

BY-LAWS
OF
TERRACE EAST CONDOMINIUM

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ARTICLE I

Name and Location

SECTION 1.

Name and Location. These By-Laws are established pursuant to the Condominium Act and the Master Deed, establishing a condominium known as "Terrace East Condominium" on property more fully set forth in Exhibit A attached to the Master Deed;

TOGETHER with all the buildings and improvements thereon erected, made or being; and all rights, alleys, ways, waters, appurtenances and advantages to the same belonging or in anywise appertaining.

These By-Laws are applicable to the Condominium Property and all improvements thereon and the use and occupancy thereof. All owners, lessees, mortgagees, occupants, employees, and others who may use the facilities in any manner or occupy any portion of the property shall be subject to these By-Laws.

The acceptance of a deed of conveyance of a Unit, or the execution of a lease for such a Unit, or the act of occupying any such Unit, shall constitute an acknowledgement by the grantee, lessee, or occupant that the provisions of the Master Deed, the By-Laws, and the Condominium Rules and Regulations of said condominium have been read and understood, are accepted and ratified, and will be complied with at all times.

Every deed to a Unit shall contain the following covenant:

"By accepting this deed, the grantee covenants that he or she has read, understood and approves the Master Deed for "Terrace East Condominium", its By-Laws, and its Condominium Rules and Regulations and that he or she will faithfully comply with and abide by the provisions of said Master Deed, By-Laws and Condominium Rules and Regulations as presently constituted and as the same may be lawfully amended from time to time."

ARTICLE II

Master Deed

SECTION 1.

Master Deed. "Master Deed" as used herein means that certain Master Deed made the _____ day of _____, 2006, by The Terrace East Real Estate Associates, L.P. pursuant

to the Condominium Act, by which certain described premises (including land) are submitted to a condominium property regime and which Master Deed is recorded among the Land Records for Cumberland County, New Jersey, immediately prior hereto and to which these By-Laws are appended as an exhibit.

SECTION 2.

Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Master Deed or in the Condominium Act, as applicable.

ARTICLE III

Membership

SECTION 1.

Members. Every person, corporation, trust or other legal entity, or any combination thereof, which owns a Unit within the Condominium shall be a member of the Association, provided however, that any person, corporation, trust or other legal entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation shall not be a member.

SECTION 2.

Lien. The Association shall have a lien on the outstanding regular memberships in order to secure payment of any sums that may become due from the holders thereof to the Association for any reason whatsoever. The lien herein set forth shall be inferior only to general and special assessments for real estate taxes and deeds of trust, mortgages, or other encumbrances recorded prior to the date of assessment of said lien, or recorded after receipt of a written statement from the Board of Trustees that the payments on said lien were current as of the recordation date of such deed of trust, mortgage instrument or other encumbrance.

SECTION 3.

Liquidation Rights. In the event of any voluntary or involuntary dissolution of the Association, each member of the Association shall be entitled to receive out of the assets of the Association available for distribution to the members, an amount equal to that proportion of such assets which the value of his or her Unit bears to the value of the entire project.

ARTICLE IV
Meeting of Members

SECTION 1.

Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the Association or at such other suitable place convenient to the membership as may be designated by the Board of Trustees.

SECTION 2.

Annual Meetings. The annual meetings of the members of the Association shall be held on the date specified by the Board. At such meeting there shall be elected by ballot of the members, a Board of Trustees (the "Board") in accordance with the requirements of these By-Laws. The members may also transact such other business of the Association as may properly come before them.

SECTION 3.

Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board or upon a petition signed by members representing at least ten (10%) percent of the Units having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

SECTION 4.

Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his or her address as it appears on the membership book of the Association, or if no such address appears, at his or her last known place of business, at least ten (10) but not more than sixty (60) days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the member at his or her Unit or last known address. Notice by either such method shall be considered as notice served.

SECTION 5.

Quorum. The presence, either in person or by proxy, of Unit Owners representing at least twenty-five (25%) percent of the total Units shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of members. If the number of members at a

meeting drops below the quorum and the question of a lack of a quorum is raised, no business thereafter may be transacted.

SECTION 6.

Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting from time to time until a quorum is present or represented.

SECTION 7.

Voting. At every meeting of the members, the members shall have the right to cast one (1) vote on each question for each Unit. The vote of the Unit Owners representing fifty-one (51%) percent of the Units present, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute, or of the Master Deed or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. No member shall be eligible to vote or to be elected to the Board who is not a Unit Owner in Good Standing or who is shown on the books or management records of the Association to be more than thirty (30) days delinquent in any payment due to the Association.

SECTION 8.

Proxies/Absentee Ballot. A member may appoint any other member as his or her proxy. A written proxy must be filed with the Secretary before the appointed time of each meeting.

SECTION 9.

Order of Business. The order of business at all regularly scheduled meetings of the regular members shall be as follows:

- (a) Roll call and certification of proxies
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of preceding meeting
- (d) Reports of officers
- (e) Reports of committees
- (f) Election of inspectors of election
- (g) Election of trustees
- (h) Unfinished business

- (i) New business

In case of special meetings, items (a) through (d) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meeting.

ARTICLE V

Trustees

SECTION 1.

Number and Qualification.

The affairs of the Association shall be governed by the Board of Trustees composed of five (5) persons, all of who shall be members of the Association.

SECTION 2.

Powers and Duties. The Board shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. The powers and duties of the Board shall include but not be limited to the following:

To provide for the:

(a) Care, upkeep and surveillance of the project and its Common Elements and Limited Common Elements and services in a manner consistent with the provisions of these By-Laws and the Master Deed.

(b) To prepare for submission to the annual meeting of the Association a budget to facilitate the establishment of the amount to be assessed against the Unit Owners for Common Expenses.

(c) To establish and provide for the collection of assessments and/or carrying charges from the members and for the assessment and/or enforcement of liens therefor in a manner consistent with the provisions of these By-Laws and the Master Deed.

(d) Designation, hiring and/or dismissal of the personnel necessary for the good working order of the project and for the proper care of the Common Elements or Limited Common Elements and to provide services for the project in a manner consistent with the provisions of these By-Laws and the Master Deed.

(e) To promulgate and enforce such rules and regulations and such restriction on or requirements as may be deemed proper respecting the use, occupancy and maintenance of the project and the use of the Common Elements and Limited Common Elements as are designated

to prevent unreasonable interference with the use and occupancy of the project and of the Limited Common Elements by the members, all of which shall be consistent with the provisions of these By-Laws and the Master Deed.

(f) To establish reasonable reserve funds for emergencies and unforeseen contingencies and the repair and replacement of Common Elements.

SECTION 3.

Election and Term of Office.

The affairs of the Association shall, for the period of time during which Declarant appoints all of the Trustees, be governed by a Board consisting of not less than three (3) persons. Ultimately, the Association shall be governed by a Board of Trustees consisting of five (5) members. Until the Master Deed shall have been recorded by the Declarant, and at least twenty-five percent (25%) of the Units in the Condominium (19 units) have been conveyed by Declarant, the Board shall consist of three (3) persons appointed by Declarant. Thereafter, the members of the Board shall be elected and designated pursuant to the provisions of these By-Laws. Each Trustee, with the exception of Trustees appointed by Declarant, shall be a Unit Owner or the spouse of a Unit Owner or in the case of a partnership Unit Owner, Trustees shall be partners or employees of such partnership, or in the case of a corporate Unit Owner, Trustees shall be stockholders or employees of such corporation. Control of the Association shall be surrendered to the Unit Owners in the following manner:

(a) Within sixty days after conveyance of twenty-five percent (25%) of the Units (19 Units), the Unit Owners shall elect the fourth Trustee to the Board so that not less than twenty-five (25%) percent of the Trustees shall be elected by the non-Declarant Unit Owners;

(b) Within sixty days after conveyance of fifty percent (50%) of the Units (37 Units), the Unit Owners shall elect the fifth Trustee to the Board so that not less than forty (40%) percent of the Trustees shall be elected by the non-Declarant Unit Owners;

(c) Within sixty days after conveyance of seventy-five percent (75%) of the Units (55 Units), the Declarant's control of the Board of Trustees shall terminate at which time the non-Declarant Unit Owners shall elect the entire Board.

(d) Despite the above, Declarant may retain one (1) member of the Board so long as there is one (1) Unit remaining unsold in the regular course of business.

In calculating the above percentages, it is presumed that they are calculated on the basis of the entire number of Units entitled to membership in the Association.

Declarant may surrender control of the Board prior to the time as specified, provided the Unit Owners in Good Standing other than Declarant agree by majority vote to assume control.

Declarant shall be obligated to surrender control of the Board within five (5) years of the date of the first closing of title to a Unit in the Condominium.

Despite the above provisions, the time to transfer control by Declarant shall be in accordance with *N.J.S.A.* 46:8B-12.1.

This Section has been predicated upon the assumption that there are seventy-three (73) Units on the Property.

The initial term of office for the director(s) elected by non-Declarant Unit Owners during that period wherein Declarant appoints a majority of the Board, shall continue until the first annual meeting of the Unit Owners following the transfer of control of the Association from Declarant to the non-Declarant Unit Owners provided however that said term(s) shall in no event exceed one (1) year.

In the event that Declarant does not transfer control within one (1)-year of the election of the respective Unit Owner Trustee(s), the Trustee's(s) term shall be deemed expired and elections will be held for said Trustees(s) position(s) for term(s) consistent with the foregoing, not to exceed twelve (12) months each. At the first annual meeting of the Unit Owners following the transfer of control by Declarant, elections will be held for all Trustee positions, regardless of the length of term of the existing Unit Owner directors. At this time, the term of office of three (3) Trustees shall be fixed at two (2) years and the term of office of two (2) Trustees shall be fixed at one (1) year. The three (3) two (2)-year terms shall go to the three (3) individuals receiving the highest number of votes and the two (2) one (1)-year terms shall go to the two (2) individuals receiving the next highest number of votes. At the expiration of the initial term of each respective member of the Board, his/her successor shall be elected at the annual meeting of all the Unit Owners and shall serve for a term of two (2) years.

SECTION 4.

Vacancies. Except as provided in Sections 1 and 4 of this Article, vacancies in the Board caused by any reason other than the removal of a Trustee by a vote of the membership shall be filled by vote of the majority of the remaining Trustees, even though they may constitute less

than a quorum, and each person so elected shall be a Trustee until a successor is elected by the members at the next annual meeting to serve out the unexpired portion of the term.

SECTION 5.

Removal of Trustees. At a regular or special meeting duly called, any Trustee, except as provided in Sections 1 and 4 of this Article, may be removed with or without cause by the affirmative vote of the majority of all the Unit Owners in Good Standing (not merely those present at the meeting) and a successor may then and there be elected to fill the vacancy thus created. Any Trustee whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. The term of any Trustee who becomes more than thirty (30) days delinquent in payment of any assessments and/or carrying charges or is no longer a Unit Owner in Good Standing shall be automatically terminated and the remaining Trustees shall appoint his or her successor as provided in Section 5 of this Article.

SECTION 6.

Compensation. No compensation shall be paid to Trustees for their service as Trustees. No remuneration shall be paid to a Trustee for services performed by him or her for the Association in any other capacity unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board before the services are undertaken.

SECTION 7.

Organization Meeting. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Trustees at the meeting at which such Trustees were elected, and no notice shall be necessary to the newly elected Trustees in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

SECTION 8.

Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time, by a majority of the Trustees, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each Trustee, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

SECTION 9.

Special Meetings. Special Meetings of the Board may be called by the President on three (3) days notice to each Trustee, given personally or by mail, telephone, facsimile, or e-mail,

which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the initial request of at least three (3) Trustees.

SECTION 10.

Notice of Meetings to Members.

All members of the Association shall receive notice of any regular or special Board meeting, except conference or working sessions at which no binding votes are to be taken. The notice required shall be that notice given to the Trustees under Sections 8 and 9 of this Article. The meetings shall be opened to all members except that the Board may exclude or restrict attendance at those meetings, or portions of meetings, dealing with:

- (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 officer or employee of the Association.

At each meeting required by this Section to be open to all Unit Owners, the participation of Unit Owners in the proceedings or the provision of a public comment session shall be at the discretion of the Board.

SECTION 11.

Minutes of Board Meetings. At each meeting required to be open to all members, minutes of the proceedings shall be taken, and copies of those minutes shall be made available to all members before the next open meeting.

SECTION 12.

Waiver of Notice. Before or at any meeting of the Board, any Trustee may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Trustee at any meeting of the Board shall be a waiver of notice by him or her of the time and place thereof. If all the Trustees are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 13.

Quorum. At all meetings of the Board, a majority of the Trustees shall constitute a quorum. If at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the meeting to a date and time announced at the meeting. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

SECTION 14.

Fidelity Bonds. The Board may require that all officers, agents, and employees of the Association handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE VI

Officers

SECTION 1.

Designation. The principal officers of the Association shall be a President, Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board. The Trustees may appoint an Assistant Secretary and an Assistant Treasurer and such officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be filled by the same person. The persons filling the office of Secretary, Treasurer, Assistant Secretary, and Assistant Treasurer need not be Unit Owners.

SECTION 2.

Elections of Officers. The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

SECTION 3.

Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed either with or without cause, and his or her successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

SECTION 4.

President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the members and of the Board. He shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including, but not limited to, the power to appoint committees from among the membership from time to time as he or she may, in his or her discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

SECTION 5.

Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board.

SECTION 6.

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 custody of the seal of the Association, he shall have charge of the membership transfer book and of such other books and papers as the Board may direct, and he shall, in general, perform all the duties incident to the office of Secretary.

SECTION 7.

Treasurer. The Treasurer shall have responsibility for 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 designated by the Board.

SECTION 8.

Indemnification. Every Trustee, every officer, and every duly appointed committee member of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Trustee or officer of the Association or any settlement thereof, whether or not he is a Trustee or officer at the time such expenses are incurred, except in such cases wherein the Trustee or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Trustee or officer may be entitled.

ARTICLE VII

Management

SECTION 1.

Management and Common Expenses. The Association shall manage, operate and maintain the Condominium and, for the benefit of the Units and the Unit Owners, shall enforce the provisions hereof and may pay out of the common expense fund herein elsewhere provided for, the following:

(a) The cost of providing water, sewer, garbage and trash collection, electrical, gas and other necessary utility services for the Common Elements and, to the extent that the same are not separately metered or billed, for the Units.

(b) The cost of fire and extended liability insurance on the Condominium and the cost of such other insurance as the Association may require.

(c) The cost of the services of a person or firm to manage the Condominium to the extent deemed advisable by the Association, together with the services of such other personnel, as the Board shall consider necessary for the operation of the Condominium.

(d) The cost of providing such legal and accounting services as may be considered necessary to the operation of the Condominium.

(e) The cost of painting, maintaining, repairing, landscaping and such furnishings and equipment for the Common Elements as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same; provided, however, that

nothing herein contained shall require the Association to paint, repair or otherwise maintain the interior of any Unit or otherwise maintain the interior of any Unit or any fixtures or equipment located therein.

(f) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Association is required to secure or pay for by law, or otherwise, or which, in the discretion of the Board, shall be necessary or proper for the operation of the Common Elements; provided, however, that if any of the aforementioned are provided or paid for the benefit of a particular Unit or Units, the cost thereof may be specially assessed to the owner or owners thereof.

(g) The cost of the maintenance or repair of any Unit in the event such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Elements or to preserve the appearance or value of the project or is otherwise in the interest of the general welfare of all owners of the Units; provided, however, that no such maintenance or repair shall be undertaken without a resolution by the Board and not without reasonable written notice to the owner of the Unit proposed to be maintained and provided further that the cost thereof shall be assessed against the Unit on which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered to the then Unit Owner which time the assessment shall become due and payable and a continuing lien and obligation of said owner in all respects as provided in Article VIII of these By-Laws.

(h) Any amount necessary to discharge any lien or encumbrance levied against the Condominium, or any portion thereof, which may, in the opinion of the Board, constitute a lien against any of the Common Elements rather than the interest of the owner of an individual Unit.

(i) Any amount reasonably necessary for the creation of reserve funds for the repair and replacement of capital assets.

SECTION 2.

Management Agent. The Association may delegate any of its duties, powers or function to the management agent, which may be a management company or an individual manager retained by the Association. The Association and the Board shall not be liable for any omission or improper exercise by the management agent of any such duty, power or function so delegated.

SECTION 3.

Duty to Maintain. Except for maintenance requirements herein imposed or imposed by the Master Deed upon the Association, if any, every Unit Owner shall, at his expense, maintain the interior and exterior of his Unit and any and all equipment therein situate, and its other appurtenances (including Limited Common Elements), in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and the like which may at any time be necessary to maintain the good appearance of the Unit. In addition to the foregoing, every Unit Owner shall, at his own expense, maintain, repair or replace any plumbing fixtures, water heaters, heating and air-conditioning equipment, lighting fixtures, refrigerators, freezers, dishwashers, clothes dryers, disposals, ranges and/or other equipment that may be in or appurtenant to such Unit. Every Unit Owner shall also, at his own expense, maintain any Limited Common Elements that may be appurtenant to his Unit in a clean, orderly and sanitary condition.

SECTION 4.

Access at Reasonable Times. For the purpose solely of performing any of the repairs or maintenance required or authorized by these By-Laws, or in the event of a bona fide emergency involving illness or potential danger to life or property, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Unit Owner if possible under the circumstances, to enter any Unit at any hour considered to be reasonable under the circumstances.

SECTION 5.

Easements for Utilities and Related Purposes. The Association is authorized and empowered to grant such licenses, easements and/or rights-of-way for sewer lines, water lines, electrical, telephone, television, and internet access, cables, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of public utilities to the project or other similar projects as may be considered necessary and appropriate by the Board for the orderly maintenance, preservation and enjoyment of the Common Elements or for the preservation of the health, safety, convenience and/or welfare of the Unit Owners. The same may be granted only over those portions of the Common Elements upon which no building or structure has been erected.

SECTION 6.

Limitation of Liability. The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for out of the Common Expense funds, or for injury or damage to persons or property caused by the elements or by any Unit Owner, or any other person, or resulting from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles that may be stored upon any of the Limited Common Elements. No diminution or abatement of Common Expense assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Association to comply with any law ordinance or with the order or direction of any municipal or other governmental authority, except as may be provided in the Master Deed.

ARTICLE VIII

Assessments and Common Expenses

SECTION 1.

Annual Assessments and Common Expenses. Each member shall pay to the Association a monthly sum equal to one twelfth (1/12) of the member's proportionate share of the sum required by the Association, as estimated by the Board, to meet its annual expenses, including, but in no way limited to the following:

- (a) The cost of all operating expenses of the project and services furnished, including charges by the Association for facilities and services furnished by it.
- (b) The cost of necessary management and administration, including fees paid to any management agent.
- (c) The amount of all taxes and assessments levied against the Association or upon any property which it may own or which it is otherwise required to pay, if any.
- (d) The cost of fire and extended liability insurance on the project and the cost of such other insurance as the Association may effect.
- (e) The cost of furnishing water, electricity, heat, gas, garbage and trash collection and/or other utilities, to the extent furnished by the Association.
- (f) The cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and/or a reserve for replacements.

(g) The estimated cost of repairs, maintenance and replacements of the Condominium to be made by the Association.

The Board shall determine the amount of the assessment annually, but may do so at more frequent intervals should circumstances so require.

The Board shall make reasonable efforts to fix the amount of the assessment against each member for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the membership and assessments applicable thereto which shall be kept at the office of the Association and shall be open to inspection by any Unit Owner upon reasonable notice to the Board. Written notice of the assessment shall thereupon be sent to the members. The omission of the Board, before the expiration of any assessment period, to fix the assessments hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article, or a release of any member from the obligation to pay the assessment, or any installment thereof, for that or any subsequent assessment period, but the assessment fixed for the preceding period shall continue until a new assessment is fixed. No member may exempt himself from liability for assessments by a waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit belonging to him.

SECTION 2.

Special Assessments. In addition to the regular assessments authorized by this Article, the Association may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement, of a described capital improvement located upon the project, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board may consider appropriate, provide that any such assessment shall have the assent of the members representing two-thirds (2/3) of the total votes. A meeting of the members shall be duly called for this purpose, written notice of which shall be sent to all members at least ten (10) but not more than thirty (30) days in advance of such meeting, which notice shall set forth the purpose of the meeting.

SECTION 3.

Non-payment of Assessment. Any assessment levied pursuant to these By-Laws, or any installment thereof, which is not paid on the date when due shall be delinquent and shall,

together with interest thereon and the cost of collection thereof, as hereinafter provided, thereupon become a continuing lien upon the Unit or Units belonging to the member against whom such assessment is levied and shall bind such Unit or Units in the hands of the then owner, his or her heirs, devisees, personal representatives and assigns, all in accordance with the provisions of the Condominium Act. The personal obligation of the member to pay such assessment shall, however, remain his personal obligation for the statutory period and a suit to recover a money judgment for nonpayment of any assessment levied pursuant to these By-Laws, or any installment thereof, may be maintained without foreclosing or waiving the lien herein and by the aforesaid statute created to secure the same.

Additionally, each Unit Owner, by the act of acquisition of a Unit in Terrace East Condominium, irrevocably agrees as follows: That the acquired Unit is impressed, not only with the aforesaid lien, but, as well with a continuing trust for the purpose of enforcing and foreclosing the same; that the persons who shall be serving from time to time as the President and Vice-President of the Association shall likewise during their terms of office constitute the acting and qualified trustees of said trust; that, in the event of a continuation of such default for a period of thirty (30) days, the trustees shall have the right and power to enforce the lien therefor by selling the Unit at public auction for such price proper, provided that public advertisement of such sale, setting forth the terms thereof, shall first be inserted in a newspaper of general circulation in Cumberland County, New Jersey, not less than fifteen (15) days preceding the sale; that the trustees shall have the right and power at such sale to convey the said unit in fee simple to a purchaser or purchasers thereof free and clear of any lien for unpaid assessments, and to apply the proceeds in payment of (a) all proper costs, charges and expenses of said proceedings, (b) in discharge of any then unpaid and due and payable general or special assessments for real estate taxes, (c) in payment of any then due and payable deeds of trust, mortgages, or other encumbrances, (d) in payment of the lien for unpaid Condominium assessments plus interest, and (e) to remit to the former owner of such Unit any remaining balance; that the Board may purchase such Unit at the public auction for the benefit and interest of the Association; that the defaulting Unit Owner waives any notice to quit that may be required by the laws of the State of New Jersey, and shall quit and surrender said premises not later than the day set for the sale.

The voting rights of any member shall be suspended by the Board for any period during which a Unit Owner of the Unit to which his membership is appurtenant and the rights and

privileges shall be immediately and automatically restored upon such Unit Owner satisfying the conditions necessary for such Unit Owner to become a Unit Owner in Good Standing. Further, the rights and privileges of any Unit Owner in arrears of any assessment, or in violation of any non-monetary covenant of the Master Deed, By-Laws, or Condominium Rules and Regulations properly adopted and published, may be suspended at the discretion of the Board and may include:

- (a) The suspension of privileges to any recreational or common area; and
- (b) Such other rights and privileges as may be now or hereafter granted to the members.

SECTION 4.

Assessment Certificates. The Association shall upon demand at any time furnish to any member liable for any assessment levied pursuant to these By-Laws (or any other party legitimately interested in the same), a certificate in writing signed by an officer of the Association, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid.

SECTION 5.

Acceleration of Installments. Upon default in the payment of any one (1) or more installments of any assessment levied pursuant to these By-Laws, the entire balance of said assessment may be accelerated at the option of the Board and be declared due and payable in full.

SECTION 6.

Priority of Lien. The lien established by this Article and under the Condominium Act, as amended shall have preference over any other assessments, liens, judgments, or charges of whatever nature, except the following:

- (a) General and special assessments for real estate taxes on the Unit; and
- (b) The liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the Unit prior to the assessment of the lien thereon or duly recorded on said Unit after receipt of a written statement from the Board reflecting that payments of said deed of trust, mortgage instrument or encumbrance, all as hereinafter specifically provided.

SECTION 7.

Subordination and Mortgage Protection. Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these By-Laws upon any Unit in the project shall be subordinate to, and shall in no way affect the rights of the holder of any indebtedness secured by any recorded mortgage upon such interest made in good faith and for value received, provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to a decree of foreclosure, or any other proceedings in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser at such sale or the Unit from liability for any assessment thereafter becoming due, nor from the lien of any such subsequent assessment, which said lien, if any, shall have the same effect and be enforced in the same manner as provided herein.

No amendment to this section shall affect the rights of the holder of any such mortgage (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or of the indebtedness secured thereby) shall join in the execution of such amendment.

ARTICLE IX

Use Restrictions

SECTION 1.

Residential Use. All Units shall be used for private residential purposes exclusively, except for such temporary non-residential uses as may be permitted by the Board from time to time.

SECTION 2.

Financial Responsibility, etc. The right to use or occupy any Unit within the Condominium, reside therein permanently or otherwise, and the right to sell, lease or otherwise transfer or convey any Unit may be subject to such uniform objective standards as may now or hereafter be set forth in the Master Deed or these By-Laws. No such restriction shall be based upon race, color, creed, religion, sex, national origin, marital status, ancestry, and affectional or sexual orientation, or any other basis prohibited by the Law Against Discrimination.

SECTION 3.

Prohibited Uses and Nuisances.

(a) No noxious or offensive trade or activity shall be carried on within the Condominium or within any Unit situate thereon, nor shall any thing be done therein or thereon which may be or become an unreasonable annoyance to the neighborhood or the other owners.

(b) There shall be no obstruction of any Common Elements. Nothing shall be stored upon any Common Elements without the approval of the Board. Vehicular parking upon Common Elements shall be regulated by the Board.

(c) Nothing shall be done or maintained in any Unit or upon any Common Elements that will increase the rate of insurance on any Unit or Common Elements, or result in the cancellation thereof, without the prior written approval of the Board. Nothing shall be done or maintained in any Unit or upon Common Elements that would be in violation of any law. No waste shall be committed upon any Common Elements.

(d) No structural alteration, construction, addition or removal of any Unit or Common Elements shall be commenced or conducted except in strict accordance with the provisions of these By-Laws.

(e) The maintenance, keeping, boarding and/or raising of animals, livestock or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Unit or upon any Common Elements, except that this shall not prohibit the keeping of one (1) dog, one (1) cat, tropical fish and/or caged birds as domestic pets provided they are not kept, bred or maintained for commercial purposes.

(f) No signs of any character shall be erected, posted or displayed upon, in, from or about any Unit or Common Elements.

(g) Except as herein elsewhere provided, no junk vehicle or other vehicle on which current registration plates are not displayed, trailer, truck camper, camp truck, house trailer, boat or the like shall be kept upon any Common Elements, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out therein. The Association may, in the discretion of the Board, provide and maintain a suitable area designated for the parking of such vehicles or the like.

(h) No part of the Common Elements shall be used for commercial activities of any character.

(i) No burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash of any other kind shall be permitted within any Unit or upon any Common Elements. Trash and garbage containers shall not be permitted to remain in public view except on days of collection.

(j) No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any Common Elements at any time, except by Declarant. Outdoor clothes dryers or clothes lines shall not maintained upon any Common Elements at any time.

(k) No outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, shall be maintained upon any Unit or upon any Common Elements without the prior written consent of the Board. Under Federal Communications Commission regulations, a Condominium Association may not prohibit a unit owner from installing a satellite dishes however a unit owner must receive board approval in the selection of the location of any and all satellite dishes within the Terrace East Condominium development.

(l) There shall be no violation of any rules for the use of the Common Elements that may from time to time be adopted by the Board and promulgated by them in writing among the membership, and the Board is hereby and elsewhere in these By-Laws authorized to adopt such rules.

SECTION 4

Pet Policy. No animals or reptiles of any kind shall be raised, bred or kept in any Unit or in the Common Elements, except cats and/or dogs, not to exceed forty (40) pounds in weight, without the prior approval of the Association.

ARTICLE X

Architectural Control

SECTION 1.

Architectural Control and Committee. Except for the original construction of the Units situate within the Condominium and any improvements to any Common Elements accomplished concurrently with said construction, and except for purposes of proper maintenance and repair or as otherwise in these By-Laws provided, it shall be prohibited to install, erect, attach, apply,

paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, decorations, fences, aerials, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, driveways, fences, walls, or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever to the exterior of any Unit or upon any of the Common Elements within the Condominium until the complete plans and specifications, showing the location, nature, shape, height, material, color, type of construction and/or any other proposed form of change (including without limitation, any other information specified by the Board or its designated committee) shall have been submitted to and approved in writing as to harmony of external design, color and location in relation to surrounding structures and topography by the Board of, or by an architectural control committee designated by it.

In the event the Board, or its designated committee, fails to approve or disapprove such design and location within sixty (60) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been complied with.

ARTICLE XI

Insurance

The Board shall obtain and maintain the amounts and types of insurance coverage as may be required by the Master Deed.

ARTICLE XII

Fiscal Management

SECTION 1.

Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with good accounting practices. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures affecting the project and its administration and shall specify the maintenance and repair expenses of the Common Elements and Limited Common Elements and services and any other expense incurred. The amount of any assessment required for payment on any capital expenditures of the Association shall be credited upon the books of the Association to the "Paid-In-Surplus" account as a capital contribution by the members.

SECTION 2.

Auditing. At the close of each fiscal year, the books and records of the Association shall be reviewed by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards. Based upon such report, the Association shall furnish its members with an annual financial statement, including the income and disbursements of the Association.

SECTION 3.

Inspection of Books. The books and accounts of the Association, and vouchers accrediting the entries made thereupon, shall be available for examination by the members of the Association, and/or their duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their interests as members.

SECTION 4.

Execution of Documents. With the prior authorization of the Board, all notes and contracts shall be executed on behalf of the Association by either the President or Vice President, and all checks shall be executed on behalf of the Association by such officers, agents, or other persons as are from time to time authorized by the Board.

SECTION 5.

Seal. The Board shall provide a suitable seal containing the name of the Association, which seal shall be in the charge of the Secretary. If so directed by the Board, a duplicate of the seal may be kept and used by the Treasurer or any Assistant Secretary or Assistant Treasurer.

ARTICLE XIII

Amendment

SECTION 1.

Amendments. These By-Laws may be amended by the affirmative vote of members representing two-thirds (2/3) of the total Unit Owners in Good Standing present and voting at any meeting of the members duly called for such purpose, effective only upon the recordation among the Land Records for Cumberland County, New Jersey, of an amendment to the Master Deed setting forth such amendment to these By-Laws. Amendments may be proposed by the Board or by petition signed by members representing at least twenty percent (20%) of the total vote of the Unit Owner's in Good Standing. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

ARTICLE XIV

Compliance- Interpretation- Miscellaneous

SECTION 1.

Compliance. These By-Laws are set forth in compliance with the requirements of the Condominium Act.

SECTION 2.

Conflict. These By-Laws are subordinate and subject to all provisions of the Master Deed and to the provisions of the Condominium Act. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Master Deed or the Condominium Act. In the event of any conflict between these By-Laws and the Master Deed, the provisions of the Master Deed shall control; and in the event of any conflict between the Master Deed and the Condominium Act, the provisions of the Condominium Act shall control.

SECTION 3.

Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

SECTION 4.

Waiver. No restriction, condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

SECTION 5.

Captions. The captions contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

SECTION 6.

Gender, etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

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