

BYLAWS
OF
STANTON RIDGE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

General

Section 1.1 Purpose. These Bylaws are intended to govern the administration of the Stanton Ridge Homeowners Association, Inc., a non-profit corporation organized under Title 15A of the New Jersey Statutes, and provide for the management, administration, utilization and maintenance of the Homeowner Common Areas and Facilities as defined and described in a certain "Declaration of Covenants, Easements and Restrictions for the Stanton Ridge Development, Readington Township, Hunterdon County, New Jersey, executed by Stanton Properties II, a New Jersey general partnership, as Declarant as same may hereafter be amended from time to time, and recorded or to be recorded in the Hunterdon County Clerk's Office ("Declaration").

Section 1.2 Definitions. Unless the context clearly indicates otherwise, all definitions set forth in the Declaration are incorporated herein by reference.

Section 1.3 Fiscal Year. The fiscal year of the Association shall begin on the 31st day of March and end on the 30th day of March of every year, unless changed by resolution of the Board of Trustees (the "Board"), except that the first fiscal year shall begin on the date of incorporation and end on the following March 30th.

Section 1.4 Principal Office. The principal office of the corporation is c/o Edge Ventures, Amwell Road, P.O. Box 399, Belle Mead, New Jersey 08502-399.

Section 1.5 Minutes at Open Meetings. At each meeting required to be open to Owners herein, minutes of the proceedings shall be taken, and copies of those minutes shall be made available to all Owners before the next open meeting.

(a) The Association shall keep reasonably comprehensive minutes of all its meetings showing the time and place, the members present, the subjects considered, the actions taken, the vote of each Member, and any other information required to be shown in the minutes by the bylaws. Such minutes shall be made available to the public in the Association office within thirty (30) days.

(b) At each open meeting, the participation of Owners in the proceedings or the provision of a public comment session shall be at the discretion of the Board.

Section 1.6 Notice. Adequate notice of any open meeting shall be given to all Owners.

Section 1.7 Adequate Notice. Adequate notice means written advance notice of at least 48 hours, giving the date, time, location and, to the extent known, the agenda of any regular, special, or rescheduled meeting. Such notice shall accurately state whether formal action may or may not be taken. This notice shall be:

(a) Prominently posted in at least one place within the Property reserved for such or similar announcements.

(b) Mailed, telephoned, telegraphed, faxed, or hand delivered to at least two newspapers designated by the Board.

(c) Filed with the Association secretary or administrative officer responsible for administering the Association business office.

(d) At least once each year within seven (7) days following the annual meeting of the Association, the Board shall post and maintain posted throughout the year, notice of meetings in those locations set forth above.

(e) In the event the Board meeting is required to deal with such matters of urgency and importance that delay, for the purpose of providing 48 hours advance notice, would result in substantial harm to the interests of the Association, the notice shall be deemed adequate if it is provided as soon as possible following the calling of the meeting.

ARTICLE II

Membership and Voting Rights

Section 2.1 Members. Every person, firm, association, corporation or other legal entity who is a record owner or co-owner of the fee simple title to any Lot shall be a Member of the Association; provided however, that any person, firm, association, corporation, or legal entity who holds such title or interest merely as a security for the performance of an obligation (including but not limited to mortgagees or trustees under deeds of trust) shall not be a Member of the Association. Membership in the Association shall be appurtenant to each Lot and transfer of title to each Lot shall automatically transfer membership in the Association without the necessity of delivery of any document. Each Member shall notify the Secretary of the Association of the transfer of ownership of his, her or its Lot. Membership in the Association shall not be separated from the ownership of any Lot.

Section 2.2 Rights of Membership. In accordance with the Declaration, every person who is a Member in the Association, pursuant to the provisions of the Declaration, shall be privileged to use and enjoy the Homeowner Common Areas and Facilities, subject however to the right of the Association to:

(a) Promulgate Rules and Regulations governing such use and enjoyment;

(b) Suspend the use and enjoyment of such Homeowner Common Areas and Facilities as provided in Section 2.3 of this Article II; and

(c) Transfer, reserve, lease or otherwise agree to restrict or place conditions on the use and enjoyment of all or any part of the Homeowner Common Areas and Facilities as provided in the Declaration and as provided in any other agreement, arrangement or lease to which the Association is a party or to which it has agreed to be bound.

Section 2.3 Suspension of Rights. The Membership and voting rights of any Member may be suspended by the Board for any period during which any assessment against the Lot to which his Membership is appurtenant and is due and remains unpaid. Such rights and privileges shall be immediately and automatically restored upon full payment of such assessments, and any late fees imposed and/or interest and/or costs incurred in connection therewith.

Further, if Rules and Regulations governing the use of the Homeowner Common Areas and Facilities and the conduct of persons thereon have been adopted and published, as authorized in the Bylaws, the rights and privileges of any person in violation thereof may be suspended at the discretion of the Board for a period not to exceed sixty (60) days for any single violation, but if the violation is of a continuing nature, such rights and privileges may be suspended indefinitely until such time as the violation is abated. No such action shall be taken by the Board until the Member is afforded written notice and an opportunity for a hearing.

Section 2.4 Votes.

(a) The Owner(s) of each Lot (other than Declarant, the voting rights of which are set forth in subsection (b)) shall be entitled to one vote for each Lot owned. When one or more persons hold title, the vote for each Lot shall be exercised as the co-owners among themselves determine. When one or more co-owners purport to vote (in person or by proxy) for all co-owners, such vote shall be counted unless one or more of the other co-owners is present and objects to such vote; or if not present, submits a proxy or objects in a writing delivered to the Secretary of the Association before the vote is counted. If co-owners disagree as to the vote, the vote shall be split equally among the co-owners.

(b) The Declarant shall be entitled to 151 votes (which number shall be automatically decreased to correspond to the number of Lots to be developed by Declarant pursuant to its plan of land use development as reflected in any amended preliminary or final subdivision or site approval for the Property less the total number of Lots within the Stanton Ridge Development which have been conveyed to Owners, other than builders or developers who own Lots for use in their trade or business. However, voting for, and turnover of control of, the Board shall be governed by the provisions of Article IV of these Bylaws.

Section 2.5 Proxies. Proxy ballots shall be permitted with respect to all elections of Trustees, and all amendments to the Certificate of Incorporation, the Declaration or these Bylaws, or any other matter which is to come before a meeting of the Members of the Association. All proxies shall be in writing, signed by each individual Lot Owner (or in the case of joint owners by any one of them), or by a duly authorized legal representative(s) and delivered to the Secretary of the Association, or such other person as the President may designate, at least 24 hours prior to the commencement of the meeting at which ballots are to be cast. Proxies may be revoked at any time prior to the commencement of the meeting at which ballots are to be cast, and no proxy shall be voted after eleven (11) months from the date it is executed

unless said proxy provides for a longer period, not to exceed three (3) years from the date of execution. All proxies shall be substantially in the form prescribed by the Board, and if not in such form, shall be deemed invalid which determination as to form shall be made in the sole and absolute discretion of the Board.

ARTICLE III

Meetings of Members

Section 3.1 Place of Meetings. All meetings of the Members of the Association shall be held in a place, convenient to the Members, designated by the Board.

Section 3.2 Annual Meetings. The first annual meeting of the Members of the Association shall be held on such date as is fixed by the Declarant, which date shall in no event be held more than sixty (60) days after the Owners, other than the Declarant, own 25% or more of the Lots. All annual meetings, thereafter, shall be held on such day and month of the year to be established by the Board. At the first annual meeting and each subsequent annual meeting the election of Trustees shall take place in accordance with Article IV of these Bylaws.

Section 3.3 Special Meetings. Special meetings of the Members may be called at any time by the Board whenever it deems such a meeting advisable and shall be called upon the written request of Members representing not less than twenty-five (25%) percent of all votes entitled to be cast at such meeting. Such request shall state the purpose(s) of such meeting and the matter(s) proposed to be acted upon. Unless Members representing at least fifty (50%) percent of all votes entitled to be cast request such a meeting, no special meeting may be called to consider any matter which is substantially the same as a matter voted upon at any meeting of the Members held during the preceding twelve (12) months, which determination shall be made in the sole and absolute discretion of the Board.

Section 3.4 Notice of Meeting. In addition to Notice provisions provided for elsewhere in these Bylaws, notice of any meeting of Members shall not be required to have been sent to any Member who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the Members shall not be required to be given except when expressly required by law. Notice for any meeting may be waived by any Member in writing given at any time. Actual attendance by Members at any meeting of Members of the Association shall constitute waiver of notice of the time and place thereof.

Section 3.5 Quorum and Adjourned Meeting. At any such meeting of the Members, persons (including Declarant or its representatives) holding twenty-five (25%) percent of the authorized votes cast, in person or by proxy, shall constitute a quorum for the transaction of business except where otherwise provided by law. In the absence of a quorum, the persons holding votes present in person or by proxy and entitled to vote, may, by majority vote, adjourn the meeting from time to time for at least 48 hours from the time the original meeting was rescheduled, until a quorum shall be present or represented. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting originally called.

Section 3.6 Organization. At each meeting of the Association, the President (elected by the Board pursuant to Article VII hereof), or, in his absence, the Vice President, or in the absence of both of them, a person chosen by a majority vote of the Members present in person or represented by proxy and entitled to vote thereat, shall act as a chairperson, and the secretary, or in his absence, a person whom the chairperson shall appoint, shall act as secretary of the meeting.

Section 3.7 Voting. Except as otherwise provided in these bylaws, the Declaration, or the Planned Real Estate Development Full Disclosure Act, passage of all decisions shall require the affirmative vote of at least a majority of members in good standing and entitled to vote in attendance at a meeting. The election of Trustees shall be by ballot. Unless determined by a majority of the votes of the Members cast at such meeting, in person or by proxy, or determined by the chairperson of the meeting to be advisable, the vote on any other question need not be by ballot. Any action which may be taken at a meeting of Members may be taken without a meeting if authorized by a writing signed by the required percentage of Members entitled to vote for that particular matter.

Section 3.8 Member in Good Standing. A Member shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of the Association if, and only if, such Member shall have fully paid all installments due for assessments made or levied against the Lot(s) owned by such Member by the Board as hereinafter provided, together with all late fees, interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to such Lot(s), at least three (3) calendar days prior to the date fixed for such meeting.

Section 3.9 Judges. If at any meeting of the Members a vote by ballot shall be taken, the chairperson of such meeting shall appoint two judges to act thereat with respect to such vote. Each judge so appointed shall first subscribe an oath faithfully to execute the duties of a judge at such meeting with strict impartiality and according to the best of his ability. Such judges shall decide upon the qualifications of votes and shall report the number of voters represented at the meeting and entitled to vote, shall conduct and accept the votes, and when the voting is completed, shall ascertain and report all votes cast. Reports of judges shall be in writing and subscribed and delivered by them to the Secretary of the meeting. The judges need not be Members of the Association and any officer or Trustee of the Association may be a judge, other than with regard to a vote for or against his election to any position with the Association or any other issue in which he may be directly interested.

Section 3.10 Order of Business. The order of business at the annual meeting of the Members or at any special meetings insofar as practicable shall be:

- (a) Calling of the roll and certifying the proxies.
- (b) Proof of notice of meeting and waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Appointment of judges of election, if appropriate.

- (e) Election of Trustees, if appropriate.
- (f) Receiving reports of officers.
- (g) Receiving reports of committees.
- (h) Old business.
- (i) New business.
- (j) Adjournment.

ARTICLE IV

The Board of Trustees

Section 4.1 Express and Implied Powers and Duties. The property, affairs and business of the Association shall be managed by the Board of Trustees which shall have all those powers granted to it by the Certificate of Incorporation, the Declaration, these Bylaws and by law.

Section 4.2 Number and Qualifications.

(a) Appointed Trustees. Until the first annual meeting of the membership of the Association, and thereafter until their successors shall have been elected and qualified, the Board shall consist of four (4) persons designated by the Declarant, none of whom need be Owners.

(b) Elected Trustees. Elected Trustees shall be elected by the Members at annual meetings. At least one (1) elected Trustee shall be a Member. The first election of elected Trustees shall take place at the first annual meeting of Members. The first annual meeting shall be called by the President and held within 60 days after the Owners, other than builders or developers who own Lots for use in their trade or business and other than the Declarant, own 25% of the Lots. After the first annual meeting, the Board shall consist of seven (7) Trustees (hereinafter referred to as Trustees A, B, C, D, E, F and G). At the first annual meeting the Owners, other than Declarant, shall be entitled to vote for and elect Trustees A and B, and the Declarant shall have the right to appoint Trustees C, D, E, F and G.

Within 60 days after the Owners, other than builders or developers who own Lots for use in their trade or business and other than the Declarant, own 50% or more of the Lots, the President shall hold a special meeting of the Members of the Association. At such special meeting, Owners, other than the Declarant, shall be entitled to elect Trustees A, B, and C and the Declarant shall have the right to appoint Trustees D, E, F and G.

Within 60 days after the Owners, other than builders or developers who own Lots for use in their trade or business and other than the Declarant, own 75% or more of the Lots, the President shall hold a special meeting of the Members of the Association. As such special

meeting, Owners other than the Declarant, shall be entitled to elect all of the Trustees of the Board not theretofore elected by them, except that the Declarant shall be entitled to appoint Trustee G so long as the Declarant owns one or more lots. Further, the Declarant shall have the right to relinquish control of any Trusteeship at any time, provided that the Owners agree by majority vote to assume control in the event such relinquishment results in a change of control of the Board from the Declarant to the Owners.

(c) Where the Declarant is a corporation, Trustees appointed by the Declarant may be officers, stockholders, employees, representatives or agents of such corporation; where the Declarant is a partnership, the trustees appointed by Declarant may be members, representatives, agents or employees of such partnership or of the partners thereof; provided, however, that at least one of the Trustees of the Board shall be a resident of the State of New Jersey.

Section 4.3 Election and Term of Office.

(a) At the first annual meeting of the Membership that is called after Owners other than builders, developers or the Declarant owns 25% or more of the Lots, Trustees A and B shall be elected by the Owners other than the Declarant and Declarant shall appoint Trustees C, D, E, F, and G. Trustees A and B shall be elected for two (2) year terms and C, D, E, F and G shall be appointed to serve until their successors are elected at the special meeting held after 50% of the Lots are owned by Owners other than the Declarant or Declarant's voluntary relinquishment of control of the Board, whichever occurs first.

At the meeting of the Membership that is called after Owners other than builders, developers or the Declarant own 50% or more of the Lots, Trustees A, B and C shall be elected by the Owners other than the Declarant, and Declarant shall appoint Trustees D, E, F and G. Trustees A, B and C shall be elected for two (2) year terms and D, E, F and G shall be appointed to serve until their successors are elected at the special meeting held after 75% of the Lots are owned by Owners other than the Declarant, or Declarant's voluntary relinquishment of control of the Board, whichever occurs first.

At the special meeting at which Trustees D, E, F and G shall be elected by Owners other than the Declarant (subject, however, to Declarant's right to appoint Trustee G as provided for in Section 4.2 of this Article), these Trustees shall be elected to serve an initial term which expires at the next annual meeting of the Members at which Trustees A, B and C are not scheduled for re-election, but in no event shall such initial term be less than two (2) years nor more than three (3) years. Thereafter, the term for Trustees D, E, F and G shall be for two (2) years; it being the purpose and intent hereof that Trustees A, B and C shall be elected in alternate years to Trustees D, E, F and G. At each annual meeting thereafter, Trustees shall be elected for a term of two (2) years to succeed those Trustees whose terms are expiring.

(b) The Trustees shall hold office until their respective successors have been duly elected and qualified, or until removed in the manner provided by these Bylaws.

(c) In elections for Trustees, each Member may cast, in respect to each vacancy on the Board, the number of votes to which such Member is entitled under Article II, Section 2.4. Those nominees receiving the highest number of votes shall be elected. If the

annual meeting is postponed, as provided herein, for any reason, any election which would have satisfied the requirements of this Article IV had the annual meeting been held on the originally scheduled date shall be unaffected by such postponement.

Section 4.4 Removal of Trustees. The Trustees appointed by the Declarant serve at the pleasure of the Declarant and may be removed or replaced only by the Declarant, at any time, with or without cause. While the Declarant is in control of the Board, any one or more Owner elected Trustees may be removed with or without cause at any duly held regular or special meeting of the Owners by a majority of the Owner votes present, provided that the notice of the meeting expressly includes this item of business on the agenda. In such event a successor(s) shall be elected by the Owners, other than the Declarant, in the manner set forth in Article IV, Section 4.3 herein to fill the vacancies thus created.

Once the Owners control the Board, any one or more Owner elected Trustees may be removed with or without cause at any duly held regular or special meeting of the Owners by a majority of the Owner votes present, provided that the notice of the meeting expressly includes this item of business on the agenda. In such event, a successor(s) may then and there be appointed by a majority of the remaining trustees to fill the vacancy thus created. Each person(s) appointed shall be a Trustee for the remainder of the term of the Trustee whose term he is filling and until his successor is duly elected and qualified. Any Trustee whose removal has been proposed shall be given an opportunity to be heard at the meeting. The Declarant, as the Owner of Lots, may not vote to remove a Trustee elected by solely by the votes of Owners other than the Declarant. Also, the Owner's rights of removal shall not apply to any Trustee appointed by the Declarant.

Section 4.5 Vacancies. Vacancies on the Board caused by any reason other than the removal of a Trustee by a vote of the Owners of the Association shall also be filled by a vote of a majority of the remaining Trustees, including the Declarant's appointees, at a special meeting of the Board held for that purpose reasonably promptly after the occurrence of any such vacancy. Each person so elected shall be a Trustee for the remainder of the term of the Trustee whose term he is filling and until his successor shall have been duly elected and qualified. Until the first annual meeting of Owners, the Declarant shall have the right to fill all vacancies on the Board, in accordance with Article IV, Section 4.2 herein. Owner elected vacancies on the Board shall only be filled with Owners, other than the Declarant, whether same be appointed or elected.

Section 4.6 Meetings of the Board; Notices; Waiver of Notice. The first meeting of the Board shall be held not later than ten (10) days after the first annual meeting of the Members and at such time and place as shall be fixed by a majority of the Board. Thereafter, regular meetings of the Board may be held at such time and place as shall be determined by a resolution of the Board, but at least two meetings shall be held each year. Special meetings of the Board may be called by the President on two (2) days notice to each Trustee given by hand delivery, telephone, mail or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or by the Secretary in like manner and on like notice on the written request of at least three (3) Trustees. Any Trustee may, at any time, waive notice of any meeting of the Board in writing and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by Trustees at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof.

These provisions are in addition to other Notice provisions provided for elsewhere in these Bylaws.

Section 4.7 Open Meetings. All meetings of the Board, except conference or working sessions at which no binding votes are to be taken, shall be open to attendance by all Owners.

Section 4.8 Restrictions on Open Meetings. Despite Section 4.7 above of these Bylaws, the Board may exclude or restrict attendance at those meetings or portions of meetings dealing with the following:

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

Section 4.9 Quorum and Adjourned Meetings. At all meetings of the Board, a majority of the Trustees shall constitute a quorum for the transaction of business and the votes of a majority of the Trustees present and voting at a meeting at which a quorum is present shall constitute a valid decision. If at any meeting of the Board there shall be less than a quorum present, the majority of those present shall adjourn the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be transacted without further notice. The vote of a majority of those present at a Board meeting at which a quorum is present shall be necessary for valid action by the Board on any matter.

Section 4.10 Joinder in Meetings by Approval of Minutes. The transaction of any business at any meeting of the Board however called and noticed or wherever held, shall be as valid as a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, each Trustee signs a written waiver of notice, or a consent to the holding of the meeting, or an approval of the minutes thereof or of the resolution or act adopted at such meeting. All such waivers, consents or approvals, shall be in writing and filed with the Secretary and made a part of the minutes of the meeting even though filed subsequent thereto.

Section 4.11 Non-waiver. All the rights, duties and privileges of the Board shall be deemed to be continuing and shall not be exhausted by a single act or series of acts. To the same extent, the failure to use or employ any remedy or right hereunder or hereafter granted shall not preclude its exercise in the future nor shall any custom bind the Board.

Section 4.12 Consent in Lieu of Meeting and Vote. In spite of anything to the contrary in these Bylaws, the Certificate of Incorporation or the Declaration, the entire Board shall have the power to take action on any matter on which it is authorized to act, without the

necessity of a formal meeting and vote if the entire Board, or all the Trustees empowered to act, whichever the case may be, shall consent in writing to such action.

Section 4.13 No Compensation. No Trustee shall be compensated by the Association for acting as such. However, Trustees may be reimbursed by the Association for reasonable expenses incurred on behalf of the Association upon approval of a majority of the other Trustees.

Section 4.14 Rules of Order. Where not otherwise provided herein, the Board and Association shall conduct their respective business in accordance with Robert's Rules of Order, or such other rules as it may adopt from time to time for such purpose.

Section 4.15 Declarant's Protective Provisions.

(a) So long as the Declarant owns at least one (1) Lot for sale, the following shall apply and shall not be amended without the consent of the Declarant:

(i) Neither the Association nor its Board shall take any action that will impair or adversely affect the rights of the Declarant or cause the Declarant to suffer any financial, legal or other detriment, including but not limited to any direct or indirect interference with the sale of Lots, or the assessment of the Declarant for capital improvements.

(ii) The Association and its Board shall continue the same level of maintenance, operation and services as provided immediately prior to the assumption of control of the Association and the Board by Owners other than the Declarant.

(b) The aforementioned protective provisions shall be construed in accordance with and not in derogation of *N.J.A.C. 5:26-8.4* of the regulations promulgated pursuant to the New Jersey Planned Real Estate Development Full Disclosure Act, *N.J.S.A. 45:22A-21 et seq.*

Section 4.16 Responsibilities of Declarant.

(a) While the Declarant appoints a majority of the Board, it shall take no action which adversely affects a homeowner's rights under *N.J.A.C. 5:25-5.5*, pertaining to claims in Homeowner Common Areas and Facilities. Claims relative to defects in Homeowner Common Areas and Facilities shall be processed in accordance with *N.J.A.C. 5:25-5.5*.

(b) While the Declarant appoints a majority of the Board, it shall make no additions, alterations, improvements or purchases not contemplated in the Public Offering Statement 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.

ARTICLE V

Powers and Duties of the Board of Trustees

Section 5.1 General Powers and Privileges. The Board shall have those powers necessary to conduct the affairs of the Association, which include but are not necessarily limited to the following, together with such other powers as may be provided herein or in the Declaration, or which may be necessarily implied. The power to:

- (a) Perform anything and everything necessary for the sound management of the Association, including the power to employ, by contract or otherwise, a manager, managing agent or an independent contractor, to oversee, supervise and carry out the responsibilities of the Board. Said manager or said independent contractors shall be compensated upon such terms as the Board deems necessary and proper; and
- (b) Employ any person, firm or corporation to repair, maintain or renovate the Homeowner Common Areas and Facilities, Areas of Common Responsibility and Easement Areas and all improvements therein; lay pipes or culverts, to bury utilities; to put up lights or poles, to erect signs and traffic and safety controls of various sorts on said Homeowner Common Areas and Facilities, Areas of Common Responsibility and Easement Areas; and
- (c) Employ, to obtain advice from or otherwise provide for, the services of professional and non-professional persons, firms or corporations such as, but not limited to, landscape architects, architects, engineers, lawyers and certified public accountants; and
- (d) Contract for or otherwise provide for such materials, supplies, furniture, equipment and labor as and to the extent the Board deems necessary; and
- (e) Employ or contract for trash removal services and utility services, including but not limited to, water, sewer, garbage, snow removal, lawn maintenance, electrical, telephone and gas services, and cable or master antenna television; and
- (f) Employ all managerial personnel necessary, or enter into a managerial contract for the efficient discharge of the duties of the Board hereunder; and
- (g) Employ or otherwise provide for, firefighting services, security guard services and such other protective services as the Association shall from time to time deem desirable for the benefit of the Property, the Owners, their tenants and guests; and
- (h) Employ, contract for or otherwise provide for, the construction, reconstruction, repair, replacement or refinishing of any roads, drives or other paved areas upon any portion of the Property not dedicated to any governmental unit and not owned by an Owner; and
- (i) Lease, accept any assignment of lease, and/or accept fee title to all or any portion of the Country Club Areas and Facilities; including but not limited to the exercise of its right of reverter in and to the Country Club Areas and Facilities; and

(j) Enter into and enforce all agreements and arrangements with the Stanton Ridge Golf and Country Club Inc. ("Country Club") and/or Stanton Golf Properties ("Golf Properties") as may be contemplated pursuant to the Declaration and the Readington Township land use approvals; and

(k) Adopt, amend, and publish Rules and Regulations governing the administration, management, operation and use of the Property and Homeowner Common Areas and Facilities, and the conduct of the occupants, thereof, which Rules and Regulations may also be modified by a vote of 75% of the Members; and

(l) Enforce full performance by Owners or occupants of all items of maintenance for which they are responsible; and

(m) Cause its agents, independent contractors, and employees, after reasonable notice, to enter upon any Lot for the purposes of maintaining and repairing any portion of the Property if for any reason whatsoever the Owner thereof fails to maintain it in good condition and repair and so as to present an attractive exterior appearance as required to promote or protect the general health, safety and welfare of the residents and users of the Property; and

(n) In its own name, or its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of and to enforce the Rules and Regulations and the terms, conditions and regulations contained in the Declaration and these Bylaws; and

(o) Bring and defend actions which are pertinent to the operation of the Association, the health, safety, or general welfare of the Owners, or any other legal action subject, however, to the provisions of Article VII, Section 7.2(j) of the Declaration; and

(p) Borrow and repay monies, giving notes, mortgages or other security upon such term or terms as it deems necessary; and

(q) Invest and reinvest monies, sue and be sued, collect interest, dividends and capital gains; exercise rights; pay taxes; make and enter into contracts; enter into leases or concessions; make and execute any and all proper affidavits for various purposes; compromise any action without leave of court; and all other powers contained herein, and those necessary and incidental thereto; and

(r) Pay and to discharge any and all liens from time to time placed or imposed upon any portion of the Homeowner Common Areas and Facilities on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration; and

(s) Transfer and obtain easements, licenses, leases and other property rights with respect to contiguous lands; and

(t) Suspend the voting rights and right to use the Homeowner Common Areas and Facilities of a Member during any period in which such member shall be in default in the

payment of any assessment levied by the Association. Such rights may also be suspended for infraction of published Rules and Regulations governing use of said Homeowner Common Areas and Facilities, after notice and hearing, for a period not to exceed 60 days for each such infraction or for such period as any such infraction continues; and

(u) Appoint an insurance trustee, who shall not be a Member of the Association, an employee of the Declarant, or the Manager, who shall discharge his duties in accordance with these Bylaws and in the absence of such an appointment, the Board shall be responsible for the disposition of all insurance proceeds; and

(v) Co-venture or otherwise contract with other homeowner associations of other developments and/or the Country Club and/or Golf Properties for combined efforts to achieve economies with contractors for repairs and maintenance of Association assets; and

(w) Create, appoint members to and disband such committees as shall from time to time be deemed appropriate or necessary to aid the Board in the discharge of its duties, functions and powers, including but not limited to, an Architectural Review Committee and/or a Covenants Committee; and

(x) Subject to the provisions of the Declaration, grant and convey to any third party, easements and rights-of-way in, on, over, under, across and through the Homeowner Common Areas and Facilities for the purpose of constructing, erecting, operating or maintaining thereon, therein or thereunder (1) overhead or underground lines, cables, wires, conduits, or other devices for the transmission of electricity and for lighting, heating, power, telephone, community television, radio and audio antenna facilities for other appropriate purposes, (2) public sewers, storm water drains and pipes, water systems, sewer treatment facility and related amenities, pump station pipes and lines, heating and gas lines or pipes and (3) any similar public or quasi-public improvements and facilities; and

(y) Settle disputes relating to the jurisdiction of any committee of the Board or appointed by the Board, the decision of the Board concerning which shall be final and binding; and

(z) Establish a Covenants Committee as hereinafter provided in Article X; and

(aa) Establish an Architectural Review Committee as hereinafter provided in Article IX and as provided in the Declaration.

(bb) Exercise all of the rights, powers, privileges, duties and obligations with respect to the Country Club Areas and Facilities as the Board has with respect to the Homeowner Common Areas and Facilities in the event Declarant conveys title to the Country Club Areas and Facilities to the Association and thereafter the Association does not convey same in fee simple on condition subsequent to Golf Properties, and/or thereafter Golf Properties or the Association does not enter into a Lease with the Country Club, or in the event after assignment of the Lease by the Declarant or Golf Properties to the Association the Lease terminates or the Association otherwise obtains lawful possession, title and use of the Country Club Areas and Facilities by its exercise of its right of reverter or otherwise.

(cc) Adopt, amend and publish a Design Criteria and Guidelines Manual as may be necessary or convenient to carry out the provisions of the Declaration.

Section 5.2 Duties and Responsibilities. It shall be the affirmative and perpetual obligation and duty of the Board to perform the following:

(a) Exercise its powers in accordance with these Bylaws, the Declaration, the Rules and Regulations and pursuant to any agreements the Association may enter into, including without limitation, any agreement which may relate to the Association's performance of its administrative and operational activities such as maintenance or insurance, general management function, and management standards.

(b) Cause the Homeowner Common Areas and Facilities to be maintained according to accepted standards, including but not limited to such maintenance, painting or replacement and repairs, snow removal or cleaning as may be necessary and as the Board may deem appropriate. All repairs and replacement to the extent reasonably feasible shall be substantially similar to the original application and installation; and

(c) Investigate, hire, pay, supervise, and discharge the personnel necessary to be employed, and provide the equipment and materials necessary, in order to properly maintain and operate the Homeowner Common Areas and Facilities. Compensation for the services of such employees (as evidenced by the certified payroll) shall be considered an operating expense of the Association; and

(d) Cause to be kept a complete record of all its acts and corporate affairs and to present a summary report thereof to the Members at the annual meeting or at any special meeting when requested in writing by Members entitled to cast at least twenty-five (25%) percent of the total votes of the Association; and

(e) Allocate common surplus or make repairs, additions, improvements to, or restoration of the Homeowner Common Areas and Facilities in accordance with the provisions of these Bylaws and the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings; and

(f) Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises maintained by the Association placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, and order of the Board of Fire Underwriters or other similar bodies; and

(g) Procure and maintain the insurance required by Article XII of the Declaration; and

(h) Manage the fiscal affairs of the Association as hereinafter provided in Article VI; and

(i) Provide a fair and efficient procedure for the resolution of disputes between individual Owners and the Association, and between different Owners, that shall be readily available as an alternative to litigation.

Section 5.3 Other Powers. Subject to the Declaration or other instruments of creation, the Association may do all that it is legally entitled to do under the laws applicable to its form of organization.

Section 5.4 Discharge of Powers. The Association and the Board shall discharge their powers in a manner that protects and furthers the health, safety and general welfare of the residents of the community.

ARTICLE VI.

Fiscal Management

Section 6.1 Common Expense Assessments. The Board shall have the duty to collect from each Owner, his, her, or their heirs, administrators, successors and assigns, as "Common Expense Assessments", the Common Expenses assessed against such Owner as provided for in the Declaration, the Certificate of Incorporation, these Bylaws and in accordance with applicable law.

Section 6.2 Determination of Common Expenses. The amount of monies for Common Expenses deemed necessary by the Board and the manner of expenditure thereof, including but not limited to, the allocation thereof, shall be a matter for the sole discretion of the Board.

Section 6.3 Disbursements. The Board shall take and hold the funds as collected and shall disburse the same for the purposes and in the manner set forth herein and as required by the Declaration, Certificate of Incorporation, and applicable law.

Section 6.4 Depositories. The depository of the Association shall be such financial institution or institutions as shall be designated from time to time by the Board and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such parties as are authorized by the Board, provided that a management agreement may include, among its provisions authority for a manager to sign checks on behalf of the Association for payment of the obligations of the Association, if the proper fidelity bond is furnished to the Association.

Section 6.5 Accounts.

(a) The receipts and expenditures of the Association shall be Common Expense assessments and Common Expenses respectively, or such other additional classifications as the Board shall deem appropriate, and shall be credited and charged to accounts all of which expenditures shall be Common Expenses:

(i) Current expenses, which shall include expenditures within the year for which the budget is made, including reasonable allowances for contingencies and working funds. Current expenses shall not include expenditures chargeable to reserves. At the end of each year, the unexpended amount remaining in this account shall be applied to reduce the

assessments for current expenses for the succeeding year, or may be distributed to the Membership as the Board shall determine.

(ii) Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.

(iii) Reserve for replacement, which shall include funds for repair or replacement of the Homeowner Common Areas and Facilities and those portions of the improvements located on the Property which the Association is obligated to maintain or repair which is required because of damage, depreciation or obsolescence. The amounts in this account shall be allocated among each of the separate categories of replacement items.

(iv) Reserves for capital improvements, which shall include the funds to be used for capital expenditures or for acquisition of additional personal property that will be part of the Homeowner Common Areas and Facilities.

(v) Operations, which shall include all funds from the use of the Homeowner Common Areas and Facilities or from any other sources. Only the additional direct expenses required by any revenue producing operation will be charged to this account, and any surplus from any operation or otherwise shall be used to reduce the assessments for current Common Expenses for the year during which the surplus is realized, or at the discretion of the Board, in the year following the one in which the surplus is realized. Losses from operations or otherwise shall be met by special assessments against Owners, which assessments may be made in advance in order to provide a working fund.

(vi) Sums received as a result of the collection of late fees, fines, interest and/or penalties.

(b) The Board shall not be required to segregate the funds held in the above accounts but may, in its sole discretion, maintain the funds in one or more consolidated accounts. As to each consolidated account, the division into the various accounts set forth above need be made only on the Association's records.

Section 6.6 Reserves and Surplus Funds. The Board shall not be obligated to expend all of the reserves collected in any accounting period. The Board must maintain reasonable reserves for, among other things, repairs, replacements, emergencies, contingencies for bad weather or uncollected accounts. The Board in its determination of the Common Expenses and the preparation of a budget shall specifically designate and identify those portions of the Common Expenses to be assessed against the Lots which are allocable as a contribution to working or operating capital and which are allocable to reserves for each separate item of capital improvement. The amounts assessed and collected for the reserves shall be kept in one or more interest bearing savings accounts, or certificates of deposit and shall not be utilized for any purpose other than that which was contemplated at the time of the assessment. The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand, in a checking or petty cash account, for the necessary discharge of its functions. Any surplus of funds collected by the Association remaining after payment of the common expenses and after providing for reserves may be used by the Association for any

lawful purpose. The unused portion shall be proportionately divided among Owners, based on their interests in the Development. This surplus shall be credited to the Owners' forthcoming year's annual common expense assessment.

Section 6.7 Declarant, Lender, Liability for Assessments. Neither the Declarant nor any Lender for any Lot shall be required to pay any assessment for capital improvements, whether by way of Common Expense or special assessments or otherwise. Further, this provision may not be amended without the written consent of the Declarant and that of every Lender. The Declarant and Lender shall be responsible for the installments of regular Common Expenses assessments, or portions thereof, attributable to Lots for which a Certificate of Occupancy has been issued and for which they hold title during the time title is held. This includes that portion of same attributable to normal reserves for repair and replacement. However, the Declarant's obligation to contribute to the Association budget shall not at any time exceed its share of the amount necessary to set aside reasonable reserves and to pay for actually and reasonably incurred Common Expenses, nor shall it exceed the amount necessary to underwrite any cash deficit of the Association after payment of all assessments by the Owners.

Section 6.8 Capital Contribution. In addition to the assessments authorized herein, the Board shall levy upon each initial and subsequent Lot purchaser, other than the Declarant or a builder or developer who purchases a Lot solely for the purposes of constructing a dwelling thereon for resale, a nonrefundable capital contribution in an amount equal to one-quarter (1/4) of the annual Common Expense assessment, which capital contribution shall be used by the Association for working capital costs of the Association. The payment of such capital contribution shall be made on the date of conveyance of a Lot and shall be a condition precedent to closing of title to each Lot. The payment of the capital contribution shall not be credited against the future Common Expense assessments.

Section 6.9 Notice; Presumed Budget Increase; Emergencies. The Board shall give notice to each Owner, in writing, and to any Lender who requests same, of the amount estimated by the Board for Common Expenses for the management and operation of the Association for the next ensuing budget period, directed to the Owner at his last known address by ordinary mail, or by hand delivery. Said notice shall be conclusively presumed to have been delivered five (5) days after deposit in the United States mail with postage prepaid. Monthly or quarterly installments on assessments shall be due upon each installment payment date until changed by an amended assessment. In the event the annual Common Expense assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board, provided that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency which cannot be met by reserve funds earmarked for such contingency.

Section 6.10 Late Payment; Late Charges; Interest; Counsel Fees.

(a) If an Owner shall be in default in payment of an installment upon a Common Expense assessment, duly made by the Association, the Association may accelerate the time for payment of the annual assessment so that the entire annual assessment is immediately due and payable and/or may file a lien on such Lot. upon notice to the Owner. The amount of the lien shall be for the unpaid assessment (including the entire balance of the annual assessment if payment thereof is accelerated as provided herein). together with late fees and

interest thereon (at a rate, not to exceed the legal rate, as may be established by the Board, or if no rate is so established at twelve percent (12%) per annum) and reasonable attorneys' fees. Such lien shall be effective from and after the time of recording in the public records of the Hunterdon County Clerk's Office of a claim of lien stating the description of the Lot, the name of the 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 acknowledged 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 reasonable satisfaction of lien for recording by such party at its own expense. All such liens shall be subordinate to any lien for past due and unpaid taxes, the lien of any previously duly recorded mortgage to which the Lot is subject and to any other lien recorded prior to the time of recording the claim of lien.

The Board at its option shall have the right, in connection with the collection of any Common Expense assessment, to impose a late charge of five percent (5%) of the gross amount due and/or to charge interest at the legal maximum rate permitted by law, or if no rate is established at twelve percent (12%), if such payment is made after its due date. In the event that the Board shall effectuate collection of said assessments or charges by resort to counsel, and/or the filing of a lien, the Board may add to the aforesaid assessments or charge such counsel fees, plus the reasonable costs for preparation of the lien, in addition to such other costs as may be allowable by law. The party making payment shall be entitled to a reasonable satisfaction of the lien for recordation at its own expense.

Section 6.11 Actions by or Against Association; Assessment of Expenses and Allocation of Awards.

(a) In the case of any action or proceeding brought or defended by the Association or the Board pursuant to the provisions of these Bylaws, the reasonable costs and expenses of preparation and litigation, including attorneys fees, shall be a Common Expense allocated to all Owners.

(b) Money judgments recovered by the Association in any action or proceeding brought hereunder, including costs, penalties or damages shall be deemed a special fund to be applied to (1) the payment of unpaid litigation expenses; (2) refunding to the Owners the cost and expenses of litigation advanced by them; (3) Common Expense assessments, if the recovery thereof was the purpose of the litigation; (4) repair or reconstruction of the Homeowner Common Areas and Facilities if recovery of damages to same was the motivation for the litigation; and (5) any amount not applied to (1), (2), (3) and (4) above shall at the discretion of the Board be treated either as (i) a common surplus which shall be allocated and distributed pursuant to the provisions of the Declaration or (ii) a set off against the Common Expense assessments generally.

(c) All Common Expense assessments received and to be received by the Board, for the purpose of paying any judgment obtained against the Association or the Board and the right to receive such funds, shall constitute trust funds and the same shall be expended first for such purpose before expending any part of the same for any other purpose.

(d) In the event that an Owner(s) succeeds in obtaining a judgment or order against the Association or the Board, then in addition to any other sums to which said Owner

would otherwise be entitled by such judgment or order, such Owner shall also be entitled to the restitution or recovery of any sums paid to the Board as Common Expense assessments for litigation expenses not provided for in the judgment or order in relation to said action or proceeding.

Section 6.12 Power of Attorney to Institutional Lender. In the event the Board shall not cause the enforcement procedures provided in Section 6.10 above to be implemented within the time provided, any Lender for any Lot as to which there shall be such unpaid Common Expense assessments is hereby irrevocably granted a power of attorney to commence such actions and to invoke such other remedies, all in the name of the Association. This power of attorney is expressly stipulated to be coupled with an interest in the subject matter.

Section 6.13 Annual Audit.

(a) The Board shall submit the books, records, and memoranda of the Association to an annual audit by a certified public accountant who shall audit the same and render a report thereon in writing to the Board and in summary form to the Owners and such Lenders or other persons, firms or corporations as may be entitled to same.

(b) While the Declarant maintains a majority of representation on the Board, the Board shall have an annual audit of Association funds prepared by a certified public accountant, a copy of which shall be delivered to each Owner within 90 days of the expiration of the fiscal year of the Association. The audit shall cover the operating budget and reserve accounts.

Section 6.14 Examination of Books. Each Owner shall be permitted to examine the books of account of the Association by appointment at a reasonable time on business days; provided, however, that the Treasurer has been given at least 5 days prior written notice of the Owner's desire to make such examination.

Section 6.15 Fidelity Bonds.

(a) Fidelity bonds shall be required by the Board for all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board. The premium on such bonds shall be paid by the Association.

(b) While the Declarant maintains a majority of representation on the Board, it shall post a fidelity bond or other guarantee acceptable to the State of New Jersey, Department of Community Affairs, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves.

ARTICLE VII

Officers

Section 7.1 Designation. The Board shall elect officers of the Association in accordance with Section 7.2 herein. The principal officers of the Association shall be a

President, Vice President, Secretary and a Treasurer. The President and Vice President shall be members of the Board. The Board may create such other officers as it may deem necessary or desirable, including without limitation the offices of Assistant Secretary and Assistant Treasurer. Any two (2) offices, except that of President and Vice President, may be held by one (1) person.

Section 7.2 Election of Officers. The officers of the Association shall be elected annually by the Board at the first Board meeting following each annual meeting of the Members. The officers shall hold office at the pleasure of the Board.

Section 7.3 Resignation and Removal of Officers.

(a) Removal. An officer may be removed, either with or without cause, upon an affirmative vote of a majority of the entire Board. The successor to such office may be elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

(b) Resignation. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect as of the date of receipt of such notice or at any later time specified therein, and the acceptance of such shall not be necessary to make it effective.

Section 7.4 Vacancies. A vacancy of any office shall be filled by an appointment by the Board. The officer appointed to a vacancy shall serve for the remainder of the term of the officer so replaced.

Section 7.5 Duties and Responsibilities of Officers.

(a) President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an association and of a corporation incorporated under New Jersey law, (including but not limited to, the power to appoint committees from among the Members as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Association.)

(b) 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 shall appoint some other Trustee to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be delegated to him by the Board.

(c) Secretary. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Members of the Association; he shall have charge of such books and papers as the Board may direct, and in addition to those duties specifically assigned to him by these Bylaws, he shall, in general, perform all duties incident to the office of the Secretary of an association or a corporation incorporated under New Jersey law.

(d) Treasurer. The Treasurer shall have the responsibility for the custody of Association funds and securities and shall be responsible for keeping full and accurate

accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be authorized by the Board. Records of all receipts and expenditures shall be maintained by the Treasurer, by employees of the Association or by a manager under the general supervision of the Treasurer. The records shall include expenditures affecting the Common Areas and Facilities and Easement Areas, specifying and itemizing the maintenance, repair and replacement expenses of such Common Areas and Facilities and Easement Areas, and any other expenses incurred by the Association. Except for current books of account which may be maintained elsewhere, such records shall be available for examination as provided herein by Article VI, Section 6.14. In accordance with the actions of the Board in making assessments against the Owners, accurate records shall be maintained of such assessments and of the payment thereof by each person so assessed. The Treasurer and any other employee or agent handling funds shall, furnish a bond in accordance with Article VI, Section 6.15 of these Bylaws.

Section 7.6 Other Duties and Powers. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board.

Section 7.7 Eligibility of Trustees. Nothing herein contained shall prohibit a Trustee from being an officer.

ARTICLE VIII

Compensation, Indemnification and Exculpation

Section 8.1 Compensation. No compensation shall be paid to the President or the Vice-President or any Trustee, or committee member for acting as such officer, Trustee or committee member. The Secretary and/or Treasurer may be compensated for their services if the Board determines that such compensation is appropriate. Nothing herein stated shall prevent any officer or Trustee, or committee member from being reimbursed for out-of-pocket expenses or compensated for services rendered in any other capacity to or for the Association, provided, however, that any such expenses incurred or services rendered shall have been authorized in advance by the Board.

Section 8.2 Indemnification. Each Trustee, Officer or committee member of the Association, shall be indemnified by the Association against the actual amount of net loss including counsel fees, reasonably incurred by or imposed upon him in connection with any action, suit or proceeding to which he may be a party by reason of his being or having been a Trustee, officer or committee member of the Association, or delegee, except as to matters for which he shall be ultimately found in such action to be liable for gross negligence or willful misconduct. In the event of a settlement of any such case, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct. Nothing contained herein to the contrary shall serve to exculpate members of the Board of Trustees appointed by the Declarant from their fiduciary responsibilities.

Section 8.3 Exculpation. Unless acting in bad faith, neither the Board as a body nor any Trustee, officer, or committee member shall be personally liable to any Owner in any respect for any action or lack of action arising out of the execution of his office. Each Owner shall be bound by the good faith actions of the Board, officers and committee members of the Association, in the execution of the duties and powers of said Trustees, officers and committee members. Nothing contained herein shall be construed so as to exculpate Members of the Board of Trustees appointed by the Declarant from discharging their fiduciary responsibilities.

ARTICLE IX

Architectural Review Committee

Section 9.1 Composition. The Architectural Review Committee ("ARC") shall consist of at least three (3) persons and not more than five (5) persons. Until the last Lot is sold to an end user, i.e., not a conveyance to a builder or developer for use in its trade or business, at least a majority of the members of the ARC shall be composed of the Declarant's representatives, and the Board shall appoint the remainder of the members of the ARC. After the last Lot is sold to an end user, a majority of the members of the Architectural Review Committee shall be members of the Association. Professional persons such as architects, or other consultants may serve on the committee. The Architectural Review Committee members (other than the Declarant's representatives) serve at the pleasure of the Board and may be removed, either with or without cause, upon an affirmative vote of a majority of the Board's full authorized membership. The Declarant's representatives on the ARC may be removed, with or without cause, only by Declarant.

Section 9.2 Appointment. The Board shall appoint the members of the Architectural Review Committee other than the Declarant's representatives (who shall be appointed by the Declarant in accordance with the provisions of Section 9.1 of this Article IX). Each member of the committee shall serve for a one (1) year term. If a vacancy occurs on the Committee, the Board shall appoint a new member to the Architectural Review Committee to serve for the remainder of the unexpired term.

Section 9.3 The Architectural Review Committee shall:

- (a) Consider and act upon any and all proposals for building or site plans submitted to it pursuant to the terms of the Declaration, the Bylaws or other standards promulgated by the Board; and
- (b) Ascertain that any improvements constructed on the Property, by anyone other than the Declarant, its successors or assigns, conform to plans previously approved by the Architectural Review Committee; and
- (c) Subject to Section 9.5, adopt and enforce Architectural Review Committee rules and regulations, including the power to levy fines for violations thereof; and
- (d) Enforce the provisions of Article XI of the Declaration and this Article IX of the Bylaws, or recommend to the Board or Covenants Committee the enforcement of the

provisions of Article XI of the Declaration and of this Article IX of the Bylaws. Such power of enforcement, as vested in the Architectural Review Committee, shall include all powers of enforcement vested in the Board, by Article XI of these Bylaws including but not limited to the powers to levy fines as set forth therein: and

(e) Carry out all other duties imposed upon it by these Bylaws, the Declaration, other standards promulgated by the Board, or delegated to it by the Board.

Section 9.4 Meetings and Procedures.

(a) The Architectural Review Committee shall meet from time to time as necessary to perform its duties hereunder. The vote of a majority of the members of the Architectural Review Committee, or the unanimous written consent of said members, at a meeting or otherwise, shall constitute an action of the Committee. The Committee shall keep and maintain a written record of all actions taken by it at such meetings or otherwise.

(b) Any person desiring to take any action requiring the approval of the Architectural Review Committee, pursuant to Article XI of the Declaration and this Article IX of the Bylaws, shall submit two (2) complete sets of plans and specifications, in the form specified by the Committee and such other information required by the Declaration and as the Committee may request. The applicant shall also submit any fees for the processing of such applications that may be set by the Board. All approvals or disapprovals by the Architectural Review Committee shall be in writing and shall be delivered to the Board and the applicant. Any such submission not approved or disapproved in writing within thirty (30) days after submission shall be deemed to have been approved.

Section 9.5 Rules and Regulations. The Board may, as it deems appropriate, adopt, approve, disapprove or modify, by a majority vote or written consent of its members, rules and regulations and a Design Criteria and Guidelines Manual to be used by the Architectural Review Committee in its review process.

Section 9.6 Limitations. In no event shall the Architectural Review Committee have any power to approve any variance of the covenants and restrictions set forth in the Declaration. The Architectural Review Committee may, however, authorize variances from compliance with any of its guidelines or procedures in accordance with Article XI, Section 11.4 of the Declaration. The Architectural Review Committee shall not unreasonably withhold or delay approval of the maintenance or reconstruction of Lots or improvements thereon substantially in accordance with their appearance before the casualty or damage necessitating such maintenance or reconstruction, or of improvements or alterations designed to render Lots and improvements thereon reasonably accessible to handicapped persons. Nothing herein shall be construed to prohibit the reasonable adaptation of any building on any Lot for use by handicapped persons. In accordance with the Declaration, the Declarant, its successors and assigns and the Country Club shall be exempt from all requirements and approvals of the Architectural Review Committee or the Board if it acts in lieu of the Architectural Review Committee. In addition, no such requirement or approval shall apply to any building plans of a builder, Owner, prospective Owner or contract purchaser of an unimproved or partially improved Lot, if such plans have been approved in writing by the Declarant.

Section 9.7 Waiver. The approval by the Architectural Review Committee of any plans, drawings, or specifications for any work done or proposed or for any other matter requiring the approval of the Architectural Review Committee under these Bylaws, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

Section 9.8 Enforcement. The Architectural Review Committee may recommend to the Board that the Declarant or the Board or Covenants Committee take appropriate action to prevent or remove any unauthorized or unapproved construction or improvements on any portions of the Property.

Section 9.9 Appeals to Board. Subject to and in accordance with the provisions of Article XI, Section 11.6 of the Declaration, the Board shall have the power to serve as a board of appeal for aggrieved parties from decisions of the Architectural Review Committee and may adopt such procedures as it deems necessary for the exercise of the powers granted herein. Any action, ruling or decision of the Architectural Review Committee may be affirmed, modified or reversed by a vote of the majority of the full authorized membership of the Board.

Section 9.10 Estoppel Certificate. When the Architectural Review Committee has approved certain improvements to a Lot in accordance with Section 11.4 of Article XI of the Declaration and thereafter the Owner has started or has caused those improvements to be started, then upon twenty (20) days written demand of the Architectural Review Committee by the Board or any Member, and upon payment of such reasonable fee as may, from time to time, be fixed by the Board, such Committee shall provide an estoppel certificate, executed by one (1) of its members, certifying with respect to any Lot that as of the date thereof, either (i) the Committee has no objection to any improvements and other work made or done thereon or therein; or (ii) such improvements and/or work do not so comply with the Declaration, these Bylaws or Committee rules, in which event the certificate shall also (1) identify the non-complying improvements and/or work and (2) set forth with reasonable particularity the cause or causes for such non-compliance. Any purchaser, mortgagee or other encumbrancer receiving such a certificate shall be entitled to rely on such certificate with respect to the matters therein set forth, such matters being conclusive as between the Board and any such purchaser, mortgagee or other encumbrancer.

ARTICLE X

Covenants Committee

Section 10.1 Purpose. The Board may establish a Covenants Committee, consisting of three persons appointed by the Board, each to serve for a term of one (1) year. The Covenants Committee shall carry out its activities in a manner designed to:

- (a) enhance visual harmony and soundness of repair;
- (b) avoid activities deleterious to the aesthetic or property values of the Development;

Section 11.2 Fines. The Board shall also have the power to levy fines against any Owner(s) for violation(s) of any Rule or Regulation of the Association or for any covenants or restrictions contained in the Declaration or Bylaws. Each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against any Owner(s) involved as if the fine were a Common Expense owed by the particular Owner(s). Before any fine is imposed by the Board, the Owner(s) involved shall be given at least ten (10) days prior written notice and afforded an opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

Section 11.3 Waiver. No restriction, condition, obligation or covenant contained in these Bylaws shall be deemed to have been abrogated irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XII

Dissolution

The Association shall not be dissolved and shall not dispose of any Homeowner Common Areas and Facilities or Country Club Areas and Facilities by sale or otherwise (except as otherwise expressly provided for in the Declaration or these Bylaws) except to an organization established to own and maintain the Homeowner Common Areas and Facilities for the benefit of the Owners, or established to own the Country Club Areas and Facilities and thereafter such organization shall not be dissolved and shall not dispose of any of the Homeowner Common Areas and Facilities or Country Club Areas and Facilities without first offering to dedicate said Common Areas and Facilities to Readington Township. Any disposition of the Homeowner Common Areas and Facilities or Country Club Areas and Facilities pursuant to this Article XII and Article XVIII of the Declaration shall be subject to the requirement that the Homeowner Common Areas and Facilities and Country Club Areas and Facilities will be retained and maintained in accordance with the Declaration and these Bylaws, all of which shall be in accordance with the land use approvals granted by the Readington Township Planning Board, as they may be amended.

ARTICLE XIII

Amendments

Section 13.1 Method.

(a) Subject to the restrictions in Section 4.15 of Article IV hereof and Section 6.7 of Article VI hereof, these Bylaws, or any of them, may be altered, amended or repealed, or new Bylaws may be made at any Association meeting upon which previous notice to amend, alter or repeal has been given to Owners. These Bylaws may be amended with an affirmative vote in person or by proxy of a majority of Members in good standing. No amendment of these Bylaws shall be effective until recorded in the Hunterdon County Clerk's Office.

- (c) further the comfort of the Owners, their guests, invitees and tenants, and
- (d) promote the general welfare and safety of the residents of the Development.

Section 10.2 Powers. The Covenants Committee may regulate the external design, appearance, use and maintenance of the Common Areas and Facilities in accordance with the guidelines contained in these Bylaws or standards that may be adopted by the Board. The Covenants Committee may have the power to issue a cease and desist order to a Owner, his guests, invitees, or lessees whose actions are inconsistent with the provisions of the Declaration, the Bylaws, the Rules and Regulations or Resolutions of the Board (upon petition of any Owner or upon its own motion). The Covenants Committee may from time to time, as required, provide interpretations of the Declaration, Certificate of Incorporation and Bylaws, Rules and Regulations and Resolutions pursuant to the intent, provisions and qualifications thereof when requested to do so by a Owner or the Board. Any action, ruling or decision of the Covenants Committee may be appealed to the Board by any party deemed by the Board to have standing as an aggrieved party and a vote of a majority of the full authorized Membership of the Board may modify or reverse any such action, ruling or decision.

Section 10.3 Authority. The Covenants Committee shall have such duties, power and authority as the Board may from time to time provide by Resolution including the right to impose fines or take other enforcement actions pursuant to Article XI hereof. The Board may relieve the Covenants Committee of any of its duties, power and authority either generally or on a case by case basis by vote of a majority of the full authorized membership of the Board of Trustees. The Covenants Committee members serve at the pleasure of the Board of Trustees and may be removed, either with or without cause, upon an affirmative vote of a majority of the Board's full authorized membership. The Covenants Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Rules and Regulations or by Resolution of the Board. No action may be taken by the Covenants Committee without giving the Owner(s) involved at least ten (10) days prior written notice and affording him the opportunity to be heard, with or without counsel, and the right to cross-examine witnesses, with respect to the violation(s) asserted. The Declarant, its successors and assigns, and the Country Club shall be exempt from all requirements and for approvals of the Covenants Committee or the Board if it acts in lieu of the Covenants Committee.

ARTICLE XI

Enforcement

Section 11.1 Enforcement. The Board shall have the power, at its sole option, to enforce the terms of this instrument or any Rule or Regulation promulgated pursuant thereto, by any or all of the following: self-help; sending notice to the offending party to cause certain things to be done or undone; restoring the Association to its original position and charging the breaching party with the entire cost or any part thereof; a complaint to the duly constituted authorities; or by taking any other action, summary or otherwise, before any court, as may be provided by law.

(b) Unless otherwise specified by the affirmative vote of a majority of the Board, or by the affirmative vote of the majority of the Members, Amendments shall become effective five (5) days after adoption.

Section 13.2 Special Amendments By Declarant. The Declarant, by its own action, without the approval of the Board or Members, shall have the right to amend these Bylaws for any purpose for which it is empowered to do so pursuant to the Declaration.

Section 13.3 Declarant Voting. The Declarant shall not be permitted to cast any votes held by it for unsold Lots, parcels, or interests for the purpose of amending the Bylaws (or the Declaration or any other document) for the purpose of changing the permitted use of a Lot, parcel, or interest, or for the purpose of reducing the Homeowner Common Areas or Facilities.

ARTICLE XIV

Conflict; Invalidity

Section 14.1 Conflict. If any provision of these Bylaws is in conflict with or in contradiction of the Declaration of Covenants, Easements and Restrictions, the Certificate of Incorporation or with the requirements of any law, then the requirements of said Declaration, Certificate of Incorporation or law shall be deemed controlling, in that order.

Section 14.2 Invalidity. The provisions hereof shall be deemed independent and severable, and the invalidity, partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof unless such deletion shall destroy the uniform plan for development and operation of the Property.

ARTICLE XV

Notice

In addition to other provisions of these Bylaws, any notice required to be sent to any Owner under the provisions of the Declaration or Certificate of Incorporation or these Bylaws shall be deemed to have been properly sent and notice thereby given, when mailed, by regular post with postage prepaid, addressed to the Owner at the last known post office address of the person who appears as a Member on the records of the Association at the time of such mailing. Notice to one or two or more co-owners of a Lot shall constitute notice to all co-owners. It shall be the obligation of every Owner to immediately notify the Secretary of the Association, in writing, of any change of address. Except if an address other than the Lot has been given by the Owner, valid notice may also be given to Owners by (i) personal delivery to any occupants of said Lot over 14 years of age or (ii) by affixing said notice to or sliding same under the front door of the house on said Lot.

ARTICLE XVI

Certain Specific Contracts.

Section 16.1 Validity of Contracts with Members of the Board. No contract or other transaction between the Association and one or more of the members of the Board or between the Association and any corporation, firm or association, including Declarant, in which one or more of the members of the Board are directors, trustees, officers or employees, or are financially interested shall be void or voidable because such member or committee thereof which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exist:

(a) The fact that a member of the Board is also such a director, trustee, officer or employee, or has such financial interest is disclosed or known to the Board or committee and is noted in the minutes, and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such member or members of the Board; or

(b) The contract or transaction is commercially reasonable to the Association at the time it is authorized, approved or ratified.

Section 16.2 Inclusion of Interested Board Members in Quorum. Members of the Board holding such director, trustee, officer or employee, or position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 16.1 hereof.

ARTICLE XVII

Headings

The headings introducing the text of the several sections of these Bylaws are solely for convenience of reference and shall not constitute a part of these Bylaws or affect their meaning in any way.

ARTICLE XVIII

Corporate Seal

The Association shall have a seal in circular form having within its circumference "Stanton Ridge Homeowners Association, Incorporated, New Jersey, 1993."

82642

RECORDED
HUNTERDON COUNTY, N.J.

NOV 12 1993

BOOK 109 PAGE 143
OF 1000
DOROTHY K. TIRPOK
COUNTY CLERK

Record, charge and return to:

Richard Schatzman, Esquire
McCARTHY AND SCHATZMAN, P.A.
228 Alexander Street
P.O. Box 2329

Princeton, NJ 08543-2329

0000-0000 11/12/93 1 AM11:21

DEEDS 0 287.00
1 ITEMS
TOTAL 287.00
CHARGE 287.00

CONDITIONS

Page 3

1. DEFINITIONS

(a) "**Mortgage**" means mortgage, deed of trust or other security instrument. (b) "**Public Records**" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B-Section II may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B-Section I are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B-Section I

or

eliminate with our written consent any Exceptions shown in Schedule B-Section II.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this Commitment and is subject to its terms.

INFORMATION SHEET

**BUYER/MRTR
ATTORNEY**

The Title Insurance Commitment is a legal contract between you and Commonwealth Land Title Insurance Company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy Form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.

If you have any questions about the commitment, contact the Issuing Agent.

TABLE OF CONTENTS

AGREEMENT TO ISSUE POLICY	Page 2
SCHEDULE A	Insert
1. Commitment Date	
2. Policies to be Issued, Amounts and Proposed Insureds	
3. Interest in the Land and Owner	
4. Description of the Land	
SCHEDULE B-I — REQUIREMENTS	Insert
SCHEDULE B-II — EXCEPTIONS	Insert
CONDITIONS	3

TITLE INSURANCE COMMITMENT

BY



**Commonwealth®
Land Title Insurance Company**

TRANS-COUNTY TITLE AGENCY, INC.

P.O. Box 675

New Brunswick, NJ 08903

Phone: (908) 846-0600 Fax: (908) 846-6734

COMMONWEALTH LAND TITLE INSURANCE COMPANY



By:

President

Attest:

Secretary

Countersigned:

By **AUTHORIZED SIGNATORY**

TITLE INSURANCE COMMITMENT

SCHEDULE A

File No. TC-41526
Your File
ISSUED 11/16/94

A

1. Commitment Date: October 25, 1994

2. Policy (or policies) to be issued:

(a) ALTA Title Insurance Policy (residential 6-01-87) \$900,000.00

Proposed Insured: MARK F. ROSENBERG and SANDRA BACOME ROSENBERG,
husband and wife

(b) ALTA Loan Policy 10-17-92 \$T.B.A.

Proposed Insured: T.B.A.

3. Fee simple interest in the land described in this Commitment is owned, at the Commitment Date, by

STANTON PROPERTIES II, a New Jersey General Partnership having STANTON PROPERTIES, a New Jersey General Partnership and CHANCO DEVELOPMENT CORPORATION-STANTON, a Delaware Corporation, as Partners under deed from NEIL I. VANCLEEF and EDWARD H. VOGEL, Partners trading as STANTON PROPERTIES, a New Jersey Partnership, dated 4-02-92, recorded 4-07-92 in Deed Book 1070 Page 67.

4. The land referred to in this Commitment is:

in the TOWNSHIP of READINGTON
County of HUNTERDON, State of New Jersey

NOTE FOR INFORMATION: Being known as Tax Lot 21 in Block 51.03

SCHEDULE A ITEM 4
(attached)

Trans-County Title Agency, Inc.

83 Morris Street, P.O. Box 675
New Brunswick, New Jersey 08903
Phone: 908-846-0600

Title Officer: MICHAEL E. HUDDLESTON/TMT

Authorized Signatory

COMMONWEALTH

SCHEDULE "A" ITEM NO. 4

DESCRIPTION

Trans-County Title
TC - 41526
ISSUED 11/16/94

BEING ALL that certain tract and parcel of land located in the TOWNSHIP
of **READINGTON**, County of **HUNTERDON** and State of New Jersey.

Being known as Tax Lot **21** in Block **51.03**

A-4

Being known and designated as Lot 21 Block 51.03 as shown on that certain map entitled "Final Plat for Stanton Ridge, Section I, Block 51, Lots 3, 5, 13, 14, 20 & 21 and Block 45, Lots 16 & 25 located in Readington Township, Hunterdon County, New Jersey", filed in the Hunterdon County Clerk's Office as Map No. 1117.

TITLE INSURANCE COMMITMENT
SCHEDULE B - SECTION I

FILE NO.: TC-41526
ISSUED: 11/16/94

REQUIREMENTS

The following requirements must be met:

1. Pay the amounts for the interest in the land and/or the mortgage to be insured.
2. Pay us the premiums, fees and charges for the policy.
3. Documents satisfactory to us creating the interest in the land and/or mortgage to be insured must be signed, delivered and recorded:

Deed From STANTON PROPERTIES II, by STANTON PROPERTIES, a New Jersey General Partnership by its partners NEIL I. VAN CLEEF and EDWARD H. VOGEL and CHANCO DEVELOPMENT CORPORATION-STANTON, a Delaware Corporation, as General Partners and CHANCO DEVELOPMENT CORPORATION-STANTON, a Delaware Corporation as Contract seller and builder
to MARK F. ROSENBERG and SANDRA BACOME ROSENBERG, husband and wife

Mortgage from MARK F. ROSENBERG and SANDRA BACOME ROSENBERG, husband and wife
to T.B.A.

NOTICE OF SETTLEMENT TO BE FILED PRIOR TO CLOSING
PLEASE PROVIDE THIS OFFICE WITH A COPY OF THE CLOSING STATEMENT

4. You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
5. Receipt of an affidavit by the partners stating that the partnership is in existence, is not dissolved, all partners are alive, the partnership has not been altered, amended or otherwise changed. If a change has occurred, copies are to be forwarded for review and possible added comments.
6. Receipt of affidavit of title from the proposed Mortgagor(s).
7. As to CHANCO-DEVELOPMENT CORPORATION-STANTON, the following are required:
 - (a) A Corporate Affidavit of Title;
 - (b) A Certified copy of Corporate Resolution authorizing transaction;

..... continued on next page

- 8. Release/Satisfaction of record or other disposition of the mortgage made to Grand Pacific Finance Corp., dated 7/27/92, recorded 8/03/92 in Mortgage Book 991 Page 86, securing the original sum of \$4,000,000.00, as additionally secured by Co-Mortgagee and Common Use of Approvals Agreement, recorded 8/03/92.
- 9. Release/Satisfaction of record or other disposition of the mortgage made to China Trust Bank, dated 6/29/94, recorded 7/08/94 in Mortgage Book 1099 Page 73, securing the original sum of \$2,000,000.00. Together with Co-Mortgagee Agreement, dated 6/29/94, recorded 7/08/94 in Mortgage Book 1099 Page 201.
- 10. Release or other disposition of UCC-1 No. 010758 and No. 010757.
- 11. County judgment search shows no liens open of record.
- 12. United States District and New Jersey Superior Court Search ordered - report to follow.
- 13. Purchaser(s) County Judgment Search for 20 years 6 months shows: clear. U.S. District and New Jersey Superior Court Search vs Purchaser(s) ordered - report to follow.
- 14. As to CHANCO DEVELOPMENT CORPORATION-STANTON, Corporate Status Report and Franchise Tax Report are clear.

NOTE FOR INFORMATION ONLY: FLOOD CERTIFICATION ORDERED.

RUNDOWNS MUST BE ORDERED 48 HOURS IN ADVANCE TO ASSURE A CONTINUATION

NOTE FOR POLICY: SCHEDULE B - SECTION I WILL BE OMITTED IN ITS ENTIRETY UPON SUBMISSION OF PROPER PROOFS.

Title Insurance Commitment

SCHEDULE B - SECTION II

Trans-County Title
File No. TC - 41526
ISSUED 11/16/94

EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

1. Rights or claims of parties in possession of the land not shown by the public record.
2. Easements, or claims of easements, not shown by the public record.
3. Any facts about the land which a correct survey would disclose, and which are not shown by the public record.
4. Any liens on your title, arising now or later, for labor and material, not shown by the public record.
5. Taxes, charges and assessments:

Tax and Assessment Searches ordered - report to follow.

6. (FEE POLICY ONLY) Liability for additional assessments for improvements omitted and/or to be assessed and/or new construction pursuant to N.J.S.A. 54:4-63 et seq.
7. (FEE POLICY ONLY) Sub-surface conditions not disclosed by an instrument recorded in the County Clerk's/Register's Office.
8. Golf Course easement, 50' setback line, 16.5' AT&T easement and General Notes as set forth on the Map of Stanton Ridge - Section I, Map No. 1117.
9. Declaration of Covenants, Easements and Restrictions as contained in Deed Book 1099 Page 142.
10. Agreement for easement as contained in Deed Book 1086 ^{ATT} Page 171.
11. Easement as contained in Deed Book 1076 Page 639 to Jersey Central Power & Light Company and United Telephone Company of New Jersey Inc.

ALTA 5 PLANNED UNIT DEVELOPMENT ENDORSEMENT TO BE ATTACHED TO MORTGAGE POLICY.

ALTA 8.1 ENVIRONMENTAL PROTECTION ENDORSEMENT TO BE ATTACHED TO MORTGAGE POLICY.

NOTE FOR POLICY TRANSACTION ONLY: Schedule B - Section II, Items 1 through 4 will be omitted from the policy upon receipt of proper proofs.

B-2

DEED

Prepared by _____ (Print signer's name below signature)

Jay L. Lagoren
JAY L. LAGOREN, ESQ.

This Deed is made on April 2, 1992

BETWEEN NEIL I. VAN CLEEF and EDWARD H. VOGEL, Partners trading
as STANTON PROPERTIES, a New Jersey Partnership

whose address is P.O. Box 399 Amwell Road, Belle Mead, NJ 08502-0399
referred to as the Grantor.

AND [STANTON PROPERTIES II, a New Jersey general partnership having
STANTON PROPERTIES, a New Jersey general partnership and CHANCO DEVELOPMENT
CORPORATION - STANTON, a Delaware corporation, as partners]

whose post office address is c/o Stanton Properties II, P.O.Box 399, Amwell Road,
Belle Mead, NJ 08502-0399 referred to as the Grantee.
The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

*WVC
EHW* Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property
described below to the Grantee. ~~This transfer is made for the sum of~~

~~The Grantor acknowledges receipt of this money.~~

*WVC
EHW* -Tax-Map-Reference- (N.J.S.A. 46:15-2.1) Municipality of _____
Block No. _____ Lot No. _____ Account No. _____
 No property tax identification number is available on the date of this deed. (Check box if applicable.)

Property. The property consists of the land and all the buildings, and structures on the land in
the Township _____ of Readington
County of Hunterdon and State of New Jersey. The legal description is more
particularly described on Exhibit A hereto.

*WVC
EHW* Tax Map Reference (N.J.S.A. 46:15-2.1) Township of Readington, Block No. 51,
Lot Nos. 3, 5, 10, 11, 13, 14, 20 and 21 & Block 45, Lots 16, 25 and 27.

Grantor hereby transfers the property to Grantee as a contribution to the
capital of Grantee.

*WVC
EHW* The consideration for the transfer of the property is \$ 4,097,500.00

This conveyance is subject to the following mortgages which the
Grantee herein assumes to pay in accordance with their terms:

Mortgage made by Neil I. Van Cleef and Edward H. Vogel, partners
t/a Stanton Properties to G. Stanley Bohlander and Florence
Bohlander, his wife, dated May 20, 1988, recorded May 23, 1988 in
Mortgage Book 853, Page 904, Hunterdon County, New Jersey records

Mortgage made by Stanton Properties, a New Jersey partnership
to Van Cleef Engineering Associates Profit Sharing Plan and Trust
dated March 19, 1991, recorded April 8, 1991 in Mortgage Book 941,
page 293, Hunterdon County, New Jersey records

Mortgage made by Stanton Properties, a New Jersey partnership to
Van Cleef Engineering Associates Profit Sharing Plan and Trust
dated March 19, 1991, recorded April 8, 1991 in Mortgage Book 941,
page 299, Hunterdon County, New Jersey records

Mortgage made by Stanton Properties to Suburban National Bank
dated April 28, 1989, recorded June 13, 1989 in Mortgage Book 892,
page 117, Hunterdon County, New Jersey records

JB 1070-67
4.7-92

DEED

Dated: April 2, 1992

NEIL I. VAN CLEEF and
EDWARD H. VOGEL, trading as
Stanton Properties, a New
Jersey partnership

Grantor.

TO

Stanton Properties II, a New
Jersey general partnership

Grantee.

Record and return to:

Jay L. Zagoren, Esquire
Dechert Price & Rhoads
214 Carnegie Center
Princeton, NJ 08540-6237

RTR

Trans-County Title Agency, Inc.
83 Morris Street, P.O. Box 675
New Brunswick, New Jersey 08903

30680

March 31, 1992

Stanton Properties--Section
Situated in Readington Township, Hunterdon County, New Jersey

Beginning at a point being the intersection of the centerline of Whitehouse-Flemington Road (County Route 523), with the common corner between Lots 14 and 25 in Block 45, distant the following three courses from the intersection between the easterly right-of-way line of Mountain View Road (50' wide) and the centerline of County Route 523 (33' wide) as shown on a map entitled "Subdivision of Lands of Mario Norio", prepared by Frank W. Bohren, C.E, dated May 1963 and filed in the Hunterdon County Clerk's Office as Map #212; thence (i) along County Route 523, North $48^{\circ}45'36''$ East, 414.72' to a p.k. nail at the centerline intersection of County Route 523 with Edgewood Road; thence (ii) still along the same, North $49^{\circ}54'34''$ East, 998.96' to a point; thence (iii) still along the same, North $72^{\circ}11'30''$ East, 80.94' to the point of beginning; and from said point of beginning running; thence (1) along the centerline of Whitehouse-Flemington Road South seventy-two degrees, eleven minutes, thirty seconds West ($S-72^{\circ}-11'-30''-W$) a distance of fifty-one and forty hundredths feet (51.40') to a point and corner; thence (2) leaving said road and along the common line between Lots 17 and 25 in Block 45 North thirty-one degrees, thirteen minutes, thirty seconds West ($N-31^{\circ}-13'-30''-W$) a distance of eight hundred seventeen and fifty-six hundredths feet (817.56') to a point and corner; thence (3) along the common line between Lots 16 and 17 in Block 45 South forty-eight degrees, thirty-three minutes, thirty seconds West ($S-48^{\circ}33'-30''-W$) a distance of five hundred eighty and eighty-eight hundredths feet (580.88') to a point and corner on the common line with Lot 18 in Block 45; thence (4) along the common line between Lots 16 and 18 in Block 45 North forty-eight degrees, twenty-four minutes, thirty seconds West ($N-48^{\circ}-24'30''-W$) a distance of seventy and zero hundredths feet (70.00') to a point; thence (5) along the common line between Lots 16, 18, 19, 19.01 and 25 in Block 45 South forty-seven degrees, forty-three minutes, thirty seconds West ($S-47^{\circ}-43'30''-W$) a distance of seven hundred thirty-two and seventy-two hundredths feet (732.72') to a point and corner on the common line with Lot 25 in Block 45; thence (6) along the common line between Lots 24 and 25 in Block 45 North forty degrees, forty-eight minutes, thirty seconds West ($N-40^{\circ}-48'-30''-W$) a distance of two hundred twenty-eight and forty-one hundredths feet (228.41') to a point and corner; thence (7) along the common line between Lots 24 and 25 in Block 45, the northerly terminus of Mountain View Road and Lots 19 and 21 in Block 51

(1)

South forty-eight degrees, thirty-five minutes, thirty seconds West (S-48°-35'-30"-W) a distance of six hundred thirty-two and seventeen hundredths feet (632.17') to a point and corner; thence (8) along the common line between Lots 21 and 19 in Block 51 South thirty-nine degrees, forty-three minutes, thirty seconds East (S-39°-43'-30"-E) a distance of two hundred forty-two and ninety hundredths feet (242.90') to a point; thence (9) South forty-nine degrees, eleven minutes, thirty seconds West (S-49°-11'-30"-W) a distance of one hundred seventy-five and sixty-nine hundredths feet (175.69') to a point and corner between Lots 14 and 16 in Block 51; thence (10) along the common line between Lots 14 and 16 in Block 51 South thirty-nine degrees, forty-six minutes, thirty seconds East (S-39°-46'-30"-E) a distance of four hundred eighty-nine and nine hundredths feet (489.09') to a point, said point being also the common northeasterly corner of Lot 15 in Block 51; thence (11) along a common line between Lots 14 and 15 in Block 51, South forty-nine degrees, eleven minutes, thirty seconds West (S-49°-11'-30"-W) a distance of two hundred fifty and zero hundredths feet (250.00') to a point and corner; thence (12) along another common line between Lots 14 and 15 in Block 51, South thirty-nine degrees, forty-six minutes, thirty seconds East (S-39°-46'-30"-E) a distance of three hundred and zero hundredths feet (300.00') to a point and corner in the centerline of Whitehouse-Flemington Road; thence along the aforementioned centerline the following three courses; thence (13) South forty-nine degrees, eleven minutes, thirty seconds West (S-49°-11'-30"-W) a distance of thirty and zero hundredths feet (30.00') to a point; thence (14) South forty-eight degrees, fifty minutes, forty seconds West (S-48°-50'-40"-W) a distance of two hundred seventy-nine and seventy hundredths feet (279.70'); thence (15) South forty-nine degrees, thirty minutes, thirteen seconds West (S-49°-30'-13"-W) a distance of nine hundred thirty-one and ninety-two hundredths feet (931.92') to a point and corner; thence (16) leaving said road and along the common line between Lots 12 and 13 in Block 51 North forty degrees, fifty-three minutes, forty-nine seconds West (N-40°-53'-49"-W) a distance of two hundred twenty-seven and sixteen hundredths feet (227.16') to a point and common corner of Lot 5 in Block 51; thence (17) along the common line between Lots 5 and 12 in Block 51, South forty-eight degrees, fifty-three minutes, eleven

seconds West (S-48°-53'-11"-W) a distance of two hundred and zero hundredths feet (200.00') to a point and corner; thence (18) along another common line between Lots 5 and 12 in Block 51, South forty degrees, fifty-three minutes, forty-nine seconds East (S-40°-53'-49"-E) a distance of eighty hundredths feet (0.80') to a point and common corner with Lot 11 in Block 51; thence (19) along the common line between Lots 5, 10 and 11 in Block 51 South forty-eight degrees, forty-three minutes, eleven seconds West (S-48°-43'-11"-W) a distance of four hundred and zero hundredths feet (400.00') to a point and corner; thence (20) along a common line between Lots 5 and 10 in Block 51 South forty degrees, fifty-three minutes, forty-nine seconds East (S-40°-53'-49"-E) a distance of two hundred thirty-three and sixty hundredths feet (233.60') to a point in the centerline of Whitehouse-Flemington Road; thence (21) along the aforementioned centerline South forty-eight degrees, twelve minutes, eleven seconds West (S-48°-12'-11"-W) a distance of one thousand two hundred forty-two and seventy hundredths feet (1242.70') to a point and corner; thence (22) leaving said road and along the common line between Lots 5, 6 and 7 in Block 51 North forty-one degrees, forty-seven minutes, forty-nine seconds West (N-41°-47'-49"-W) a distance of one thousand one hundred forty-eight and sixty hundredths feet (1148.60') to a point and corner on the common line with Lot 5.01 in Block 51; thence along common lines between Lots 5 and 5.01 the following two courses; thence (23) North forty-one degrees, fourteen minutes, eleven seconds East (N-41°-14'-11"-E) a distance of three hundred sixty-eight and zero hundredths feet (368.00') to a point; thence (24) North sixty-nine degrees, twenty minutes, eleven seconds East (N-69°-20'-11"-E) a distance of two hundred thirty-seven and twenty-two hundredths feet (237.22') to a point and common corner with Lot 3 in Block 51; thence (25) along the common line of Lots 3 and 5.01 North thirty-eight degrees, forty-eight minutes, twenty-eight seconds West (N-38°-48'-28"-W) a distance of four hundred seventy-six and forty-five hundredths feet (476.45') to a point and corner; thence (26) along another common line between Lots 3 and 5.01 South forty-seven degrees, twenty minutes, thirty-two seconds West (S-47°-20'-32"-W) a distance of two hundred fifty-two and seventy-eight hundredths feet (252.78') to a point; thence (27) along the common line between Lots 3, 5.01 and 5.02 in Block 51

South forty-five degrees, fifty-nine minutes, seventeen seconds West (S-45°-59'-17"-W) a distance of three hundred seventy-four and ninety-seven hundredths feet (374.97') to a point and common corner with Lot 4 in Block 51; thence (28) along a common line between Lots 3 and 4 in Block 51, North forty-three degrees, thirty-two minutes, forty-three seconds West (N-43°-32'-43"-W) a distance of two hundred seventy and zero hundredths feet (270.00') to a point; thence (29) continuing along said common line North eighty-three degrees, twenty-six minutes, forty-three seconds West (N-83°-26'-43"-W) a distance of one hundred seventy-three and seventy hundredths feet (173.70') to a point and corner in the centerline of Springtown Road; thence along the aforementioned centerline the following three courses; thence (30) North fourteen degrees, ten minutes, twenty-six seconds East (N-14°-10'-26"-E) a distance of two hundred ninety-seven and seventy-nine hundredths feet (297.79') to a point; thence (31) North eight degrees, thirty-six minutes, thirty-four minutes West (N-08°-36'-34"-W) a distance of one hundred and seventy-five hundredths feet (100.75') to a point; thence (32) North thirty-two degrees, forty-two minutes, thirty-four seconds West (N-32°-42'-34"-W) a distance of one hundred thirty and fifty-seven hundredths feet (130.57') to a point and corner; thence (33) leaving said road and along the common line between Lots 3, 59.01, 2.34, 2.12, a 50' right of way, 2.03, 2.04 and 2.05 North fifty-two degrees, forty-five minutes, thirteen seconds East (N-52°-45'-13"-E) a distance of one thousand six hundred twenty-six and zero hundredths feet (1626.00') to a point and common corner of Lot 13 in Block 51; thence (34) along the common line between Lots 13 and 2.05, the easterly terminus of Pasture Road, Lots 2.11, 2.10, the easterly terminus of Cornfield Lane, Lot 2.12, the easterly terminus of a 50' right-of-way and Lot 59 North twenty-one degrees, zero minutes, fifty-two seconds West (N-21°-00'52"-W) a distance of two thousand three hundred forty-six and sixty-one hundredths feet (2346.61') to a point and corner on the common line with Lot 25.02; thence (35) along the common line between Lots 13 and 25.02 in Block 51 North seventy-two degrees, forty-seven minutes, forty-three seconds East (N-72°-47'-43"-E) a distance of three hundred fourteen and sixty-six hundredths feet (314.66') to a point and common corner between Lots 13, 21, 24.02 and 25.02 in Block 51; thence (36) along the common line

between Lots 21 and 24.02 in Block 51 North seventy-two degrees, one minute, thirty seconds East (N-74°-01'-30"-E) a distance of two hundred ninety-three and fifty-nine hundredths feet (293.59') to a point and corner; thence (37) along another common line between Lots 21 and 24.02 North seventy degrees, fifty-four minutes, thirty seconds East (N-70°-54'-30"-E) a distance of two hundred eleven and forty-one degrees (211.41') to a point and corner on the common line with Lot 35 in Block 51; thence (38) along the common line between Lots 21, 34 and 35 in Block 51 South twenty-five degrees, fifty-seven minutes, thirty seconds East (S-25°-57'-30"-E) a distance of two hundred sixty-three and eight hundredths feet (263.08') to a point and common corner; thence (39) along another common line between Lots 21 and 34 in Block 51 and the Southern terminus of Voorhees Road North seventy-two degrees, eight minutes thirty seconds East (N-72°-08'-30"-E) a distance of three hundred fifty and fifty hundredths feet (350.50') to a point and corner; thence (40) along a common line between Lots 21 and 33 in Block 51 North fifty-six degrees, twenty-two minutes, thirty seconds East (N-56°-22'-30"-E) a distance of three hundred and zero hundredths feet (300.00') to a point and corner; thence (41) along the common line between Lots 21, 30, 31, 32 and 33 in Block 51 North twenty-five degrees, fifty-seven minutes, thirty seconds West (N-25°-57'-30"-W) a distance of one thousand and zero hundredths feet (1000.00') to a point and corner with the common line of Lot 29 in Block 51; thence along the common line of Lots 21 and 29 the following two courses; thence (42) North fifty-six degrees, twenty-two minutes, thirty seconds East (N-56°-22'-30"-E) a distance of two hundred and one hundredths feet (200.01') to a point and corner; thence (43) North twenty-five degrees, fifty-seven minutes, thirty seconds West (N-25°-57'-30"-W) a distance of three hundred twenty and forty-four hundredths feet (320.44') to a point and corner on the centerline of Dreahook Road; thence along the aforementioned centerline the following two courses; thence (44) along the aforementioned centerline North fifty-six degrees, forty-eight minutes, thirty seconds East (N-56°-48'-30"-E) a distance of three hundred two and forty-one hundredths feet (302.41') to a point; thence (45) North seventy-three degrees, thirty-seven minutes, thirty seconds East (N-73°-37'-30"-E) a distance of seven hundred sixteen and six hundredths feet (716.06') to a point; thence leaving said road

S-31°-13'-30"-E a distance of 835.59' to the point and place of beginning.
Containing 413.563 more or less acres of land.

The above described lands being subject to a 20' wide AT&T Co. right-of-way described in Deed Book 773, Page 544.

The above described lands being subject to 16.5' wide AT&T Co. easement contained in Deed Book 613, Page 100 and modified in Deed Book 773, Page 544.

The above described lands being subject to a 50' wide right-of-way for ingress and egress proposed for Lots 14, 15, 16 and 17, Block 45.

The above described lands being subject to the rights of the public in and along County Route 523, Springtown Road and Dreahook Road.

~~_____~~

~~_____~~

The above described lands being prepared in accordance with a map entitled "Boundary Survey, Lands of Stanton Properties, Section I, Block 51, Lots 10 & 11, Situate in Readington Township, Hunterdon County, New Jersey", dated March 18, 1992, last revised March 31, 1992, as prepared by Van Cleef Engineering Associates.

The above described lands being known as Tax Map Lots 16 and 25 in Block 45 and Lots 3, 5, 13, 14, 20 and 21 in Block 51.

Daniel A. Nagy 1
Daniel A. Nagy, P.L.S. #27513
Van Cleef Engineering Associates

DAN/rlg
3/18/92
R120/10

Rev. 3/31/92 Per Attorney

Metes and Bounds Description
Block 45, Lot 27
Readington Township, Hunterdon County, New Jersey

Beginning at a railroad spike in the centerline of Dreahook Road, said point also being the most northwesterly corner of Block 45, Lot 28.01, lands now or formerly John and Jacqueline Santoro, and from said point running:

thence (1) along the southwesterly lines of Block 45, Lots 28.01, 28.03, 28.14, 28.13 and 28.12, South $48^{\circ}42'18''$ East, 2,190.23' to a concrete monument found for a corner on Block 45, Lot 28.12, said point also being in the northwesterly line of Block 45, Lot 72;

thence (2) along the said northwesterly line, South $40^{\circ}21'07''$ West, 9.50' to a point and southwest corner of Lot 72;

thence (3) along the southwesterly line of Block 45, Lot 72, Lot 71 and part of Lot 70, South $48^{\circ}59'03''$ East, and passing over a concrete monument, 337.35' from the beginning of this course, a total of 812.51' to a point and northwest corner of Block 45, Lot 4;

thence (4) along the northwesterly line of Block 45, Lot 4, Lot 5 and Lot 45, South $44^{\circ}09'57''$ West, 1,285.76' to a point and northeast corner of Block 45, Lot 35.01;

thence (5) along the northeasterly line of Block 45, Lot 35.01, North $67^{\circ}59'03''$ West, 438.27' to a point;

thence (6) still along the northeasterly line of Block 45, Lot 35.01, North $55^{\circ}13'03''$ West, 522.99' to a point and common corner between Block 45, Lot 35.01 and Block 45, Lot 26.01;

thence (7) along the northeasterly line of Block 45, Lot 26.01, North $55^{\circ}53'33''$ West, 2,496.78' to a point;

thence (8) continuing along the said line, North $36^{\circ}02'03''$ West, 338.79' to a point in the centerline of Dreahook Road;

thence (9) along the centerline of Dreahook Road, North $69^{\circ}51'07''$ East, 652.89' to a spike found;

thence (10) continuing along the said centerline, North $71^{\circ}32'08''$ East, 169.84' to a point and northwest corner of Block 45, Lot 27.01;

thence (11) leaving said road and along the southwesterly line of Block 45, Lot 27.01, South $25^{\circ}49'52''$ East, 350.72' to a point and corner;

Metes and Bounds Description
Block 45, Lot 27
Readington Township, Hunterdon County, New Jersey
Page 2

thence (12) along the southeasterly line of Block 45, Lot 27.01, North 68°32'08" East, 175.16' to a point and corner;

thence (13) along the easterly line of Block 45, Lot 27.01 the following four courses;

thence (14) North 18°48'52" West, 90.72' to a point;

thence (15) North 09°26'08" East, 32.74' to a point;

thence (16) North 54°10'08" East, 39.36' to a point;

thence (17) North 18°16'52" West, 210.58' to a point and corner in the centerline of Dreahook Road;

thence (18) along the centerline of Dreahook Road, North 67°06'08" East, 50.16' to a point and northwest corner of Block 45, Lot 27.02;

thence (19) along the southwesterly line of Block 45, Lot 27.02, South 18°16'52" East, 180.59' to a point and corner;

thence (20) along the southeasterly line of Block 45, Lot 27.02, North 67°06'08" East, 228.85' to a point and corner;

thence (21) along another southwesterly line of Block 45, Lot 27.02, South 32°53'22" East, 201.60' to a point and corner;

thence (22) along another southeasterly line of Block 45, Lot 27.02, North 52°25'58" East, 317.97' to a point and corner;

thence (23) along the northeasterly line of Block 45, Lot 27.02, North 37°34'02" West, 326.36' to a point and corner in Dreahook Road;

thence (24) along the centerline of Dreahook Road, North 52°25'58" East, 300.00' to the point and place of beginning.

Containing a calculated area of 115.222 acres.

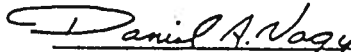
~~_____~~
Subject to a 200' wide PSE&G easement contained in Deed Book 730, Page 95.

~~_____~~
~~_____~~

Metes and Bounds Description
Block 45, Lot 27
Readington Township, Hunterdon County, New Jersey
Page 3

~~Current title search~~

The above description is in accordance with a map entitled "Plan of Survey Prepared for Block 45, Lot 27, Situated in Readington Township, Hunterdon County, New Jersey, dated February 26, 1988, last revised March 28, 1992, prepared by Van Cleef Engineering Associates, Lebanon, New Jersey.


Daniel A. Nagy, P.E. #27513
Van Cleef Engineering Associates

DAN/rlg
3/28/92
R120/12

Metes and Bounds Description
Block 51, Lot 10
Readington Township, Hunterdon County, New Jersey

Beginning at a point in the northerly right-of-way line of Whitehouse Flemington Road, County Route 523 (33' wide) where the same is intersected by the line dividing Block 51, Lot 10 and Block 51, Lot 5 and from said point running:

thence (1) along the said dividing line passing over an iron pipe found on line, distant 17.7', North 40°53'49" West, 217.00' to a point in the line dividing Block 51, Lot 10 and Block 51, Lot 5;

thence (2) along the said dividing line, North 48°43'11" East, 200.00' to a point where the same is intersected by the line dividing Block 51, Lot 10 and Block 51, Lot 11;

thence (3) along the said dividing line passing over an iron pipe found, distant 15' from the terminus of this course, South 40°53'49" East, 217.00' to a point in the northerly right-of-way line of County Route 523;

thence (4) along the said northerly right-of-way line, South 48°43'11" West, 200.00' to the point and place of beginning.

Containing a calculated area of 43,399 square feet.

~~_____~~
The above described lands being subject to an additional right-of-way to be dedicated to Hunterdon County for road widening purposes, more particularly described as follows:

Beginning at the point of beginning described above and from said point running:

thence (1) along the line dividing Block 51, Lot 10 and Block 51, Lot 5, North 40°53'49" West, 24.60' to a point;

thence (2) North 48°48'02" East, 87.15' to a point;

thence (3) North 53°11'40" East, 113.14' to a point in the line dividing Block 51, Lot 10 and Block 51, Lot 11;

thence (4) along the said dividing line, South 40°53'49" East, 15.65' to the most southeasterly corner of Block 51, Lot 10;

thence (5) along the southerly line of Block 51, Lot 10, South 48°43'11" West, 200.00' to the point and place of beginning.

Containing a calculated area of 4,402 s.f.

Metes and Bounds Description
Block 51, Lot 10
Readington Township, Hunterdon County, New Jersey
Page 2

Subject to a portion of a 30' x 100' sight easement, more particularly described as follows:


Beginning at a point in the line dividing Block 51, Lot 10 and Block 51, Lot 5, said point distant, 24.60' measured along the said dividing line from the most southwesterly corner of Block 51, Lot 10 and from said point running:

thence (1) along the said dividing line, North 40°53'49" West, 11.56' to a point;

thence (2) North 65°10'15" East, 41.02' to a point in the proposed new right-of-way line of Hunterdon County Route 523;

thence (3) along the said proposed new right-of-way line, South 48°48'02" West, 39.42' to the point and place of beginning.

The above description is in accordance with a map entitled "Plan of Survey Prepared for Block 51, Lot 10, Situated in Readington Township, Hunterdon County, New Jersey", dated April 30, 1988, last revised March 28, 1992, prepared by Van Cleef Engineering Associates, Lebanon, New Jersey.



Errol Melnick, P.L.S. #GS34013
Van Cleef Engineering Associates

EM/rlg
3/23/92
R120/16

Metes and Bounds Description
Right-of-Way to be Dedicated to Hunterdon County
Block 51, Lot 11
Readington Township, Hunterdon County, New Jersey

Beginning at the point of beginning described above and from said point running:

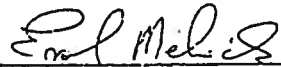
thence (1) along the southerly line of Block 51, Lot 11, South $48^{\circ}43'11''$ West, 200.00' to the most southwesterly corner of Block 51, Lot 11, where the same is intersected by the line dividing Block 51, Lot 10 and Block 51, Lot 11;

thence (2) along the said dividing line, North $40^{\circ}53'49''$ West, 15.65' to a point;

thence (3) North $53^{\circ}11'40''$ East, 200.51' to the point and place of beginning.

Containing a calculated area of 1,565 s.f.

The above description is in accordance with a map entitled "Plan of Survey Prepared for Block 51, Lot 11, Situated in Readington Township, Hunterdon County, New Jersey", dated April 30, 1988, last revised March 28, 1992, prepared by Van Cleef Engineering Associates, Lebanon, New Jersey.



Errol Melnick, P.L.S. #GS34013
Van Cleef Engineering Associates

EM/rlg
3/28/92
R120/21

Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

Signatures. The Grantor signs this Deed as of the date at the top of the first page.

Witnessed by

Richard Schatzman

Stanton Properties

Neil I. Van Cleef
Partner

Edward H. Vogel
Partner

(Seal)

(Seal)

STATE OF NEW JERSEY, COUNTY OF MERCER

SS.:

I CERTIFY that on April

19 92.

Neil I. Van Cleef and Edward H. Vogel, sole partners of Stanton Properties and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

- (a) is named in and personally signed this Deed;
- (b) signed, sealed and delivered this Deed as his or her act and deed; and
- (c) made this Deed for \$ 4,097,500.00 as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5.)

Richard Schatzman
Attorney at Law of New Jersey

RECORDED
Aug 3 9 38 AM '92
HUNTERDON COUNTY
DEPT. OF TREASURY
CLERK

MORTGAGE

DATED AS OF July 27 1992

BETWEEN

GRAND PACIFIC FINANCE CORP.
("MORTGAGEE")

AND

STANTON PROPERTIES II,
A NEW JERSEY PARTNERSHIP
("MORTGAGOR")

LOCATION OF PREMISES:
READINGTON TOWNSHIP
HUNTERDON COUNTY, NEW JERSEY

RECORD AND RETURN TO:
RUBIN, RUBIN, MALGRAN & KUHN
FRANK J. RUBIN, ESQ.
501 BOES LANE
PISCATAWAY, NJ 08854
(908) 463-7500

DB 991-86
Q in 8-3-92

116750

PREPARED BY: _____

FRANK J. RUBIN

MORTGAGE

THIS MORTGAGE (hereinafter referred to as the "Mortgage", is made on this _____ day of _____ 1992, by and between:

STANTON PROPERTIES II, A NEW JERSEY GENERAL PARTNERSHIP

with a principal place of business c/o Stanton Properties II, c/o Edge Ventures, PO Box 399, Amwell Road, Belle Mead, New Jersey 08502-0399 (hereinafter referred to as the "Mortgagor" and/or "Borrower");

AND

GRAND PACIFIC FINANCE CORP.

a duly organized and validly existing corporation under the laws of the State of New York, having its principal office located at 88 Pine Street, New York, New York 10005 (hereinafter referred to as the "Mortgagee");

W I T N E S S E T H:

WHEREAS, the Mortgagor has become seized of an individual fee simple interest in and to those certain lots, pieces or parcels of land and premises situate, lying and being in Township of Readington, County of Hunterdon and State of New Jersey, more particularly described on the following Exhibits annexed hereto and made a part hereof (hereinafter in this Mortgage referred to as the "Premises"):

Metes and Bounds Description entitled, "Proposed Phase I, Stanton Properties, Readington Township, Hunterdon County, New Jersey", dated March 9, 1992, by Errol Melnick, P.L.S., which description is in accordance with map entitled, "Stanton Properties Phase I located in Readington Township, Hunterdon County, New Jersey", prepared by Van Cleef Engineering Associates, Lebanon, New Jersey, dated March 17, 1992, hereinafter Exhibit "A"; and

Metes and Bounds Description entitled, "Stanton Properties, Section I, Proposed Open Space Area, Lot 116, Readington Township, Hunterdon County, New Jersey", dated March 18, 1992, prepared by Errol Melnick, P.L.S. The aforesaid description of Lot 116 is in accordance with a map entitled, "Stanton Properties Section I, Proposed Open Space, Lots 115 and 116, located in Readington

Township, Hunterdon County, New Jersey", prepared by Van Cleef Engineering Associates, Lebanon, New Jersey, dated March 18, 1992, hereinafter Exhibit "B"; and

WHEREAS, pursuant to a Lending Mortgage Commitment between the parties, dated March 30, 1992 (the "Commitment"), the terms of which are incorporated in this Mortgage and made a part hereof as if fully set forth herein, and a certain Mortgage Note of even date herewith, in the principal amount of FOUR MILLION AND 00/100 (\$4,000,000.00) DOLLARS (hereinafter referred to as the "Note"), duly executed by the Mortgagor, as the maker, and delivered to the Mortgagee, as the payee, the Mortgagee has agreed to make a loan to the Mortgagor for the purposes described in the Note and Building Loan Agreement by and between Mortgagor and Mortgagee (hereinafter referred to as the "Building Loan Agreement"), subject to the terms and conditions specified therein (hereinafter said \$4,000,000.00 loan shall be referred to as the "Loan"); and

WHEREAS, this Mortgage is given and made by the Mortgagor to the Mortgagee as security for (i) the repayment of the indebtedness of the Mortgagor to the Mortgagee evidenced by the Note and Building Loan Agreement; and (ii) the performance of the terms, conditions and covenants of the Mortgagor set forth in the Note and other Loan Documents,

NOW, THEREFORE, in order to induce the Mortgagee to make the Loan to the Mortgagor and to secure the payment of the indebtedness of the Mortgagor to the Mortgagee evidenced by the Note and Building Loan Agreement made by the Mortgagor to the order of the Mortgagee and to secure the performance by the Mortgagor of all of its other obligations and covenants pursuant to the Note and the Building Loan Agreement, and to assure payment of all other indebtedness, monetary obligations, liabilities and duties of any kind of the Mortgagor, direct or indirect, absolute or contingent, joint or several, due or not due, liquidated or not liquidated, arising under the Note, the Building Loan Agreement or this Mortgage, the Mortgagor has mortgaged, given, granted, released, assigned, transferred and set over unto the Mortgagee, and by these presents does hereby mortgage, give, grant, release, assign, transfer and set over unto the Mortgagee, its successors and assigns forever, the following described property and rights:

ALL that certain estate and interest of the Mortgagor in the Premises, said estate and interest together with any and all other further or additional title, estates, interests or rights which may at any time be acquired by the Mortgagor in or to the Premises conveyed or to be acquired by Mortgagor, and the Mortgagor expressly agrees that if the Mortgagor shall, at any time prior to payment in full of all indebtedness secured hereby, acquire fee title to or any other greater interest in the Premises conveyed or to be acquired by Mortgagor, the lien of this Mortgage shall attach, extend to, cover and be a lien upon such fee simple title

Metes and Bounds Description
Proposed Phase I, Stanton Properties
Readington Township, Hunterdon County, New Jersey

Beginning at a point, located in the existing right-of-way of County Route 523 (Whitehouse-Flemington Road), where the same is intersected by the line dividing lands of Stanton Properties and Block 51, Lot 10 and from said point running:

thence (1) along County Route 523, South $48^{\circ}12'11''$ West, 165.00' to a point;

thence (2) along a new line, North $41^{\circ}42'50''$ West, 40.24' to a point;

thence (3) still along the same, on a curve to the left, having a radius of 25.00', an arc length of 39.27', a chord bearing and distance of North $03^{\circ}17'10''$ East, 35.36' to a point of tangency;

thence (4) still along the same, North $41^{\circ}42'50''$ West, 69.14' to a point;

thence (5) still along the same, South $65^{\circ}31'37''$ West, 453.76' to a point;

thence (6) still along the same, South $56^{\circ}33'04''$ West, 474.10' to a point;

thence (7) still along the same, North $28^{\circ}57'41''$ West, 403.62' to a point;

thence (8) still along the same, North $38^{\circ}19'29''$ East, 522.57' to a point;

thence (9) still along the same, North $25^{\circ}40'49''$ East, 366.43' to a point;

thence (10) still along the same, North $48^{\circ}10'12''$ East, 646.13' to a point;

thence (11) still along the same, North $07^{\circ}17'10''$ East, 237.69' to a point;

thence (12) still along the same, North $82^{\circ}52'10''$ West, 140.59' to a point;

thence (13) still along the same, South $55^{\circ}30'05''$ West, 280.79' to a point;

thence (14) still along the same, South $69^{\circ}45'50''$ West, 227.27' to a point;

thence (15) still along the same, South $52^{\circ}45'13''$ West, 274.00' to a point;

thence (16) still along the same, South $60^{\circ}09'06''$ West, 296.24' to a point;

thence (17) still along the same, South $63^{\circ}58'18''$ West, 226.27' to a point in the line of lands now or formerly George J. and Margaret A. Featherman, Block 51, Lot 5.01;

thence (18) along the said lands, North $38^{\circ}48'28''$ West, 96.00' to a point;

thence (19) still along the same, South $47^{\circ}20'32''$ West, 252.78' to a point;

Metes and Bounds Description
Proposed Phase I, Stanton Properties
Readington Township, Hunterdon County, New Jersey
Page 2 of 7

- thence (20) still along the same and along lands now or formerly Allan R. and Carol G. Patton, South $45^{\circ}59'17''$ West, 374.97' to a point where the same is intersected by the line of lands now or formerly Gary R. and Jose P. Weber, Block 51, Lot 4;
- thence (21) along the said lands, North $43^{\circ}32'43''$ West, 270.00' to a point;
- thence (22) still along the same, North $83^{\circ}26'43''$ West, 173.70' to a point in Springtown Road;
- thence (23) along Springtown Road, North $14^{\circ}10'26''$ East, 297.79' to a point;
- thence (24) still along the same, North $08^{\circ}36'34''$ West, 100.75' to a point;
- thence (25) still along the same, North $32^{\circ}42'34''$ West, 130.57' to a point where the same is intersected by the line of lands now or formerly Gerard F. and Nancy A. Egan, Block 51, Lot 59.01;
- thence (26) along the said lands and along lands now or formerly Wilbert F. and Judith M. Osler and lands now or formerly T. Michael and Carol A. Schwartz, Block 51, Lots 2.34 and 2.02, North $52^{\circ}45'13''$ East, 675.93' to a point;
- thence (27) along a new line, South $33^{\circ}09'01''$ East, 92.60' to a point;
- thence (28) still along the same, South $78^{\circ}09'01''$ East, 137.07' to a point;
- thence (29) still along the same, South $25^{\circ}27'08''$ East, 262.30' to a point;
- thence (30) still along the same, North $64^{\circ}32'52''$ East, 30.00' to a point;
- thence (31) still along the same, North $25^{\circ}27'08''$ West, 263.25' to a point;
- thence (32) still along the same, North $56^{\circ}50'59''$ East, 309.59' to a point;
- thence (33) still along the same, North $56^{\circ}11'00''$ East, 252.50' to a point;
- thence (34) still along the same, North $57^{\circ}40'33''$ East, 311.30' to a point;
- thence (35) still along the same, North $44^{\circ}04'49''$ East, 313.84' to a point;
- thence (36) still along the same, North $79^{\circ}55'48''$ East, 261.54' to a point;
- thence (37) still along the same, North $62^{\circ}50'56''$ East, 233.12' to a point;

Metes and Bounds Description
Proposed Phase I, Stanton Properties
Readington Township, Hunterdon County, New Jersey
Page 3 of 7

thence (38) still along the same, South $58^{\circ}28'40''$ East, 229.46' to a point;

thence (39) still along the same, North $31^{\circ}31'12''$ East, 371.86' to a point of curvature;

thence (40) still along the same, on a curve to the left, having a radius of 1,170.00', an arc length of 1,093.55', a chord bearing and distance of North $04^{\circ}44'39''$ East, 1,054.18' to a point of tangency;

thence (41) still along the same, North $22^{\circ}01'55''$ West, 145.49' to a point of curvature;

thence (42) still along the same, on a curve to the right, having a radius of 530.00', an arc length of 487.15', a chord bearing and distance of North $04^{\circ}18'00''$ East, 470.18' to a point of tangency;

thence (43) still along the same, North $30^{\circ}37'55''$ East, 24.26' to a point of curvature;

thence (44) still along the same, on a curve to the left, having a radius of 25.00', an arc length of 37.45', a chord bearing and distance of North $12^{\circ}16'46''$ West, 34.04' to a point of tangency;

thence (45) still along the same, North $55^{\circ}11'26''$ West, 77.85' to a point of curvature;

thence (46) still along the same, on a curve to the right, having a radius of 730.00', an arc length of 309.98', a chord bearing and distance of North $43^{\circ}01'33''$ West, 307.65' to a point of tangency;

thence (47) still along the same, North $30^{\circ}51'41''$ West, 106.01' to a point;

thence (48) still along the same, North $87^{\circ}11'32''$ West, 366.01' to a point where the same is intersected by the line of lands now or formerly Christopher and Amparo Brophy, Block 51, Lot 33;

thence (49) along the said lands and along lands now or formerly Gene and Dorothy Drozdoff, G. F. Aster and M. B. Doty, R. Terry Nelson and Linda J. Nelson, Block 51, Lots 32, 31 and 30, North $25^{\circ}57'30''$ West, 842.92' to a point;

thence (50) along a new line, North $69^{\circ}03'57''$ East, 119.86' to a point;

thence (51) still along the same, South $65^{\circ}56'03''$ East, 181.00' to a point;

Metes and Bounds Description
Proposed Phase I, Stanton Properties
Readington Township, Hunterdon County, New Jersey
Page 4 of 7

thence (52) still along the same, North $69^{\circ}03'57''$ East, 84.00' to a point;

thence (53) still along the same, North $20^{\circ}56'03''$ West, 500.53' to a point of curvature;

thence (54) still along the same, on a curve to the left, having a radius of 620.00', an arc length of 132.64', a chord bearing and distance of North $27^{\circ}03'46''$ West, 132.39' to a point of compound curvature;

thence (55) still along the same, on a curve to the left, having a radius of 25.00', an arc length of 39.27', a chord bearing and distance of North $78^{\circ}11'30''$ West, 35.36' to a point;

thence (56) still along the same, North $33^{\circ}11'42''$ West, 25.00' to a point in Dreahook Road;

thence (57) along Dreahook Road, North $56^{\circ}48'30''$ East, 110.00' to a point;

thence (58) along a new line, South $33^{\circ}11'32''$ East, 25.00' to a point;

thence (59) still along the same, on a curve to the left, having a radius of 25.00', an arc length of 39.27', a chord bearing and distance of South $11^{\circ}48'30''$ West, 35.36' to a point of compound curvature;

thence (60) still along the same, on a curve to the right, having a radius of 680.00', an arc length of 145.48', a chord bearing and distance of South $27^{\circ}03'46''$ East, 145.20' to a point of tangency;

thence (61) still along the same, South $20^{\circ}56'03''$ East, 613.03' to a point of curvature;

thence (62) still along the same, on a curve to the left, having a radius of 3,469.99', an arc length of 305.01', a chord bearing and distance of South $23^{\circ}27'08''$ East, 304.91' to a point;

thence (63) still along the same, North $87^{\circ}29'53''$ East, 416.14' to a point;

thence (64) still along the same, South $30^{\circ}51'41''$ East, 373.63' to a point;

thence (65) still along the same, South $57^{\circ}43'54''$ East, 136.63' to a point;

thence (66) still along the same, South $28^{\circ}01'23''$ West, 401.34' to a point;

thence (67) still along the same, on a curve to the left, having a radius of 670.00', an arc length of 84.84', a chord bearing and distance of South $59^{\circ}55'05''$ East, 84.78' to a point;

Metes and Bounds Description
Proposed Phase I; Stanton Properties
Readington Township, Hunterdon County, New Jersey
Page 5 of 7

thence (68) still along the same, South $26^{\circ}27'16''$ West, 60.00' to a point;

thence (69) still along the same, on a curve to the left, having a radius of 730.00', an arc length of 99.47', a chord bearing and distance of South $67^{\circ}26'57''$ East, 99.39' to a point;

thence (70) still along the same, South $12^{\circ}06'08''$ East, 211.07' to a point;

thence (71) still along the same, South $05^{\circ}58'44''$ East, 195.30' to a point;

thence (72) still along the same, South $67^{\circ}58'05''$ West, 218.51' to a point;

thence (73) still along the same, South $22^{\circ}01'55''$ East, 65.23' to a point of curvature;

thence (74) still along the same, on a curve to the right, having a radius of 1,230.00', an arc length of 319.80', a chord bearing and distance of South $14^{\circ}35'01''$ East, 318.90' to a point;

thence (75) still along the same, North $83^{\circ}27'28''$ East, 394.02' to a point;

thence (76) still along the same, South $27^{\circ}34'11''$ West, 93.00' to a point;

thence (77) still along the same, South $37^{\circ}22'58''$ West, 350.46' to a point;

thence (78) still along the same, South $42^{\circ}45'23''$ East, 267.77' to a point;

thence (79) still along the same, on a curve to the left, having a radius of 725.00', an arc length of 103.73', a chord bearing and distance of South $37^{\circ}55'13''$ West, 103.65' to a point of tangency;

thence (80) still along the same, South $33^{\circ}49'17''$ West, 110.05' to a point of curvature;

thence (81) still along the same, on a curve to the right, having a radius of 25.00', an arc length of 36.63', a chord bearing and distance of South $75^{\circ}48'01''$ West, 33.44' to a point;

thence (82) still along a new line, South $27^{\circ}46'45''$ West, 50.00' to a point;

thence (83) still along the same, on a curve to the right, having a radius of 400.00', an arc length of 145.22', a chord bearing and distance of South $51^{\circ}49'12''$ East, 144.42' to a point;

Metes and Bounds Description
Proposed Phase I, Stanton Properties
Readington Township, Hunterdon County, New Jersey
Page 6 of 7

thence (84) still along the same, South $48^{\circ}40'52''$ West, 381.32' to a point;
thence (85) still along the same, North $32^{\circ}50'57''$ West, 292.80' to a point;
thence (86) still along the same, South $31^{\circ}31'12''$ West, 231.28' to a point;
thence (87) still along the same, South $14^{\circ}13'29''$ East, 563.56' to a point;
thence (88) still along the same, South $26^{\circ}26'58''$ East, 548.86' to a point;
thence (89) still along the same, South $18^{\circ}33'02''$ West, 203.44' to a point;
thence (90) still along the same, South $72^{\circ}49'38''$ West, 270.49' to a point;
thence (91) still along the same, South $64^{\circ}20'40''$ West, 441.77' to a point;
thence (92) still along the same, South $07^{\circ}17'10''$ West, 17.85' to a point;
thence (93) still along the same, South $04^{\circ}25'26''$ West, 200.25' to a point
of curvature;

thence (94) still along the same, on a curve to the left, having a radius
of 460.00', an arc length of 393.40', a chord bearing and distance of South
 $17^{\circ}12'50''$ East, 381.52' to a point of tangency;

thence (95) still along the same, South $41^{\circ}42'50''$ East, 69.14' to a point
of curvature;

thence (96) still along the same, on a curve to the left, having a radius
of 25.00', an arc length of 39.27', a chord bearing and distance of South
 $86^{\circ}42'50''$ East, 35.36' to a point of tangency;

thence (97) still along the same, North $48^{\circ}17'10''$ East, 35.57' to a point
in the southwesterly line of Block 51, Lot 10;

thence (98) along the said southwesterly line, South $40^{\circ}53'49''$ East, 40.00'
to the point and place of beginning.

Containing a calculated area of 99.997 acres.

Subject to the rights of the public in and along County Route 523, Springtown
Road, and Dreahook Road.

Subject to a 20' wide AT&T Company right-of-way described in Deed Book 773,
Page 524 and a 16.5' wide AT&T Company easement described in Deed Book 613,
Page 100 and modified in Deed Book 773, Page 524.

Metes and Bounds Description
Proposed Phase I, Stanton Properties
Readington Township, Hunterdon County, New Jersey
Page 7 of 7

Subject to any other existing easements of record.

Subject to revisions and modifications per Readington Township Planning Board final approval.

The above description is in accordance with a map entitled "Stanton Properties Phase 1, located in Readington Township, Hunterdon County, New Jersey", prepared by Van Cleef Engineering Associates, Lebanon, New Jersey, dated March 17, 1992.



Errol Melnick, P.L.S. #GS34013
Van Cleef Engineering Associates

EM/rlg
3/9/92
R120/8

Metes and Bounds Description
Stanton Properties, Section I
Proposed Open Space Area, Lot 116
Readington Township, Hunterdon County, New Jersey

Beginning at a point located in the existing right-of-way of Dreahook Road (33' wide) where the same is intersected by the line dividing Block 45, Lot 26.03 and lands of Stanton Properties and from said point running:

thence (1) along the said dividing line, South $13^{\circ}27'30''$ East, 576.97' to a point;

thence (2) still along the same, South $27^{\circ}46'30''$ East, 23.15' to a point;

thence (3) still along the same, South $21^{\circ}36'30''$ East, 131.57' to a point;

thence (4) still along the same, South $20^{\circ}19'30''$ East, 181.36' to a point;

thence (5) along a new line, South $23^{\circ}30'21''$ West, 414.04' to a point;

thence (6) still along the same, South $87^{\circ}29'53''$ West, 416.14' to a point;

thence (7) still along the same, on a curve to the right, having a radius of 3,469.99', an arc length of 305.01', a chord bearing and distance of North $23^{\circ}27'08''$ West, 304.91' to a point of tangency;

thence (8) still along the same, North $20^{\circ}56'03''$ West, 613.03' to a point of curvature;

thence (9) still along the same, on a curve to the left, having a radius of 680.00', an arc length of 145.48', a chord bearing and distance of North $27^{\circ}03'46''$ West, 145.20' to a point of reverse curvature;

thence (10) still along the same, on a curve to the right, having a radius of 25.00', an arc length of 39.27', a chord bearing and distance of North $11^{\circ}48'30''$ East, 35.36' to a point;

thence (11) still along the same, North $33^{\circ}11'32''$ West, 25.00' to a point in Dreahook Road;

thence (12) along Dreahook Road, North $56^{\circ}48'30''$ East, 60.03' to a point;

thence (13) still along the same, North $73^{\circ}37'30''$ East, 716.06' to the point and place of beginning.

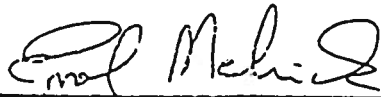
Containing a calculated area of 18.663 acres.

Subject to the rights of the public in and along Dreahook Road as they now exist.

Metes and Bounds Description
Stanton Properties--Section I
Proposed Open Space Area, Lot 116
Readington Township, Hunterdon County, New Jersey
Page 2

Subject to modifications and revisions per Readington Township Planning Board final approval.

The above description is in accordance with a map entitled "Stanton Properties -- Section I, Proposed Open Space Lots 115 & 116, Located in Readington Township, Hunterdon County, New Jersey", prepared by Van Cleef Engineering Associates, Lebanon, New Jersey, dated March 18, 1992.



Errol Melnick, P.L.S. #GS34013
Van Cleef Engineering Associates

EM/rlg
3/18/92
R120/4

RECORD AND RETURN TO:

PREPARED BY:

FR

Rubin, Rubin, Malgran & Kuhn
Frank J. Rubin, Esq.
501 Hoes Lane
Piscataway, NJ 08854

RECORDED

FRANK J. RUBIN

AUG 3 9 38 AM '92

HUNTERDON COUNTY
DORRIS TIRPOK
CLERK

CO-MORTGAGEE AND COMMON USE OF APPROVALS AGREEMENT

THIS AGREEMENT, dated as of this 23 day of July 1992, (hereinafter "this Agreement"), by and between GRAND PACIFIC FINANCE CORP., a New York Corporation, having its principal office at 88 Pine Street, New York, NY 10005 (hereinafter "Grand Pacific") and UNITED JERSEY BANK/CENTRAL, N.A., a national banking association, having an office located at 301 Carnegie Center, Princeton, NJ 08543-5316 (hereinafter "UJB").

BACKGROUND:

WHEREAS, Stanton Properties II, a New Jersey General Partnership, is indebted to UJB in the amount of Four Million (\$4,000,000.00) Dollars as evidenced by a Mortgage Note dated April 2, 1992 (the "UJB Note"); and

WHEREAS, the UJB Note is secured by collateral as described in various loan documents, including but not limited to, a mortgage (the "UJB Mortgage") on certain property located within the Township of Readington, Hunterdon County, New Jersey, known as Lots 3, 5, 13, 14, 20 and 21 in Block 51 and Lots 16, 25 and 27 in Block 45 on the official tax map of the Township of Readington, Hunterdon County, New Jersey (the "Property"), which UJB Mortgage is recorded in Hunterdon County, Mortgage Book 0975 at Page 0083 et seq.; and

WHEREAS, by resolutions of the Planning Board of Readington Township, New Jersey, adopted November 28, 1986 and March 26, 1990, Stanton Properties II ("Stanton") has received preliminary major subdivision approval and preliminary site plan approval from the Readington Township Planning Board for development of the Project consisting of a residential development of 144 residential building lots and open space to be developed into a golf course; and

WHEREAS, UJB has been assigned all governmental approvals, permits and plans for the development of the Project by Collateral Assignment of Approvals, dated April 2, 1992, recorded in Book 1070 at Page 83 of the Hunterdon County Clerk's office (the "UJB Assignment"), which UJB Assignment is a first priority interest in such approvals; and

106711

RECORD AND RETURN TO:

~~China Trust Bank
88 Pine Street
New York, New York 10005~~

Record & Return/TC- 30860A
TRANS-COUNTY TITLE AGENCY, INC.
P.O. Box 675
New Brunswick, NJ 08903

PREPARED BY: 

Robert T. Shang, Esq.

MORTGAGE

THIS MORTGAGE (hereinafter referred to as the "Mortgage"), is made on this 29th day of June, 1994, by and between:

STANTON PROPERTIES II, A NEW JERSEY GENERAL PARTNERSHIP

with a principal place of business c/o Edge Ventures, PO Box 399, Amwell Road, Belle Mead, New Jersey 08502-0399 (hereinafter referred to as the "Mortgagor");

AND

CHINA TRUST BANK

a duly organized and validly existing corporation under the laws of the State of New York, having its principal office located at 88 Pine Street, New York, New York 10005 (hereinafter referred to as the "Mortgagee");

W I T N E S S E T H:

WHEREAS, the Mortgagor has become seized of an individual fee simple interest in and to those certain lots, pieces or parcels of land and premises situate, lying and being in Township of Readington, County of Hunterdon and State of New Jersey, more particularly described on the following Exhibit "A" annexed hereto and made a part hereof (hereinafter in this Mortgage referred to as the "Premises");

WHEREAS, pursuant to a Loan Commitment between Chanco Development Corporation-Stanton (the "Borrower"), a Delaware corporation and the Mortgagee, dated March 2, 1994 (the "Commitment"), the terms of which are incorporated in this Mortgage and made a part hereof as if fully set forth herein, and a certain Mortgage Note of even date herewith, in the aggregate principal amount of TWO MILLION AND 00/100 (\$2,000,000.00) DOLLARS (hereinafter

This Mortgage referred to in the Note dated the date hereof, executed by and between the Mortgagor and the Mortgagee and is subject to all the terms and provisions of the Note. Should any provisions of this Mortgage, the provisions of the Note shall control.

Section 6 - Changes in Mortgage.

The Mortgagor and the Mortgagee may agree to change the interest rate and/or the maturity date of the Note or other term or terms of this Mortgage or of the obligation secured by this Mortgage. If the Mortgagor and the Mortgagee agree to any such change, which change shall be deemed a "modification" as defined in P.L. 1985 c.353, this Mortgage shall be subject to the priority provisions of said P.L. 1985 c.353.

THE MORTGAGOR HEREBY DECLARES THAT THE MORTGAGOR HAS READ THIS MORTGAGE, HAS RECEIVED A COMPLETELY FILLED IN COPY OF IT WITHOUT CHARGE THEREFORE AND HAS SIGNED THIS MORTGAGE AS OF THE DATE AT THE TOP OF THE FIRST PAGE.

IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be duly executed and delivered, all as of the day and year first above written.

WITNESS:

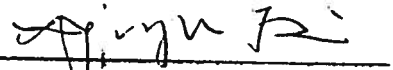


ECHINIE TSAI



ECHINIE TSAI

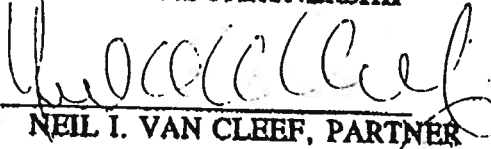
WITNESS:




ECHINIE TSAI

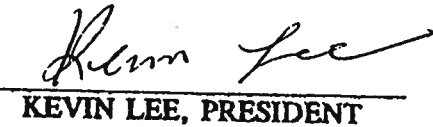
MORTGAGOR:

STANTON PROPERTIES II, A NEW JERSEY GENERAL PARTNERSHIP

BY: 
NEIL I. VAN CLEEF, PARTNER

BY: 
EDWARD H. VOGEL, PARTNER

CHANCO DEVELOPMENT CORPORATION-
STANTON, A DELAWARE CORPORATION

BY: 
KEVIN LEE, PRESIDENT

ACKNOWLEDGMENT

RECORDED

STATE OF NEW JERSEY)
)SS.:
COUNTY OF SOMERSET)

JUL 8 2 25 PM '94

HUNTERDON COUNTY
DOROTHY H. LUKAZIK

On the 29th day of June, 1994, before me personally came Neil L. Van Cleef and Edward H. Vogel, to me known, who, being by me duly sworn, did depose and say that they are the Partners of Stanton Properties, a General Partnership of the State of New Jersey described in and which executed the foregoing instrument, and that they signed their names thereto by order of the Partnership Agreement of said partnership.

Dorothy H. Lukazik
Notary Public

DOROTHY H. LUKAZIK

Notary Public of New Jersey

My Commission Expires Jan. 17, 1998

ACKNOWLEDGMENT

STATE OF NEW JERSEY)
)SS.:
COUNTY OF SOMERSET)

On the 29th day of June, 1994, before me personally came Kevin Lee, to me known who, being by me duly sworn, did depose and say that he resides at 21 Davenport Drive Cranbury, New Jersey 08512, that he is the President of Chanco Development Corporation, Stanton, a Delaware Corporation described in and which executed the foregoing instrument, and that he signed his name thereto by order of the board of directors of said corporation.

Dorothy H. Lukazik
Notary Public

DOROTHY H. LUKAZIK

Notary Public of New Jersey

My Commission Expires Jan. 17, 1998

FORM: MORTUAGE.CHA

DESCRIPTION

Trans-County Title
 TC - 30680A
 ISSUED 4/25/94

BEING ALL that certain tract and parcel of land located in the Township
 of Readington . County of Hunterdon and State of New Jersey.

Being known as Tax Lot 21.31 in Block 51

Being known and designated as the following Lots and Blocks:

A-4

(As shown on that certain map entitled "Final Plat for Stanton Ridge - Section 1, Block 51 - Lots 3, 5, 13, 14, 20 & 21 and Block 45 - Lots 16 & 25 located in Readington Township, Hunterdon County, New Jersey," filed in the Hunterdon County Clerk's Office as Map No. 1117.)

	<u>BLOCK</u>	<u>LOT</u>		<u>BLOCK</u>	<u>LOT</u>
1.	45	25.02	21.	51.03	18
2.	45	25.03	22.	51.03	19
3.	45	25.04	23.	51.03	20
4.	45	25.28	24.	51.03	21
5.	45	25.30	25.	51.03	22
6.	45	25.31	26.	51.03	23
7.	45	25.58	27.	51.03	24
8.	45	25.60	28.	51.03	25
9.	45	25.61	29.	51.03	26
10.	45	25.62	30.	51	21.29
11.	45	25.63	31.	51	21.30
12.	45	25.64	32.	51	21.32
13.	45	25.65	33.	51	21.33
14.	51.03	10	34.	51	21.34
15.	51.03	11	35.	51	21.35
16.	51.03	12	36.	51	21.36
17.	51.03	13	37.	51	21.02
18.	51.03	14	38.	51	21.03
19.	51.03	15	39.	51	21.04
20.	51.03	16			

Together with the land lying within the beds of all roads shown on aforesaid map.

MORTGAGE NOTE

US\$2,000,000.00

June 29, 1994

FOR VALUE RECEIVED Chanco Development Corporation-Stanton, a Delaware corporation, having an office at 1465 State Highway 31, Annandale, New Jersey 08801 (the "Maker") by this Note unconditionally promises to pay to the order China Trust Bank, a New York banking corporation, having an office at 88 Pine Street, New York, New York 10005 (the "Lender") or at such other place as may be designated in writing by Lender, the aggregate principal sum of TWO MILLION (US\$2,000,000.00) DOLLARS advanced by the Lender to the Maker from time to time (the "Loan"), together with accrued interest thereon to be paid in lawful money of the United States of America as follows:

Interest rate on the unpaid principal balance shall be two and a half (2.50%) percent per annum over the prime rate of interest (the "Prime Rate") announced by China Trust Bank from time to time, changing as and when such Prime Rate is changed. Monthly payment shall be computed on the basis of a 360-day year for the actual number of days elapsed. Each payment shall be applied first to the payment of interest on the unpaid principal and the balance on account of principal.

\$500,000.00 of the Loan advanced by the Lender to the Maker shall be used for working capital only. Monthly payment for interest only of said \$500,000.00 shall be due and payable starting on the 1st day of August, 1994 and on the 1st day of each month thereafter until July 1, 1996. In any event, all outstanding principal balance and accrued interest shall be due and payable on July 1, 1996.

\$1,500,000.00 of the Loan advanced by the Lender to the Maker shall be used as a revolving construction loan to finance the construction of 39 units single family houses (the "Unit") in Readington Township, Hunterdon County, New Jersey, subject to the following terms and conditions:

1. All money advanced by the Lender to the Maker in connection with the construction of a Unit shall be recorded by the Lender as a underlined loan. Any request for a underlined loan shall be made and the first stage advancement of a underlined loan shall be made no later than July 1, 1996, after which the Lender shall not accept any request for a new underlined loan.

2. The drawdown of each underlined loan is subject to a firm purchase contract verified by the Lender with a minimum of 10% of purchase price as initial deposit. Said 10% initial deposit shall be deposited in an escrow account (the "Escrow Account") with the Lender's office and shall not be released until the underlined loan is paid off.

3. Total amount of underlined loans shall not exceed 55% of total construction cost, including cost of land acquisition.

4. Each underlined loan will be advanced under three stages: (1) 32% of total construction cost for each Unit will be advanced upon purchase contract has been verified by the Lender and 10% initial deposit has been deposited into the Escrow Account; (2) 32% of the total construction cost for each Unit will be advanced upon completion of basement and frame structure of each Unit; (3) the remaining 36% will be advanced upon completion of said Unit, which shall be verified by written Affidavit by architect and inspected by Lender.

5. Prior to each advancement of underlined loan, title must be continued and must be satisfactory to the Lender and title company. At the time of each advancement, the Borrower shall deliver an affidavit to title company to certify that all money being advanced or to be advanced under the insured mortgage is to be used for the payment of labor and/or material furnished for the construction of the buildings on the premises described in Schedule A of Mortgage, or for the payment of other charges or lien as set forth in N.J.S.A. 2A:44-89.

6. Monthly payment for interest only on outstanding principal balance of each underlined loan shall be due and payable on the 1st day of the second calendar month after the first advancement of each underlined loan and on the 1st day of each month thereafter until said underlined loan is paid in full. In any event, all outstanding principal balance and interest accrued shall be due and payable on the 1st day of the sixth calendar month after the first advancement of said underlined loan, subject to extension as provided below.

7. Should the end-buyer of the Unit fail to close the purchase contract within 6 months from the contract date, an extension of no more than 3 months will be granted to the underlined loan associated therewith on a case-by-case basis. However, the interest rate charged on that particular underlined loan shall be increased to four (4%) percent over Prime Rate over the extension period.

8. Should any purchase contract cancelled or cannot be closed within 9 months after the contract date, the 10% initial deposit in the Escrow Account shall be applied to offset the underlined loan and the Lender shall have the right to declare the underlined loan associated with said Unit be due and payable immediately.

9. The Maker is required to submit its year end CPA prepared financial statement within 90 days of the period then end.

If any payment is late for more than ten (10) days from the due date, the Maker further agrees to pay a late charge in an amount equal to five (5%) percent, as permitted by applicable law, of any payment so overdue for the purpose of defraying the expense incident to handling such delinquent payment.

The Maker further agrees to pay default interest on all past due amounts hereunder, to the extent permitted by applicable law, at the rate of five (5%) percent above the applicable interest rate of this Note. All default interest shall be payable on demand and shall accrue from the date of default declared by the Lender until the date of repayment in full of amounts due

hereunder.

The Maker may prepay, without penalty or premiums, all or part of the outstanding principal amount due hereunder.

This Note is secured by a first mortgage dated on the even day hereof covering a certain 39 lots ("Premises") located at Readington Township, Hunterdon County, New Jersey. If an event of default as defined in such mortgage shall occur and be continuing, all amounts due hereunder shall be immediately due and payable; also all of the covenants, conditions and agreement contained in said mortgage is hereby made a part of this Note.

The Maker and all endorsers, if any, severally waive presentment for payment demand, notice of nonpayment, notice of protest, and protest of this Note, and all other notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment of this Note, and agree that the liability of the Maker shall be unconditional, without regard to the liability of any other party and shall not be in any manner affected by any forbearance, partial action or delay on the part of any holder of this Note in regard to the exercise of any right, power or remedy under this Note.

If any payment due hereunder shall not have been paid when the same is due, the entire unpaid principal amount of this Note, with interest accrued thereon, shall become due and payable forthwith. If this Note is placed in the hands of an attorney for collection or enforcement upon default the maker shall also pay all the actual expenditure incurred by the Lender, including, without limitation, necessary court process, collection charges and attorney's fees.

This Note and the provisions hereof shall bind the successors and assigns of the Maker and shall be construed according to, and governed by, the laws of the State of New York without giving effect to its principles of conflict of laws.

If any provision, or a part thereof, of this Note is prohibited, unenforceable or invalid under the laws of any jurisdiction, then such provision or part shall be ineffective to the extent of such prohibition, unenforceability or invalidity under the applicable law without affecting the enforceability or validity of such provision in any other jurisdiction, and without invalidating the remainder of such provision or other provisions of this Note.

CHANCO DEVELOPMENT CORPORATION-STANTON
A DELAWARE CORPORATION

BY: _____

Kevin Lee
Kevin Lee
President

Exhibit A attached hereto, which is a part of the Mortgage Property as defined in the GPFC Mortgage and which is Exhibit A attached to the CTB Mortgage, shall be for that 39 lots only, the GPFC and the CTB Mortgages, and shall be equally construed and considered first mortgages of equal priority, in accordance with this Agreement, such that GPFC and CTB shall jointly share in all rights afforded a first mortgagee under the law with respect thereto, subject to the conditions set forth as follows:

- (1) The principal amount secured by GPFC Mortgage shall be in the amount of \$4,000,000.00.
- (2) The principal amount secured by CTB Mortgage in the aggregate amount of \$2,000,000.00 shall be separately applied to each lot to be determined as follows:
 - (a) \$500,000.00 on two Model Houses on Block: 45; Lot: 25.64 and Block: 51.03; Lot: 21.
 - (b) the principal amount applied to each remaining 37 lots shall be the amount of each underlined loan advanced by CTB for construction purpose pursuant to CTB Note attached hereto as Exhibit B.
 - (c) CTB Mortgage is not enforceable against those 37 lots to which CTB does not, under CTB Note, advance underlined loan for construction.

2. CTB'S NOTICE OBLIGATION

CTB shall give written notice to GPFC regarding each and every underlined loan advanced to each lot for construction purpose. The principal amount of said underlined loan shall therefore constitute the principal amount of CTB Mortgage applied to said specific lot.

3. COSTS OF ENFORCEMENT

Notwithstanding any other agreement to the contrary, GPFC and CTB shall share equally in the costs of administering the provisions of this Agreement except that each party shall retain their own attorney, the costs of such attorneys to be borne by the respective parties, except that to the extent an attorney or other professional or hired expert or consultant is previously agreed by GPFC and CTB to be working expressly for the benefit of both GPFC and CTB, the cost thereof shall be borne equally.

4. This Agreement is not intended to create any contractual benefits to Stanton Properties II or Chanco Development Corporation-Stanton, its affiliates, successors or assigns.

5. LIBERAL INTERPRETATION

This Agreement shall be interpreted at all times to have been drafted by both parties jointly and equally.

6. GOVERNING LAW

This Agreement shall be interpreted in accordance with New York Law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

GRAND PACIFIC FINANCE CORP.



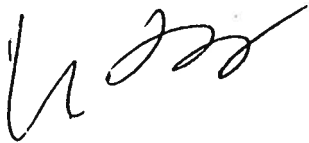
ROBERT T. SHANG

Witness/Attest:

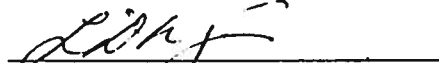
By: 

Michael Lin
President

CHINA TRUST BANK



ROBERT T. SHANG

By: 

Jerry Li
Senior Vice President

ACKNOWLEDGMENT

STATE OF NEW YORK)
)SS.:
COUNTY OF NEW YORK)

On the 29th day of June, 1994, before me personally came Michael Lin, to me known, who, being by me duly sworn, did depose and say that he resides at 11 Hilltop Road
Port Washington, NY 10052, that he is the President of Grand Pacific Finance Corp., a New York banking Corporation described in and which executed the foregoing instrument, and that he signed his name thereto by order of the board of directors of said corporation.




Notary Public

ROBERT T. SHANG
Notary Public, State of New York
No. 41-4946278
Qualified in Queens County
Commission Expires January 27, 1995

ACKNOWLEDGMENT

STATE OF NEW YORK)
)SS.:
COUNTY OF NEW YORK)

On the 29th day of June, 1994, before me personally came Jerry Li, to me known, who, being by me duly sworn, did depose and say that he resides at 88 Pine Street,
NY NY 10005, that he is the Senior Vice President of China Trust Bank, a New York banking Corporation described in and which executed the foregoing instrument, and that he signed his name thereto by order of the board of directors of said corporation.



Notary Public

FORM2-CO-MORT.C1A

ROBERT T. SHANG
Notary Public, State of New York
No. 41-4946278
Qualified In Queens County
Commission Expires January 27, 1995

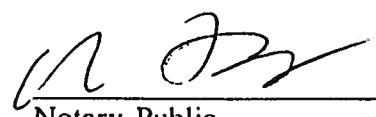
END OF DOCUMENT

RECORDED
Jul 8 2 25 PM '94
HUNTERDON COUNTY
DOROTHY E. TIRPOK
CLERK

ACKNOWLEDGMENT

STATE OF NEW YORK)
)SS.:
COUNTY OF NEW YORK)

On the 29th day of June, 1994, before me personally came Kevin Lee, to me known, who, being by me duly sworn, did depose and say that he resides at 21 Davenport Drive, Cranbury, New Jersey 08512, that he is the President of Chanco Development Corporation-Stanton, a Delaware Corporation described in and which executed the foregoing instrument, and that he signed his name thereto by order of the board of directors of said corporation.



Notary Public

ROBERT T. SHANG
Notary Public, State of New York
No. 41-4946278
Qualified in Queens County
Commission Expires January 27, 1995

FORM:MORG-NOTE.CIA

OFFICE USE ONLY

Debtor(s) Name (Last Name, First) Complete Address
Stanton Properties II
c/o Edge Venture
P.O. Box 399
Amwell Road
Belle Mead, New Jersey 08502

Maturity date (if any):

010758

FOR OFFICE USE ONLY

Secured Party(ies) and Complete Address

China Trust Bank
88 Pine Street
New York, New York 10005

FILED

JUL 8 2 25 PM '94

Assignee(s) of Secured Party and Complete Address

HUNTERDON COUNTY
DOROTHY K. TIRPOK
CLERK

This financing statement covers the following types (or items) of property:

See Exhibit A attached hereto.

When collateral is crops or fixtures complete this portion of form.
a. Description of real estate (Sufficient to identify the property).

See Exhibit A attached hereto.

b. Name and complete address of record owner.

Stanton Properties II
c/o Edge Venture
P.O. Box 399, Amwell Road, Belle Mead, New Jersey 08502

a. Proceeds of Collateral are also covered. b. Products of Collateral are also covered. No. of additional sheets presented. (1)
() Filed with Register of Deeds and Mortgages of _____ County. () Secretary of State
(X) Filed with the County Clerk of Hunterdon County.

TERMINATION STATEMENT

This statement of termination of financing is presented to a Filing Officer for filing pursuant to the Uniform Commercial Code. The secured Party certifies that the Secured Party no longer claims a security interest under the financing statement bearing the file number above.

Dated: _____ 19 _____

(Signature(s) of Secured Party or Assignee or Record-Not valid until signed)

FILING OFFICER COPY-ACKNOWLEDGMENT -

Filing Officer is requested to note file number, date and hour of filing on this copy and return it to the person filing, as an acknowledgement.

<p>FOR OFFICE USE ONLY</p>	<p>Debtor(s) Name (Last Name, First) Complete Address</p> <p>CHANCO DEVELOPMENT CORPORATION-STANTON 1465 State Highway 31 Annandale, New Jersey 08801</p>	<p>Maturity date (if any):</p> <p style="text-align: center; font-size: 1.2em;">010757</p> <p>FOR OFFICE USE ONLY</p>
	<p>Secured Party(ies) and Complete Address</p> <p>CHINA TRUST BANK 88 Fine Street New York, New York 10005</p>	<p style="text-align: center;">FILED</p> <p style="text-align: center; font-size: 1.2em;">Jul 8 2 25 PM '94</p>
	<p>Assignee(s) of Secured Party and Complete Address</p>	<p>HUNTERDON COUNTY DOROTHY K. TIRPOK CLERK</p>

This financing statement covers the following types (or items) of property:

The partnership interests of Chanco Development Corporation-Stanton in the Stanton Properties II, a New Jersey General Partnership, pursuant to Collateral Assignments of Partnership Interests executed by the Undersigned, dated June 29, 1994.

All present and future accounts, accounts receivable, contract rights, chattel paper, documents, instruments and general intangibles, as defined in the Uniform Commercial Code (including without limitation, all patents, trademarks and tax refunds); merchandise returns and other goods represented thereby; all proceeds and insurance proceeds of the foregoing; and the books and records pertaining thereto with the equipment containing said books and records, wherever located.

When collateral is crops or fixtures complete this portion of form.

a. Description of real estate (Sufficient to identify the property).

b. Name and complete address of record owner.

a. <input type="checkbox"/> Proceeds of Collateral are also covered.	b. <input type="checkbox"/> Products of Collateral are also covered.	No. of additional sheets presented. <input type="checkbox"/>
<input type="checkbox"/> Filed with Register of Deeds and Mortgages of _____ County.	<input type="checkbox"/> Secretary of State	
<input checked="" type="checkbox"/> Filed with the County Clerk of <u>Hunterdon</u> County.		

TERMINATION STATEMENT

This statement of termination of financing is presented to a Filing Officer for filing pursuant to the Uniform Commercial Code. The secured Party certifies that the Secured Party no longer claims a security interest under the financing statement bearing the file number above.

Dated: _____ 19 _____

 (Signature(s) of Secured Party or Assignee or Record-Not valid until signed)

FILED OFFICER COPY-ACKNOWLEDGMENT -

Filing Officer is requested to note file number, date and hour of filing on this copy and return it to the person filing, as an acknowledgement.

CORPORATE STATUS REPORT

of

CHANCO DEVELOPMENT CORPORATION-STANTON

THE STATE CAPITAL TITLE & ABSTRACT CO., having caused the duly indexed records of the New Jersey Department of State, Clerk of the Superior Court, Clerk of the U. S. District Court for the District of New Jersey, and the Director of the Division of Taxation, Department of the Treasury to be examined insofar as they relate to the above named corporation, CERTIFIES TO: Trans-County Title Agency, Inc.

That said corporation was organized under the laws of the State of Delaware.

That on February 27, 1992 the Secretary of State of New Jersey issued his Certificate of Authority permitting said corporation to transact business in this State.

That the Certificate of Authority issued to said corporation to transact business in the State of New Jersey is in force and effect.

That the name and address of its last designated Registered Agent for the State of New Jersey is: Kevin Lee, 21 Davenport Drive, Cranbury, NJ. 08512

IT FURTHER CERTIFIES:

That the indices (exclusive of those relating to proceedings in bankruptcy) in the Office of the Clerk of the Superior Court and the Office of the Clerk of the U. S. District Court for the District of New Jersey do not reveal the appointment of a Receiver for said corporation. to date.

That the Director of the Division of Taxation, Department of the Treasury certifies there is no lien for unpaid franchise taxes against said corporation to and including the calendar year

WE HAVE MADE APPLICATION FOR FRANCHISE TAX INFORMATION. UPON RECEIPT OF SAME WE SHALL FORWARD OUR SUPPLEMENTAL REPORT TO YOU.

In Witness Whereof, The State Capital Title & Abstract Co. has caused these presents to be executed on the date hereinafter subscribed.

Dated: 8:45 A. M. June 14, 1994 LF

Attest:

Stanis A. Eler
Secretary

John P. Eler

President

Fee: \$ 55.00



SUPPLEMENTAL REPORT

respecting

CHANCO DEVELOPMENT CORPORATION-STANTON
(DE.AUTH.NJ 2-27-92)

THE STATE CAPITAL TITLE & ABSTRACT CO., having obtained from the Director of the Division of Taxation, Department of Taxation and Finance, his Certificate respecting any franchise tax liens against the above named corporation to the date hereinafter set forth, CERTIFIES TO:

TRANS-COUNTY TITLE AGENCY, INC.

That the records of the Division of Taxation, Department of Taxation and Finance, reveal there is no *lien* for unpaid franchise taxes against said corporation to and including the calendar year

1994: EXCEPT AS HEREINAFTER NOTED:

1993 (1992 RETURN) \$ 13.27 PENALTY AND INTEREST.

In Witness Whereof, The State Capital Title & Abstract Co. has caused these presents to be executed on the date hereinafter subscribed.

Dated: 8:45 A.M. JULY 20, 1994 bn

Attest:

Nancy H. Eler
Secretary
John P. Eler
President

