INCORPORATION

PREPARED BY:

LAWRENCE T. LOWEN, ESQ.

ARTICLES OF INCORPORATION  
OF  
MOUNTAINVIEW MANOR CONDOMINIUM ASSOCIATION, INC.

In compliance with the requirements of N.J.S.A. Title 15A:1-1, the undersigned, all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation (hereinafter called the "Corporation") is  
Mountainview Manor Condominium Association, Inc.

ARTICLE II

The principal office for the transaction of the business of the Corporation is located at Richard Mine Road Township, County of Morris, State of New Jersey.

ARTICLE III

Lawrence T. Lowen, whose address is One Executive Drive, Fort Lee, New Jersey 07024, is hereby appointed the initial registered agent of this Corporation.

ARTICLE IV

PURPOSE AND POWERS OF THE CORPORATION

This Corporation does not contemplated pecuniary gain or profit to the members thereof, and the specific purpose for which it is formed are to provide for the maintenance, preservation and control of the properties within that certain tract of property described in Schedule A of a certain document entitled Master Deed of "Mountainview Manor, A Condominium", about to be recorded in the Morris County Clerk's Office, and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose.

In furtherance of said purposes, this Corporation shall have power to:

- (a) perform all duties and obligations of the Corporation as set forth in that certain Master Deed, hereinafter called the "Master Deed", applicable the property and recorded in the Office of the Clerk of Morris County, as same may be amended from time to time, said Master Deed being incorporated herein as if set forth at length;
- (b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Master Deed; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the Corporation;
- (c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation, subject to the provisions of the Master Deed;
- (d) borrow money; mortgage, pledge, deed in trust, hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the provisions of the Master Deed;
- (e) participate in merger and consolidations with other non-profit corporations organized for the same purposes or annex additional property, subject to the provisions of the Master Deed;
- (f) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit

Corporation Law of the State of New Jersey by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

The Corporation shall have members. Every person or entity who is a record owner of a fee or undivided fee interest in any unit which is subject by covenants of record to assessment by the Corporation, including contract sellers, shall be a member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any unit which is subject to assessment by the Corporation. The complete qualifications for membership are set forth in the By-Laws of the Corporation. The right and limitations of the different classes of members are set forth in the By-Laws of the Corporation.

ARTICLE VI

VOTING RIGHTS

Each unit owner shall be entitled to two votes for each unit in which they hold the interest required for membership by Article V. 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.

ARTICLE VII

DURATION

The Corporation shall exist perpetually.

ARTICLE VIII

BOARD OF TRUSTEES

The affairs of this Corporation shall be managed by a Board of five (5) Trustees, who need not be members of the Corporation. The method of electing Trustees is set forth in the By-Laws. The number of trustees may be changed by the amendment of the By-Laws of the Corporation. The names and addresses of (where they regularly receive mail) the first Board of Trustees until the selection of their successors as provided in the Declaration are:

<u>NAME</u>	<u>ADDRESS</u>
C. Thomas Ludwig	One Executive Drive Fort Lee, New Jersey 07024
Charles C. Abut	One Executive Drive Fort Lee, New Jersey 07024
Louis J. Lamatina	One Executive Drive Fort Lee, New Jersey
Susan L. Klages	One Executive Drive Fort Lee, New Jersey 07024
Cindy J. Jackson	One Executive Drive Fort Lee, New Jersey 07024

ARTICLE IX

The name and address of the Incorporator, who is at least eighteen years of age is: Lawrence T. Lowen, One Executive Drive, Fort Lee, New Jersey 07024.

ARTICLE X

DISTRIBUTION OF ASSETS

The method of distribution of assets is set forth in the By-Laws of the Corporation.

ARTICLE XI

AMENDMENTS

Amendments to these Articles shall require the assent (by vote or written consent) of members representing 75% or more of the voting power of both classes of voting membership.

IN WITNESS WHEREOF, each individual Incorporator, being over eighteen years of age, has signed this Certificate on this        day of        , 198        .

WITNESS:

\_\_\_\_\_  
LAWRENCE T. LOWEN

Prepared by:

LAWRENCE T. LOWEN, ESQ.  
Lowen & Abut, P.A.  
One Executive Drive  
Fort Lee, New Jersey 07024

RECEIVED  
OCT 29 2 18 PM '86  
*Frank Spive Jr*  
MORRIS COUNTY CLERK

RECORD AND RETURN TO:

NEW JERSEY REALTY TITLE INSURANCE CO.  
10 PARK PLACE  
P. O. BOX 370 M  
MORRISTOWN, N. J. 07960