

BY-LAWS
OF
LONGVIEW AT MONTVILLE, A CONDOMINIUM

BOOK 3137 PAGE 0167

EXHIBIT E

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BY-LAWS

OF

LONGVIEW AT MONTVILLE ASSOCIATION, INC.

A NEW JERSEY NOT FOR PROFIT CORPORATION

ARTICLE I

Name, Office and Purpose

Section 1. NAME AND PRINCIPAL OFFICE: These are the By-Laws of Longview at Montville Association, Inc. (hereinafter called the "Association"). The principal office of the Association shall be located at 322 Route 46, Parsippany, New Jersey.

Section 2. PURPOSE: The Association is formed to serve as a means through which the condominium unit owner, (hereinafter "Unit Owners") may take action with regard to the administration, management, maintenance, repair and operation of the Property, in accordance with the provisions of a master deed (hereinafter the "Master Deed") to be recorded in the office of the Morris County Clerk to which these By-Laws are appended as an exhibit.

The statutes relating to condominiums in effect in the State of New Jersey pursuant to which the Condominium is to be promulgated and governed are P.L. 1969, Ch. 257, R.S.46:8B-1 et seq. of the laws of the state of New Jersey (hereinafter the "Condominium Act") and the Association is intended to be that defined in the Condominium Act.

ARTICLE II

Definitions

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

a. "Association" shall mean and refer to Longview at Montville Association, Inc., its successors and assigns.

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

c. "Common Elements" means general common elements and limited common elements, all as hereinafter defined. Common elements do not include a Unit.

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

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

ii. expenses agreed upon as common by all unit owners; and

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

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

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

g. "Condominium Property" or "Property" means the land covered by the Master Deed, and all improvements thereon, including the 110 residential buildings consisting of a total of 612 residential units, recreational facilities and buildings, roads, parking areas, and all easements, rights and appurtenances belonging thereto or intended for the benefit thereof.

h. "Grantor" means Longview Estates, a general partnership, its successors and assigns.

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

j. "Institutional holders of a first mortgage" means a savings and loan association, a commercial bank, a savings bank, an insurance

company or any entity that is approved to handle governmentally insured or related mortgage loans or a mortgage given by the Grantor.

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

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

m. "Master Deed" means the Master Deed recorded under the terms of the Condominium Act, as such Master Deed may be amended or supplemented from time to time, n. "Member" means the owner or co-owner of a unit.

o. "Owner" shall mean and refer to the record owner, whether one or more persons, firms, associations, corporations, or other legal entities, of the fee simple title to any unit, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee, unless and until such mortgagee has acquired title pursuant to foreclosure proceedings or any proceeding in

lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

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

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

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

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

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

ARTICLE III

Plan of Unit Ownership

Section 1. APPLICABILITY OF BY-LAWS: The provisions of these By-Laws are applicable to the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the buildings ("Building") and all other improvements thereon (including the units and the common elements), and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all as set forth in the Master Deed.

Section 2. APPLICATION: All present and future owners, mortgagees, lessees and occupants of units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the rules and regulations of the Association and the Master Deed. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a unit shall constitute an agreement that these By-Laws, the rules and regulations of the Association and the provisions of the Master Deed, as they may be amended from time to time, are accepted, ratified and will be complied with. Each purchaser of a unit in the Condominium shall, by virtue of its ownership, become a member of the Association.

ARTICLE IV

Membership-Assessments

Section 1. MEMBERSHIP: Every person or entity who is a record Owner of a fee or undivided fee interest in any Unit shall

be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member. Membership shall be appurtenant to and may not be separated from ownership of any Unit.

Section 2. ASSOCIATED MEMBERSHIP: Every person who is entitled to possession and occupancy of any Unit as a tenant or lessee of a Member, may be an Associate Member of the Association, and as such, shall be privileged to use its Common Elements, subject to the Rules and Regulations of the Association.

Section 3. The rights of membership are subject to the payment of monthly and special assessments and other charges and fees levied by the Association as provided in these By-Laws. The obligation of such assessments is imposed against each owner of and becomes a lien upon the Owner's Unit, against which such assessments are made as provided by Article 18 in the Master Deed to which the Properties are subject and which is being recorded simultaneously with these By-Laws and which provide as follows:

A. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is or will be deemed to covenant and agree to pay to the Association: (i) monthly assessments or charges; (ii) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time, as hereinafter provided; (iii) assessments for a Reserve Fund; and (iv) any other fees, payments, assessments or charges as may be

provided for under the provisions of the Master Deed or these By-Laws. The aforesaid assessments and charges, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided shall also be the personal obligation of the person or persons who was the Owner of such Unit at the time when the assessment fell due. In the case of co-ownership of a Unit, all such co-owners of the Unit shall be jointly and severally liable.

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

C. Establishment of Monthly Assessments. The monthly assessment shall be established by vote of the Board of Trustees, for each succeeding one (1) year period, and prior to the end of such period of one (1) year, for a succeeding period of one (1)

year, subject to the rights of Members as hereinafter provided in Sub-Section E. In the event the monthly assessments are not made in time, then it shall be presumed that an assessment was made in the amount of the last year's prior assessment, increased by ten (10%) percent; and the monthly installments shall be due upon each installment payment date until changed by an amendment assessment.

The Board of Trustees of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual monthly assessment for any year at a lesser amount, but such action shall not constitute a waiver by the Association of its right to revert to the full assessment for the remaining year or years in the then current period fixed as provided in the preceding paragraph.

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

E. Special Assessments.

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

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

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

(d) All such special assessments, except for Budget deficit assessments, (which shall only require a majority vote of the Trustees), shall require the approval of two-thirds (2/3) of the

votes of the members (other than Grantor) who are voting in person or by proxy, at a meeting duly called for this purpose. The foregoing vote requirement shall not be required (i) if the total expenditure is less than \$10,000 or (ii) if the work is done pursuant to the provisions of Article 16 of the Master Deed; or (iii) if the work is of an emergency nature. The affirmative vote of the Grantor shall be required as to any new (i.e. previously non-existing) capital improvement work as long as the Grantor owns at least 10% of the total number of units.

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

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

At the first meeting called, as provided in Sub-Sections E and F hereof, the presence at the meeting of Members, or of proxies, entitled to cast fifty-one (51%) percent of all the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to

the notice requirement set forth in Sub-Sections E and F, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than twenty (20) days following the preceding meeting.

H. Date of Commencement of Assessments; Due Dates. The monthly assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Trustees of the Association to be the date of commencement.

The first monthly assessments shall be made for the balance of the fiscal year and shall become due and payable on the first day of each month remaining in the fiscal year. The assessments for any year, after the first year, shall become due on the first day of the first month of said fiscal year and payable monthly in accordance with the method of payment adopted by the Resolution.

The amount of the monthly assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the monthly assessment provided for in Sub-Section C hereof as the remaining number of months in that year bear to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to the properties now subject to assessment at a time other than the beginning of any assessment period.

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

Notwithstanding anything to the contrary stated in these By-Laws and the Master Deed as to any units owned by the Grantor or its Designated Transferee, which units are under development or unsold, the assessment assessed against such a unit(s) shall be in proportion to the benefit derived by the unit(s) from the items included in the budget.

Section 4. The membership rights of any person whose interest in a Unit is subject to assessments under Article IV, Sections 1 & 2 of these By-Laws, whether or not he be personally obligated to pay such assessment, may be suspended by action of the Trustees during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be restored automatically. If the Trustees have adopted and published rules and regulations governing the use of the Common Elements and the personal conduct of any person thereon, as provided in Article VI, Sections 1 & 2 of these By-Laws, they may, in their discretion suspend the rights of any such person for violation of such rules and regulations for a period not to exceed sixty (60) days.

Section 5. (a) The Association, through its Board of Trustees, shall establish and maintain a Reserve Fund for purposes of defraying the cost of the repair and replacement of the capital improvements and mechanical equipment constituting the Common Elements.

(b) All monies so collected shall be established in a separate fund, as provided in Article IV, Section 3E(b) to be held

strictly in furtherance of the purposes stated in subparagraph (a) of this Section.

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

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

(d) In the event withdrawals are made from the fund for the aforestated purposes, the Board of Trustees, after due consideration as to the condition of the existing capital improvements and their respective life span may, upon a two-thirds vote of the Board and without the need to comply with the requirements of Section 3E of this Article, for the next succeeding year and thereafter, add to the monthly assessments a special assessment, so as to reestablish the Reserve Fund.

Section 6. CONTRIBUTIONS: WORKING CAPITAL FUND AND RESERVE FUND: (a) Each Unit Purchaser shall, at time of the title closing of the unit, pay to the Association, a non-refundable non-transferable sum equal to one month's maintenance charge as a "Working Capital" contribution. This sum shall be held by the

Association in its common account for the payment of current and ordinary charges.

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

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

Section 7. The Association, in furtherance of its collection of the monthly assessment, shall establish and maintain a separate fund for that portion of the monthly assessment applicable to the insurance premiums. All such monies collected or insurance premiums shall be held in a separate fund, as provided in Article IV, Section 3E(b) to be held strictly in furtherance of and for payment of insurance premiums.

Section 8. TRANSFER OF TITLE CERTIFICATE: The provisions of Article 20 of the Master Deed are incorporated herein. In the event the stated information is not submitted to the Association and any required payment is not made within fifteen (15) days of title closing there shall be imposed in addition to any other late payment fees or charges, a late payment fee of Ten (\$10.00) Dollars for each fifteen (15) day period that the stated monies

or information are not received by the Association. This fee shall be deemed to be an assessment and shall be in addition to all other rights and remedies of the Association. The aforesated late payment fee and the stated time period may be changed at any time by a majority vote of the Board of Trustees.

Section 9. LATE PAYMENTS: Any assessment or charge of the Association that is not received by the Association from an Owner within five (5) days of its due date shall obligate the Owner to pay a late payment fee equal to ten (10%) percent of the unpaid assessment or charge. If the assessment or charge is not received by the Association within thirty (30) days of its due date, the late payment fee shall be Twenty-five (\$25.00) Dollars as to the condominium apartment units and Fifty (\$50.00) Dollars as to the condominium townhouse units. For every succeeding thirty (30) day period thereafter during which the Association does not receive the unpaid assessment or charge there shall be an additional late payment fee of Thirty (\$30.00) Dollars as to the condominium units and Sixty (\$60.00) Dollars as to the condominium townhouse units. These fees shall be in addition to all other rights and remedies of the Association. The fees shall be deemed to be an assessment. The aforesated late payment fees and their respective time periods may be changed at any time by a majority vote of the Board of Trustees.

ARTICLE V

Voting Rights

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

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

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

ARTICLE VI

Board of Trustees

Section 1. NUMBER AND QUALIFICATION: The affairs of the Association shall initially be governed by a Board of Trustees consisting of not less than three (3) individuals. Until the Master Deed shall have been recorded by the Grantor, and at least

25% of the total number of Condominium Units for all phases have been conveyed by Grantor, the Board of Trustees of the Association shall consist of such persons as shall be designated by the Grantor who shall serve as such until the first meeting of the Unit Owners as provided in Section 3 of this Article VI and subject to the provisions of Section 5 of this Article VI. Thereafter, the Board of Trustees shall consist of nine (9) individuals assuming all five phases of the Condominium are developed (or such greater number as may be fixed by the Board of Trustees from time to time), each of whom shall be owners or spouses of owners of Units, or in the case of partnership owners shall be members, designees or employees of such partnership, or in the case of corporate owners shall be officers, designees, stockholders or employees of such corporation, or in the case of fiduciary owners, shall be fiduciaries or officers or employees of such fiduciaries provided that at least one of the members of the Board of Trustees shall be a resident of the State of New Jersey. In the event that less than all five phases are developed then in that event the Board of Trustees shall consist of the following number of individuals: (a) Phase I only 5 members one of which shall be elected by the condominium apartment unit owners; (b) Phase I and II only 5 members one of which shall be elected by the condominium apartment unit owners; (c) Phase I, II and III only 7 members two of which members shall be elected by the condominium apartment unit owners; (d) Phase I, II and IV 7 members two of which members shall be elected by the condominium apartment unit owners; (e) Phase I, II, III, IV and V - 9 members three of which

members shall be elected by the condominium apartment unit owners. Attached to these By-Laws as Schedule A is a list of those units which are apartment condominium units, all other units are townhouse condominium units.

Section 2. POWERS AND DUTIES: The Association by its Board of Trustees shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things except as by law or by the Master Deed or by these By-Laws, may not be delegated to the Board of Trustees by Unit Owners. The Association shall discharge its powers in a manner that protects and furthers the health, safety and general welfare of the condominium residents. Such powers and duties of the Association by its Board of Trustees shall include but shall not be limited to the following:

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

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

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

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Property, including the

Common Elements and other property which may be owned by the Association.

(e) Adoption and amendment of rules and regulations covering the operation and use of the Property.

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

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

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

(i) Maintenance of detailed books of account of the receipts and expenditures of the Association. The aforesaid books of account shall be audited when requested by the Board of Trustees but not less than annually by an independent certified public accountant, and a statement reflecting the financial condition and transactions of the Association shall be furnished to each Unit Owner on an annual basis within ninety days after the end of the Association's fixed year. The books of account and any supporting vouchers shall be made available for examination by a Unit Owner at convenient hours on working days that shall be

established by the Board of Trustees and announced for general knowledge.

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

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

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

(m) Purchasing of Units at foreclosure or other judicial sale in the name of the Association, or its designee, corporate or otherwise, on behalf of all Unit Owners when so required in the discretion of the Board of Trustees.

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

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

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

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

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

(s) Making of repairs, additions and, improvements to or alterations of the Property and repairs to and restoration of the property in accordance with the other provisions of the Master Deed and these By-Laws after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings. When in the opinion of the Board of Trustees any of the Common Elements requires protection, renewal, maintenance or repair or when enforcement of any of the Association's rules and regulations so require or when the abatement of any nuisance is required or in any emergency situation, the Board of Trustees will have the right to enter any Unit for such purpose. Such

entry shall, however, be done with as little inconvenience to the Unit Owners thereof as is reasonably possible, provided, however, that such entry shall be upon notice and be during reasonable hours, except in the case of emergencies; each Unit Owner, by the acceptance of a deed conveying each Unit to the Unit Owner, expressly and irrevocably grants and confirms the rights of entry aforesaid.

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

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

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

Section 3. TERM OF OFFICE: The term of office of the members of the Board of Trustees elected at the first special meeting of the Unit Owners, which meeting shall be held within 60 days of conveyance of 25% of all the Condominium Units in accordance with Section 5a of this Article, shall be until the

first annual meeting of the Unit Owners. The term of office of the members of the Board of Trustees elected at the first annual meeting of the Unit Owners, which meeting shall be held within 60 days of conveyance of 50% of all the Condominium Units or within two years from the date of the Association's Certificate of Incorporation, whichever is earlier, in accordance with Section 5b of this Article, shall be two years and the term of office of the members of the Board of Trustees appointed by the Grantor shall be one year. The term of office of the members of the Board of Trustees elected at the second special meeting of the Unit Owners, which meeting shall be held within 60 days of conveyance of 75% of all the Condominium Units in accordance with Section 5c of this Article, shall be fixed in the following manner. Two of the members of the Board of Trustees initially selected by the Grantor shall resign and the Unit Owners shall elect two members to the Board of Trustees who shall serve out the remainder of the terms of the resigned members. At the expiration of the initial term of office of each respective member of the Board of Trustees, his successor shall be elected to serve for a term of two years. The members of the Board of Trustees shall hold office until their respective successors shall have been elected by the Unit Owners.

Section 4. (a) NOMINATION: Nomination for election to the Board of Trustees shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Trustees and four (4) members

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

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

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

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

(b) At the first annual meeting held within 60 days of conveyance of 50% of all the Condominium Units or within two years from the date of the Association's Certificate of Incorporation, whichever is earlier, in all five phases, not less than

40% of the members of the Board of Trustees shall be elected by the Condominium Unit Owners other than Grantor.

(c) At a special meeting held within 60 days or conveyance of 75% of all the Condominium Units in all five phases, the Condominium Unit Owners shall elect members to the Board of Trustees to replace the members previously selected by the Grantor so that all of the Board of Trustees shall be or have been elected by Unit Owners, except that as long as any Condominium Units remain unsold, in the regular course of business, the Grantor may retain one member of the Board of Trustees. If there are no units remaining unsold in the regular course of business, then the Condominium Unit Owners shall elect members to the Board of Trustees to replace those Trustees previously selected by the Grantor.

In the event that the Grantor or its Designated Transferee does not obtain a building permit for at least one unit in Phase II by December 30th, 1990, then in that event the turn over of control as stated above shall occur based on the 270 units in Phase I.

In the event that the Grantor or its Designated Transferee does not obtain a building permit for at least one unit in Phase III by December 30th, 1992, then in that event the turn over of control as stated above shall occur based on the 364 units in Phase I and II.

In the event that the Grantor or its Designated Transferee does not obtain a building permit for at least one unit in Phase IV by December 30th, 1994, then in that event the turn over of

control as stated above shall occur based on the 420 units in Phase I, II, and III.

In the event that the Grantor or its Designated Transferee does not obtain a building permit for at least one unit in Phase V by December 30, 1996, then in that event the turn over of control as stated above shall occur based on the 509 units in Phase I, II, III, and IV.

Notwithstanding anything to the contrary stated in these By-Laws, if the Grantor or its Designated Transferee is prevented from obtaining a building permit in any Phase due to the actions of any governmental entity, then the aforesated dates shall be extended for the period of time during which a building permit is not issued.

Subject to the extension provisions stated in the above paragraph, Grantor or its Designated Transferee shall surrender control of the Board no later than three (3) years from the filing of the Master Deed and these By-Laws if only Phase I is built or seven (7) years if other Phases are built.

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

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

its Designated Transferee or in any way discriminate against the Grantor, its Designated Transferee or its Units.

Notwithstanding the above provisions the time as to transfer of control by Grantor shall be in accordance with N.J.A.C. 5:26-8.4.

Section 6. REMOVAL OF MEMBERS OF THE BOARD OF TRUSTEES: At any annual or special meeting of Unit Owners, any one or more of the members of the Board of Trustees may be removed with or without cause by a majority vote pursuant to Section 7 of Article IX hereof and a successor may then and there or thereafter be elected to fill the vacancy thus created, however, any Trustee appointed by the Grantor can only be removed for cause. Any member of the Board of Trustees whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting called for such purpose. The foregoing provisions are subject to the condition that if the then vacant position was previously filled by an apartment unit owner then only the apartment unit owners may vote on who is to fill the vacant position. If the vacant position was previously filled by a townhouse unit owner then only townhouse unit owners may vote on who is to fill the vacant position.

Section 7. VACANCIES: Vacancies in the Board of Trustees caused by any reason other than the removal of a member thereof by a vote of the Unit Owners and which vacancy has a remaining term of less than six months, shall be filled by a vote of a majority of the remaining trustees at a special meeting of the Board of Trustees held for that purpose promptly after the

occurrence of any such vacancy however, that if the vacating Board member was a townhouse unit owner or an apartment unit owner then only those remaining Board members [elected by such owners shall be the members] may vote to fill the vacancy. Each person so elected shall be a member of the Board of Trustees until a successor shall be elected at the next annual meeting of the Unit Owners, and the term of the newly elected trustee shall be for the balance of the term of the vacated trusteeship. As to any vacancy having an unexpired term exceeding six months, then said vacancy shall be filled by a person duly elected by the appropriate Unit Owners at a special meeting, and the term of the newly elected trustee shall be for the balance of the term of the vacated trusteeship.

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

Section 8. ANNUAL MEETING: The Board of Trustees shall hold annual meetings within thirty (30) days of the date that the Unit Owners hold their first meeting, and thereafter after each Unit Owner's annual meeting, said Trustees' annual meetings shall be held at such time and place as shall be fixed by the Unit Owners at the meeting at which such Board of Trustees shall have been elected and no notice shall be necessary to the newly elected members of the Board of Trustees in order legally to constitute such meeting.

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

Section 9. REGULAR MEETINGS: Regular meetings of the Board of Trustees may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Trustees, but at least two such meetings shall be held during each fiscal year of the Association. Notice of regular meetings of the Board of Trustees shall be given to each member of the Board of Trustees by mail or telegraph at least ten (10) business days prior to the day designated for- such meeting.

Section 10. SPECIAL MEETINGS: Special meetings of the Board of Trustees may be called by the President of the Association on three (3) business days' notice to each member of the Board of Trustees given by mail or telegraph, which notice shall state the time, place and purpose of the meetings. Special meetings of the Board of Trustees shall be called by the President or Secretary in like manner and on like notice at the written request of at least three members of the Board of Trustees.

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

notice shall be required and any business may be transacted at such meeting.

Section 12. QUORUM OF BOARD OF TRUSTEES: At a meeting of the Board of Trustees, two-thirds of the Trustees shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board present at a meeting at which a quorum is present shall constitute the decision of the Board of Trustees. If at any meeting of the Board of Trustees there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Notwithstanding the foregoing, no action shall be taken that only affects either the apartment units or the townhouse units unless such action receives a majority vote of those attending Board members elected by the apartment unit owners and a majority vote of those attending Board members elected by the townhouse unit owners.

Section 13. FIDELITY BOND: The Board of Trustees shall obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for Association funds. While the Grantor maintains a majority of the Board, it shall post a fidelity bond in an amount equal to the annual budget. For the second and succeeding years, the bond shall include accumulated reserves. The premiums on such bonds shall constitute a Common Expense.

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

Section 15. LIABILITY OF THE BOARD OF TRUSTEES: The members of the Board of Trustees shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Trustees against all contractual liability to others arising out of the performance of their duties on behalf of the Association unless any action or inaction shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board of Trustees shall have no personal liability with respect to any contract made or action taken or not taken by them on behalf of the Association. It is also intended that the liability of any Unit Owner arising out of any contract made or action taken or not taken by the Board of Trustees or out of the aforesaid indemnity in favor of the members of the Board of Trustees shall be limited to such proportion of the total liability thereunder as its interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements. Every agreement made by the Board of Trustees on behalf of the Association shall provide that the members of the Board are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and that each Unit Owner's liability thereunder shall be limited to such proportion

of the total liability thereunder as its interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Nothing to the contrary stated herein shall exculpate the members of the Board of Trustees appointed by the Grantor/Developer from their fiduciary responsibilities.

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

Section 17. GRANTOR'S/DESIGNATED TRANSFEREE'S PROTECTIVE PROVISIONS: Notwithstanding anything to the contrary stated in these By-Laws or the Master Deed, the Association or its Board of Trustees, shall take no action which directly or indirectly discriminates against the Grantor and/or its Designated Transferee or their respective rights as set forth in the Master Deed and these By-Laws or impairs in any manner their ability to develop the condominium property and to sell or promote the sale of any Unit or use any Unit(s) for model units, sales offices and business offices. This Section 17 shall not be amended without Grantor's and/or its Designated Transferee's written consent.

Section 18. APARTMENT CONDOMINIUM UNITS AND TOWNHOUSE CON-

CONDOMINIUM PROTECTIVE PROVISIONS: Notwithstanding anything to the contrary stated in these By-Laws or the Master Deed, the Association or its Board of Trustees shall take no action which discriminates against the owners of or the Apartment Condominium Units except that the Association may adopt rules and regulations regarding the hours of use of the recreational facilities and clubhouse by the apartment condominium unit owners or the owners of or the Townhouse Condominium Units, unless (i) such action is approved by eighty (80%) percent of the then authorized number of Trustees, or (ii) such action is necessitated by the negligent act, omission, violation of a provision of these By-Laws or the Master Deed, or violation of applicable municipal, county or state regulations, ordinances or laws by the unit owner, occupant, guest, invitee or other authorized or permitted occupant, tenant or visitor.

Nor shall the Association or its Board take any action, unless the conditions of (i) or (ii) above have been satisfied which action would cause the Grantor or its Designated Transferee to suffer any financial legal or other detriment or directly or indirectly interfere with the sale, lease or ownership of any Unit or its use of any Unit and the Common Elements. Nor shall the Association levy an assessment against the Grantor or its Designated Transferee for capital improvements without their consent. This Section 18 shall not be amended without Grantor's and/or its Designated Transferee's written consent and in the event either party is no longer the owner of any Unit then the written consent of eighty (80%) percent of both the apartment

condominium unit owners and the townhouse condominium unit owners shall be required.

ARTICLE VII

Officers

Section 1. DESIGNATION: The principal offices of the Association shall be the President, Vice-President, Secretary and Treasurer, all of whom shall be elected by the Board of Trustees. The Board of Trustees may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary. The President and Vice-President, but no other officers, must be members of the Board of Trustees.

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

Section 3. REMOVAL OF OFFICERS: Upon the affirmative vote of a majority of the members of the Board of Trustees, any officer may be removed with or without cause and its successor may be elected at any regular meeting of the Board of Trustees or at any special meeting of the Board of Trustees called for such purpose.

Section 4. PRESIDENT: The President shall be the Chief Executive Officer of the Association. It shall preside at all meetings of the Unit Owners and of the Board of Trustees. It shall have all of the general powers and duties which are incident to the office of President of a corporation organized under New Jersey Law, including but not limited to the power to appoint

committees from among the Unit Owners from time to time as it may in its discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. VICE-PRESIDENT: The Vice-President shall take the place of the President and perform its duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Trustees shall appoint some other member of the Board of Trustees to act in the place of the President on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon it by the Board of Trustees or the President.

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

Section 7. TREASURER: The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. It shall be responsible for the deposit of all monies and other valuable effects in the name of the Association in such depositories as

may from time to time be designated by the Board of Trustees and it shall generally perform all duties incident to the office of Treasurer of a corporation under New Jersey Law. it shall render to the President and the Board of Trustees at the regular meetings of the Board of Trustees whenever either the President or the Board of Trustees shall require, a full account of its transactions as Treasurer and a full account of the financial condition of the Association.

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

Section 9. AGREEMENTS, CONTRACTS, DEED, CHECKS, ETC.: All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any two officers of the Association or by such other person or persons as may be designated by the Board of Trustees.

Section 10. INDEMNIFICATION OF OFFICERS: Each officer, its heirs, administrators and executors shall be indemnified and held harmless by the Association against any losses, expenses and counsel fees reasonably incurred in connection with any action or proceeding in which said officer, its heirs, administrators and executors are made a party by reason of such office. Provided, however, that should such officer be adjudged in such action to have been guilty of gross negligence or willful misconduct, the aforesaid indemnity shall not apply. In the event of a settlement, such officer shall be indemnified only as to such matters covered by the settlement which the Association is advised by its counsel is not the result of such gross negligence or willful

misconduct of such officer. The aforesaid indemnification is intended to encompass the aforesaid acts of the officers as such to the extent herein provided and is not intended to be operative with respect to any duties, obligations or liabilities assumed by-such officers as Unit Owners or Association members. Nothing herein stated to the contrary shall serve to indemnify members of the Board of Trustees appointed by the Grantor from their fiduciary responsibilities.

ARTICLE VIII

Operation of the Property-Insurance

Section 1. DETERMINATION AND ESTABLISHMENT OF COMMON EXPENSES:

The Board of Trustees shall, in accordance with Article IV, prior to the beginning of each fiscal year of the Association, cause the management company to prepare a budget upon receipt by it of recommendations from the Finance Committee. The budget shall determine the amount of- monthly assessment payable by each Unit Owner to meet the Common Expenses of the Association including any reserves and to make up for any deficit in the Common Expenses for any prior year. The Board shall not change any portions of the budget as submitted by the Management Company except upon a majority vote of either the Apartment Committee or the Townhouse Committee, as applicable, that submitted that portion of the budget being modified.

The Board of Trustees shall allocate and assess such Common Expenses among the Unit Owners according to and in the percentage of their respective ownership of Common Elements as set forth in

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

Section 2. INSURANCE:

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

(1) A policy of property insurance equal to replacement value of the condominium property (including all building service equipment and the like, and including all structural or non-structural wall and any equipment within a Unit which is integral part of a Common Element system) to the extent of Twenty million dollars based upon 1988 values. This amount shall be adjusted every three years from the date of this Master Deed based upon the percentage increase in the Consumer Price Index for Metropolitan New York using January 1989 as the base year for determining such increase. In the event that the Consumer Price Index for Metropolitan New York is no longer available, then the substitute index, or if not available, a comparable index, shall

be used. Said insurance must protect against at least the following:

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

(b) if the project contains a steam boiler, a broadform policy of repair and replacement boiler and machinery insurance of at least \$50,000 per accident per location; and

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

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

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

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

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

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

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

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

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

Federal Home Loan Mortgage Corporation or their successor); and

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

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

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

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

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

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

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

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

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

In the event that a Unit Owner does not or cannot obtain unit insurance coverage from the same company which insures the Association, then in that event the Unit Owner shall be liable and responsible for any gaps in the insurance coverage as between the Association's insurance and the Unit Owner's insurance.

B. All insurance policies maintained by the Association shall be for the benefit of the Association, the Unit Owner, and

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

Section 3. PAYMENT OF COMMON EXPENSES:

A. All members shall be obligated to pay the Common Expenses by paying the monthly assessment assessed by the Board of Trustees pursuant to the provisions of Section 1 of Article VIII of these By-Laws, which payment shall be made monthly on the first day of each month to the Association at the principal office of the Association or at such other place as may be designated by the Board of Trustees. Each member of the Association, other than the Grantor or its Designated Transferee shall in addition, be required to maintain with the Association a sum equal to one month of the estimated annual assessment of its Unit as security by the Association for working capital. These sums shall be non-refundable and non-assignable.

Unit Owners other than the Grantor or its Designated Transferee may be required to supplement said security from time to time by future payments in the event that the estimated annual assessment for future years is increased or if the amount theretofore paid has been applied in whole or in part for working capital.

B. The pro-rata contribution of member toward the Common Expenses which a member shall be obligated to pay shall be based

upon the member's percentage interest in the Common Elements as the same is set forth in Exhibit D of the Master Deed. No abandonment of the Unit owned by a member or a waiver of the use and enjoyment of any of the Common Elements shall exempt or excuse any member from his contribution toward the expenses aforesaid.

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

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

Section 5. DEFAULT IN PAYMENT OF ASSESSMENTS AND CHARGES: All monthly assessments, special assessments late charges, fees and other charges levied by the Association and chargeable to and payable by a member for its Unit shall constitute a lien against said Unit in favor of the Association without the necessity for the filing of any such lien or notice of lien with the office of

any State, County or Municipal Official. The aforesaid lien shall be prior to all other liens except:

(a) any similar liens by the Association for prior charges and assessments;

(b) assessments, liens and charges for unpaid taxes due on said Unit;

(c) permitted first mortgages of record upon such Unit.

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

The lien aforesaid may be foreclosed as provided in the Master Deed, in the same manner as real estate mortgages, and in the event of such foreclosure the Association shall, in addition to the amount due, be entitled to recover interest as hereinbefore provided on such sum or sums due, together with the reasonable expenses of such action, including costs and attorney's fees.

A suit by the Association against the delinquent member to recover a money judgment for the unpaid Common Expenses and assessments shall be maintainable without foreclosing or waiving the lien securing the same. The action for a money judgment shall be instituted by the Association in accordance with the time periods set forth in Article 19 of the Master Deed.

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

Section 6. MAINTENANCE AND REPAIR:

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

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

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

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

Section 7. FOYERS, PATIOS, BALCONIES, DECKS, STAIRS, STAIRWELLS AND DRIVEWAYS: A foyer, patio, balcony, deck, stairs,

stairwell or driveway (all the foregoing being Limited Common Elements) which is appurtenant to a Unit shall be for the exclusive use of the Unit Owners of such Units. Any such Limited Common Element shall be kept free and clean of debris, dirt, snow and any other accumulation and maintained by the Unit Owners of such Units who shall make repairs thereto caused or created by their negligence, misuse or neglect. The Unit Owner(s) shall be responsible for abating any municipal violations, other than structural, to said Limited Common Element. Only structural repairs in, to or with respect to such Limited Common Elements shall be made by the Association, if not caused by the Unit Owner's negligence, misuse or neglect.

Section 8. RESTRICTIONS ON USE OF UNITS: In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property (including the Association property) shall be restricted to and shall be in accordance with the following provisions:

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

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

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

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

(e) Those restrictions set forth in the Master Deed. The foregoing restrictions shall not be interpreted in any manner so as to prevent, restrict, interfere with or delay Grantor's construction of the condominium development.

Section 9. ADDITIONS, ALTERATIONS OR MODIFICATIONS: No member shall make any structural additions, alterations, or improvements in or to its Unit (or elsewhere on the Property) without the prior written consent thereto of the Board of Trustees or impair any easement without the written consent of the Board of Trustees or of the Unit Owner(s) for whose benefit such easement exists. The provisions of this Section shall not apply to the Units owned by the Grantor or its Designated Transferee until such Units shall have been initially sold by the Grantor and paid for. The Grantor, while in control of the Association, will not make any additions, alterations, purchases or

improvements that will cause a special assessment or a substantial increase in the monthly assessment, except in cases of emergency or if required by a governmental agency or a mortgage lender. Additionally, Grantor will not cast any votes as to change the use of any units or cause an encroachment upon the Common Elements.

Section 10. USE OF COMMON ELEMENTS: A Unit Owner shall not place or cause to be placed in, on or about the Common Elements, other than the areas designated as storage areas, any furniture, packages, or objects of any kind. The Common Elements shall be used for no purpose other than for normal transit. In no event shall any hazardous or flammable item be stored or placed in, on or about the Common Elements.

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

Section 11. RIGHT OF ACCESS: A Unit Owner shall grant a right of access to its Unit to the Association or any person authorized by the Association for the purpose of making inspections, or for the purpose of correcting any condition originating in its Unit and threatening any Unit or Common Element, or for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services or other Common Elements in its Unit or elsewhere in the Property, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably

convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not.

Section 12. ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY ASSOCIATION: The Association shall have the right to make or cause to be made such alterations and improvements to the Common Elements (which do not adversely prejudice the right of any Unit Owner unless its written consent has been obtained), provided the making of such alterations and improvements is first authorized by the Board of Trustees of the Association and, if the cost of same exceeds Ten Thousand (\$10,000.00) Dollars, said work is approved as required under Article IV, Section 3E. The costs of such alterations and improvements shall be assessed as Common Expenses, unless in the judgment of not less than two-thirds of the Board of Trustees, the same are exclusively or substantially exclusively for the benefit of the Unit Owners requesting the same in which case such requesting Owners shall be assessed therefor in such proportion as they approve jointly and failing such approval, in such proportions as may be determined by the Board of Trustees.

Section 13. RULES OF CONDUCT: Rules and regulations concerning the use of Units and the Common Elements may be promulgated and amended by the Association with the approval of a majority of the Unit Owners. Copies of such rules and regulations shall be furnished by the Association to each Unit Owner. In conjunction with the adoption of such rules and regulations,

the Board may include the levying of fines and penalties in the event of a violation.

Section 14. GRANTOR'S PROTECTIVE PROVISIONS: As long as the Grantor holds one Unit for sale in the ordinary course of business, the following shall apply despite anything to the contrary stated in these By-Laws or the Master Deed and shall not be amended:

(a) Neither the Association nor the Board of Trustees shall take any action that will impair or adversely affect the rights of the Grantor as set forth in the Master Deed and these By-Laws or cause the Grantor to unilaterally suffer any financial, legal or other detriment, including, but not limited to, any direct or indirect interference with the Grantor's construction, development, sale, leasing or use of Grantor's Units, the construction and development of the Condominium Property, and its rights to maintain "FOR SALE" signs and other similar advertising material.

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

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

ARTICLE IX

Meetings of Unit Owners

Section 1. PLACE OF MEETINGS: The Unit Owners of the Condominium shall hold meetings at the principal office of the

Association at 322 Route 46, Parsippany, New Jersey, or at such other place as may be fixed, from time to time, by the Board of Trustees and designated in the notice of such meeting. The first annual meeting of the Unit Owners shall be held at (time of meeting) within sixty days following the date when the Grantor has conveyed title to fifty (50%) percent of the units to individual Unit Owners or twenty-three (23) months from the date of filing of the Association's Certificate of Incorporation, whichever is earlier. Thereafter an annual meeting of the Unit Owners shall be held on the first Monday of the same month in which the first annual meeting was held or in the event that day is a holiday on the first day thereafter which is not a legal holiday in each succeeding year. At the annual meeting, the Unit Owners shall elect a Board of Trustees of the Association and may transact such other business as may properly come before the meeting.

Notwithstanding the above provisions, an annual meeting shall be held at least once every two years from the date of filing of the Association's Certificate of Incorporation.

Section 2. SPECIAL MEETINGS: Special meetings may be called by the President, Vice-President, Secretary or a majority of the Board of Trustees and must be called by such officers upon receipt of a written request of twenty-five (25%) percent or more of the Unit Owners. Such written request shall state the purpose or purposes of the proposed meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

Section 3. RECORD DATE: For the purpose of determining the Unit Owners entitled to notice of any meetings of the Association or any adjournment thereof or for the purpose of any other action, the Board of Trustees shall fix in advance a date as the record date for such determination. Such date shall not be more than forty-five (45) days nor less than ten (10) days before the date of the meeting. If no record date is fixed, then the date shall be determined in accordance with the provisions of law relating thereto.

Section 4. NOTICE OF MEETING: Notice of meetings of the Unit Owners shall be in writing. Notice of the meeting other than the annual meeting shall indicate and state that it is being issued by or at the direction of the person or persons calling the meeting. Such notice shall be mailed or delivered not less than ten (10) or more than forty-five (45) days prior to the date of the meeting. Notice of all meetings at which disposition is to be made of assets, granting of rights or easements in the Property must also be given to the holders of the first mortgages of any Units.

Section 5. WAIVER OF NOTICE: Notice of a meeting need not be given to any Unit Owner who signs a waiver of notice either in person or by proxy, whether before or after the meeting. The attendance of any Unit Owner at a meeting in person or by proxy, without protesting prior to the conclusion of the meeting the lack of proper notice of such meeting, shall constitute a waiver of notice of meeting by it.

Section 6. QUORUM: The presence in person or by proxy of Unit Owners holding at least fifty-one (51%) percent or more of the votes eligible to be cast by all the Unit Owners shall constitute a quorum at a meeting of the Unit Owners. In the event that there is not the required quorum present then at the adjourned meeting the required quorum shall be only thirty (30%) percent or more of the votes eligible to be cast by all the Unit Owners.

Section 7. MAJORITY VOTE: The vote by a majority of the Unit Owners at a meeting at which a quorum shall be present shall be binding upon the Unit Owners for all purposes except where in the Master Deed or these By-Laws or the provisions of New Jersey law, a higher percentage rate is required.

Section 8. VOTING: The Association may, but shall not be required to, issue certificates or other evidence of membership. Each Unit shall have two votes. A fiduciary shall be entitled to vote with respect to any Unit owned in a fiduciary capacity. If a Unit is owned by more than one Unit Owner, the votes allocable to such Unit may be divided in any manner as the Unit Owners owning the same shall determine. A Unit which has been acquired by the Association in its own name or in the name of its agents, designee or nominee on behalf of all of the Unit Owners shall not be entitled to a vote so long as it continues to be so held. Votes may be cast by each Unit Owner in person or by its proxy when filed with the Secretary of the Association. The designation of any such proxy shall be made in writing and filed with the Secretary of the Association before the appointed time of the

meeting. A proxy is valid only for the particular meeting designated therein. A proxy may be revoked by the Unit Owner by appearance in person at the meeting and there and then filing with the Secretary at that time notice of the revocation.

Section 9. GOOD STANDING: As used in these By-Laws, a Unit Owner shall be deemed "in good standing" and shall therefore be entitled to vote as herein provided at any meeting of Unit Owners subject, however, to the limitations of Section 8 of this Article, if said Unit Owner shall have fully paid all then due assessments and charges as permitted by these By-Laws, levied against its Unit and itself at least five (5) days prior to the date fixed for a particular meeting. Provided further that in the event any interest, penalties, costs, fees and the like have been levied against said Unit Owner and its Unit, these interest, penalties, costs, fees and the like shall likewise be fully paid within the aforesaid time.

Section 10. ADJOURNMENT OF MEETINGS: If any meeting of Unit Owners cannot be held because a quorum has not attended, the meeting shall be adjourned to a time not less than 48 hours from the time the original meeting was called.

Section 11. WRITTEN CONSENT TO UNIT OWNERS-APPROVAL OR DIS-APPROVAL: Any action that may be taken by a vote of the Unit Owner may be taken without a meeting (provided the laws of the State of New Jersey so provide) on written consent of the Unit Owners, duly acknowledged, setting forth the action so taken or to be taken by the Unit Owners holding in interest the majority of the total outstanding votes of all Unit Owners in accordance

with Section 8 hereof, unless these By-Laws or the provisions of New Jersey law shall require a greater percentage of such votes with respect to a particular action.

ARTICLE X

Committees

Section 1. The standing committees of the Association shall be: The Nominations Committee, the Apartment Committee, the Townhouse Committee, the House and Grounds Committee, the Architectural Control Committee, the Finance Committee, the Judicial Committee and the Rules and Regulations Committee. Unless otherwise provided herein, each committee shall consist of a Chairman and two or more members and shall include a member of the Board of Trustees for board contact. The committees shall be appointed by the Board of Trustees prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting. The Board of Trustees may appoint such other committees as it deems desirable.

Section 2. The Nominations Committee shall have the duties and functions described in Article VI, Section 4(a).

Section 3. The Apartment Committee shall review and comment on that portion of the annual budget which relates to the expenses that are attributable exclusively to the use and operation of the Apartment Buildings, the Units within those buildings and the appurtenances which solely service those buildings and Units. Such expenses shall include but not be limited to the

expenses relating to: the repair and maintenance and decorating of the common elements within the apartment units building; the repair and maintenance of that portion of the apartment units buildings; exterior walls, roofs, stairs, parking areas, sidewalks, units' exterior windows and frames, door frames and exterior side of units' exterior doors; insurance, scavenger services, all the foregoing being appurtenant to the apartment condominium units and/or the buildings containing such units and that portion of the Reserve for Replacements applicable to the above items. The budget shall initially be prepared by the Management Company who shall submit it to this Committee for review and comment. Upon receipt of such comments, if any, from this Committee and the Townhouse Committee, the Management Company shall finalize the budget and submit it to the Board for their consideration. The Management Company at the time it submits the budget to the Board shall also include copies of any comments submitted by the Apartment Committee and Townhouse Committee.

This Committee shall also be responsible for overseeing all repairs and maintenance work and services that relate to the apartment units and buildings.

The Committee shall be solely responsible for drafting any rules and regulations or changes to the existing ones as relates solely to the apartment units, buildings and apartment parking area. The actions of the Committee shall be forwarded to the Board for its implementation or confirmation.

The composition of the Apartment Committee shall be solely by Apartment Unit Owners. The Committee shall consist of five members.

In all instances when this Committee forwards to the Board its actions or decisions, same shall be adopted by the Board unless a majority of the apartment unit owners elected Trustees objects to same, provided said Committee's actions or decisions are not in violation of the By-Laws or Master Deed.

Section 4. The Townhouse Committee shall review and comment on that portion of the annual budget which relates to the expenses that are attributable exclusively to the use and operation of the Townhouse Buildings, the Units within such Buildings and the appurtenances which solely service these Buildings and Units. Such expenses shall include, but not be limited to, the expenses relating to: insurance, scavenger services, repair and maintenance of the townhouse buildings' exterior walls, roofs, units' exterior windows and frames; door frames and exterior side of exterior unit doors, all the foregoing being appurtenant to the townhouse condominium units and/or the buildings containing such units; and that portion of the Reserve for Replacements applicable to the above items. The budget shall initially be prepared by the Management Company who shall submit it to this Committee for their review and comment. Upon receipt of such comments, if any, from this Committee and the Apartment Committee, the Management Company shall finalize the budget and submit it to the Board for their consideration. The Management Company at the time it submits the budget to the Board shall also include

copies of any comments submitted by the Apartment Committee and Townhouse Committee.

The Committee shall be solely responsible for drafting any rules and regulations or changes to the existing ones, as relates solely to the townhouse units and buildings. The action of the Committee shall be forwarded to the Board for its implementation or confirmation.

The composition of the Townhouse Committee shall be solely by townhouse unit owners. In all instances, when this Committee forwards to the Board its actions or decisions, same shall be adopted by the Board unless a majority of the townhouse unit owners elected Trustees objects to same or unless said Committee's action or decision is in violation of the By-Laws or Master Deed.

Section 5. The House and Grounds Committee shall advise the Board of Trustees on all matters pertaining to the maintenance, repair or improvement of the Common Elements and Facilities of the Condominium property other than those under the jurisdiction of the Apartment Committee or the Townhouse Committee and shall perform such other functions as the Board in its discretion determines.

Section 6. The Architectural Control Committee shall have the duties and functions described in Article 22 of the Master Deed applicable to the Condominium property. It shall watch for any proposals, programs or activities which may adversely affect the residential value of the Condominium property and shall advise the Board of Trustees regarding Association action on such matters.

Section 7. The Financial Committee shall (a) supervise and approve the annual audit of the Association's books, (b) assist the Management Company, as may be requested, in the preparation of the annual budget. The Finance Committee shall not change any aspect of the budget portions submitted by the Apartment Committee or the Townhouse Committee without that committee's consent, (c) oversee the preparation of the balance sheet statement for presentation to the Board for its consideration and adoption. The treasurer shall be an ex-officio member of the Committee.

The Financial Committee shall consist of five members, at all time at least two or forty (40%) percent of the members, whichever number is greater shall be apartment unit owners.

Any action by the Committee shall require the consent of at least one apartment unit owner.

Section 8. JUDICIAL COMMITTEE: The Board of Trustees shall establish annually a Judicial Committee consisting of one Board member and two Unit Owners.

The Judicial Committee shall insure compliance with the terms, provisions and conditions of the Master Deed, By-Laws and any Rules and Regulations of the Association. In furtherance of same the Committee shall have the power to issue a cease and desist Order to the Unit Owner or the appropriate party whose actions are inconsistent with the above-stated documents. The Committee shall also be responsible to provide interpretations of the above-stated documents upon request by any Unit Owner of Trustee. In regard to the foregoing powers the Committee may not take any action against a Unit Owner(s) except in the case of an

emergency nature, without first giving the involved Unit Owner(s) a hearing upon a ten (10) day written notice. At such hearing the Unit Owner(s) shall have the opportunity to be heard, present witnesses, and cross-examine witnesses, as to alleged violations, with or without counsel. As to any emergency actions taken by the Committee, a hearing shall still be held within fifteen (15) days after the Committee's action upon notice to the involved Unit Owner(s).

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

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

The Judicial Committee shall have the right, after holding a hearing, and upon an affirmative vote of two members of the

Committee to take any one or more of the following actions: (1) to levy a fine which shall be deemed to be an added assessment; or (2) to suspend or condition the right of a Unit Owner as to its (his) (her) (their) voting rights. The Committee shall be entitled to collect from the Unit Owner all costs and expenses, if any, incurred by the Committee relative to the adjudged violation. If the Committee finds that no violation has occurred, then such costs and expenses, if any, shall be paid by the complainant. In either case, such costs and expenses shall be deemed to be an added assessment.

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

Section 9. The Rules and Regulations Committee shall have the power to propose rules and regulations as solely relates to

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

The Rules and Regulations Committee shall have such additional duties, power and authority as the Board may from time to time provide by resolution including the right to impose fines as may be provided for in the applicable rules(s) and/or regulation(s).

Section 10. With the exception of the Nominations Committee each committee shall have the power to appoint a subcommittee from among its membership and may delegate to any such sub-committee any of its powers, duties and functions.

Section 11. It shall be the duty of each Committee to receive complaints from members on any matter involving

Association functions, duties and activities within its field of responsibility. it shall dispose of such complaints as it deems appropriate without hearings and refer all other complaints to the Judicial Committee for its disposition.

ARTICLE XI

Obligation To Institutional Holders Of First Mortgages

The Association and its Board of Trustees shall be bound by and shall comply with the terms and provisions of Article 28 of the Master Deed. The terms and provisions of said Article 28 are incorporated herein as if set forth at length.

ARTICLE XII

Records

Section 1. RECORDS AND AUDIT: The Board of Trustees shall keep detailed records of its actions, minutes of the meetings of the Board of Trustees, minutes of the meetings of the Unit Owners and financial records and books of account of the Association, including a chronological listing of receipts and expenditures as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Expenses against such Units, the date when due, the amounts paid thereon and the balance remaining unpaid. While the Grantor maintains a majority of the Association's Board, it, and thereafter the Association, shall have an annual audit of the Association funds prepared by an independent certified public accountant. A copy of the audit report shall be delivered to all Unit Owners, within ninety days after the end of the Association's

fiscal year, and to all mortgagees of Units who have requested the same. The audit shall cover the operating budget and reserve accounts. The cost of the audit shall be a Common Expense.

ARTICLE XIII

Dissolution

Section 1. PROCEDURE: Upon a vote of at least eighty (80%) percent in number and in common interests of the Unit Owners to dissolve, the provisions of the then applicable laws of the State of New Jersey including the provisions of the New Jersey Condominium Act shall be followed, subject to the rights of any mortgagee or lienor with respect thereto.

Section 2. OWNERSHIP UPON DISSOLUTION: In the event of dissolution, the Property shall thereupon be owned by all of the Unit Owners as tenants in common, each having an undivided percentage interest therein equal to its proportionate share of the Common Elements owned prior to termination. As to any deed of revocation withdrawing the entire property from condominium status, the deed shall be signed by all Unit Owners and the holders of all mortgages or other liens affecting all units, all as is provided in New Jersey Statutes Annotated, 46:8B-26 et seq.

ARTICLE XIV

Compliance with By-Laws and Master Deed

The within By-Laws, rules and regulations adopted pursuant hereto, all future amendments hereof and thereof, and the covenants and restrictions in the Master Deed shall be strictly complied with by each Unit Owner. Failure to comply with any of the

same shall entitle the Association to bring suit to recover monies due or for damages and/or injunctive relief or both against the offending Unit Owner. If suit has been instituted by the Association and the Unit Owner has been found by the Court to have committed the violation complained of, the Unit Owner shall reimburse the Association for reasonable attorney's fees and such other costs as shall be established by the Court. Nothing herein shall be deemed to preclude any Unit Owner from bringing an action for relief against another Unit Owner or Unit Owners for a violation which affects such aggrieved Unit Owner's occupancy.

ARTICLE XV

Miscellaneous

Section 1. NOTICES: All notices herein shall be sent by registered or certified mail to the Association, care of the Secretary, at the office of the Association, or to such other address as the Board of Trustees may hereafter designate from time to time in writing to all Unit Owners and to all first mortgagees of any Unit. All notices to any Unit Owner shall be sent by registered or certified mail other than notices as to Association Meetings, which may be sent ordinary mail, to the address designated for its Unit, or to such other address as may have been designated by such Unit Owner from time to time in writing to the Association. All notices to mortgagees of Units shall be sent by registered or certified mail to their respective addresses as designated by them from time to time in writing to the Association. All notices shall be deemed to have been given

when mailed except notices of change of address which shall be deemed to have been given when received.

Section 2. INVALIDITY: The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, or enforceability or effect of the balance of these By-Laws.

Section 3. CAPTIONS: The captions herein are inserted only as a matter of convenience or reference and in no way define, limit or describe the scope of the By-Laws or the intent of any provision thereof.

Section 4. GENDER: The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 5. WAIVER: No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XVI

Amendments to By-Laws

Section 1. AMENDMENTS TO BY-LAWS: Except as hereinafter provided otherwise, these By-Laws may be modified or amended by the affirmative vote of at least seventy-five (75%) percent of all the votes eligible to be cast by all Unit Owners (whether or not present) at a meeting of Unit Owners duly held for such purpose. In the event that at a meeting called for the purpose of

Amendment has been consented to by the Grantor or its Designated Transferee.

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

ARTICLE XVII

Conflicts

Section 1. CONFLICTS: In case any of these By-Laws conflict with the provisions of the Master Deed or the Condominium Act of the State of New Jersey the provisions of said Master Deed or the Condominium Act as the case may be, shall control.

#203357309
5/26/89

LONGVIEW AT MONTVILLE
A Condominium

Schedule of Apartment Condominium Units
(Low and Moderate Units)

<u>BUILDING</u>	<u>UNITS</u>
102	A,B,C,D,E,F,G,H,I,J,K,L,M
103	A,B,C,D,E,F,G,H,I,J,K,L,M,N,O,P
104	A,B,C,D,E,F,G,H,I,J,K,L,M,N,O,P
105	A,B,C,D,E,F,G,H,I,J,K,L,M,N,O,P
106	A,B,C,D,E,F,G,H,I,J,K,L,M,N,O,P
107	A,B,C,D,E,F,G,H,I,J,K,L,M,N,O,P
108	A,B,C,D,E,F,G,H,I,J,K,L,M
109	A,B,C,D,E,F,G,H,I,J,K,L,M
110	A,B,C,D,E,F,G,H,I,J,K,L,M,N,O,P

LONGVIEW AT MONTVILLE, A CONDOMINIUM

Montville, New Jersey

Sponsor:

Longview Estates,
a New Jersey Partnership
322 Route 46 West
Parsippany, New Jersey 07054

Dated: May 31, 1989

Record and Return To:

GEORGE Y. SODOWICK, ESQ.
Brach, Eichler, Rosenberg, Silver,
Bernstein, Hammer & Gladstone
101 Eisenhower Parkway
Roseland, New Jersey 07068