

Public Offering Statement
Part 2 of 2

Filed and
Presented By

Park Edge
Limited Partnership

MASTER DEED

FOR

PARK EDGE, A CONDOMINIUM

DATED:

Prepared by: JOEL M. ROSEN, ESQ.

RECORD AND RETURN TO:

PITNEY, HARDIN, KIPP & SZUCH
P.O. Box 1945
Morristown, New Jersey 07962

Attention: Joel M. Rosen, Esq.

LIST OF EXHIBITS

- EXHIBIT "A" - Metes and Bounds Description of the Property
- EXHIBIT "B" - Condominium Site Plan
- EXHIBIT "C" - Floor Plans
- EXHIBIT "D" - Certificate of Incorporation of Park Edge Condominium Association, Inc.
- EXHIBIT "E" - By-Laws of Park Edge Condominium Association, Inc.
- EXHIBIT "F" - Schedule of Percentage of Interest in Common Elements
- EXHIBIT "G" - Schedule of Percentage of Maintenance Responsibilities

MASTER DEED
FOR
PARK EDGE, A CONDOMINIUM

THIS MASTER DEED, made this day of ,
1993, by Park Edge Limited Partnership, a limited partnership of
the State of New Jersey, having its principal office at 100 Campus
Drive, Florham Park, New Jersey 07932, (hereinafter referred to as
"Sponsor").

WHEREAS, Sponsor is the owner of the fee simple title to
those lands and premises in the Township of Berkeley Heights,
County of Union, State of New Jersey, more particularly described
in Exhibit "A" attached hereto and made a part hereof, which lands
and premises are hereinafter referred to as the "Property"; and

WHEREAS, the Property includes two (2) Buildings in each
of which is located a total of thirty-two (32) units, and six (6)
Building clusters containing a total consisting of 36 townhouse
units, together with certain driveways, walkways, and other
improvements all as are more particularly shown on that certain
Condominium Site Plan dated November 13, 1989 and prepared by
Bohler Engineering & Construction, Inc. attached hereto and made a
part hereof as Exhibit "B" and on those certain floor plans
prepared by Bohler Engineering & Construction, Inc., and dated
November 13, 1989 attached hereto and made a part hereof as Exhibit
"C"; and

WHEREAS, it is the intention of the Sponsor to establish the form of ownership of the Property as a condominium pursuant to the provisions of the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., under the name of "PARK EDGE, A CONDOMINIUM", (hereinafter referred to as the "Condominium"); and

WHEREAS, the Sponsor has established or is about to establish the PARK EDGE CONDOMINIUM ASSOCIATION, INC., a New Jersey non-profit corporation for the administration, operation and management of the Condominium and other improvements intended for the common use and enjoyment of the residents of the Condominium.

THEREFORE, WITNESSETH:

1. ESTABLISHMENT OF CONDOMINIUM

The Sponsor does hereby submit, declare and establish in accordance with N.J.S.A 46:8B-1 et seq. the condominium form of ownership for that parcel of land described in Exhibit "A" aforesaid and as more particularly shown on Exhibits "B" and "C" aforesaid under the name "Park Edge, A Condominium."

2. DEFINITIONS

For the purpose hereof, the following terms shall have the following meanings unless the context in which same is utilized clearly indicates otherwise:

2.01 "Association" shall mean the Park Edge Condominium Association, Inc., a New Jersey non-profit corporation, formed to

administer, manage and operate the common affairs of the Unit Owners of the Condominium and to maintain, repair and replace the General and Limited Common Elements of the Condominium as provided in this Master Deed and the By-Laws.

2.02 "Board" shall mean the Board of Directors of the Association and any reference herein or in the Certificate of Incorporation, By-Laws or Rules and Regulations to any power, duty, right of approval or any other right of the Association shall be deemed to refer to the Board and not the membership of the Association, unless the context expressly indicates to the contrary.

2.03 "Building" shall mean all the enclosed structures containing Units and the structural improvements appurtenant thereto which are located on the lands described in Exhibit "A" and shown on Exhibits "B" and "C", respectively.

2.04 "Building 8 Limited Common Elements" shall mean those Limited Common Elements that are for the use or benefit of the Owner(s) of the Building 8 Unit or Building 8 Sub-Units to the exclusion of other Unit Owners, as more specifically described in Section 5.03 of this Master Deed and shown on Exhibit "C".

2.05 "Building 8 Limited Common Expenses" shall mean any Limited Common Expenses for which only the Building 8 Unit Owner or Building 8 Sub-Unit Owner(s) are liable, including but not limited

to all expenses for the administration, maintenance, repair and replacement of the Building 8 Limited Common Elements.

2.06 "Building 8 Sub-Unit" shall mean that any Unit may be hereafter created by the subdivision of the Building 8 Unit into Units and Building 8 Limited Common Elements as is herein defined.

2.07 "Building 8 Unit" shall mean that Unit designated as the Building 8 Unit in Exhibits "B" and "C", as more specifically described in Section 4 hereof, and in the case of the establishment of same, any Building 8 Sub-Units that may be created and thereafter exist.

2.08 "Building 8 Unit Owner" or "Building 8 Sub-Unit Owner(s)" shall mean and refer to that Unit Owner in whom record fee simple title to the Building 8 Unit is individually or collectively vested as shown in the records of the Register of Union County.

2.09 "By-Laws" shall mean the By-Laws of the Association, a copy of which document is attached hereto and made a part hereof as Exhibit "E", together with all future amendments or supplements thereto.

2.10 "Certificate of Incorporation" shall mean the Certificate of Incorporation of the Association, a copy of which document is attached hereto and made a part hereof as Exhibit "D", together with all future amendments or supplements thereto.

2.11 "Common Elements" shall mean "General Common Elements", "Limited Common Elements", and "Building 8 Limited Common Elements."

2.12 "Common Expenses" shall, subject to the provisions of Paragraph 6 hereof, mean all those expenses anticipated by N.J.S.A 46:8B-3(e), in addition to all expenses including reserves incurred or assessed by the Association, or its respective directors, officers, agents or employees, in the lawful performance of their respective duties or powers.

2.13 "Condominium" shall mean (i) all the lands and premises described in Exhibit "A"; (ii) all improvements now or hereinafter constructed in, upon, over or through such lands and premises, whether or not shown on any Exhibit hereto; (iii) all rights, roads, waters, privileges and appurtenances thereto belonging or appertaining; and (iv) the entire entity created by the execution and recording of this Master Deed.

2.14 "Condominium Act" shall mean the provisions of N.J.S.A. 46:8B-1 et seq., and all applicable amendments and supplements thereto.

2.15 "Eligible Mortgage Holder" shall be defined as set forth in Paragraph 25 of this Master Deed.

2.16 "General Common Elements" shall have the same meaning as "common elements" pursuant to N.J.S.A. 46:8B-3(d),

except as same may be modified by the provisions of Paragraph 5 hereof.

2.17 "General Common Expenses" shall mean those Common Expenses for which all Unit Owners are proportionately liable, including but not limited to those expenses which are attributable to the administration, maintenance, repair and replacement of the General Common Elements.

2.18 "Lease" shall mean any agreement for the leasing or rental of any Unit of the Condominium.

2.19 "Limited Common Elements" shall have the same meaning as "limited common elements" pursuant to *N.J.S.A. 46:8B-3(j)*, except as same may be modified by the provisions of Paragraph 5 hereof.

2.20 "Master Deed" shall mean this instrument, together with all future amendments or supplements hereto.

2.21 "Mortgage" shall mean and refer to the duly recorded instrument and underlying obligation giving rise to a mortgage lien upon any Unit. "Mortgage Holder" shall mean and refer to the holder of record of a Mortgage or one who issues or guarantees any Mortgage of record. "First Mortgage" shall mean and refer to the first paramount Mortgage of record encumbering a Unit.

2.22 "Owner" or "Unit Owner" shall mean and refer to those persons or entities in whom record fee simple title to any

Unit is vested as shown in the records of the Register of Union County, including the Sponsor unless the context expressly indicates otherwise, but notwithstanding any applicable theory of mortgage, shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title to any such Unit pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure, nor shall the term "Unit Owner" refer to any lessee or tenant of a Unit Owner. "Unit Owner" shall include Building 8 Unit Owner.

2.23 "Permitted First Mortgage" shall mean and refer to any first mortgage lien encumbering a Unit held by a bank, mortgage banker, trust company, insurance company, savings and loan association, pension fund, governmental agency or other institutional lender or which is a purchase money mortgage held by the Sponsor or by the Seller of a Unit.

2.24 "Property" shall mean the Buildings, the land and premises described in Exhibits "A" and "B" and all improvements now or hereafter constructed in, upon, over or through such land and premises.

2.25 "Rules and Regulations" shall mean those rules and regulations promulgated by the Association, together with all future amendments or supplements thereto.

2.26 "Sponsor" shall mean and refer to Park Edge Limited Partnership, a limited partnership of the State of New Jersey, its

successors and assigns, and includes any successor Sponsor contemplated by Paragraph 28 of this Master Deed.

2.27 "Unit" shall mean a part of the Condominium designated and intended for independent ownership regardless of type, including the Building 8 Unit and any Building 8 Sub-Units, and all as more specifically described in Paragraph 4 hereof and shall not be deemed to include any part of the General Common Elements or Limited Common Elements situated within or appurtenant to a Unit.

Unless the context clearly indicates otherwise, all definitions set forth in N.J.S.A. 46:8B-3 are incorporated herein by reference and the definitions set forth above shall be used in conjunction therewith.

3. GENERAL DESCRIPTION OF CONDOMINIUM

The Condominium will include the lands described in Exhibit "A" aforesaid consisting of approximately 3.81 acres upon which is located one hundred (100) residential dwelling units in eight (8) Buildings, parking areas, landscaping and all other site improvements, shown on Exhibit "B" aforesaid, and includes all rights, privileges, roads and appurtenances thereto belonging or appertaining. Each of the Units, other than the Building 8 Unit, is designated by a number, namely 1 through 68. The Building 8 Unit is designated as "B8U".

4. DESCRIPTION OF UNITS

4.01 Description of Units (Other Than Building 8 Unit).

The dimensions, areas and location of the Units, other than the Building 8 Unit, within the Condominium and the Building in which they are contained are as shown graphically on Exhibits "B" and "C". Each Unit is intended to contain all space within the area bounded by the interior surface of the perimeter walls of each unit and the floor and the ceiling of each Unit as follows:

BOTTOM: The bottom is an imaginary horizontal plane through the lowest point of the exterior surface of each portion of subfloor within the Unit, and extending in every direction to the point where it closes with a side of such Unit.

TOP: The top of each type of Unit is an imaginary plane along and coincident with the unfinished and unexposed surface of the gypsum board or other material which forms the uppermost ceiling of the Unit and extending in every direction to the point where it closes with every side of such Unit.

SIDES: The sides of each Unit are imaginary vertical planes along and coincident with the innermost surface of the exterior unexposed wall of the Unit. Where no wall exists, the side is an imaginary vertical plane along and coincident with the exterior surface of the windows or

doors located on the perimeter of such Unit. The sides of each such Unit are bounded by the bottom and top of the Unit.

Each Unit, regardless of type, also includes all built-in appliances, fixtures, doors, windows, interior walls and partitions, gypsum board and/or other facing material on the walls and ceilings thereof, the inner decorated and/or finished surface of the floors (including all flooring tile, ceramic tile, finished flooring) and all other improvements located within such Unit described, which are exclusively appurtenant to such Units, although all or part thereof may not be located within the Unit, and shall include, but not be limited to the following individual appurtenances to the extent that same serve each individual Unit only and not any other Unit or any portion of the Common Elements:

(a) So much of the common heating, plumbing and ventilating systems as extends from the interior surface of the walls, floors or ceilings into the Unit;

(b) All electrical wires which extend from the interior surface of walls, floors or ceilings into the Units and fixtures, switches, outlets and circuit breakers;

(c) All master antenna wiring which extends from the interior surface of the walls, floors or ceilings into the Unit;

(d) All utility meters not owned by the public utility agency supplying the service; and

(e) All equipment, appliances, machinery, mechanical or other systems which serve the Unit exclusively whether or not same are located within or without the Unit. Interior partitions or non-bearing walls within the confines of each Unit may, from time to time, be removed or replaced subject to the prior written approval of the Board. In the event a Unit Owner does remove or replace any or all such interior partitions or walls, no amendment of the Master Deed will be necessary or required. No Unit may be partitioned or subdivided without the prior written approval of any Eligible Mortgage Holder for such Unit and the Board. None of the foregoing approvals shall apply to Sponsor prior to the conveyance of any Unit(s) affected to another Unit Owner.

4.02 Description of the Building 8 Unit. Initially, there shall be one Building 8 Unit consisting of the Building within the Condominium which has been designated as the Building 8 Unit on Exhibits "B" and "C". The Building 8 Unit is more specifically described as follows:

BOTTOM: The bottom is an imaginary horizontal plane through the lowest point of the exterior surface of each portion of the foundation or footing of the Building 8 Unit, and

extending in every direction to the point where it closes with a side of such Building 8 Unit.

TOP: The top is an imaginary horizontal plane parallel to the bottom of the Building 8 Unit and intersecting the vertical planes projecting from the sides of the Building 8 Unit, which intersection is a point one hundred and fifty (150) feet above the bottom of the Building 8 Unit.

SIDES: The sides of the Building 8 Unit are imaginary vertical planes along and coincident with the outermost surface of the perimeter walls. Where no wall exists, the side is an imaginary plane that projects perpendicularly from the wall until it meets another side of the Building 8 Unit. The sides of the Building 8 Unit are bounded by the bottom and top of the Building 8 Unit.

The Building 8 Unit shall also include, but not be limited to, the following individual appurtenances to the extent that same exclusively serve the Building 8 Unit:

(a) So much of the common plumbing systems as extends into the Building 8 Unit;

(b) All electrical wires which extend into the Building 8 Unit;

(c) All utility meters appurtenant to the Building 8 Unit not owned by the public utility agency supplying the service; and

(d) All equipment, appliances, machinery, mechanical or other system which serve the Building 8 Unit exclusively whether or not same are located within or without the Building 8 Unit.

4.03 Sponsor's Right as Owner to Dispose of Units.

Sponsor shall upon the recording of this Master Deed be the Owner of every Unit within the Condominium regardless of type, including its appurtenant percentage interest in the Common Elements, and shall have the right to sell and convey, lease or otherwise dispose of each such Unit as it may deem appropriate in its sole discretion.

4.04 Right of Building 8 Unit Owner to Create Building 8 Sub-Units and Additional Building 8 Limited Common Elements. The Building 8 Unit Owner, on behalf of itself, successors and assigns, hereby expressly reserves the right to subdivide the Building 8 Unit and to establish one or more Building 8 Sub-Units and additional Building 8 Limited Common Elements within the initial Building 8 Unit. The Building 8 Unit Owner may exercise this right at any time and from time to time and such exercise may be without the necessity of the consent of the Board, the Association, any Unit Owner, any Building 8 Sub-Unit Owner, or any Mortgage Holder who does not hold a Mortgage which directly encumbers the Building

8 Unit or an affected Building 8 Sub-Unit. Any exercise of this right by the Building 8 Unit Owner shall be reflected by appropriate amendment or supplement to the Master Deed, which amendment must be duly recorded in the Office of the Register of Union County. Notwithstanding anything to the contrary, the right stated herein to subdivide the Building 8 Unit shall be limited as follows:

(a) The obligation for payment of the General Common Expenses and the aggregate percentage interest in the Common Elements assigned to the initial Building 8 Unit will not change even though same may be reallocated among the Building 8 Sub-Unit Owners on a proportionate basis; and

(b) Any Common Expenses incurred in connection with the administration, maintenance, repair or replacement of any Building 8 Limited Common Element now or hereafter established hereunder shall be borne by the Building 8 Unit Owner or Building 8 Sub-Unit Owners for whose benefit such expenses are incurred; and

(c) Any increase in Building 8 Limited Common Expenses resulting directly or indirectly from the establishment of any new Building 8 Sub-Units or Building 8 Limited Common Elements shall be borne by the Building 8 Unit Owner and Sub-Unit Owner(s) for whose benefit such increased expenses are incurred.

5. DESCRIPTION OF GENERAL AND LIMITED COMMON ELEMENTS

5.01 General Common Elements. All appurtenances and facilities and other items which are not part of the Units hereinbefore described in Paragraph 4 or part of the Limited Common Elements hereinafter described in sections 8.02 through 8.04 hereof shall comprise the General Common Elements as graphically shown on Exhibits "B" and "C" aforesaid. The General Common Elements shall also include by way of description but not by way of limitation:

(a) All land shown on Exhibit "B" aforesaid whether improved or unimproved;

(b) All private streets, driveways, curbs and sidewalks, subject to the easements and provisions set forth in Paragraph 7 hereof;

(c) The parking areas within the lands described in Exhibit "A", the use of which will be subject to any Rules and Regulations that may now or hereafter be promulgated by the Board;

(d) Storage room sheds except for those specifically for the Building 8 Unit, shall be Limited Common Elements;

(e) Lawn areas, shrubbery, conduits, utility lines, underground sprinkler system and waterways,

subject to the easements and provisions set forth in Paragraph 8 hereof;

(f) Public connections and meters for gas, electricity, telephone and water not owned by the public utility or other agencies providing such services;

(g) The roof, attic spaces, the foundations, footings, columns, girders, beams, supports, exterior or interior bearing or main walls and floors in the buildings containing the Units, other than the Building 8 Unit;

(h) Exterior lighting and other facilities necessary to the upkeep and safety of the Buildings and grounds;

(i) Any easement or other right which may now or hereafter be granted for the benefit of the Unit Owner(s) or others for access to or use of the General or Limited Common Elements not included within the Condominium or for any other purpose;

(j) All tangible personal property required for the operation, maintenance and administration of the Condominium which may be owned by the Association; and

(k) All other facilities or elements of any improvement within any Building or upon the Property

necessary or convenient to the existence, management, operation, maintenance and safety of the Condominium or normally in common use.

5.02 Building 8 Limited Common Elements. The Building 8 Limited Common Elements shall be as graphically shown on Exhibits "B" and "C", aforesaid and shall include, by way of description and not by way of limitation, walkways and landscaping appurtenant to the Building 8 Unit. The Building 8 Unit Owner's right to use these areas may not be transferred apart from the conveyance of title to the Unit. All repairs or maintenance by or with respect to the Building 8 Limited Common Elements shall be the responsibility of the Building 8 Unit Owner. The Building 8 Limited Common Elements are subject to modification and supplementation if the Building 8 Unit Owner should exercise its right to subdivide the Building 8 Unit into Building 8 Sub-Units and additional Building 8 Limited Common Elements.

5.03 Reserved Common Elements. The Board shall have the power in its discretion to: (i) designate from time to time certain General Common Elements as "Reserved Common Elements"; (ii) grant reserved rights therein to the Association and to any or less than all of the Unit Owners; and (iii) establish a reasonable charge to such Unit Owners for the use and maintenance thereof. Such designation by the Board shall not be construed as a sale or disposition of the Common Elements. Any fee paid for such reserved rights shall be paid to the Association and be available for use

by the Association as operating funds. Notwithstanding the foregoing, no part of the General Common Elements shall be designated as Reserved Common Elements for exclusive use by non-Unit Owners.

6. ESTATE ACQUIRED; INTEREST IN COMMON ELEMENTS; INTEREST IN COMMON SURPLUS; VOTING; COMMON EXPENSES

6.01 Estate Acquired. The Owner of each Unit shall have such an estate therein as may be acquired by grant, by purchase or by operation of law, including an estate in fee simple; and shall acquire as an appurtenance thereto an undivided proportionate interest in the Common Elements of the Condominium, which shall not be divisible from the Unit to which it appertains, as set forth in Exhibit "F" attached hereto and made a part hereof. Said interest is expressed as a finite number to avoid an interminable series of digits: the fourth (4th) digit has been adjusted to that value which is most nearly correct. The proportions shall remain fixed.

6.02 Use of Percentage Interest. The aforesaid percentage interest, which has been established by the Sponsor, based upon the initial values of the Units, shall be used to allocate the division of proceeds, if any, resulting from casualty loss, any eminent domain proceedings, any common surplus of the Association, or from any other disposition of the Condominium property.

The percentage interest shall also not be used to apportion the assessments for the Common Expenses of each Unit in

the Condominium, which shall be based upon the approximate area of each Unit, and as set forth in the Schedule of Percentage of Assessment Responsibilities attached hereto as Exhibit "G".

6.03 Voting. Each Unit Owner in good standing shall be entitled to cast one (1) vote for each Unit to which he holds title in all elections of Directors. In all other questions, each Unit Owner in good standing shall be entitled to one (1) vote for each Unit to which he holds title, which vote shall be equal in weight to the percentage of interest in the Common Elements appurtenant to the Unit for which it is cast. The Sponsor shall be permitted to cast all votes for Units owned by it, but shall not be permitted to vote for the purpose of the Master Deed or the By-Laws or any other document or for the purpose of changing the permitted use of a Unit or reducing the Common Elements.

7. COVENANT FOR MAINTENANCE AND CAPITAL
IMPROVEMENT ASSESSMENTS

7.01 Common Expense Assessments. It shall be an affirmative and perpetual obligation of the Board to fix Common Expense assessments in an amount at least sufficient to maintain the exterior of the Buildings and to maintain and operate the Common Elements as contemplated by the Master Deed or By-Laws and as required by the Condominium Act. The amount of monies for Common Expenses of the Association deemed necessary by the Board and the manner of expenditure thereof shall be a matter for the sole discretion of the Board.

7.02 Assessments for General Common Expenses. Assessments for General Common Expenses shall be allocated such that the Building 8 Unit Owner and any Building 8 Sub-Unit Owner(s) are assessed in the aggregate for twenty-four (24%) percent of such expenses and other Unit Owners in the aggregate are assessed for seventy-six (76%) percent of such expenses. General Common Expenses shall include the expense items that benefit all Unit Owners.

7.03 Allocation of Assessment for Other Limited Common Expenses. Assessments for Limited Common Expenses shall be allocated only among Unit Owners other than the Building 8 Unit Owner and shall include only those expense items that benefit only the Unit Owners other than the Building 8 Unit Owner.

7.04 Notice. Annual Common Expense assessments shall be made for an annual period to be determined by the Board, and shall be payable in monthly installments due on the first day of each month. The Board shall cause to be prepared annually, at least thirty (30) days in advance of the due date of the first Common Expense installment, a list of the Units and the annual Common Expense assessment applicable thereto, according to the names of the Unit Owners, which list shall be kept in the office of the Association and shall be open to inspection, upon request, by any Unit Owner. Written notice of the annual Common Expense assessment shall be sent by mail or delivered to every Unit Owner, as more particularly described in Article XIV of the By-Laws.

7.05 Assessment Not Made. If an annual Common Expense assessment is not made as required, an assessment shall be presumed to have been made in the amount of one hundred and ten percent (110%) of the last prior year's assessment and any installments of such annual assessments shall be due upon each installment payment date until a new annual Common Expense assessment is made.

7.06 Emergency Assessment When Annual Common Expense Assessment Insufficient. In the event the annual Common Expense assessment prove to be insufficient, the budget and assessment may be amended at any time by the Board, provided that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency. The determination of when an immediate need or emergency exists shall be in the sole discretion of the Board. Any emergency assessment pertaining to General Common Elements or any Limited Common Elements shall be allocated among Unit Owners in the same manner as General and Limited Common Expenses are allocated.

7.07 Special Assessments. In addition to the annual Common Expense assessments hereinbefore authorized, the Board may levy, in any assessment year, a special Common Expense assessment, for the purpose of defraying in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon or to the Common Elements, including the necessary furniture, fixtures and other personal property related thereto, or for any other lawful purpose, provided

that any such special Common Expense assessments which exceed in the aggregate the sum of \$5,000 for any assessment year, shall be authorized by the vote in person or by two-thirds (2/3) of all the aggregate votes held by all of the Members in good standing effected at a meeting duly called for such purpose. Written notice of such meeting, stating the purpose of the meeting, shall be sent to all Unit Owners at least thirty (30) days in advance. The due date(s) of any special assessment or any installment(s) thereof shall be fixed in the resolution authorizing such special assessment.

Special Common Expense assessments shall be allocated among Unit Owners in the same manner as General and Limited Common Expenses are allocated.

7.08 Covenant to Pay Assessments. Every Unit Owner, by acceptance of a deed or other conveyance for a Unit, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association such sums, by way of annual, emergency, or special Common Expense assessments contemplated herein or in the By-Laws. Upon the conveyance of title to a Unit, the portion of the then current annual assessment payable by the new Unit Owner shall be an amount which bears the same relationship to the annual assessment as the remaining number of months in the then current annual assessment period bears to twelve. Such first annual assessment or portion

thereof for which a new Unit Owner is liable shall be immediately due upon the closing of title to the purchaser.

7.09 Certificate of Payment. The Association shall, upon the request of any Unit Owner liable for a Common Expense assessment, or of the Eligible Mortgage Holder for any Unit, furnish to such Unit Owner or Eligible Mortgage Holder, a certificate in writing, signed by an officer of the Association, setting forth whether or not such Common Expense assessment has been paid. Such certificate shall constitute conclusive evidence of the payment of any Common Expense assessments therein stated to have been paid.

7.10 Liability for Assessments. No Unit Owner may waive or otherwise avoid liability for Common Expenses by non-use of the Common Elements. Each such assessment shall be a continuing lien upon the Unit against which it was made and shall also be the joint and several personal obligation of the Owner of such Unit at the time when the Common Expense assessment fell due, and of each subsequent record Owner of such Unit, except as otherwise contemplated by Section 28.08 of this Master Deed, together with such interest thereon and cost of collection thereof (including reasonable attorney's fees). Liens for unpaid Common Expense assessments may be foreclosed by suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. Suit to recover a money judgment for unpaid Common

Expense assessments may be maintained without waiving the lien securing the same.

8. USE OF COMMON EXPENSE ASSESSMENTS; RESPONSIBILITIES OF OWNERS; DAMAGE DUE TO NEGLIGENCE, OMISSION OR MISUSE

8.01 Use of Common Expense Assessments. The annual Common Expense assessments levied by the Board shall be used exclusively for promoting the health, safety, pleasure and welfare of the members of the Association, including, but without limitation: the maintenance and repair of the exterior and roofs of the Buildings to the extent that these items are included in the Common Elements; maintenance, repair and replacement of the Common Elements or any other improvements on the Property; payment of taxes and insurance premiums; all costs and expenses incidental to the operation and administration of the Association; and, such other items as may from time to time be deemed appropriate by the Board. The Board may also provide, by its Rules and Regulations, for ordinary maintenance and minor repairs and replacements to be furnished to Units by Association personnel or representatives and charged as a Common Expense.

8.02 Maintenance. Each Unit Owner shall promptly furnish, perform and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own Unit, provided, however: (i) such maintenance, repairs and replacements as may be required for the functioning of the common plumbing, heating, mechanical, electrical and water supply systems within the

Buildings containing the Units other than the Building 8 Unit shall be furnished by the Association; and (ii) the Association, its agents and employees may effect emergency or other necessary repairs which the Unit Owner has failed to perform; but any and all expenses incurred pursuant to the foregoing provision shall be the responsibility of the Unit Owner(s) affected thereby. Except as hereinbefore provided, maintenance, repairs and replacements of the plumbing fixtures and systems, windows, doors, electrical wiring and receptacles, kitchen appliances and equipment, and lighting fixtures within any Unit which are not common shall be the Unit Owner's responsibility at his sole cost and expense, and if the Unit Owner fails to perform such work, the Association may do so on the Unit Owner's behalf and charge the reasonable expenses thereof to the Unit Owner. Maintenance, repair, replacement, cleaning and washing of all wallpaper, paint, paneling, floor covering, draperies and window shades or curtains within any Unit shall also be the Unit Owner's responsibility at his sole cost and expense.

8.03 Damage Due to Negligence, Omission or Misuse. If, due to the negligent act or omission of or misuse by a Unit Owner, or a member of his family or household pet, or a guest, occupant or visitor (whether authorized or unauthorized by the Unit Owner), damage shall be caused to the Common Elements, or to a Unit(s) owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then the Unit Owner so responsible for the damage or the person(s) causing same, shall pay for such damage and be liable for any damages, liability,

costs and expense, including attorney's fees, caused by or arising out of such circumstances, and such maintenance, repairs and replacements to the General or Limited Common Elements or the Unit(s) shall be decreed a common expense and subject to the By-Laws and the Rules and Regulations.

9. EASEMENTS

9.01 Unit Owner's Easements. Every Unit Owner, his successors and assigns, shall have the following perpetual easements with respect to the Property:

(a) A non-exclusive easement in, upon, over, under, across and through the Common Elements to keep, maintain, use, operate, repair and replace his Unit in its original position and in every subsequent position to which it changes by reason of the gradual forces of nature and the elements;

(b) An exclusive easement for the existence and continuance of any encroachment by his Unit upon any adjoining Unit or upon any Common Elements, now existing or which may come into existence hereafter as a result of construction, reconstruction, repair, shifting, settlement or movement of any portion of a Building or a Unit, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Building stands;

(c) A non-exclusive easement for ingress and egress to his Unit in, upon, under, over, across and through the General Common Elements;

(d) An exclusive easement to use and enjoy the surfaces of the main walls (including any windows, doors, chimneys, stoops, or patio therein), ceilings and floors contained within his Unit;

(e) An easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines, television lines, lines, master antenna and other General Common Elements located in any of the other Units and serving his Unit; and

(f) A perpetual and non-exclusive easement in, over and through the General Common Elements of the Condominium and to use the driveways, walks and other common facilities within the Condominium for their intended respective purposes, subject to the right of the Board to:

(i) promulgate Rules and Regulations for the use and enjoyment thereof; and

(ii) suspend the enjoyment and voting rights of any Unit Owner for any period during which any assessment for Common Expenses remains unpaid, or for any period during which any infraction of its published Rules

and Regulations continues, it being understood that any suspension for either non-payment of any assessment or a breach of the Rules and Regulations of the Association shall not constitute a waiver or discharge of the Unit Owner's obligation to pay the assessment.

9.02 Sponsor's Easements. Sponsor, its successors and assigns, shall have the following easements with respect to the Property:

(a) A blanket and non-exclusive easement in, upon, through, under and across the Common Elements for the purpose of construction, installation, maintenance and repair of any improvements to the Units or the Common Elements, for ingress and egress, for the use of all driveways and parking areas, and for the utilization of existing and future model Units for sales promotion and exhibition, until the date the last Unit is sold and conveyed in the normal course of business, but in no event more than ten (10) years from the date of recording of this Master Deed. In addition, Sponsor hereby reserves the irrevocable right to enter into, upon, over or under any Unit for such purposes as may be reasonably necessary for the Sponsor or its agents to service such Unit or any part of the Buildings, provided that requests for entry are made in advance and that 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;

(b) A perpetual, blanket and non-exclusive easement in, upon, over, under, across and through the Common Elements for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon the Property. No individual Unit Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Condominium; and

(c) A perpetual, blanket and non-exclusive easement in, upon, over and through the Common Elements for access to and egress from any land owned by the Sponsor, its successors and assigns that is adjacent to and contiguous with the Property.

9.03 Association Easements. The Property shall also be subject to the following easements:

(a) The Association shall have a perpetual exclusive easement for the maintenance of any Common Elements, which presently or may hereafter encroach upon a Unit;

(b) The Association, through the Board or any manager or managing agent, or their respective agents or employees shall have the perpetual and non-exclusive right of access to each Unit (i) to inspect same; (ii) to remedy any violations of the provisions of this Master Deed, the By-Laws or any Rules and Regulations of the Association; and (iii) to perform any operations required in connection with the maintenance, repairs or replacements of or to the Common Elements, or any equipment, facilities or fixtures

affecting or serving other Unit(s) or the Common Elements; 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.

9.04 Mortgage Holder Easements. Any Mortgage Holder, its officers, agents and employees, shall have a blanket, perpetual and non-exclusive easement to enter the Condominium or any part thereof to inspect the condition and repair of Common Elements, or any Units so encumbered by a first mortgage owned by it. This right shall be exercised only during reasonable daylight hours, and then whenever practicable, only after advance notice to and with the permission of the Board and the Unit Owner.

9.05 Easement for Service. A blanket, perpetual and non-exclusive easement in, upon, over, across and through the Common Elements for the purpose of the installation, maintenance, repair, service and replacement of all sewer, water, power and telephone pipes, lines, mains, conduits, waters, poles, transformers, cable television lines or master television antennae and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility systems serving the Property, which easement shall be for the benefit of any governmental agency, or utility company or other entity which requires same for the purpose of furnishing one or more of the foregoing services.

9.06 Easement to Township of Berkeley Heights and Association. A blanket, perpetual and non-exclusive easement of unobstructed ingress and egress in, upon, over, across and through the Common Elements to the Township of Berkeley Heights, the Association, their respective officers, agents and employees (but not the public in general) and all police, fire and ambulance personnel in the proper performance of their respective duties, (including but not limited to emergency or other necessary repairs to a Unit which the Unit Owner has failed to perform), and for repair and maintenance of the Common Elements. Except in the event of emergencies, the rights accompanying the easements provided for in this subparagraph shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to and with permission of the Unit Owner(s) directly affected thereby.

10. BY-LAWS AND ADMINISTRATION; CHANGES IN DOCUMENTS; POWER OF ATTORNEY

10.01 Administration of Common Elements. The administration of Common Elements of the Condominium and other common facilities shall be by the Association in accordance with the provisions of the Condominium Act, this Master Deed, the Certificate of Incorporation, the By-Laws, the Rules and Regulations and of any other agreement, document, amendment or supplement to the foregoing which may be duly adopted or subsequently required by an institutional lender designated by the Sponsor or by any governmental agency having regulatory jurisdiction over the Condominium or

by any title insurance company selected by Sponsor to insure title to any Unit(s).

10.02 Sponsor's Power of Attorney. Sponsor hereby reserves for itself, its successors and assigns, for a period of five (5) years from the date the first Unit is conveyed to an individual purchaser, or until Sponsor conveys title to the last Unit, whichever occurs first, the right to execute on behalf of all contract purchasers, Unit Owners, mortgagees, other lienholders or parties claiming a legal or equitable interest in the Condominium, any such agreement, document, amendment or supplement to the above described documents which may be so required by any such institutional lender, governmental agency or title insurance company; provided, however, that no such agreement, document, amendment or supplement which adversely affects the value or substantially alters the floor plan of any Unit, or changes the proportion of the undivided interest in the Common Elements or increases the financial obligations of the Unit Owner or reserves any additional or special privileges shall be made without the prior written consent of the affected Unit Owner(s) and all owners of any mortgage(s) encumbering same; except as provided in Paragraph 4.04 of this Master Deed; or if such agreement, document, amendment or supplement adversely affects the priority or validity of any mortgage which encumbers any Unit, without the prior written consent of the owners of all such mortgages.

10.03 Appointment of Sponsor and Association as Attorneys-in-Fact. By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Condominium, each and every such contract purchaser, Unit Owner, or other lienholder or party having a legal or equitable interest in the Condominium does automatically and irrevocably name, constitute, appoint and confirm (i) Sponsor, its successors and assigns, as attorney-in-fact for the purpose of executing such amended Master Deed(s) and other instrument(s) necessary to effect the foregoing subject to the limitations set forth above in paragraph 10.02, or to subdivide the Building 8 as contemplated by Section 4.04 hereof; and (ii) the Association as attorney-in-fact to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise, dispose of any such Units so acquired or to sublease any Units so leased by the Association, subject to the restrictions set forth in Section 8.01(p) and (q) of the By-Laws.

The powers of attorney aforesaid are expressly declared and acknowledged to be coupled with an interest in the subject hereof and the same shall run with the title to any and all Units and be binding upon the heirs, personal representatives, successors and assigns of any of the foregoing parties. Further, said powers of attorney shall not be affected by the death or disability of any

principal and are intended to deliver all right, title and interest of the principal in and to said powers. Said powers of attorney shall be vested in the Sponsor, its successors and assigns until same effectuate the initial conveyance of all Units. Thereafter, said powers of attorney shall automatically vest in the Association to be exercised through its Board of Directors.

10.04 Sponsor Prohibited Voting. Notwithstanding the foregoing, the Sponsor shall not be permitted to cast any votes held by it for unsold Units for the purpose of amending this Master Deed, the By-Laws of the Park Edge Condominium Association, Inc. or any other document for the purpose of changing the permitted use of a Unit or for the purpose of reducing the Common Elements or facilities, except for the purpose of subdividing the Building 8 Unit.

11. RESTRICTIONS

11.01 General Restrictions. The Condominium is subject to all covenants, restrictions and easements of record and to the following restrictions:

(a) Each Unit must be occupied by at least one individual who is 62 years of age or older. The Unit may additionally be occupied by a spouse who has not attained the age of 62 and/or one child or grandchild of the senior citizen occupant who has attained at least the age of 18. In the event the individual over the age of 62 dies, a spouse, regardless of age, may continue to

permanently occupy the Unit. However, if the Unit is not occupied by an individual who is a spouse, the occupancy must be terminated within six months subsequent to the death of the person over the age of 62 if the surviving occupant has not yet attained the age of 55. This restriction applies to both the leasing and the purchase of Units. At no time may more than 15% of the Units be occupied by individuals who have not attained at least the age of 55. This restriction was a condition of the approvals for the Condominium granted by the Township of Berkeley Heights. This restriction may be enforced in the manner set forth in Paragraph 20 of this Master Deed, and may also be enforced by the Township of Berkeley Heights. Notwithstanding anything in this Master Deed to the contrary, the Master Deed may not be amended to revise this restriction, except by the prior approval of the Berkeley Heights Planning Board.

(b) No Unit, except those Units owned by the Sponsor and used as sales offices, administrative offices or models shall be used for any purpose other than as a private residence.

(c) There shall be no obstruction of the Common Elements nor shall anything be stored in or upon the Common Elements without the prior consent of the Board, except that the use by a Unit Owner of any designated

storage area which is a Limited Common Element, shall be permitted subject to the Rules and Regulations.

(d) No bird, reptile or animal of any kind shall be raised, bred or kept in any Unit or anywhere upon the Property, except that dogs, cats or other household pets are permitted, in any Unit, not to exceed two (2) in the aggregate, provided that they are not kept, bred or maintained for any commercial purpose, are housed within the Unit and abide by all applicable Rules and Regulations. No outside dog pens, runs or yards shall be permitted.

(e) No vehicles of a size larger than a panel truck and no mobile home or the like shall be parked on any part of the Property, except that those vehicles temporarily on the Property for the purpose of servicing the Property itself or one of the Units shall be permitted without the prior consent of the Board.

(f) No portion of the Common Elements or other portion of the Property shall be used or maintained for the dumping of rubbish or debris except in the dumpster disposal areas. Trash, garbage or other waste shall be kept in sanitary containers on the Property for weekly or more frequent collections.

(g) No exterior loudspeakers other than as contained in portable radios or television sets shall be permitted, nor shall unshielded floodlights be installed in any exterior area of any Unit or any patio appurtenant thereto without the permission of the Board.

(h) The Owner of each Unit, regardless of type, shall not cause or permit any clothes, sheets, blankets, or laundry of any kind or other articles to be hung or displayed on the outside of windows or placed on the outside windowsills, walls or balconies of any Building or in any parking areas; and no signs, awnings, grills, fence, canopies, shutters, or radio or television antenna or aerial shall be erected or installed in or upon the Common Elements or any part thereof without the prior consent of the Board. Unit Owners other than Sponsor shall not have the right to paint or otherwise decorate or change the appearance of any portion of the exterior of the Buildings. Each Unit Owner is responsible to promptly report to the Board any defect or need for repairs, the responsibility for which is that of the Association.

(i) In order to provide an orderly procedure in the case of title transfers and to assist in the maintenance of a current, up-to-date roster of Unit Owners, each Unit Owner shall give the Secretary of the Associa-

tion timely notice of his intent to list his Unit for sale and, upon closing of title, shall forthwith notify such Secretary of the names and home addresses of the purchasers.

(j) No Unit Owner or occupant shall build, plant or maintain any matter or thing upon, in, over or under the General or Limited Common Elements without the prior written consent of the Board unless permitted by the Rules and Regulations.

(k) Each Unit Owner shall be responsible for the maintenance, repair and replacement of all windows and doors that are part of his Unit, including the front door.

(l) No Unit Owner or occupant shall burn, chop or cut anything on, over or above the Common Elements.

(m) To the extent that equipment, facilities and fixtures within any Units(s) shall be connected to similar equipment, facilities or fixtures affecting or serving other Unit(s) or the Common Elements, then the use thereof by the individual Unit Owners shall be subject to this Master Deed, the By-Laws and the Rules and Regulations of the Association.

(n) Nothing shall be done or kept in any Unit or in or upon the Common Elements which will increase the

rates of insurance of any Building or the contents thereof beyond the rates applicable for Units, without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in or upon the Common Elements which will result in the cancellation of insurance on any Building or the contents thereof, or which will be in violation of law.

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

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

(q) Nothing shall be done to any Unit or on or in the Common Elements which will impair the structural integrity of any Building or which will structurally change any Building. No Unit Owner (other than the Sponsor) may make any structural additions, alterations or improvements in or to his Unit or in or to the Common Elements, or impair any easement without the prior written consent of the Board. Notwithstanding the foregoing, while the Sponsor maintains a majority on the

Board, it shall make no additions, alterations, improvements or purchases which would necessitate a special assessment or a substantial increase in the monthly Common Expense assessment unless required by a governmental agency, title insurance company, institutional lender or in the event of an emergency. The Board shall have the obligation to answer any written request received by it from a Unit Owner for approval of a proposed structural addition, alteration or improvement to his Unit within forty-five (45) days after the receipt of such request, and failure to do so within the stipulated time shall constitute a denial of the proposal. Any application to any municipal authority for a permit to make an addition, alteration or improvement in or to any Unit must be reviewed by the Board and, if approved, shall be executed by the Board and may then be submitted by the Unit Owner. Such approval, however, shall not incur any liability on the part of the Association to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The Unit Owner shall furnish the Board with a copy of any such permit which he has procured. The provisions of this subparagraph shall not apply to Units owned by the Sponsor unless such Sponsor-owned Units are not being offered for sale in the regular course of

business and shall also not apply as to the Building 8 Unit.

(r) Draperies, blinds, curtains or other window coverings must be installed by each Unit Owner on all windows of his Unit and must be maintained in said windows at all times.

(s) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably intended and suited and which are incident to the use and occupancy of the Units.

(t) Unit Owners shall have the right to lease their Units for any period of time provided that said lease is in writing and made subject to all provisions of this Master Deed, the By-Laws of the Association and other documents referred to herein, the lease is for a period of not less than six (6) months, and provided further that any failure of the lessee to fully comply with the terms and conditions of such documents shall constitute a default under the lease.

(u) In the event a tenant of a Unit Owner fails to comply with the provisions of this Master Deed, the By-Laws or Rules and Regulations, then, in addition to all other remedies which it may have, the Association shall notify the Unit Owner of such violation(s) and

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

(v) No Unit Owner, other than the Building 8 Unit Owner, shall have the right to mortgage or encumber his Unit, unless such mortgage or encumbrance is a Permitted

First Mortgage. No other mortgages or encumbrances shall be permitted without the prior written approval of the Association.

(w) All property taxes, special assessments and other charges imposed by any taxing authority are to be separately assessed against and collected on each Unit as a single parcel, as provided in the Condominium Act. In the event that for any year such taxes are not separately taxed to each Unit, but are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his proportionate undivided interest in the General Common Elements.

(x) Each Unit Owner shall pay for his own telephone and other utilities which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed or which serve the Common Elements shall be treated as part of the Common Expenses.

(y) No clothes poles, lines or clothes trees shall be installed or maintained.

(z) No business, trade or profession shall be conducted in any Unit.

(aa) The Common Elements shall be used only for the furnishing of the services and facilities for which

they are reasonably intended and suited and which are incident to the use and occupancy of the Units.

11.02 Enforcement of Restrictions. The Board shall have the power to make such Rules and Regulations as may be necessary to carry out the intent of the restrictions contained in Section 11.01, and shall have the right to bring law suits to enforce the Rules and Regulations so promulgated. The Board shall further have the right to levy fines for violations of these regulations, provided that the fine for a single violation may not, under any circumstances, exceed \$25.00. Each day that a violation continues after receipt of notice by the Unit Owner may be considered as a separate violation. Any fine so levied shall be considered as a Common Expense to be levied against the particular Unit Owner involved, and collection may be enforced by the Board in the same manner as the Board is entitled to enforce collection of Common Expenses, including the right of lien.

12. OBLIGATIONS OF SPONSOR

Until the conveyance of title of the first Unit, the Sponsor shall be solely responsible for all Common Expenses. Following the first conveyance, the Owners of Units to whom title shall have been conveyed shall be responsible for their proportionate share of all Common Expenses and the Sponsor shall be responsible for payment of all Common Expenses assessed against Units which have not been conveyed.

13. NO PARTITION

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

14. MEMBERSHIP IN THE ASSOCIATION

Upon acceptance of a Deed to a Unit, each Unit Owner shall automatically become a member of the Association and shall be a member for so long as he shall hold legal title to his Unit, subject to all provisions of this Master Deed, the Condominium Act, the Certificate of Incorporation, the By-Laws and the Rules and Regulations which may now or hereafter be established for or by the Association. The Sponsor shall be a member of the Association with respect to all Units owned by it, including the Building 8 Unit and any Building 8 Sub-Unit(s).

15. COMPLIANCE BY OWNERS

Each owner or occupant of a Unit shall comply with and shall assume ownership or occupancy subject to laws, rules and regulations of governmental authorities having jurisdiction over the Condominium, the provisions of this Master Deed, the Certifi-

cate of Incorporation, the By-Laws, the Rules and Regulations or any other agreement, document, amendment or supplement to the foregoing as described in Paragraph 10 hereof. Failure to comply with any of the foregoing shall be grounds for commencement of an action for the recovery of damages or for injury relief, or both, by the Sponsor, the Association or any Unit Owner, in any court or administrative tribunal having jurisdiction, against any person or persons, firm or corporation violating or attempting to violate or circumvent any of the aforesaid, and against any Unit Owner to enforce any lien created by this Master Deed or any covenant contained herein. Failure by the Sponsor, the Association or any Unit Owner to enforce any covenant herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to thereafter enforce the same.

16. DAMAGE OR DESTRUCTION TO THE PROPERTY

16.01 Damage or Destruction to Property; Disposition of Insurance Proceeds. If any Building, any improvement or Common Element or any part thereof is damaged or destroyed by fire or other casualty, the repair, restoration or ultimate disposition of any insurance proceeds shall be in accordance with the provisions of this Paragraph 16.

16.02 Insurance Proceeds Less Than or Equal to \$5,000. If the insurance proceeds derived from such loss amount to \$5,000 or less, then the Board shall contract with any licensed contractor or contractors to rebuild or repair such damaged or destroyed

portions of the Property in conformance with the original plans and specifications, or if adherence to such original plans and specifications is impracticable in the Board's opinion, then in conformance with revised plans and specifications, provided such repairs or rebuilding shall be of a quality and kind substantially equivalent to the original construction. The Board shall accept bids only in specific amounts and shall not enter into any cost-plus or other sliding scale arrangements for compensation to the contractor.

16.03 Insurance Proceeds Greater than \$5,000. If the insurance proceeds derived from such loss exceed \$5,000.00, all such insurance proceeds shall be paid directly to an Insurance Trustee as may be designated by the Board, as trustee for all holders of Permitted Mortgages holding First Mortgages on the Property, and all Unit Owners as their interests may then appear.

(a) Upon notification of the receipt of insurance proceeds by the Insurance Trustee, the Board shall enter into a contract for a specific dollar amount with a licensed contractor or contractors for the repair or rebuilding of all the damaged or destroyed portions of the Property, as nearly as practicable to the original plans and specifications thereof and in accordance with all applicable building codes.

(b) The Board shall enter into said contract with a licensed contractor or contractors which shall have

provisions for periodic disbursements of funds by the trustee. Disbursements to the contractor shall be made subject to the prior presentation of an architect's certificate containing such provisions as may be appropriate in the circumstances and deemed suitable by the Board.

(c) The Board shall employ a licensed architect to supervise the repair and rebuilding to insure that such work, services and supplies are of proper quality and that construction is completed in a workmanlike manner and according to plans and specifications.

16.04 Responsibility of Unit Owner. If the damage is only to those parts of a Unit for which the responsibility for maintenance and repair is that of the Owner, then that Owner shall be responsible for reconstruction and repair, but the proceeds of any insurance that may have been obtained by the Association shall be made available for such purpose. Subject to the provisions of this Master Deed, in all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

16.05 Insurance Proceeds Insufficient. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, or if at any time during reconstruction and repair or upon completion of reconstruction and repair, the funds for payment of the costs thereof are insufficient, assess-

ments shall be made against all Owners whose Units were damaged or destroyed, in sufficient amounts to provide funds for the payment of such costs. Anything to the contrary in this Master Deed or By-Laws notwithstanding, such assessments shall be in proportion to the Unit Owner's percentage interest in the Common Elements. The foregoing provisions of this subparagraph are applicable to the repairs and reconstruction to be undertaken by the Association and do not cover damages to those portions of the Unit for which the responsibility of maintenance and repair and the costs thereof is that of the Unit Owner; provided, however, that any portion of the insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an individual Unit Owner shall be paid to said Unit Owner, or if there is a mortgage endorsement as to such Unit, then to the Unit Owner and mortgagee, jointly.

16.06 Excess Insurance Proceeds. If the amount of available insurance proceeds should exceed the cost of any such reconstruction or repair, the excess shall be retained by the Association and applied by it to reduce the Common Expenses.

16.07 Assignment to Eligible Mortgage Holder. In the event the Association determines not to repair or restore the damaged property in accordance with N.J.S.A 46:8B-24, any insurance proceeds payable to a Unit Owner as a result of damage or destruction to his Unit and/or interest in the Common Elements are hereby assigned and shall be paid to any appropriate Mortgage Holder(s),

as their interests may appear, for application to the appropriate mortgage indebtedness and the excess, if any, shall be paid to the appropriate Unit Owners, all in accordance with N.J.S.A. 46:8B-24.

17. EMINENT DOMAIN

17.01 Notice and Participation of Unit Owners. If any building, improvement or Common Element or any part thereof shall be taken, injured or destroyed by eminent domain, each Unit Owner affected shall be entitled to notice of such taking and to participate through the Association in the proceeding incident thereto.

17.02 Allocation of Awards. Any awards made in connection with such proceedings shall be collected by the Association and applied or distributed by it in accordance with the following, unless the award or decree provides to the contrary:

(a) Upon any acquisition of a Unit that renders the Unit totally uninhabitable by the condemning authority, unless the decree provides otherwise, each affected Unit's entire percentage interest and its Common Expense liability shall be automatically reallocated to the remaining Units in proportion to the respective percentage interests and Common Expense of such remaining Units immediately before the taking, and the Association shall promptly prepare, execute, and record an amendment to the Master Deed reflecting the reallocations. Any

remnant of a Unit remaining after a part of a Unit is taken under this subsection shall thereafter be a Common Element. This provision shall apply only to a total of an affected Unit by the condemning authority.

(b) Upon acquisition by the condemning authority of a portion of a Unit which does not render it totally uninhabitable (1) each affected Unit's percentage interest and its Common Expense liability shall be reduced in proportion to the reduction in square footage of each such Unit, and (2) the portion of percentage interest and Common Expense liability divested from the acquired Unit shall be automatically reallocated to the remaining Units in proportion to their respective percentage interests and liabilities of such remaining Units, with the partially acquired Unit(s) participating in the reallocation on the basis of their reduced percentage interest and liabilities. This provision shall apply only to a partial taking of an affected Unit by the condemning authority.

(c) If a part of the Common Elements is acquired by eminent domain, the award must be paid to the Association. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements among the affected Unit Owners in proportion to their respective proportionate interest

in the Common Elements before the taking, but the portion of the award attributable to the acquisition of any Limited Common Element must be equitably divided, unless the award provides otherwise, among the Owners of the Units to which that Limited Common Element was allocated at the time of acquisition.

18. INSURANCE

The Board shall obtain and continue in effect blanket property insurance on the Common Elements in an amount equalling replacement value and in form satisfactory to any institutional lender holding first mortgages on a majority of the Units, but without prejudice to the right of the Owner of any Unit to obtain individual Unit insurance at his own cost. In addition, the Board shall obtain and continue such other amounts of insurance as may be required by the provisions of the By-Laws. Premiums for all such insurance coverage except for individual Unit coverage shall be a Common Expense to be included in the monthly assessment for Common Expenses, and shall be allocated in the same manner as other Common Expenses.

19. AMENDMENT OF MASTER DEED

This Master Deed may be amended at any time after the date hereof by vote of at least two-thirds (2/3) of all Unit Owners at any meeting of the Association duly held in accordance with the provisions of the By-Laws provided, however, that any amendment so

requiring it under the provisions of Paragraph 25, shall also have the prior written approval of any applicable Mortgage Holder. No amendment shall be effective until recorded in the Office of the Register of Union County, New Jersey. This paragraph is by way of supplement to and not in degradation of the powers of amendment reserved to Sponsor pursuant to paragraph 10 hereof. In the alternative, an amendment may be made by an agreement, signed and acknowledged by all of the Unit Owners in the manner required for the execution of such deed, and such amendment shall be effective when recorded in the Office of the Register of Union County, New Jersey.

20. ENFORCEMENT

Enforcement of this Master Deed shall be by any appropriate proceeding in law or equity in any court or administrative tribunal having jurisdiction, against any person or persons, firm or corporation violating or attempting to violate or circumvent any provision herein contained, either to restrain or enjoin such violation or threatened violation or to recover damages, and against any Unit Owner to enforce any lien created by this Master Deed. Failure by the Association or any Member to enforce any covenant or restriction herein contained for any period of time, shall in no event be deemed a waiver or estoppel of the right to thereafter enforce the same. In the event that the Association should at any time fail to discharge its obligations to maintain any portion of the Property as required by this Master

Deed, or to enforce the provisions hereof, any Unit Owner shall have the right to enforce such obligations by any proceeding at law or equity. A failure to so enforce any covenant or restriction herein contained shall in no event be deemed a waiver of right to do so thereafter. Also, in such event the Township of Berkeley Heights shall have the right to so maintain the Property or to enforce such provisions in the name, place and stead of the Association. The assumption of such maintenance responsibility shall be in accordance with the procedures set forth in N.J.S.A. 40:85D-43(b). The cost of same shall be assessed, enforced and collected in accordance with the provisions of N.J.S.A. 40:55D-43(c). Notwithstanding any limitations as to the applicability of N.J.S.A. 40:55D-43(b) and (c) aforesaid to the maintenance of "open space", the provisions of this subparagraph shall be deemed to apply to all maintenance obligations of the Association as set forth in this Master Deed or otherwise. Should either the Association or any of its Members at any time fail to enforce the provisions hereof, the Township of Berkeley Heights upon thirty (30) days notice to the Association, shall have the right to institute appropriate legal proceedings in the name of the Association to effect such enforcement.

21. WAIVER

No provision contained in this Master Deed 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 which may occur.

22. GENDER

The use of the masculine gender in this Master Deed shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

23. RATIFICATION, CONFIRMATION AND APPROVAL OF AGREEMENTS

The fact that some or all of the Officers, Directors, Members or employees of the Association and the Sponsor may be identical, and the fact that the Sponsor or its nominees, have heretofore or may hereafter enter into agreements with the Association or with third parties, will not invalidate any such agreements and the Association and its Members, from time to time, will be obligated to abide by and comply with the terms and conditions thereof. The purchase of a Unit, and the acceptance of the Deed therefor by any party, shall constitute the ratification, confirmation and approval by such purchaser, his heirs, legal representatives, successors and assigns, of the propriety and legality of said agreements or said agreement, or any other agreements authorized and permitted by the Condominium Act, this Master Deed, the Certificate of Incorporation or the By-Laws.

24. RIGHTS RESERVED TO SPONSOR

Anything to the contrary herein or in the Certificate of Incorporation or By-Laws of the Association notwithstanding, Sponsor hereby reserves for itself, its successors and assigns, for so long as it owns one or more Units in the Condominium in the ordinary course of business, the right to sell, lease, mortgage or sublease any unsold Units within the Condominium.

25. ELIGIBLE MORTGAGE HOLDERS RIGHTS

25.01 Definitions.

"Eligible Mortgage Holder" shall mean and refer to any First Mortgage Holder which has requested in writing that the Association provide notice of any of the proposed actions described in Section 25.02 of this Paragraph.

25.02 Notice to Eligible Mortgage Holder. Each Eligible Mortgage Holder shall be entitled to timely written notice of the following:

(1) Any proposed amendment to the Certificate of Incorporation, the By-Laws or this Master Deed.

(2) Any condemnation or casualty loss that affects either a material portion of the Common Elements or the Unit securing the Eligible Mortgage Holder's mortgage.

(3) Any sixty (60) day delinquency in the payment of Common Expense assessment installments or other assessments or charges owed to the Association by the Owner of the Unit upon which the Eligible Mortgage Holder holds a First Mortgage.

(4) A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(5) Any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

25.03 Prior Written Approval of 51% of Eligible Mortgage Holders. Notwithstanding any provision to the contrary contained in the Certificate of Incorporation, the By-Laws or this Master Deed, the prior written approval of at least fifty-one (51%) of the Eligible Mortgage Holders is required for any material amendment to the Certificate of Incorporation, the By-Laws and this Master Deed including, but not limited to, any amendment which would change:

- (1) voting rights;
- (2) reserves for maintenance, repair and replacement of Common Elements;
- (3) responsibility for maintenance and repairs;
- (4) assessment allocations, assessment liens or subordination of assessment liens;

- (5) reallocation of interests in the General or Limited Common Elements or rights to their use;
- (6) boundaries of any Unit;
- (7) convertibility of Units into Common Elements or vice versa;
- (8) expansion or contraction of the development, or the addition, annexation or withdrawal of land to or from the Condominium;
- (9) obligation to maintain insurance or fidelity bonds;
- (10) restrictions as to the leasing of Units;
- (11) the restrictions upon a Unit Owner's right to sell or transfer his or her Unit;
- (12) a decision by the Association to establish self-management rather than professional management;
- (13) any obligation of the Association to restore or repair the development (after damage, destruction or condemnation) in a manner other than that specified in this Master Deed or the By-Laws;

(14) any action to terminate the legal status of the development after substantial damage or condemnation occurs; or

(15) any provisions that expressly benefit Eligible Mortgage Holders.

25.04 Notice of Non-Material Amendments to Constituent Documents. Each Eligible Mortgage Holder shall receive thirty (30) days advance notice, to be sent certified mail, return receipt requested, of any proposed non-material amendment to this Master Deed, the By-Laws or the Certificate of Incorporation permitted by same, which notice shall include a copy of the proposed change. Any Eligible Mortgage Holder being served with such notice shall be deemed to have implicitly approved such change as proposed unless it states in a written response to the Association its objections or comments relative to such proposed change.

25.05 Additional Provisions for Benefit of Eligible Mortgage Holders.

The following additional provisions are for the benefit of Eligible Mortgage Holders:

(1) Any lien the Association may have on a Unit for the payment of Common Expense assessments attributable to each Unit is subordinate to the lien or equivalent security interest of any Permitted First Mortgage on the Unit recorded

prior to the date any such Common Expense assessment became due.

(2) The Association shall maintain current copies of the Master Deed, Certificate of Incorporation, By-Laws and Rules and Regulations of the Association, and any respective amendments thereto, as well as its own books, records and financial statements available for inspection by Unit Owners and Eligible Mortgage Holders. Any Eligible Mortgage Holder shall, upon written request, (i) be permitted to inspect the books and records of the Association during normal business hours; (ii) receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association; and (iii) receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

(3) Any Eligible Mortgage Holder who holds a Permitted First Mortgage on a Unit who obtains title to such Unit as a result of foreclosure of the Permitted First Mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser in a foreclosure sale, or their respective

successors and assigns, is not liable for the share of Common Expenses or other assessments by the Association pertaining to such Unit or chargeable to the former Unit Owner which became due subsequent to recordation of the Permitted First Mortgage and prior to acquisition of title. Such unpaid share of Common Expenses and other assessments shall be deemed to be Common Expenses collectible from all of the remaining Unit Owners including such acquiror, his successors and assigns.

(4) Any management agreement for the Property, except the initial management agreement, if any, will be terminable by the Association with or without cause upon thirty (30) days prior written notice thereof, and the term of any such agreement shall not exceed one year.

(5) Any lien the Association may have on any Unit for the payment of Common Expense assessments attributable to such Unit is subordinate to the lien or equivalent security interest of any Permitted First Mortgage on the Unit recorded prior to the date any such Common Expense assessment became due.

(6) Nothing contained in this Paragraph 25 shall be deemed to limit or preclude an Eligible Mortgage Holder from exercising any right established elsewhere in this Master Deed in favor of Mortgage Holders who are not Eligible Mortgage Holders.

26. DURATION

The provisions of this Master Deed shall be perpetual in duration, shall run with and bind all of the land included in the Condominium and shall inure to the benefit of and be enforceable by the Association and the Unit Owners, their respective successors, assigns, heirs, executors, administrators and personal representatives, except that the covenants and restrictions set forth in Paragraph 11 shall have an initial term of forty (40) years from the date this Master Deed is recorded in the Office of the Register of Union County, at the end of which period such covenants and restrictions shall automatically be extended for successive periods of ten (10) years each, unless at least two-thirds (2/3) of the Unit Owners at the time of expiration of the initial period, or of any extension period, shall sign an instrument or instruments (which may be in counterparts) in which they shall agree to change said covenants and restrictions in whole or in part; but no such agreement shall become binding unless written notice containing the terms of the proposed agreement is sent to every Owner at least ninety (90) days in advance of the action taken in authorizing said agreement; and, in any event, any changes concerning any such

agreement shall not become effective and binding until three (3) years after the recording of the aforesaid fully executed instrument or instruments containing such agreement, and provided further, that in no event may the Common Elements be conveyed to any third person, firm or corporation, without the express consent, by ordinance, of the governing body of the Township of Berkeley Heights (or such municipal corporation or other governmental entity as may then have zoning and subdivision jurisdiction over the Property).

27. RULE AGAINST PERPETUITIES

If any provision of this Master Deed or the By-Laws shall be interpreted to constitute a violation of the rule against perpetuities, then such provision shall be deemed to remain in effect until the death of the last survivor of the now living descendants of Robert F. Kennedy, deceased, former Senator of the State of New York, plus twenty-one (21) years thereafter.

28. SPECIAL SPONSOR'S RIGHTS

28.01 Effectiveness of Transfer of Special Sponsor's Rights. No special rights created or reserved to the Sponsor under this Master Deed ("Special Sponsor Rights") may be transferred except by an instrument evidencing the transfer recorded in the Office of the Register of Union County, New Jersey. The instrument shall not be effective unless executed by the transferee.

28.02 Liability of Transferor. Upon transfer of any such Special Sponsor Rights, the liability of the transferor is as follows:

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

(b) If a transferor retains any such Special Sponsor Rights, or if a successor to any such Special Sponsor Rights is an affiliate of the Sponsor, the transferor is subject to liability for all obligations and liabilities arising after the transfer, and is jointly and severally liable with the successor for the liabilities and obligations of the successor which relate to the Condominium.

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

28.03 Transfer of Rights After Foreclosure, Trustee's Sale or Bankruptcy.

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

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

(i) The Sponsor ceases to have any such Special Sponsor Rights; and

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

28.04 Liabilities of Successors to Special Sponsor Rights. The liabilities and obligations of persons who succeed to all Special Sponsor Rights are as follows:

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

(b) A successor to all such Special Sponsor Rights, other than a successor described in Paragraphs (c) or (d) hereof who is not an affiliate of Sponsor, is subject to all obligations and liabilities imposed upon Sponsor by law or the Master Deed, but he is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Sponsor or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Sponsor.

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

(d) A successor to all Special Sponsor Rights who is not an affiliate of Sponsor and who succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Units under Paragraph 28.03 aforesaid, may declare his intention in a recorded instrument to hold these rights solely for transfer to another party. Thereafter, until transfer-

ring all such Special Sponsor Rights to any person acquiring title to any Unit owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than the right to control the Board for the duration of any period of Sponsor control, and any attempted exercise of those rights is void. So long as a successor Sponsor may not exercise special rights under this subparagraph, he is not subject to any liability or obligation as a Sponsor other than liability for the successor's acts and omissions under the Master Deed.

28.05 Limitation of Successor's Liability. Nothing in this paragraph subjects any successor to a Special Sponsor Right to any claims against or other obligations of a transferor other than claims and obligations arising under the Master Deed.

29. INVALIDITY

The invalidity of any provision of this Master Deed, the Certificate of Incorporation or By-Laws of the Association shall not be deemed to impair or affect in any manner the validity or enforceability of the remainder of this Master Deed or said By-Laws and in such event all of the other provisions of this Master Deed and said By-Laws shall continue in full force as if such invalid provisions had never been included.

30. EXHIBITS

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

- EXHIBIT "A" - Metes and Bounds Description of the Property
- EXHIBIT "B" - Condominium Site plan
- EXHIBIT "C" - Floor Plans
- EXHIBIT "D" - Certificate of Incorporation of Park Edge Condominium Association, Inc.
- EXHIBIT "E" - By-Laws of Park Edge Condominium Association, Inc.
- EXHIBIT "F" - Schedule of Percentage of Interest in Common Elements
- EXHIBIT "G" - Schedule of Percentage of Maintenance Responsibilities

IN WITNESS WHEREOF, the Sponsor has caused this instrument to be executed the day and year first above written.

ATTEST:

PARK EDGE LIMITED PARTNERSHIP
A New Jersey Limited partnership
By: Park Edge Developers, L.P.
A New Jersey limited
partnership, general partner
By: GWD 103, L.P., a New
Jersey limited
partnership, general
partner
By: GWD 103, Inc., a
New Jersey
corporation
general partner

By: _____
SYDNEY W. KITSON, President

EXHIBIT 1A

METES AND BOUNDS DESCRIPTION OF PROPERTY

SCHEDULE A continued
DESCRIPTION

ALL THAT CERTAIN TRACT OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE TOWNSHIP OF BERKELEY HEIGHTS, COUNTY OF UNION AND STATE OF NEW JERSEY, HEREINAFTER MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY SIDE LINE OF SPRINGFIELD AVENUE, LAID OUT AND ESTABLISHED BY THE COUNTY OF UNION WHERE THE SAME IS INTERSECTION BY THE WESTERLY LINE OF LANDS OF THE UNION COUNTY PARK COMMISSION; FROM SAID POINT OF BEGINNING RUNNING THENCE

1. ALONG THE NORTHERLY SIDE LINE OF SAID SPRINGFIELD AVENUE, SOUTH 69 DEGREES 36 MINUTES WEST, 77.71 FEET; THENCE
2. STILL ALONG SAID NORTHERLY SIDE LINE OF SPRINGFIELD AVENUE, SOUTH 66 DEGREES 29 MINUTES WEST, 252.21 FEET TO THE LINE OF LANDS NOW OR FORMERLY OF LOUIS VISPOLI; THENCE
3. AT RIGHT ANGLES TO SPRINGFIELD AVENUE AND ALONG THE LINE OF LANDS NOW OR FORMERLY OF LOUIS VISPOLI AND OTHERS, NORTH 23 DEGREES 31 MINUTES WEST 535.00 FEET TO THE LINE OF LANDS OF THE UNION COUNTY PARK COMMISSION; THENCE
4. ALONG THE LINES OF LANDS OF THE UNION COUNTY PARK COMMISSION, NORTH 78 DEGREES 19 MINUTES 50 SECONDS EAST 337.00 FEET TO THE LINE OF LANDS OF SAID UNION COUNTY PARK COMMISSION; AND THENCE
5. STILL ALONG THE LINE OF LANDS OF SAID UNION COUNTY PARK COMMISSION SOUTH 23 DEGREES 31 MINUTES EAST 470.00 FEET TO THE NORTHERLY SIDE LINE OF SAID SPRINGFIELD AVENUE AND THE POINT AND PLACE OF BEGINNING.

BEING FURTHER DESCRIBED AS FOLLOWS:

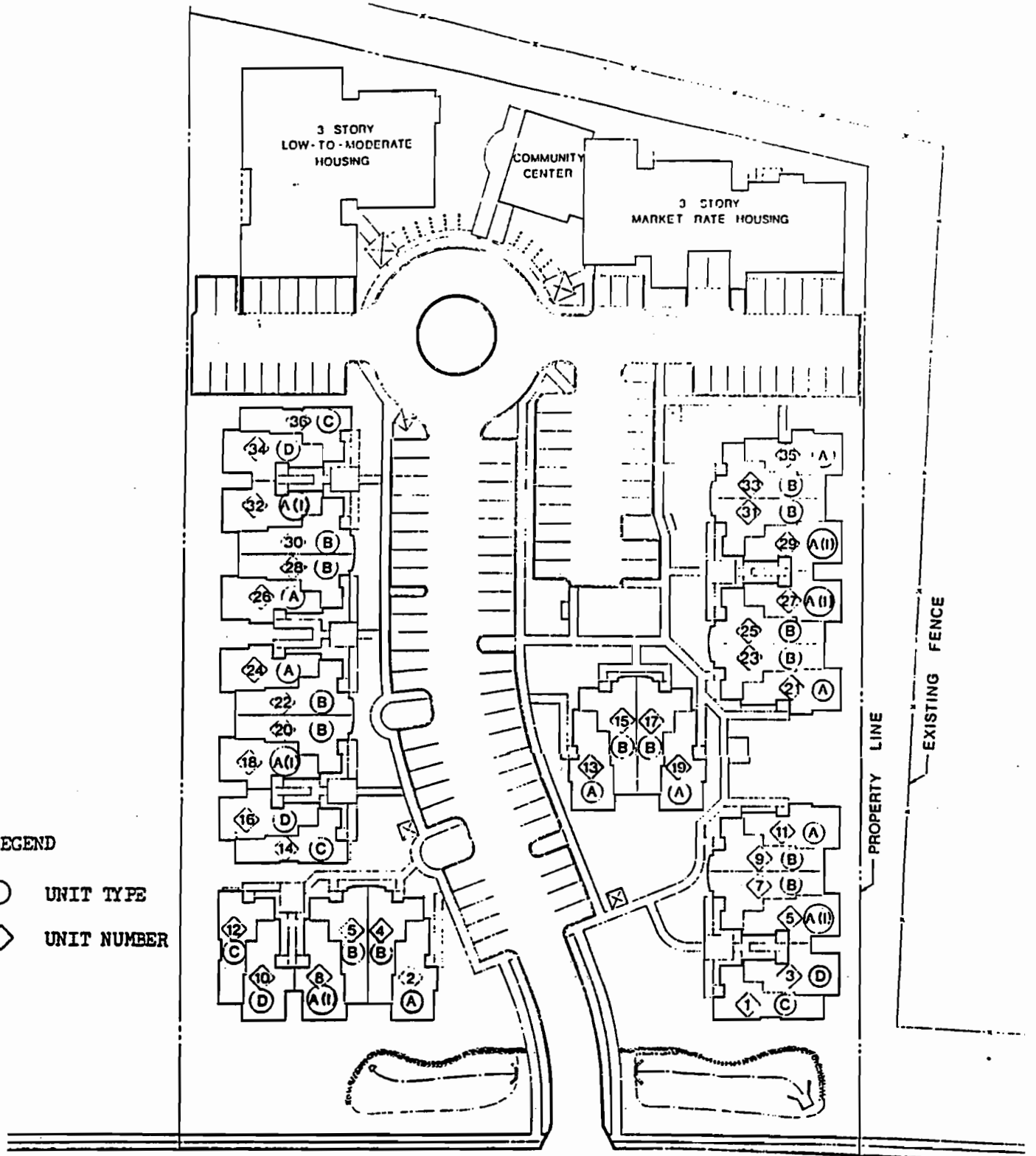
BEGINNING AT A POINT IN THE NORTHERLY SIDELINE OF SPRINGFIELD AVENUE, SAID POINT BEING DISTANT 452.82 FEET EASTERLY ALONG SAID SIDELINE FROM THE INTERSECTION OF SAID NORTHERLY SIDELINE OF SPRINGFIELD AVENUE WITH THE EASTERLY SIDELINE OF DAISEY ROAD, AND RUNNING; THENCE

1. LEAVING SAID ROAD, NORTH 23 DEGREES 31 MINUTES WEST, A DISTANCE OF 535.00 FEET TO AN IRON PIPE; THENCE
2. NORTH 78 DEGREES 20 MINUTES 20 SECONDS EAST, A DISTANCE OF 337.00 FEET TO A POINT; THENCE
3. SOUTH 23 DEGREES 31 MINUTES EAST, A DISTANCE OF 470.00 FEET TO A POINT IN THE NORTHERLY SIDELINE OF SPRINGFIELD AVENUE; THENCE
4. ALONG SAID NORTHERLY SIDELINE OF SPRINGFIELD AVENUE (60 FEET WIDE) THE FOLLOW TWO COURSES, SOUTH 69 DEGREES 36 MINUTES WEST, A DISTANCE OF 77.71 FEET TO A POINT; THENCE
5. SOUTH 66 DEGREES 29 MINUTES 00 SECONDS WEST, A DISTANCE OF 252.21 FEET TO THE POINT AND PLACE OF BEGINNING

FOR RECORDING

EXHIBIT 1B

CONDOMINIUM SITE PLAN



LEGEND

- UNIT TYPE
- ◇ UNIT NUMBER

SITE PLAN

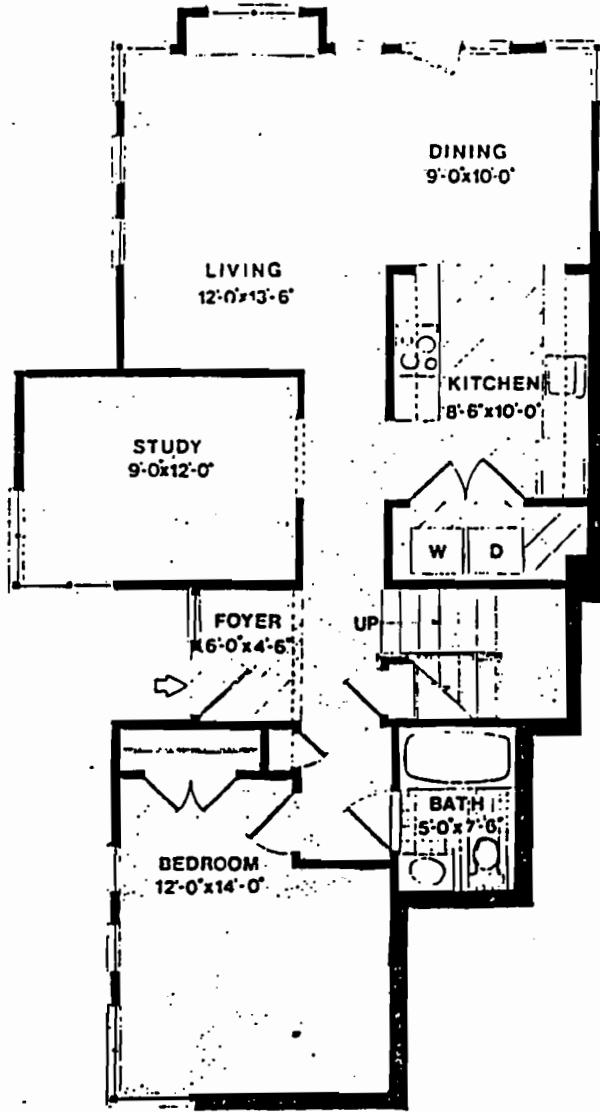


PARK EDGE

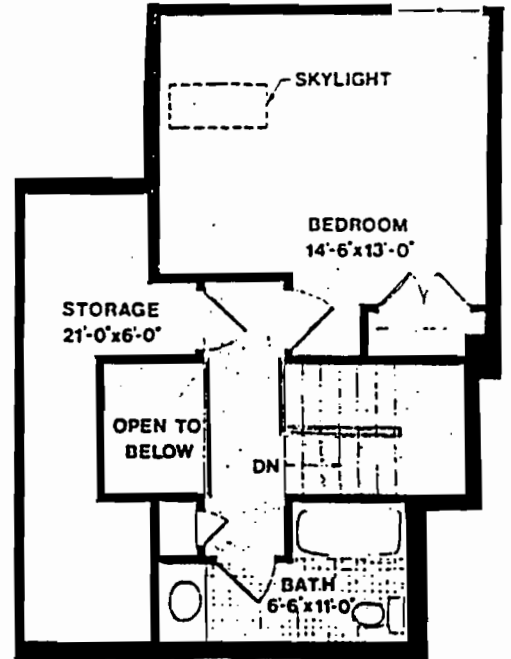
BERKELEY HEIGHTS, NEW JERSEY

EXHIBIT 1C

FLOOR PLANS



FIRST FLOOR



SECOND FLOOR




UNIT PLAN

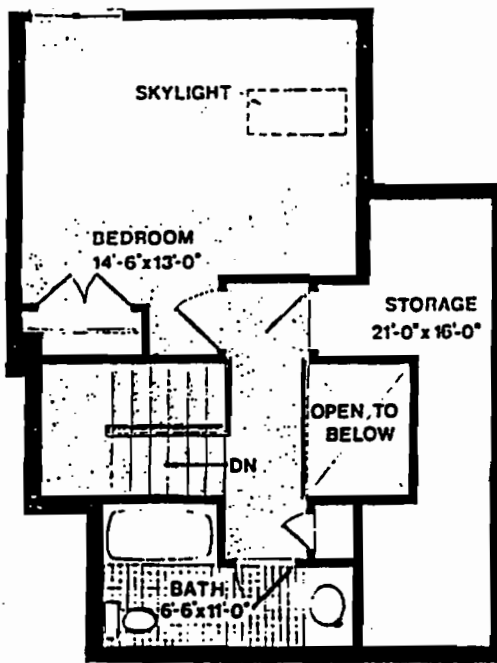
UNIT TYPE (A)

UNIT NUMBER 2, 11, 13, 19, 21, 24
26, 35

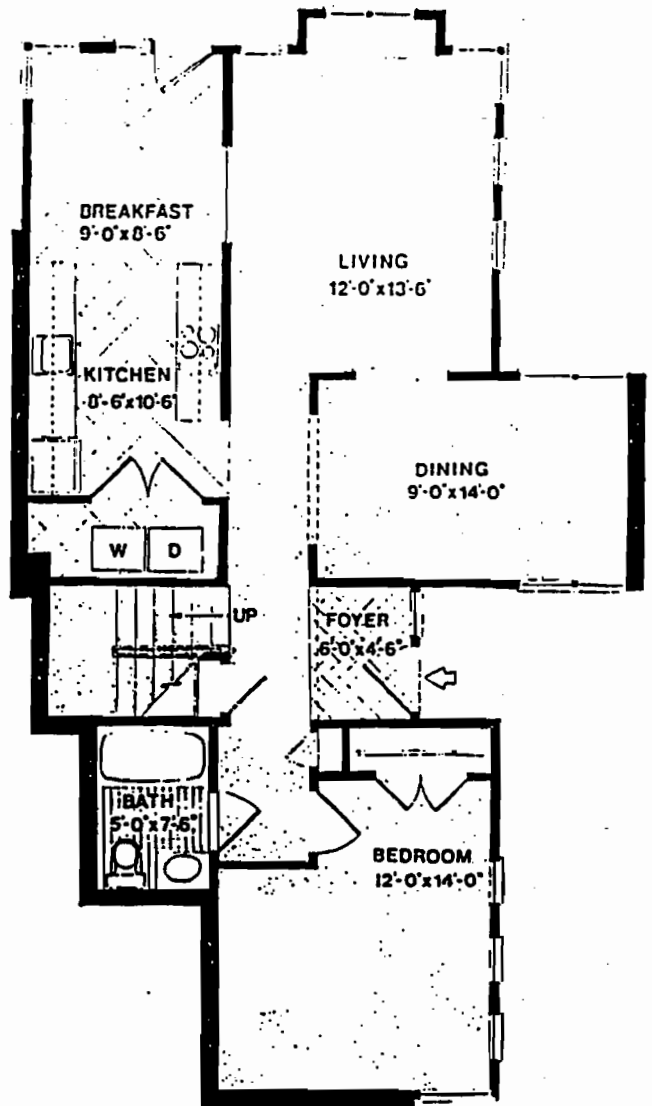
PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMEN
-  GENERAL COMMON ELEMEN



SECOND FLOOR






FIRST FLOOR

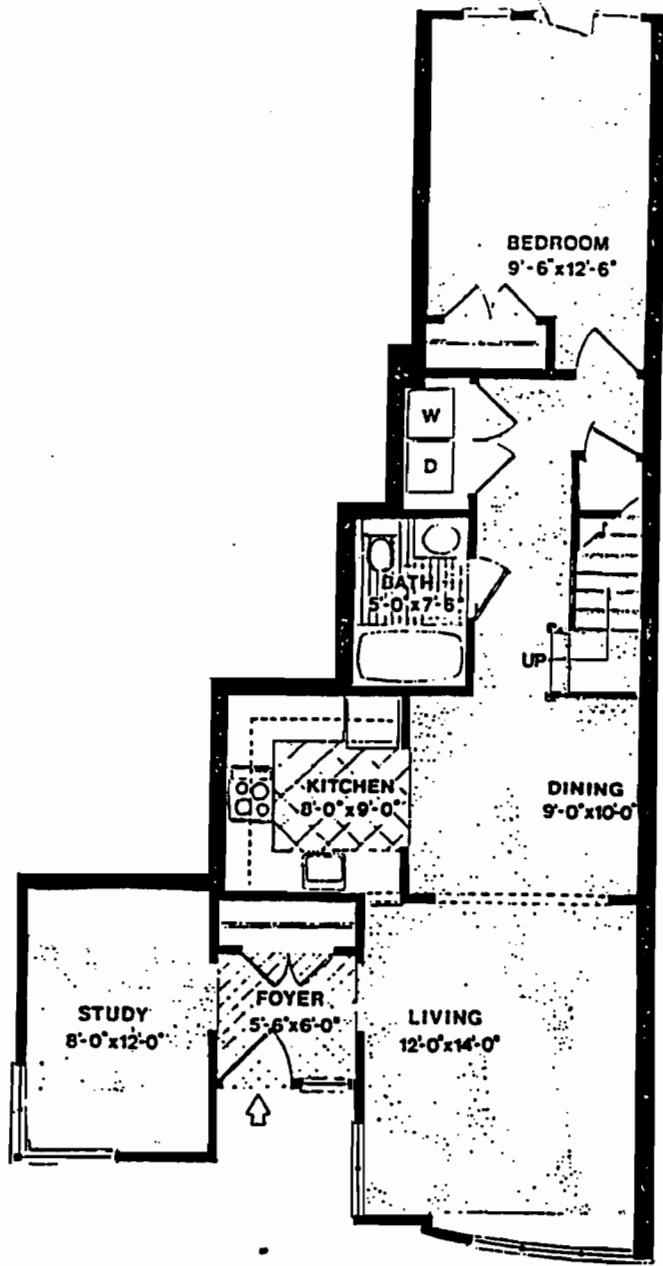
UNIT PLAN . UNIT TYPE (A)(1)

UNIT NUMBER 5, 8, 18, 27, 29, 32

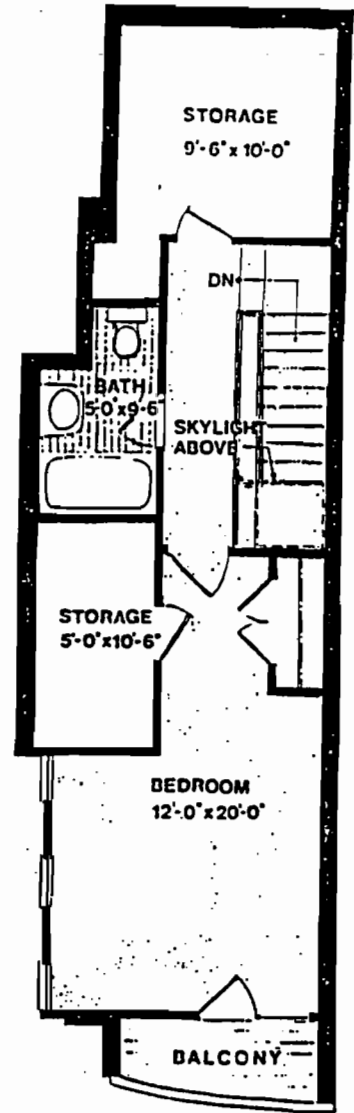
LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.



FIRST FLOOR



SECOND FLOOR

UNIT PLAN

UNIT TYPE (B)

UNIT NUMBER 4, 5, 7, 9, 15, 17,
 20, 22, 23, 25, 28
 30, 31, 33

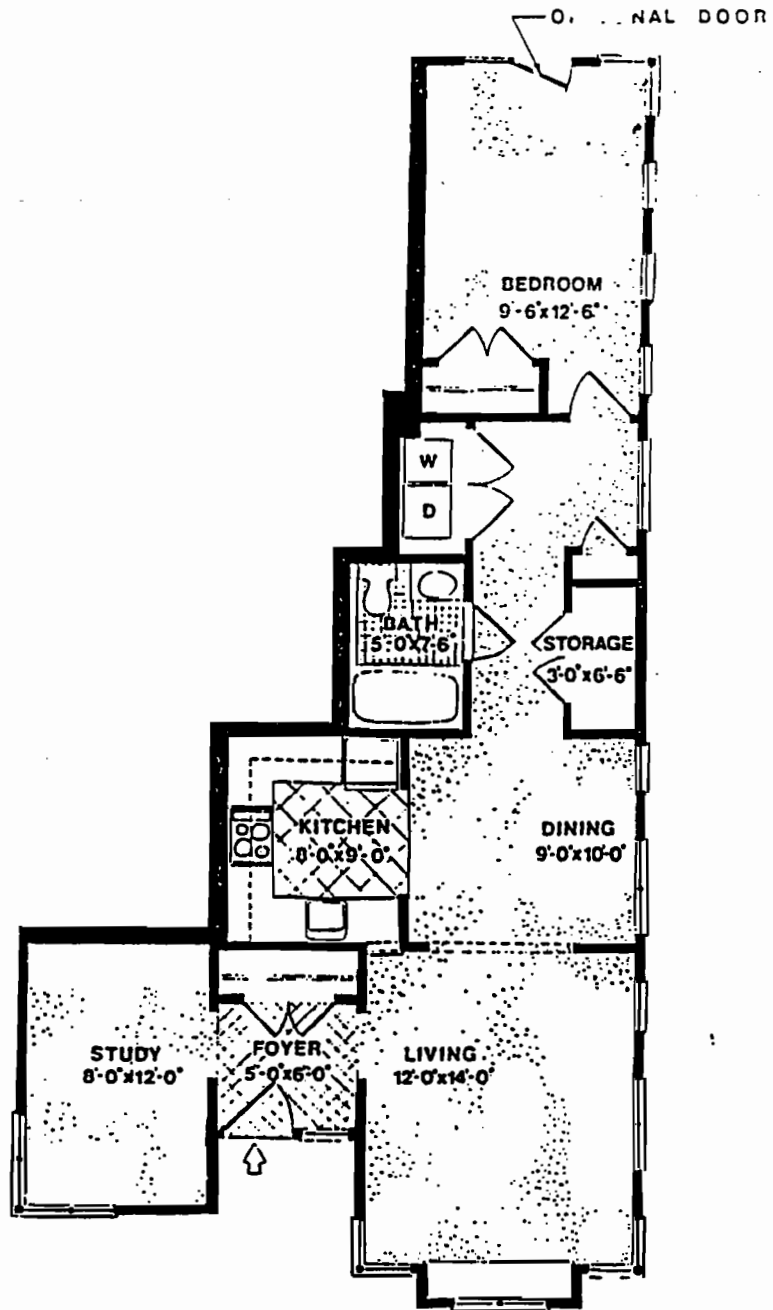
PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, NJ.

LEGEND

UNIT

LIMITED COMMON ELEMENT

GENERAL COMMON ELEMENT






FIRST FLOOR

UNIT PLAN

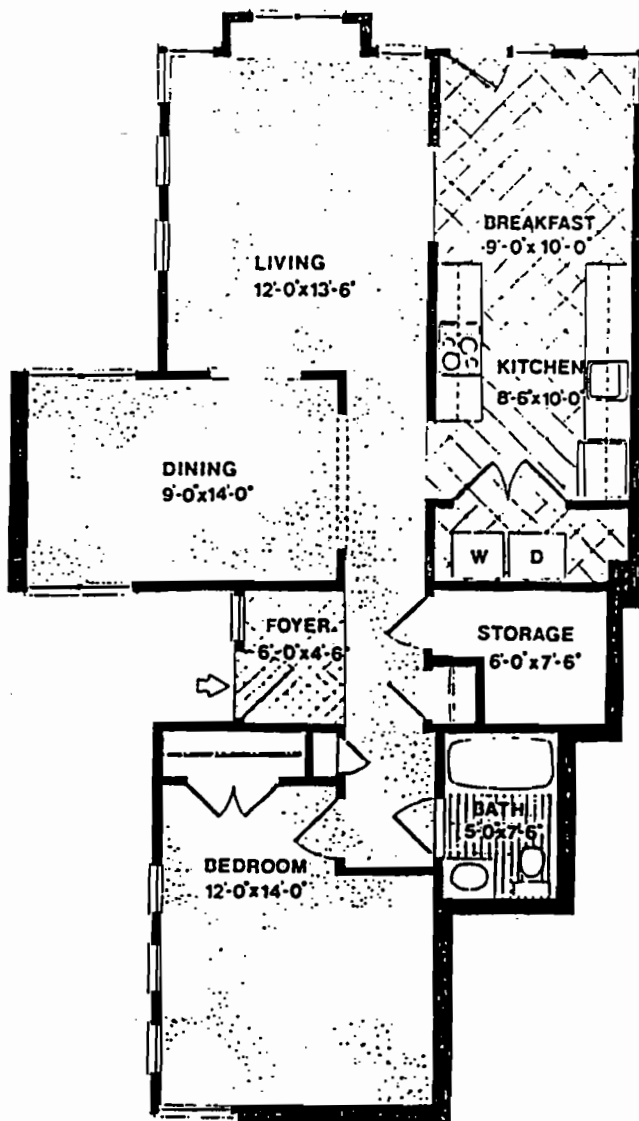
UNIT TYPE ©

UNIT NUMBER 1, 12, 14, 36

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.



FIRST FLOOR

UNIT PLAN

UNIT TYPE (D)

UNIT NUMBER 3, 10, 16, 34

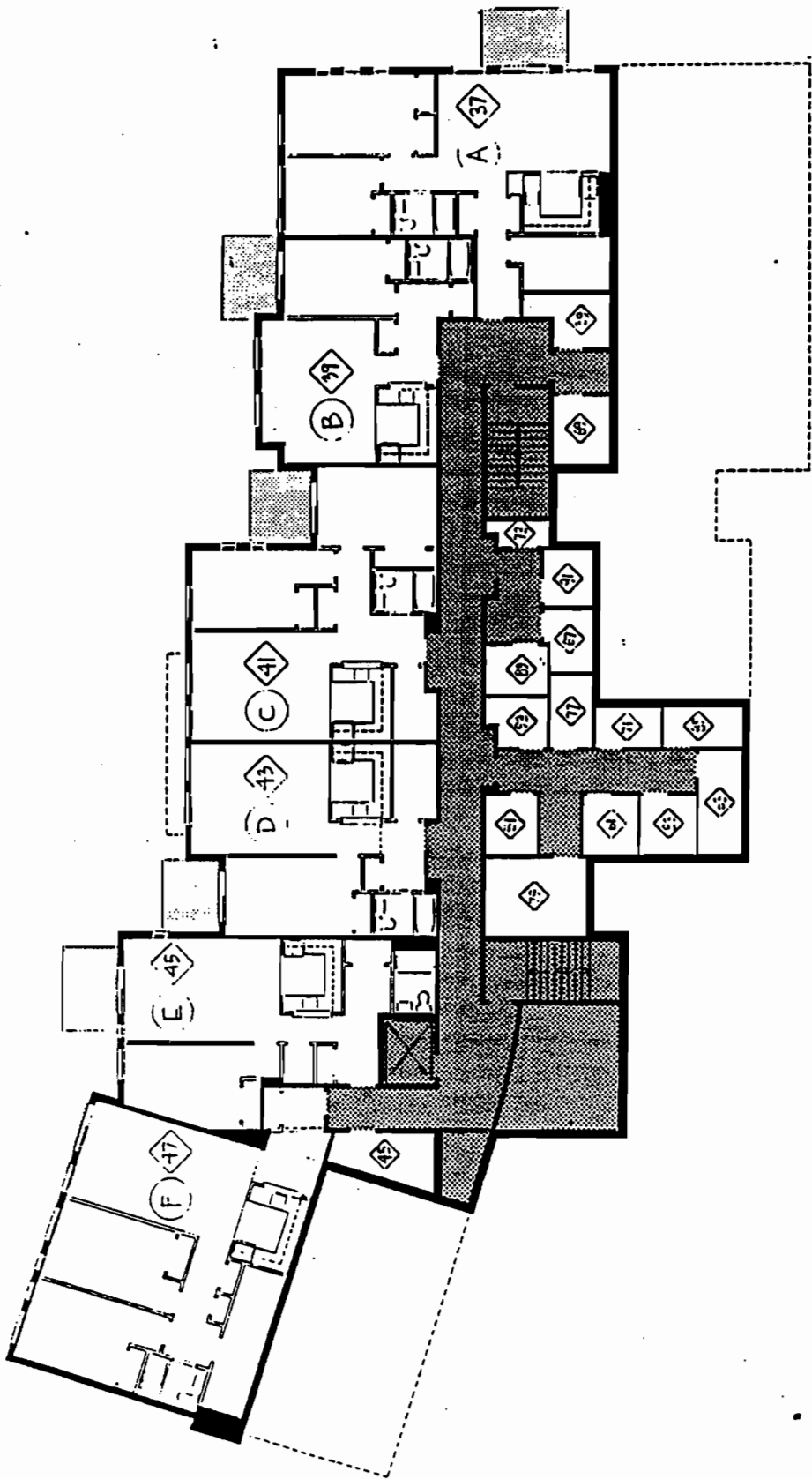
PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

[Solid Line] UNIT

[Dashed Line] LIMITED COMMON ELEMENT

[Patterned Box] GENERAL COMMON ELEMENT



LEGEND

- ◻ UNIT
- ▨ LIMITED COMMON ELEMENT
- ▩ GENERAL COMMON ELEMENT
- UNIT TYPE
- ◇ UNIT NUMBER

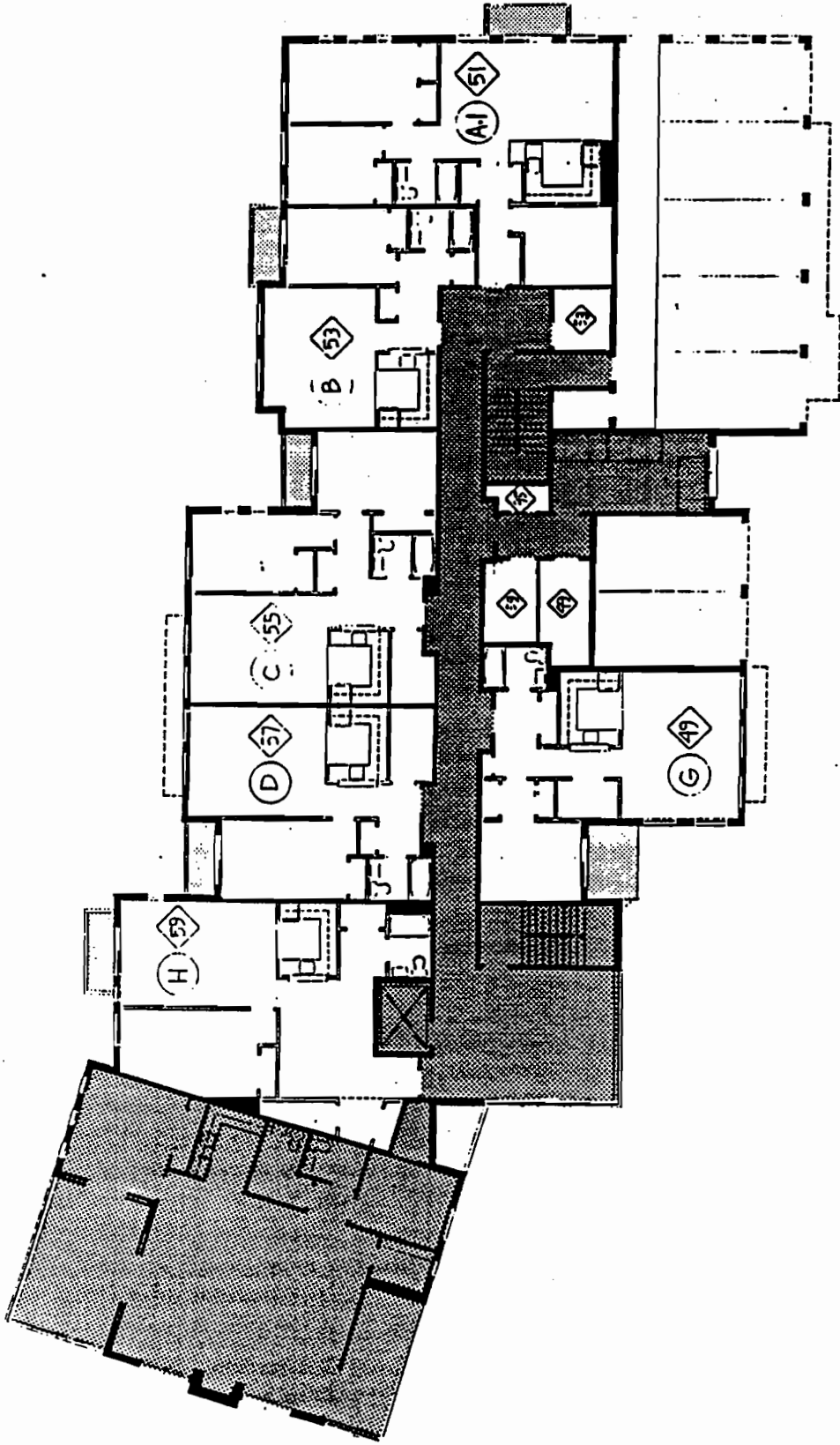
BUILDING NO.1

BUILDING PLAN

MARKET RATE HOUSING

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, N.J.

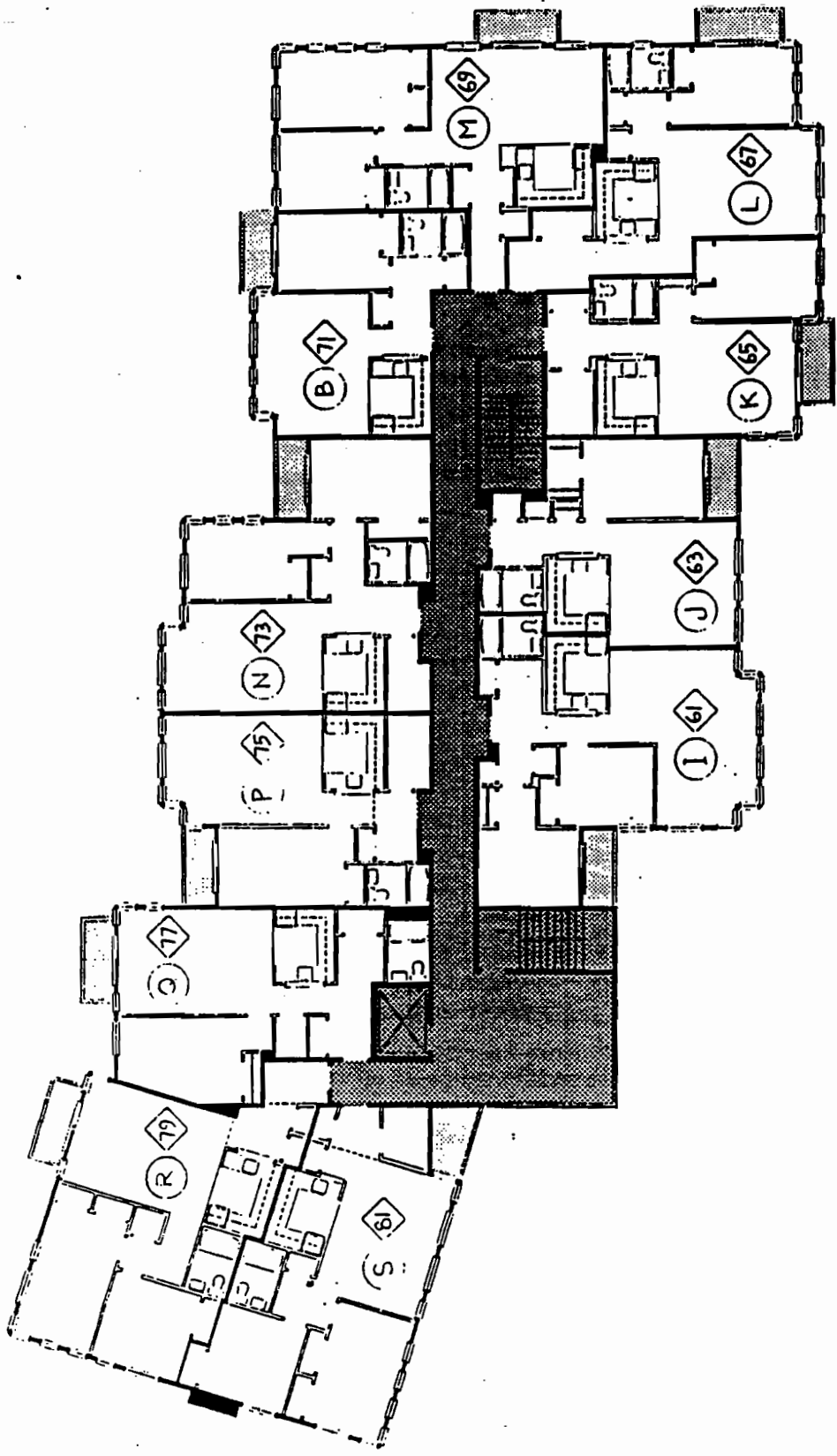
GARDEN LEVEL



LEGEND

- UNIT
- LIMITED COMMON ELEMENT
- GENERAL COMMON ELEMENT
- UNIT TYPE
- UNIT NUMBER

BUILDING NO.1
 BUILDING PLAN
 MARKET RATE HOUSING
 PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, N.J.



LEGEND

- UNIT
- ▨ LIMITED COMMON ELEMENT
- ▩ GENERAL COMMON ELEMENT
- UNIT TYPE
- ◇ UNIT NUMBER

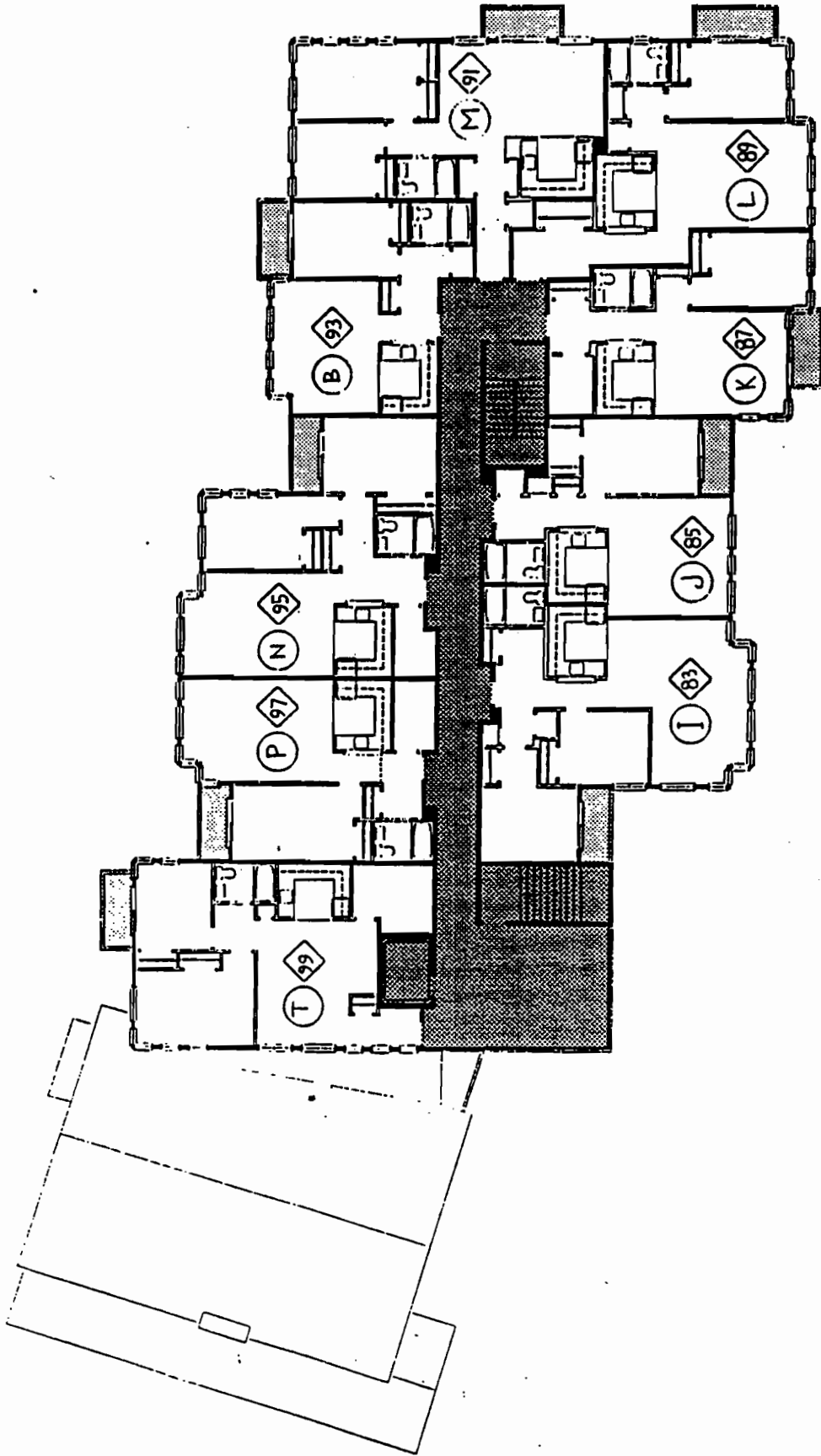
BUILDING NO.1

BUILDING PLAN

MARKET RATE HOUSING

SECOND FLOOR

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, N.J.

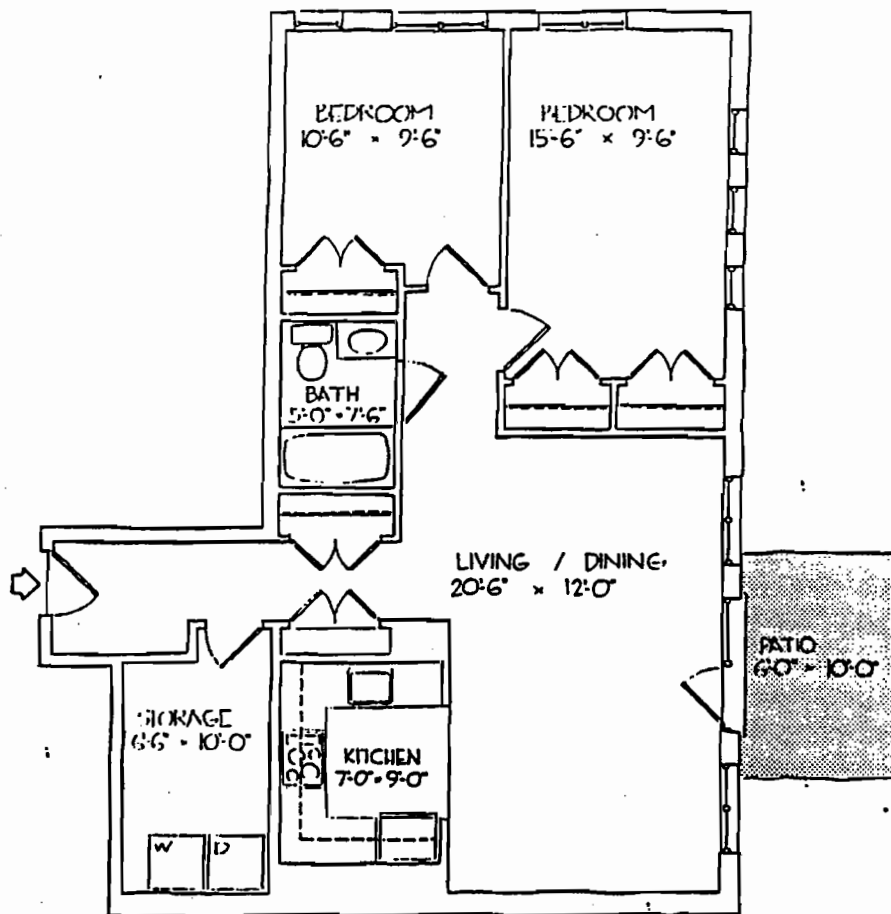


LEGEND

- ◻ UNIT
- ▨ LIMITED COMMON ELEMENT
- ▩ GENERAL COMMON ELEMENT
- UNIT TYPE
- ◇ UNIT NUMBER

BUILDING NO.1
BUILDING PLAN
 MARKET RATE HOUSING
PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, N.J.

THIRD FLOOR



BUILDING NO. 1




UNIT PLAN

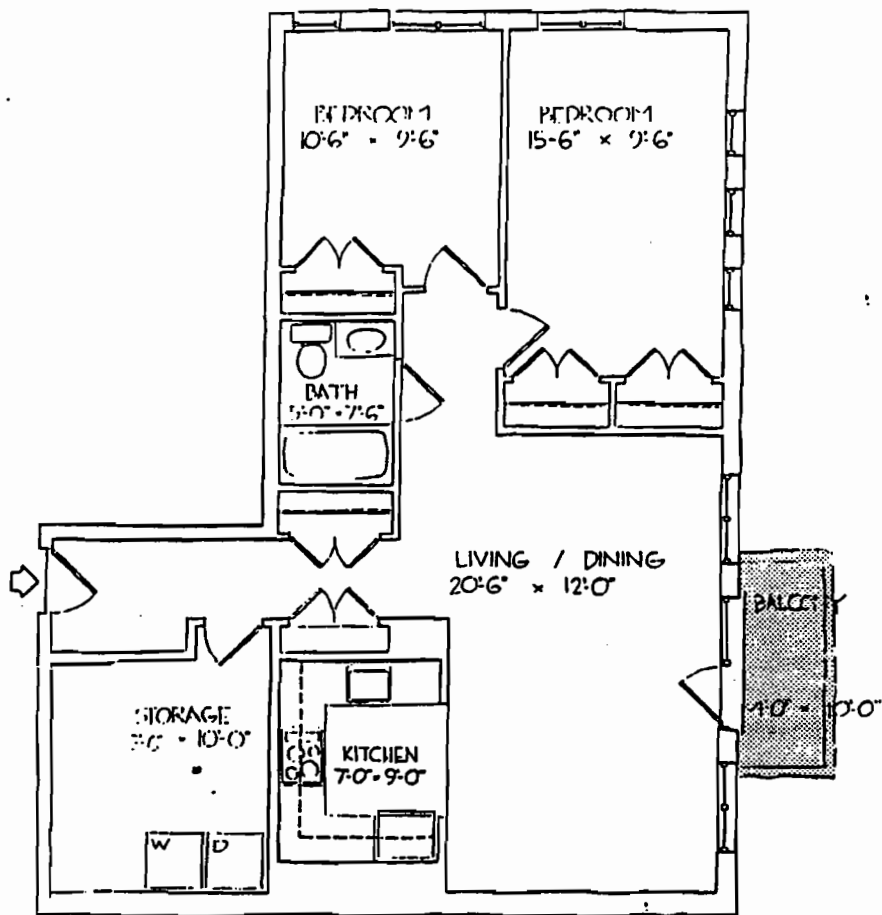
UNIT TYPE (A)

UNIT NUMBER 37

PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT



BUILDING NO. 1

UNIT PLAN

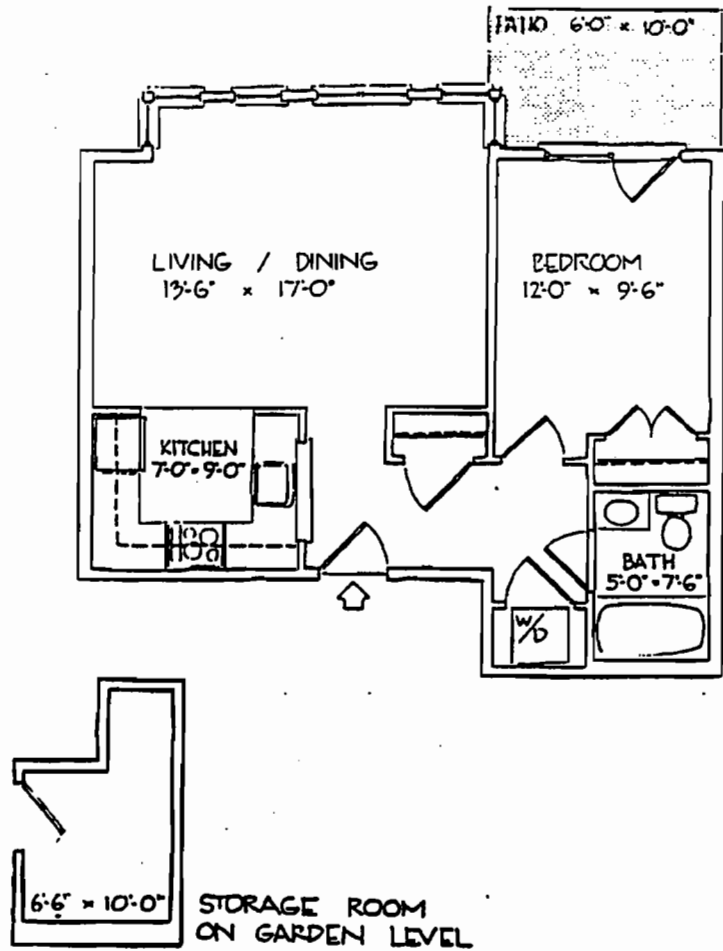
UNIT TYPE (A-1)

UNIT NUMBER 51

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

- UNIT
- LIMITED COMMON ELEMENT
- GENERAL COMMON ELEMENT



BUILDING NO.1




UNIT PLAN

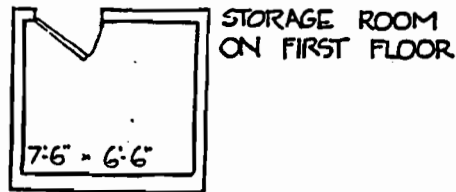
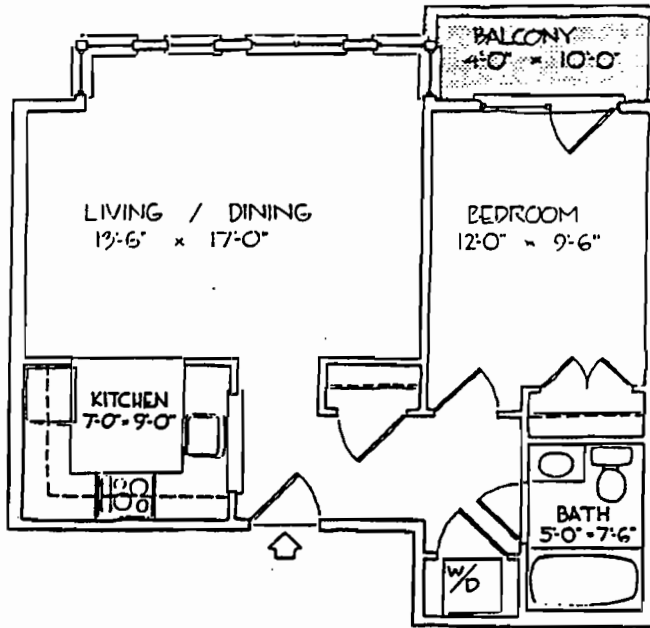
UNIT TYPE (B)

UNIT NUMBER 39

PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, N.J.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMEN
-  GENERAL COMMON ELEMEN



BUILDING NO.1

UNIT PLAN

UNIT TYPE

(B)

UNIT NUMBER

53

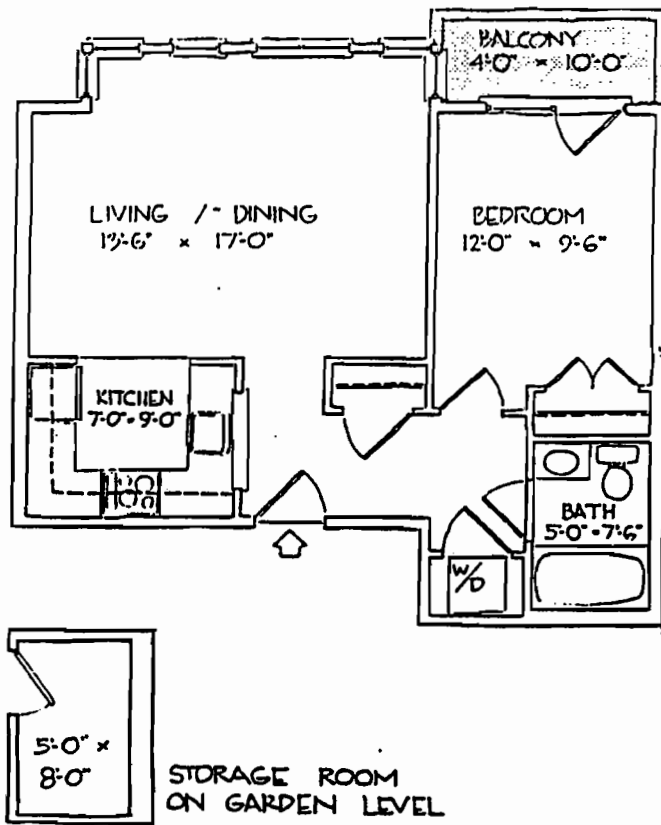
LEGEND

UNIT

LIMITED COMMON ELEMENT

GENERAL COMMON ELEMENT

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, N.J.






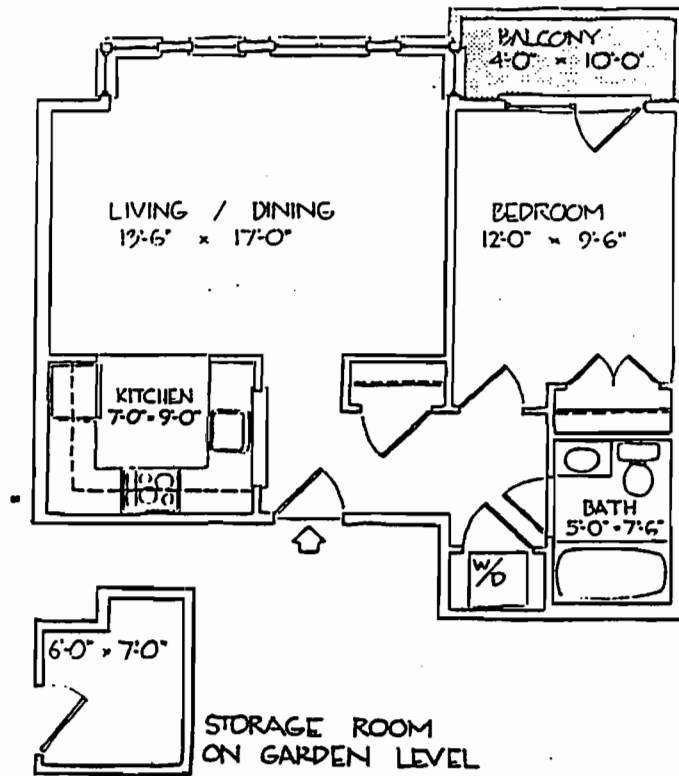
BUILDING NO.1

UNIT PLAN UNIT TYPE (B)
 UNIT NUMBER 71

PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMEN
-  GENERAL COMMON ELEMEN



BUILDING NO.1

UNIT PLAN

UNIT TYPE (B)

UNIT NUMBER 93

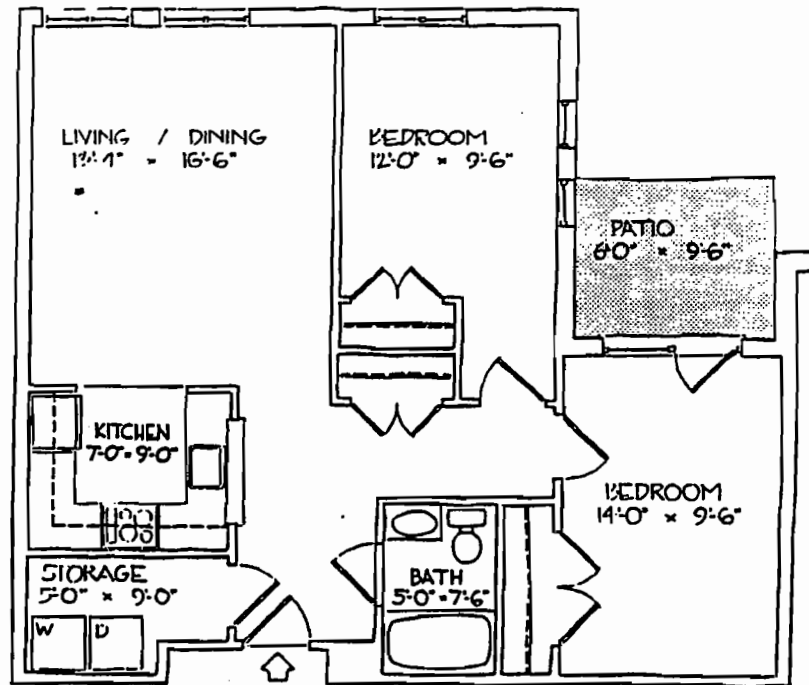
PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

[Solid Line] UNIT

[Dotted Pattern] LIMITED COMMON ELEMENT

[Cross-hatched Pattern] GENERAL COMMON ELEMENT



BUILDING NO. 1

UNIT PLAN

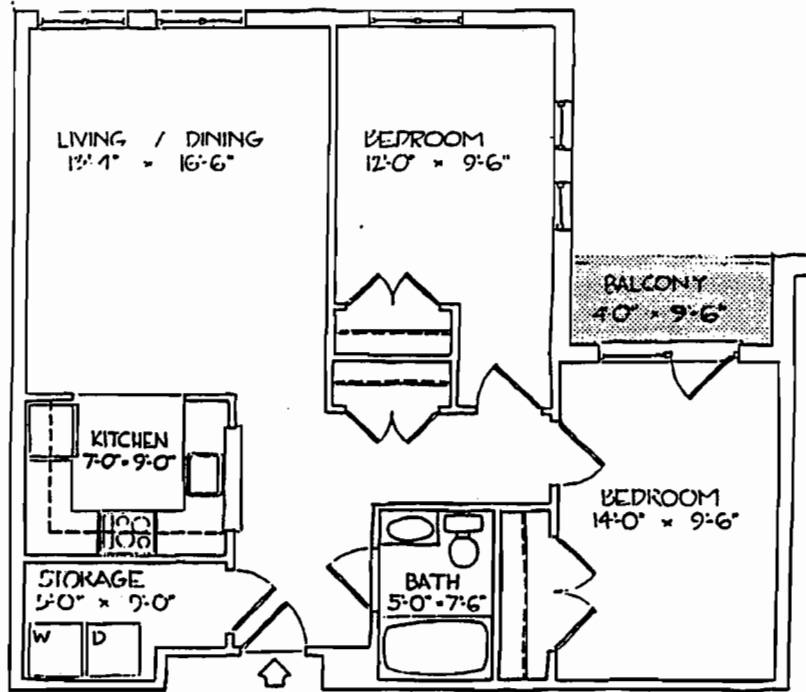
UNIT TYPE (C)

UNIT NUMBER 41

PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, N.J.

LEGEND

- UNIT
- LIMITED COMMON ELEMENT
- GENERAL COMMON ELEMENT






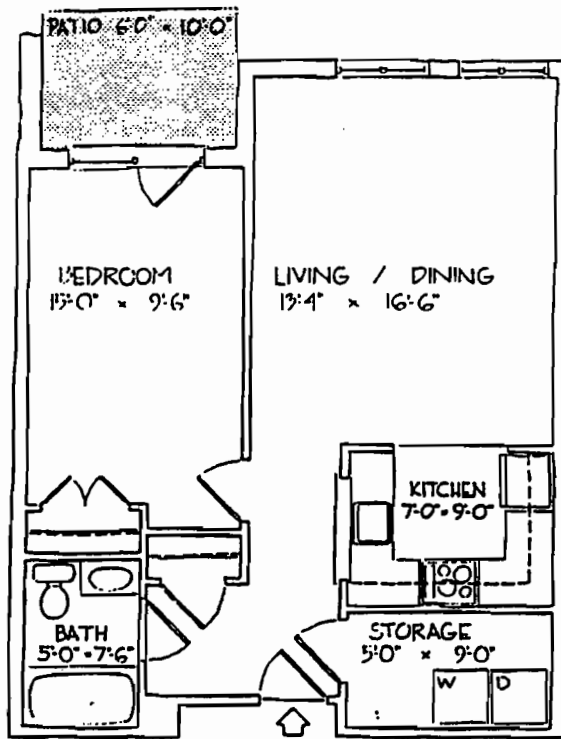
BUILDING NO.1

UNIT PLAN UNIT TYPE (C)
 UNIT NUMBER 55

PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT



BUILDING NO.1




UNIT PLAN

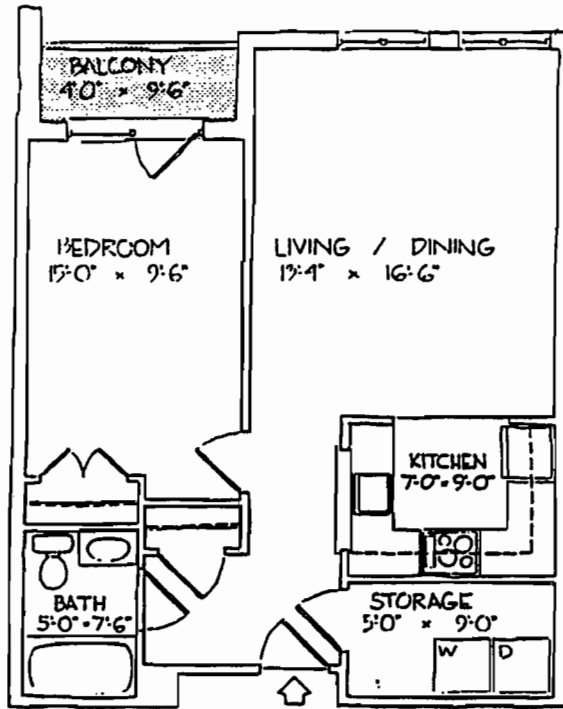
UNIT TYPE (D)

UNIT NUMBER 43

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, N.J.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT



BUILDING NO. 1

UNIT PLAN

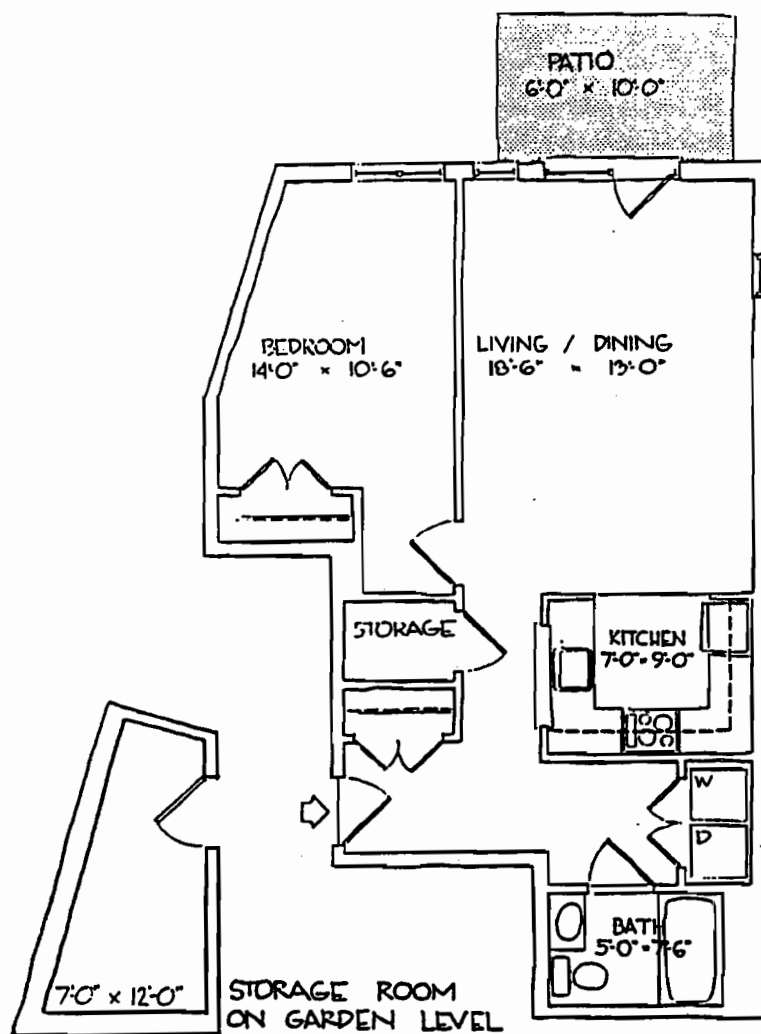
UNIT TYPE (D)

UNIT NUMBER 57

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

- UNIT
- LIMITED COMMON ELEMENT
- GENERAL COMMON ELEMENT






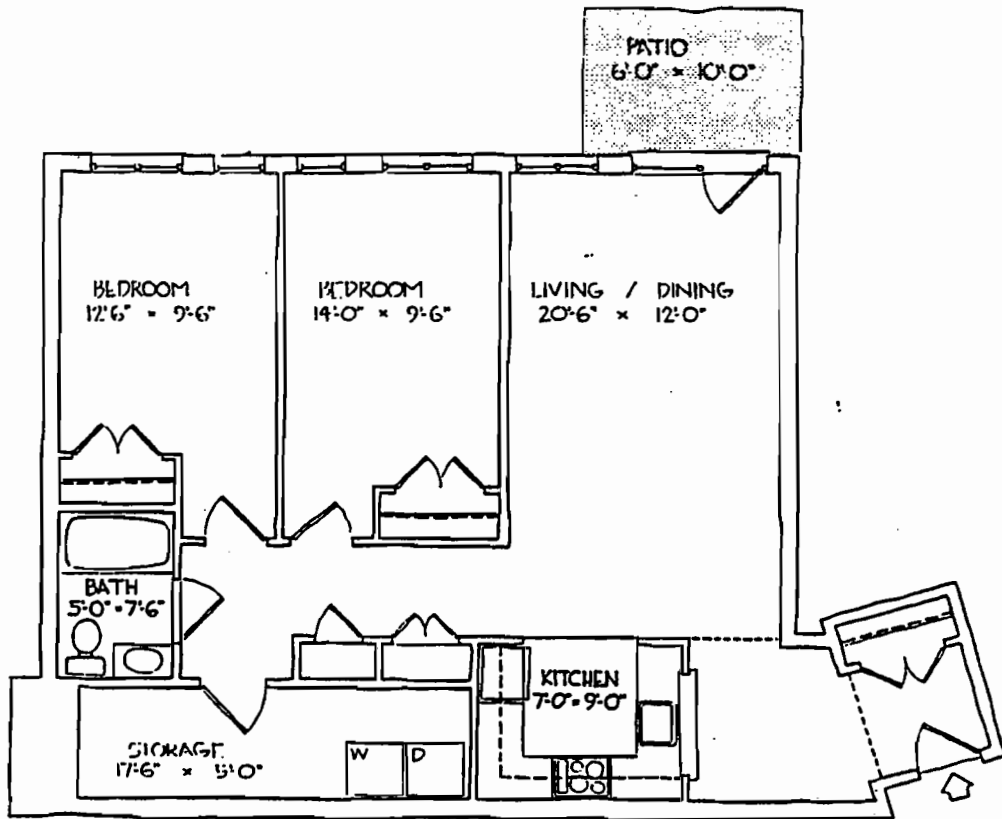
BUILDING NO. 1

UNIT PLAN UNIT TYPE (E)
 UNIT NUMBER 45

PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT



BUILDING NO. 1

UNIT PLAN

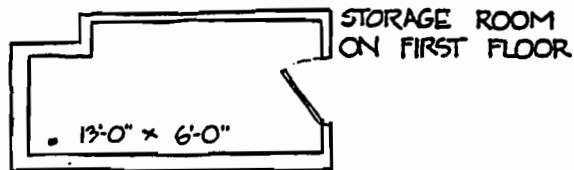
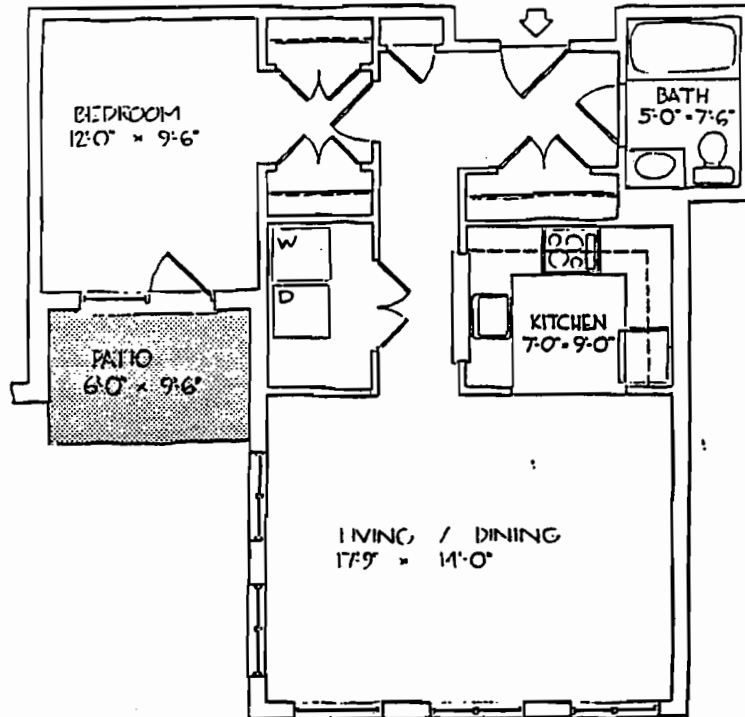
UNIT TYPE (F)

UNIT NUMBER 47

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

- UNIT
- LIMITED COMMON ELEMENT
- GENERAL COMMON ELEMENT



BUILDING NO.1

UNIT PLAN

UNIT TYPE (G)

UNIT NUMBER 49

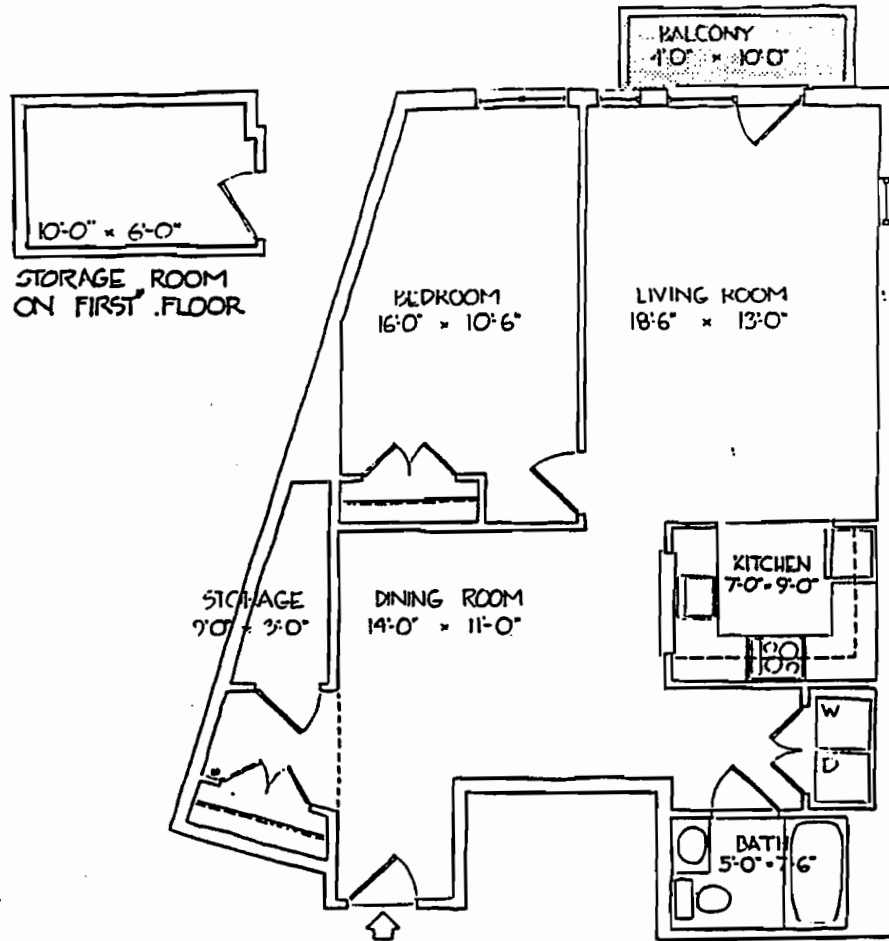
PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

[Outline] UNIT

[Dotted pattern] LIMITED COMMON ELEMENT

[Cross-hatched pattern] GENERAL COMMON ELEMENT



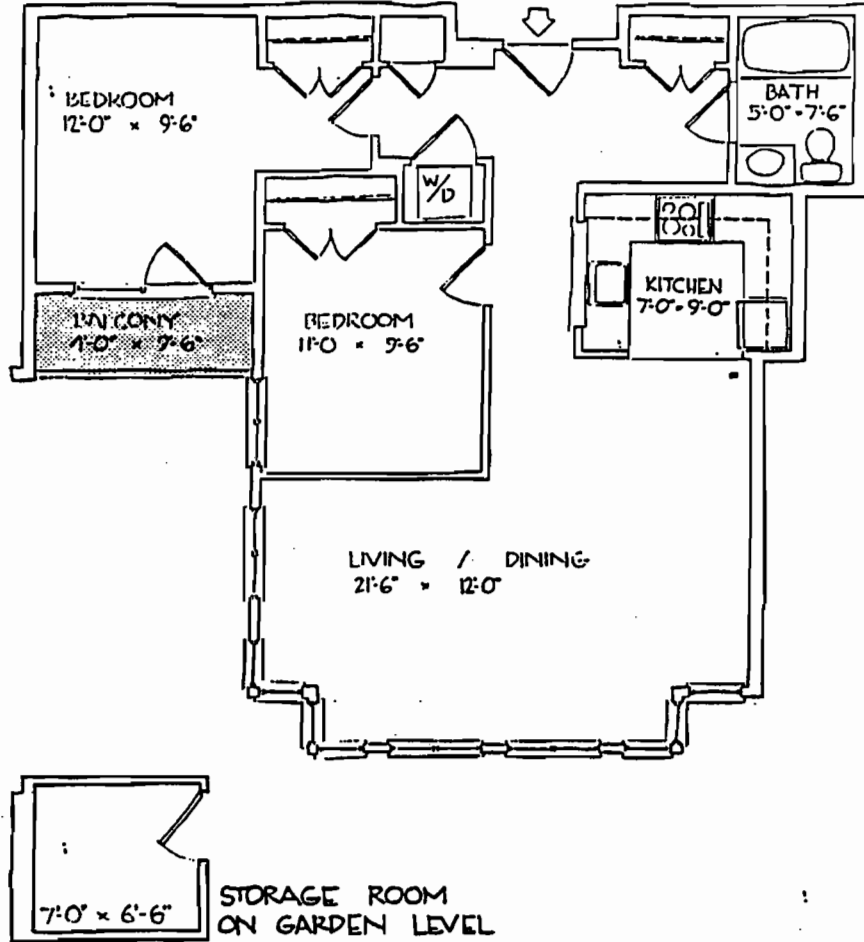
BUILDING NO. 1

UNIT PLAN

UNIT TYPE (H)

UNIT NUMBER 59

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.






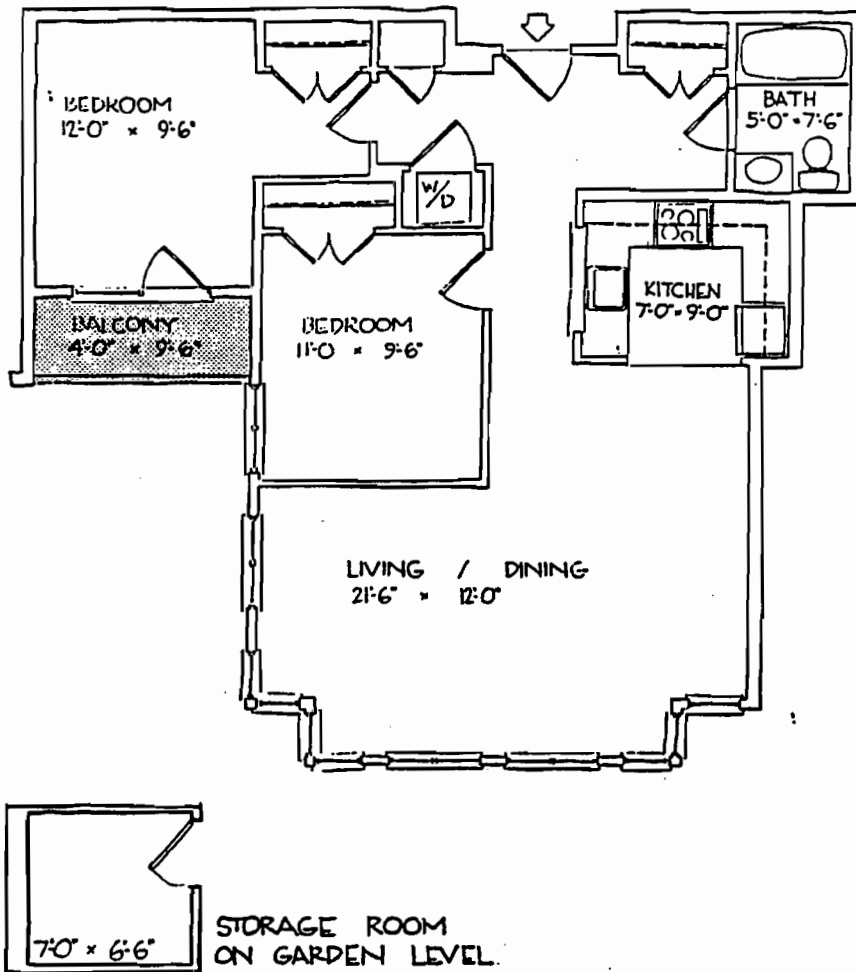
BUILDING NO. 1

UNIT PLAN UNIT TYPE ①
 UNIT NUMBER 61

PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT






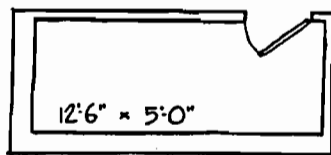
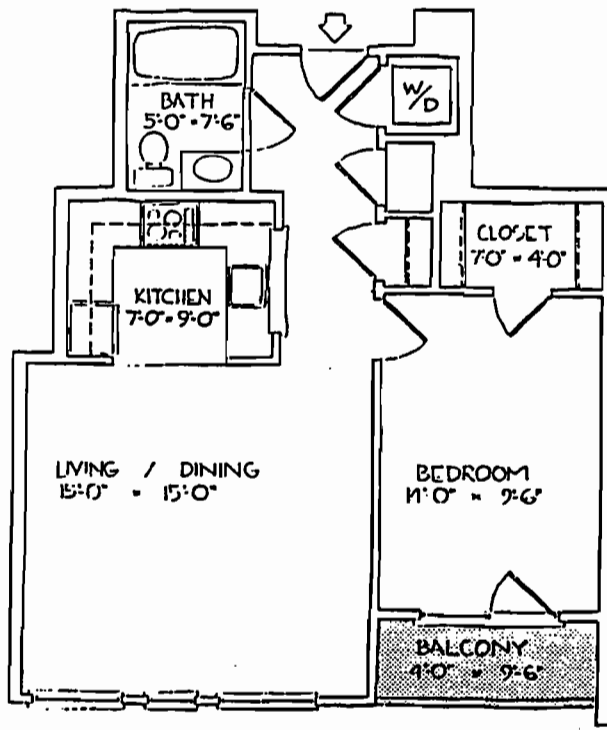
BUILDING NO. 1

UNIT PLAN UNIT TYPE (I)
 UNIT NUMBER 83

PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, N.J.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT



STORAGE ROOM
ON GARDEN LEVEL

BUILDING NO. 1

UNIT PLAN

UNIT TYPE (J)

UNIT NUMBER 63

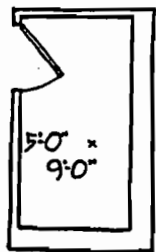
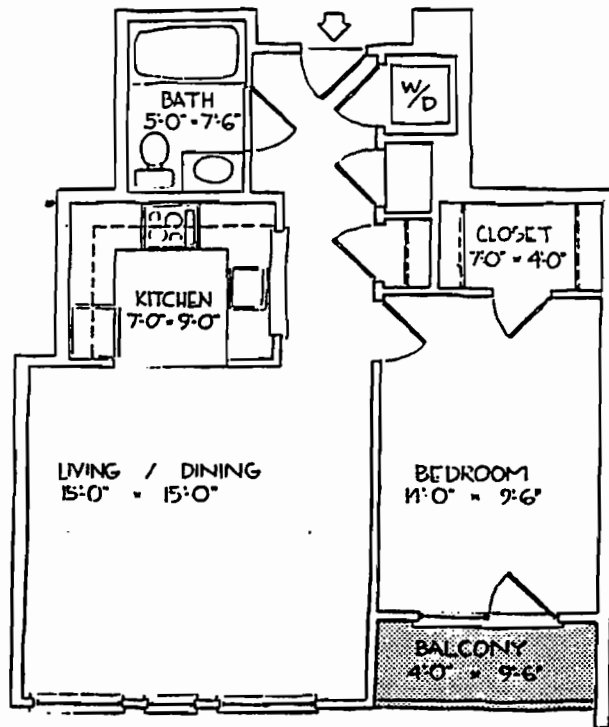
PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

[Outline] UNIT

[Dotted pattern] LIMITED COMMON ELEMENT

[Cross-hatched pattern] GENERAL COMMON ELEMENT



STORAGE ROOM
ON GARDEN LEVEL

BUILDING NO. 1

UNIT PLAN

UNIT TYPE (J)

UNIT NUMBER 85

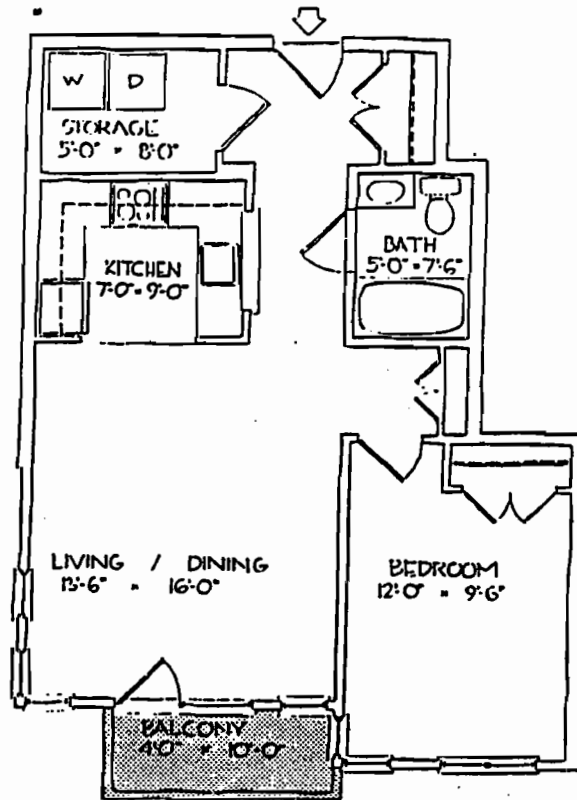
PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

UNIT

LIMITED COMMON ELEMENT

GENERAL COMMON ELEMENT






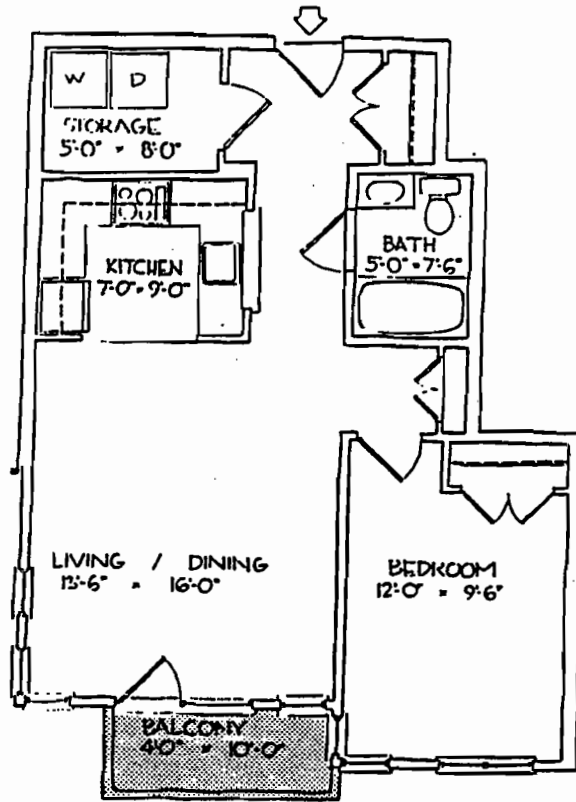
BUILDING NO. 1

UNIT PLAN UNIT TYPE (K)
 UNIT NUMBER 65

PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT



BUILDING NO. 1




UNIT PLAN

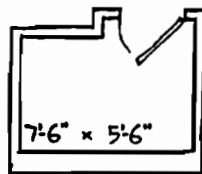
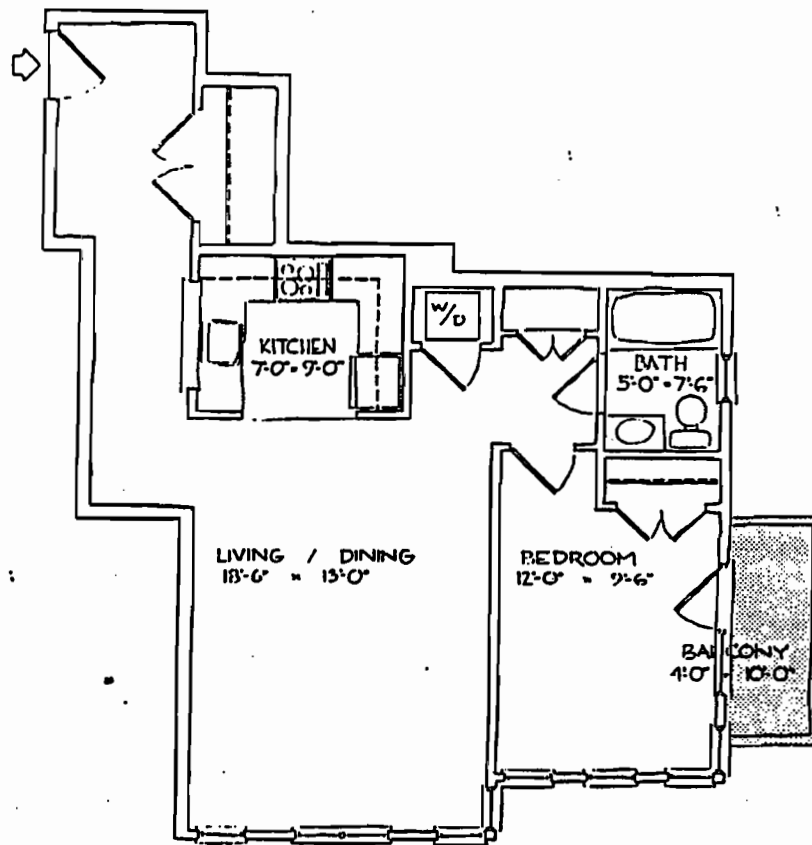
UNIT TYPE (K)

UNIT NUMBER 87

PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT



STORAGE ROOM
ON GARDEN LEVEL




BUILDING NO. 1

UNIT PLAN

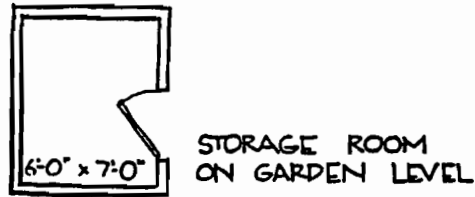
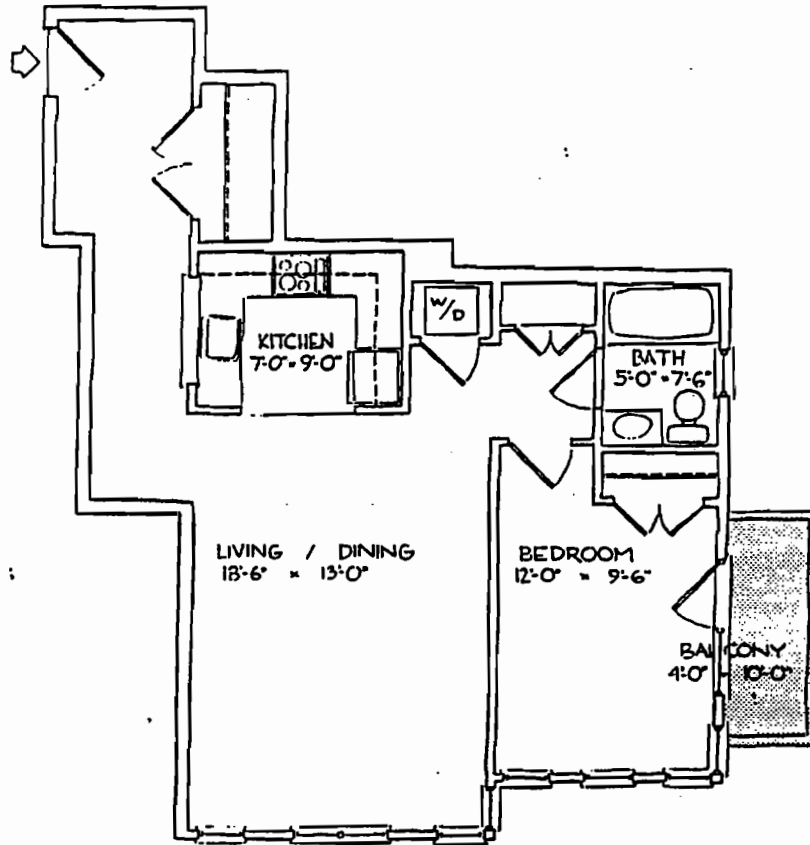
UNIT TYPE (L)

UNIT NUMBER 67

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.



BUILDING NO.1




UNIT PLAN

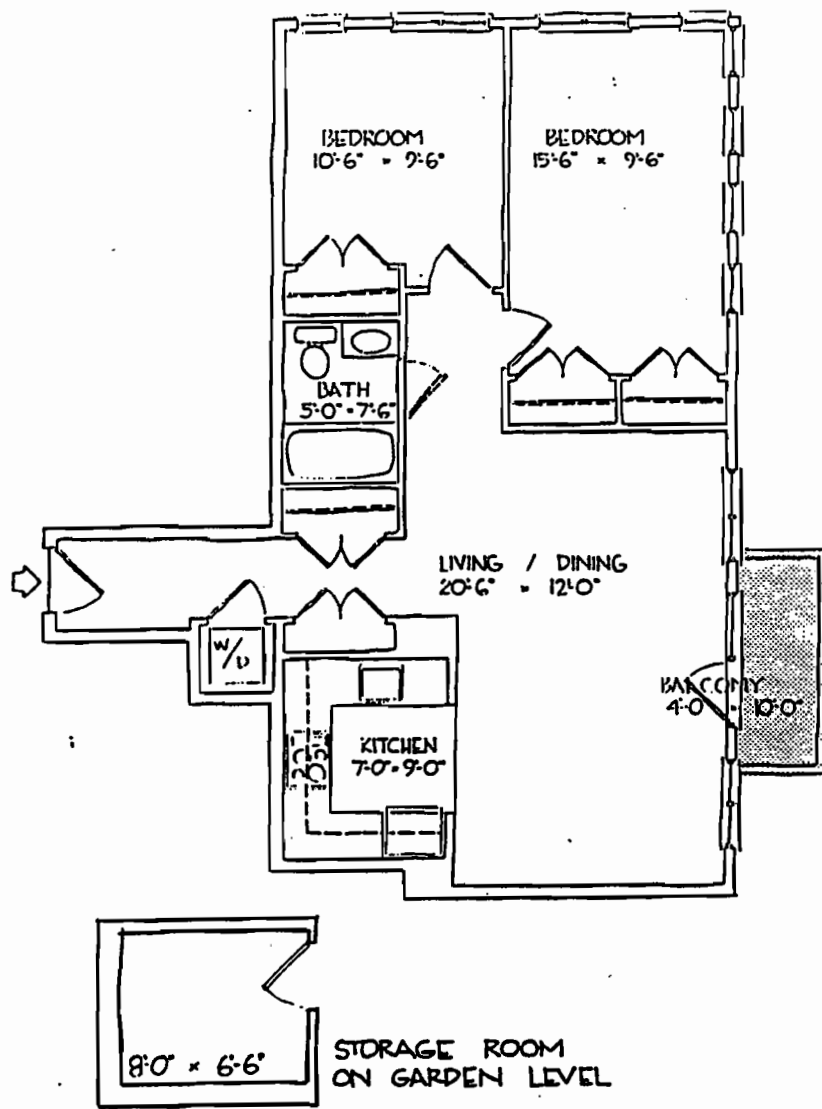
UNIT TYPE (L)

UNIT NUMBER 89

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT



BUILDING NO. 1




UNIT PLAN

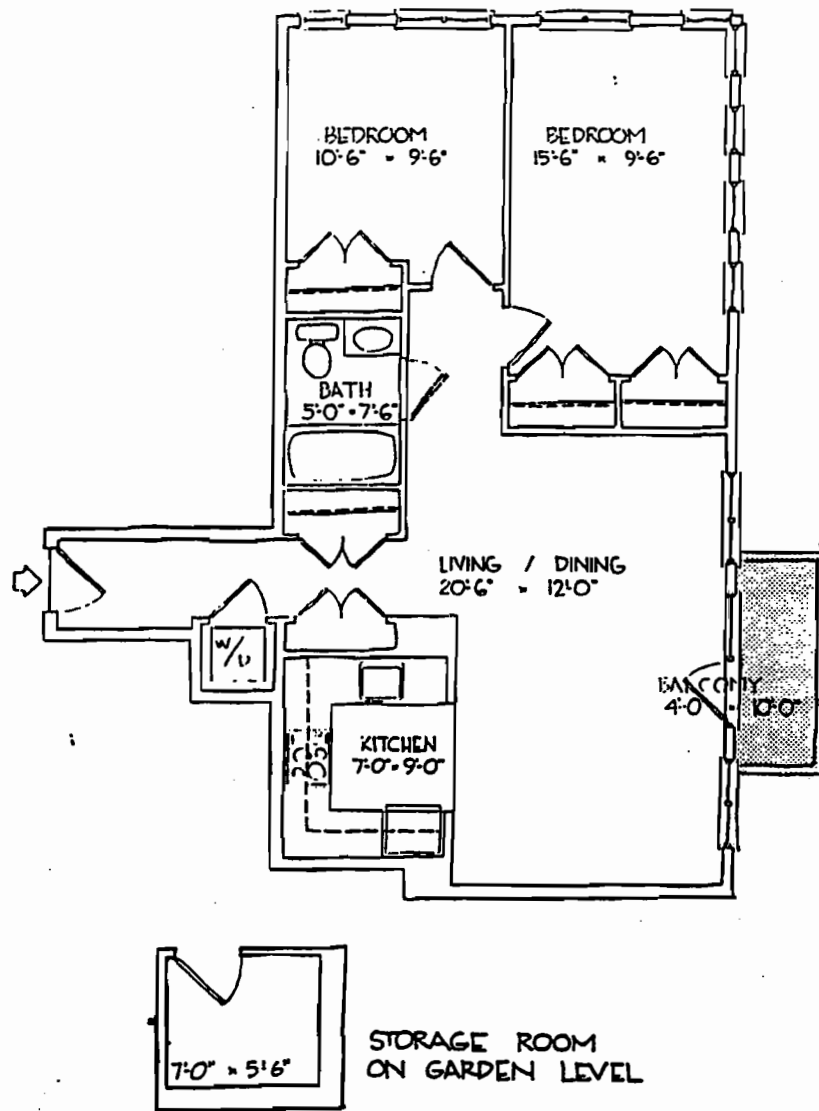
UNIT TYPE (M)

UNIT NUMBER 69

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT



BUILDING NO. 1




UNIT PLAN

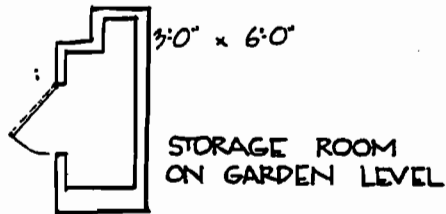
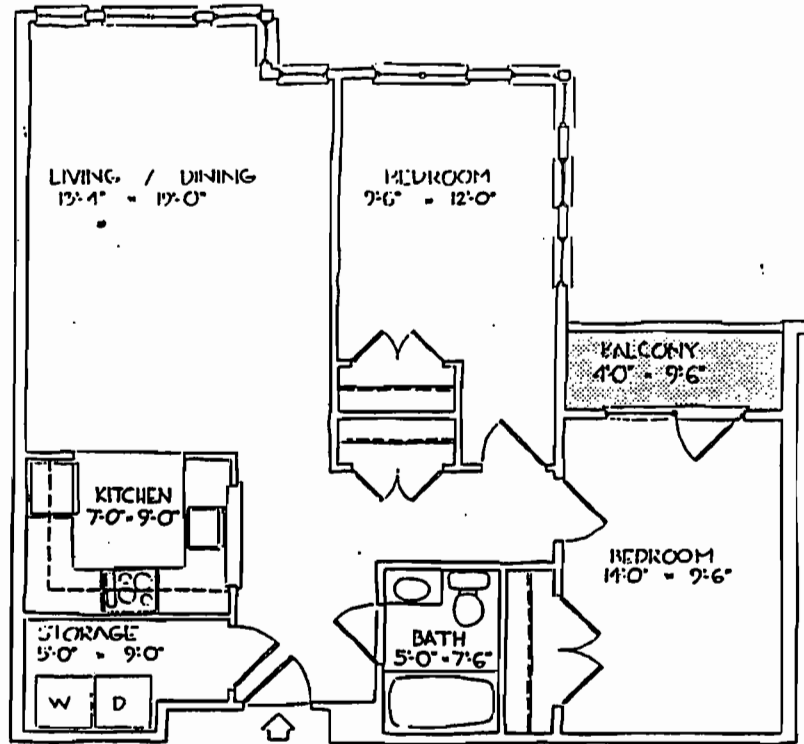
UNIT TYPE (M)

UNIT NUMBER 91

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT






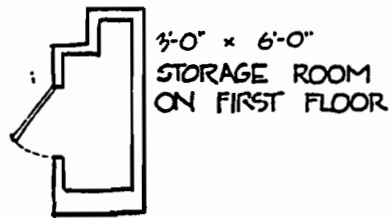
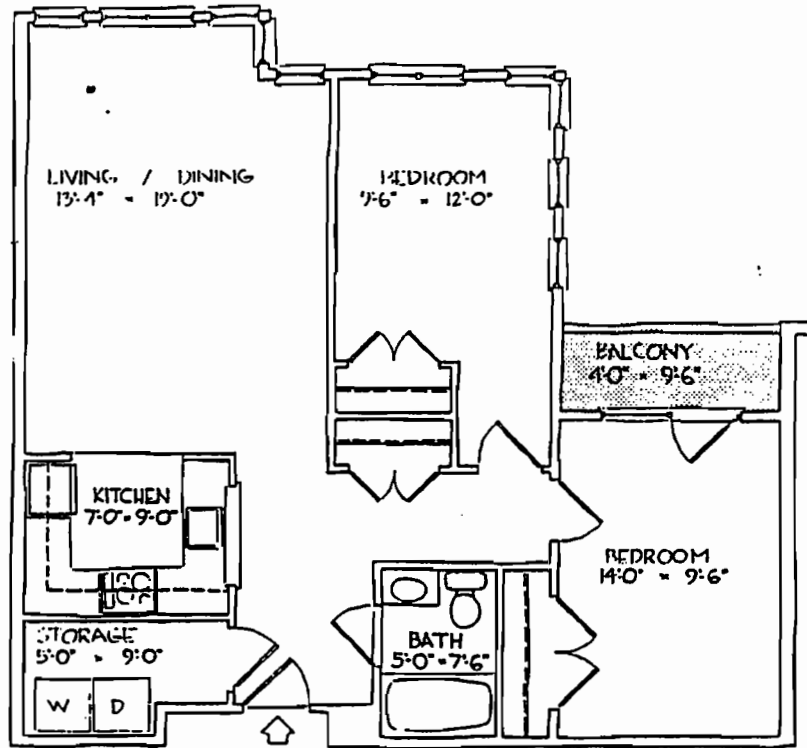
BUILDING NO.1

UNIT PLAN UNIT TYPE (N)
 UNIT NUMBER 73

PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT



BUILDING NO. 1




UNIT PLAN

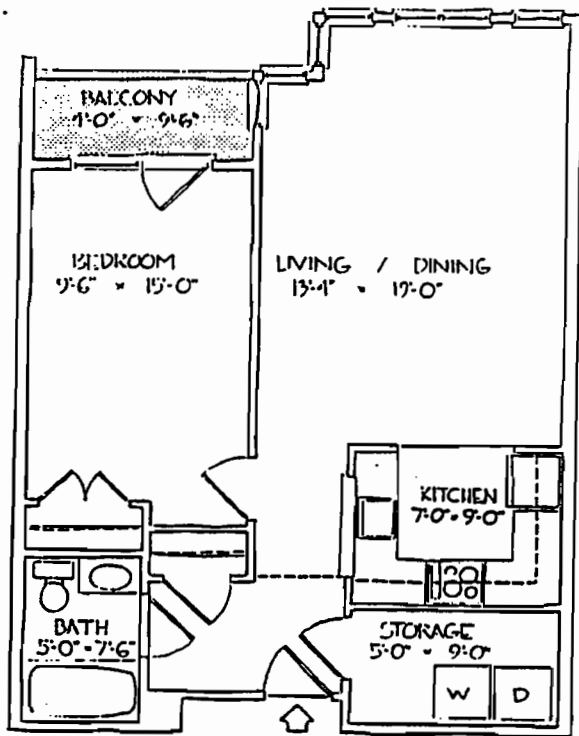
UNIT TYPE (N)

UNIT NUMBER 95

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT






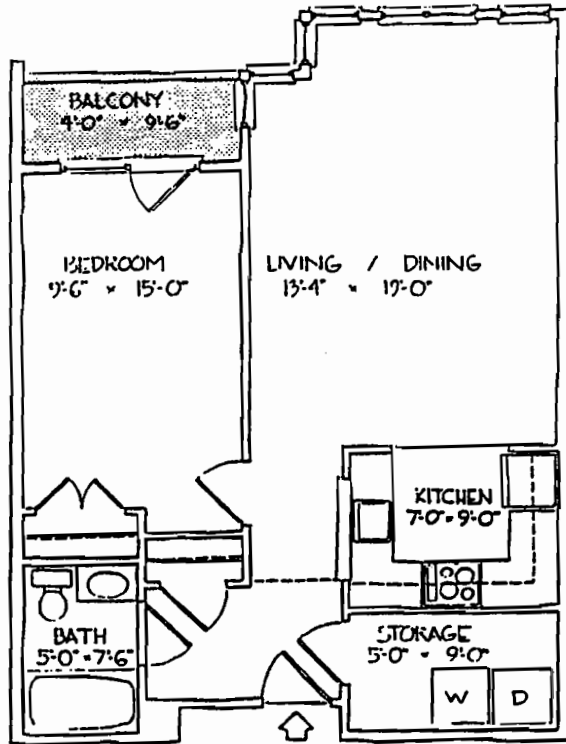
BUILDING NO.1

UNIT PLAN UNIT TYPE (P)
 UNIT NUMBER 75

PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, N.J.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT



BUILDING NO. 1

UNIT PLAN


UNIT TYPE

(P)

UNIT NUMBER 97

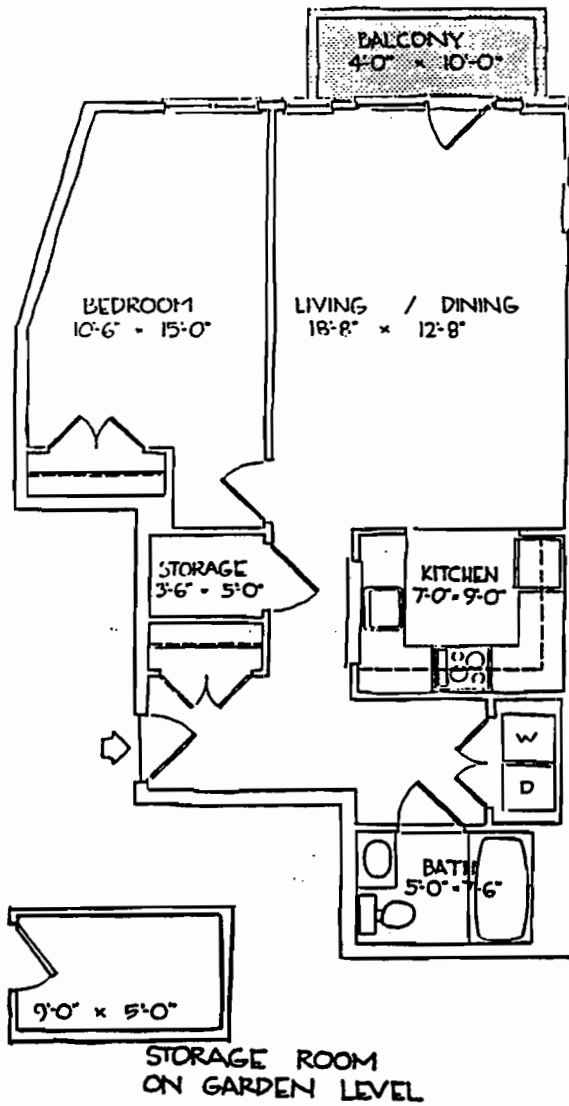
LEGEND

 UNIT

 LIMITED COMMON ELEMEN

 GENERAL COMMON ELEMEN

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.



BUILDING NO. 1

UNIT PLAN

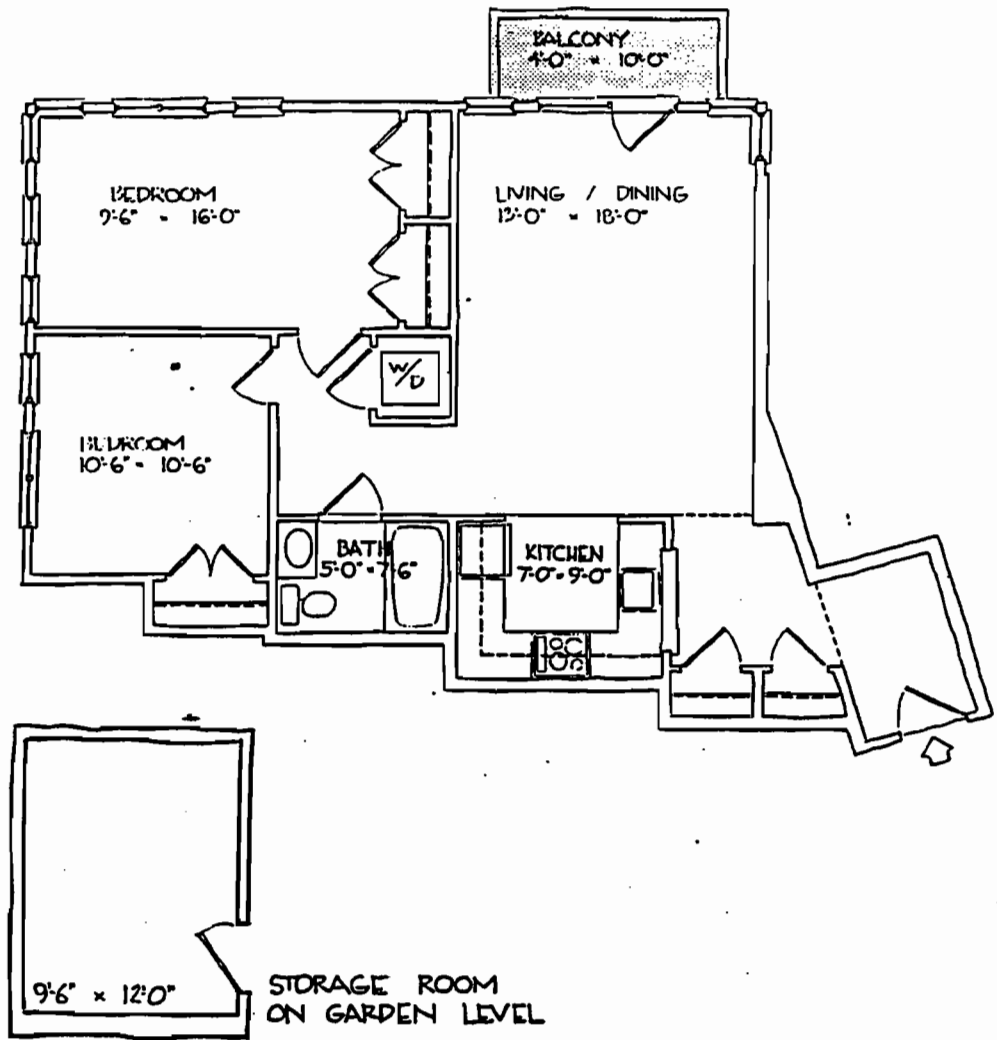
UNIT TYPE **Q**

UNIT NUMBER 77

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

- UNIT
- LIMITED COMMON ELEMENT
- GENERAL COMMON ELEMENT






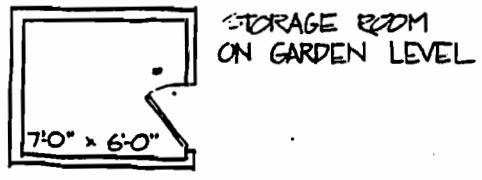
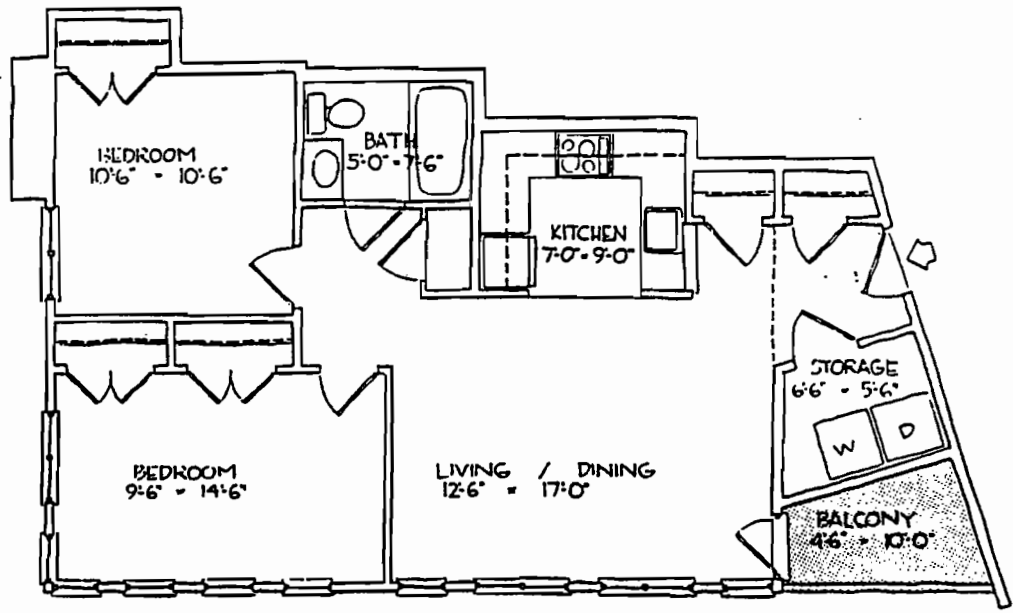
BUILDING NO. 1

UNIT PLAN UNIT TYPE (R)
 UNIT NUMBER 79

PARK EDGE, A CONDOMINIUM
 BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT






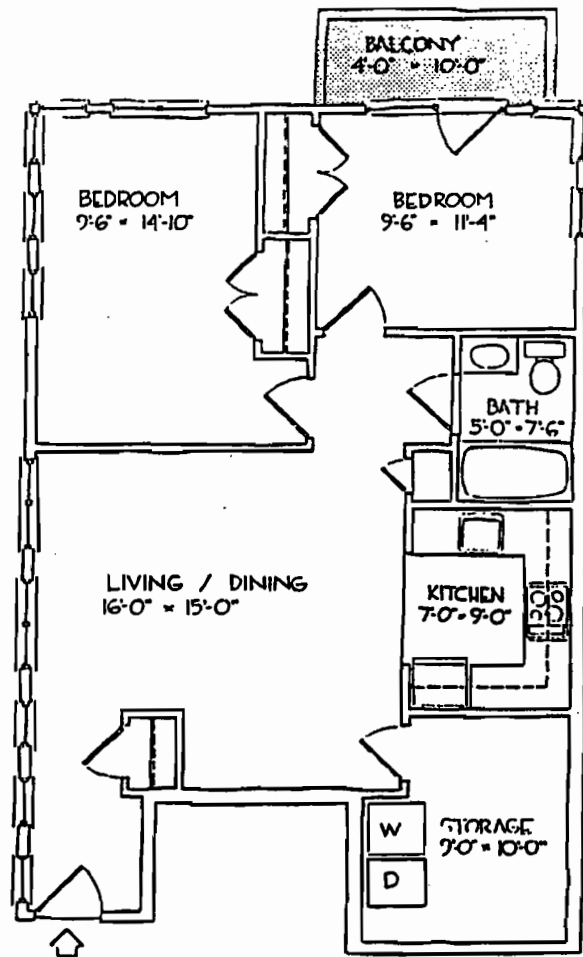
BUILDING NO. 1

UNIT PLAN UNIT TYPE (S)
UNIT NUMBER 81

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT



BUILDING NO. 1




UNIT PLAN

UNIT TYPE (T)

UNIT NUMBER 99

PARK EDGE, A CONDOMINIUM
BERKELEY HEIGHTS, NJ.

LEGEND

-  UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT

July 2, 1993

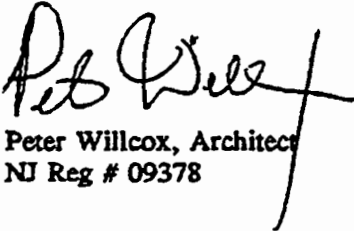
Mr. Sydney Kitson
Gail, Wentworth and Dillon
100 Campus Drive Suite 300
Florham Park, NJ 07932

Re: Project: Construction of Senior Citizen Townhouses and Condominium Units located at Lot 6, Block 301, Township of Berkeley Heights, County of Union, State of New Jersey.

Dear Syd:

We have prepared the floor plans utilized in the Master Deed for "Park Edge, a Condominium" located in Berkeley Heights, New Jersey. We certify that such plans constitute a correct representation of the improvements described.

Very truly yours,


Peter Willcox, Architect
NJ Reg # 09378

DOWNTOWN DESIGN

64 North Moore Street • New York, New York 10014
Telephone: 212/726-1079

EXHIBIT 1D

**CERTIFICATE OF INCORPORATION
FOR PARK EDGE CONDOMINIUM ASSOCIATION, INC.**

CERTIFICATE OF INCORPORATION
OF
PARK EDGE CONDOMINIUM ASSOCIATION, INC.

DATED:

In compliance with the requirements of Title 15A, Chapter 1, et seq. of the New Jersey Statutes Annotated, the undersigned, all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit, and do hereby certify:

ARTICLE I

Name

The name of the corporation is PARK EDGE CONDOMINIUM ASSOCIATION, INC., hereinafter called the "Association."

ARTICLE II

Principal Office

The principal address of the Association is 100 Campus Drive, Florham Park, New Jersey 07932.

ARTICLE III

Registered Agent

Sydney W. Kitson, whose address is 100 Campus Drive, Florham Park, New Jersey 07932, is hereby appointed the initial registered agent of the Association.

ARTICLE IV

Purpose and Powers of the Association

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and control of the common areas, facilities and roads, within that certain tract of property described in Exhibit "A" of a certain

Master Deed for "Park Edge" recorded or intended to be recorded in the Office of the Register of Union County, and to promote the health, safety and welfare of the residents within the above described property and for these purposes:

(a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association, as set forth in the aforesaid Master Deed and the By-Laws of the Association, annexed to the Master Deed as Exhibit E, as they both may be amended as therein provided, said Master Deed and By-Laws being incorporated herein as if set forth at length;

(b) To fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of said Master Deed and the By-Laws of the Association; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

- (c) To acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- (d) To borrow money to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and
- (e) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of New Jersey by law may now or hereafter have or exercise.

ARTICLE V

Membership

Every person or entity who is a record owner of a free interest in any Unit which is subject to the Master Deed aforesaid is subject to assessment by the Association, and qualifies in accordance with the By-Laws, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of any such Unit shall be the sole qualification for membership. Upon termination of the interest of the

Unit Owner, his membership shall automatically terminate and shall be transferred and shall inure to the new Unit Owner succeeding him in interest.

ARTICLE VI

Board of Directors

The affairs of this Association shall be managed by a Board of Directors. The initial Board of Directors shall be composed of three (3) persons who need not be members of the Association. The number of Directors may be changed pursuant to the By-Laws of the Association.

The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

ARTICLE VII

Duration

The corporation shall exist perpetually.

ARTICLE VIII

Amendments

Amendment of this Certificate shall require the assent of seventy-five (75%) percent of the members.

IN WITNESS WHEREOF, for the purpose of forming this non-profit corporation under the laws of the State of New Jersey, we, the undersigned, constituting the incorporators of this Association, have executed this Certificate of Incorporation this ____ day of _____, 199__.

Sworn before me
this ____ day of
_____, 199__

Sydney W. Kitson, Incorporator
100 Campus Drive
Florham Park, N.J. 07932

, Incorporator

EXHIBIT 1E

BY-LAWS OF PARK EDGE CONDOMINIUM ASSOCIATION, INC.

BY-LAWS
OF
PARK EDGE CONDOMINIUM ASSOCIATION, INC.

ADOPTED:

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BY-LAWS OF PARK EDGE CONDOMINIUM ASSOCIATION, INC.

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BY-LAWS
OF
PARK EDGE CONDOMINIUM ASSOCIATION, INC.

1. NATURE OF BY-LAWS

1.01 Purpose. These By-Laws are intended to govern the administration of Park Edge Condominium Association, Inc. (the "Association"), a non-profit corporation organized under Title 15A of the New Jersey Statutes Annotated, and provide for the management, administration, utilization and maintenance of the Common Elements described in the Master Deed for Park Edge, A Condominium.

1.02 Definitions. Unless the context clearly indicates otherwise, all definitions set forth in the aforesaid Master Deed or in N.J.S.A. 46:8B-3 are incorporated herein by reference.

1.03 Fiscal Year. The fiscal year of the corporation shall be determined by the Board of Directors of the Association (the "Board").

1.04 Principal Office. The principal office of the corporation is located at 100 Campus Drive, Florham Park, New Jersey 07932.

2. MEMBERSHIP AND VOTING RIGHTS

2.01 Members. Every person, firm, association, corporation or other legal entity who is a record Owner or Co-Owner of the fee simple title to any Unit shall be a Member of the Association; provided however, that any person, firm, association, corporation, or legal entity who holds such title or interest merely as a security for the performance of an obligation (including but not

limited to mortgagees or trustees under deeds of trust) shall not be a Member of the Association.

2.02 Associate Members. Every person who is entitled to possession and occupancy of a Unit as a tenant or lessee of a Unit Owner may be an Associate Member of the Association, but shall not be entitled to any vote with respect to Association matters.

2.03 Change of Membership. Change of Membership shall be accomplished by recording in the Union County Register's Office of a deed or other instrument establishing a record title to a Unit, and delivery to the Secretary of the Association of a certified copy of such instrument. The membership of the prior Unit Owner shall be thereby terminated.

2.04 Rights of Membership. Every person who is entitled to membership in the Association, pursuant to the provisions of the Certificate of Incorporation and these By-Laws, shall be privileged to use and enjoy the General Common Elements, subject however to the right of the Association to:

- (a) Promulgate rules and regulations governing such use and enjoyment;
- (b) Suspend the use and enjoyment of the General Common Elements as provided in Section 2.05 of this Article II; and
- (c) Dedicate or transfer all or part of the General Common Elements, other than any Building in which any Units are contained,

as provided in Section 5.01(n) of Article V
hereof.

2.05 Suspension of Rights. The membership and voting rights of any Member may be suspended by the Board for any period during which any assessment against the Unit to which his membership is appurtenant remains unpaid; but upon payment of such assessments, and any interest accrued thereon, whether by check or cash, his rights and privileges shall be immediately and automatically restored. Further, if rules and regulations governing the use of the common Elements and the conduct of persons thereon have been adopted and published, as authorized in the By-Laws, the rights and privileges of any person in violation thereof may be suspended at the discretion of the Board for a period not to exceed thirty (30) days for any single violation, but if the violation is of a continuing nature, such rights and privileges may be suspended indefinitely until such time as the violation is abated. No such action shall be taken by the Board until the Unit Owner is afforded an opportunity for a hearing consistent with the principles of due process of law.

2.06 Membership Fees. The Board will impose upon each Unit Owner, upon acquisition of title to the Unit, a non-refundable contribution to the working capital of the Association in an amount to be determined by the Board, but not to exceed one-sixth (1/6) of the then current Common Expense assessment for the Unit. Payment of such fee shall be a condition precedent to membership in the Association. Any unpaid capital contribution shall be

deemed a lien on the Unit with the same effect and which may be collected in the same manner as any unpaid Common Expenses attributable to such Unit.

2.07 Votes. Each Unit Owner shall be entitled to such vote(s) for each Unit to which the Unit Owner holds title as is provided in Paragraph 6.03 of the Master Deed. When more than one person holds title, the vote(s) for each Unit shall be exercised as the Co-Owners among themselves determine. When one or more Co-Owners sign a proxy or purports to vote for his or her Co-Owners, such vote(s) shall be counted unless one or more of the other Co-Owners is present and objects to such vote(s); or, if not present, submits a proxy or objects in writing delivered to the Secretary of the Association before the vote(s) is counted. If Co-Owners disagree as to the vote(s), the vote(s) shall be split equally among the Co-Owners.

2.08 Proxies. Proxy ballots shall be permitted with respect to all elections of Directors, and all amendments to the Certificate of Incorporation, the Master Deed or these By-Laws, or any other matter which is to come before a meeting of membership of the Association. All proxies shall be in writing, signed by all individual Unit Owners (or in the case of joint owners by any one of them), or by their duly authorized representative(s) and delivered to the Secretary of the Association, or such other person as the President may designate, at least twenty-four (24) hours prior to the commencement of the meeting at which ballots are to be cast. Proxies may be revoked at

anytime prior to the opening of the polls, and no proxy shall be voted on after eleven (11) months from its date unless said proxy provides for a longer period, not to exceed three (3) years from the date of execution. All proxies shall be substantially in the form prescribed by the Board, and if not in such form, shall be deemed invalid which determination shall be made in the sole and absolute discretion of the Board.

3. MEETINGS OF UNIT OWNERS

3.01 Place of Meetings. All meetings of the Unit Owners of the Association shall be held at the Condominium or at such other place convenient to the members as may be designated by the Board.

3.02 First Annual Meeting and Regular Annual Meetings. All annual meetings of the Unit Owners of the Association shall be held on the day and month of the year to be established by the Board, except that the first such annual meeting shall be held not more than sixty (60) days after Unit Owners other than the Sponsor own seventeen (17) or more Units, or on such earlier date as the Sponsor in its sole discretion may elect. At the first annual meeting and each subsequent annual meeting the election of Directors shall take place. If the election of Directors shall not be held at the annual meeting or any adjournment of such meeting, the Board shall cause the election to be held at a special meeting as soon thereafter as may be convenient. At such special meeting the Unit Owners may elect the Directors and

transact other business with the same force and effect as at an annual meeting duly called and held. All proxies validly received for the originally scheduled meeting shall remain in full force and effect for any such adjourned meeting or special meeting and new proxies may be received for any such subsequent meeting.

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

3.04 Notice of Meeting. Except as otherwise provided by law, notice of each meeting of Unit Owners, whether annual or special, shall be given not less than ten (10) days, nor more than ninety (90) days before the day on which the meeting is to be held, to each Unit Owner at the Unit Owner's last known address, by delivering a written or printed notice thereof to

said Unit Owner, or by mailing such notice, postage prepaid. Every such notice shall state the time and place of the meeting and shall state briefly the purpose(s) thereof. Notice of any meeting of Unit Owners shall not be required to have been sent to any Unit Owners who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the Unit Owners shall not be required to be given except when expressly required by law. Except where otherwise expressly required by law, no publication of any notice of a meeting of Unit Owners shall be required.

3.05 Quorum and Adjourned Meetings. At such meeting of the Unit Owners, persons (including Sponsor or its representatives) holding twenty-five (25%) percent of the authorized votes present in person or by proxy, shall constitute a quorum for the transaction of business except where otherwise provided by law. In the absence of a quorum, the persons holding votes present in person or by proxy and entitled to vote, by majority vote, may, by majority vote, adjourn the meeting from time to time, until a quorum shall be present or represented. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting originally called.

3.06 Organization. At each meeting of the Association, the President, or, in the President's absence, the Vice President, or in the absence of both of them, a person chosen by a majority vote of the Unit Owners present in person or represented by proxy

and entitled to vote thereat, shall act as chairperson, and the Secretary, or in the Secretary's absence, a person whom the chairperson shall appoint, shall act as Secretary of the Meeting.

3.07 Voting. Except as otherwise required by the Certificate of Incorporation, the Master Deed or any law, a quorum being present, a majority of votes present, in person or by proxy, shall be sufficient on those matters which are to be voted on by the Unit Owners. The election of Directors shall be by ballot. Unless determined by a majority of the votes of the Unit Owners present at such meeting, in person or by proxy, or determined by the chairperson of the meeting to be advisable, the vote on any other question need not be by ballot.

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

3.09 Judges. If at any meeting of the Unit Owners a vote by ballot shall be taken on any question, the chairperson of such meeting shall appoint two Judges to act thereat with respect to such vote. The Judges so appointed shall first subscribe an oath faithfully to execute the duties of Judges at such meeting with

strict impartiality and according to the best of their abilities. Such Judges shall decide upon the qualifications of voters and shall report the number of votes represented at the meeting and entitled to vote on such question, shall conduct and accept the votes, and when the voting is completed, shall ascertain and report the number of votes respectively for and against the questions; but as to the election of Directors, the number of votes received by each candidate need not be reported. Reports of Judges shall be in writing and subscribed and delivered by them to the Secretary of the meeting. The Judges need not be members of the Association, and any Officer or Director of the Association may be a Judge on any question, other than a vote for or against his election to any position with the Association or any other question in which he may be directly interested.

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

- (a) Calling of the roll and certifying the proxies.
- (b) Proof of Notice of Meeting and Waiver of Notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Appointment of Judges of Elections, if appropriate.
- (e) Election of Directors, if appropriate.

- (f) Receiving reports of committees.
- (g) Old business.
- (h) New business.
- (i) Adjournment.

3.11 Open Meetings.

(a) OPEN MEETINGS OF ASSOCIATION

Despite anything in these By-laws to the contrary, all meetings of the Board shall be governed by the following guidelines:

1. OPEN MEETINGS

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

2. RESTRICTIONS TO OPEN MEETINGS

Despite (a) above, the Board may exclude or restrict attendance at those meetings or portions of meetings dealing with the following:

- (1) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- (2) Any pending or anticipated litigation or contract negotiations;
- (3) Any matters falling within the attorney-client privilege, to the extent that confi-

dentiality is required in order for the attorney to exercise his ethical duties as a lawyer, or

- (4) Any matter involving the employment, promotion, discipline, or dismissal of a specific employee of the Association.

3. MINUTES OF OPEN MEETINGS

At each meeting required to be open to all Unit Owners, minutes of the proceedings shall be taken, and copies of those minutes shall be made available to all Unit Owners before the next open meeting. The Association shall keep reasonably comprehensive minutes of all its meetings showing the time and place, the members present, the subjects considered, the action taken, the vote of each member, and any other information required to be shown in the minutes by these By-Laws. Such minutes shall be made available to the public within 30 days after the meeting.

(b) NOTICE REQUIREMENTS FOR OPEN MEETINGS

1. NOTICE

Adequate notice of any open meeting shall be given to all Unit Owners.

2. ADEQUATE NOTICE

Adequate notice means written advance notice of at least 48 hours, giving the date, time, location and, to the extent known, the

agenda of any regular, special, or rescheduled meeting such notice shall accurately state whether formal action may or may not be taken. This notice shall be:

- a. Prominently posted in at least one place within the condominium property reserved for such or similar announcements.
- b. Mailed, telephoned, telegraphed or hand delivered to at least two newspapers designated by the Board.
- c. Filed with the Secretary or administrative officer responsible for administering the Association's business office.

3. ANNUAL POSTING OF OPEN MINUTES

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

(c) EMERGENCY MEETINGS

In the event that a meeting is required to deal with such matters of urgency and importance that delay, for the purpose of providing 48 hours advance notice would result in substantial harm

to the interests of the Association the notice shall be deemed adequate if it is provided as soon as possible following the calling of the meeting.

4. BOARD OF DIRECTORS

4.01 Express and Implied Powers and Duties. The property, affairs and business of the Association shall be managed by the Board of Directors, which shall have all those powers granted to it by the Certificate of Incorporation, the Master Deed, these By-Laws, and by law.

4.02 Number and Qualifications.

(a) Until the first annual meeting of the membership of the Association, and thereafter until their successors shall have been elected and qualified, the Board shall consist of three (3) persons designated by the Sponsor, none of whom need be Unit Owners.

Thereafter, the Board shall consist of five (5) Directors (hereinafter referred to as Directors, A, B, C, D and E). Within thirty (30) days after the Unit Owners other than Sponsor own seventeen (17) or more Units, the President shall call and give not less than twenty (20) nor more than thirty (30) days notice of a special meeting of the membership of the Association. At such special meeting, Unit Owners other than Sponsor shall be entitled to vote for and elect Directors A and B and Sponsor shall have the right to appoint the Directors C, D and E.

Thereafter, and within thirty (30) days after Unit Owners other than Sponsor own fifty-one (51) or more Units, or five (5) years from the date of recording of the Master Deed, whichever is sooner, the President shall call and give not less than twenty (20) nor more than thirty (30) days notice of a special meeting of the membership of the Association. At such special meeting Unit Owners other than Sponsor shall be entitled to vote for all of the Directors of the Board not theretofore elected by them, except that Sponsor shall be entitled to appoint Director E so long as Sponsor owns one or more Units and holds same for sale in the ordinary course of business.

(b) In the case of partnership owners, Directors shall be members, agents or employees of such partnership or of the partners thereof; or, in the case of corporate owners, (including the Sponsor, during such time as Sponsor shall be an Owner of any Units), Directors shall be officers, stockholders, employees or agents of such corporation; or, in the case of fiduciary owners, Directors shall be fiduciaries or officers or employees of such fiduciaries; provided, however, that at least one of the Directors of the Board shall be a resident of the State of New Jersey.

4.03 Election and Term of Office. At the first annual meeting of the membership that is called after Unit Owners other than the Sponsor own seventeen (17) or more Units, Directors A and B shall be elected by the Unit Owners other than the Sponsor, and Sponsor shall appoint Directors, C, D and E. Directors A and

B shall be elected for two (2) year terms and Directors, C, D and E shall be appointed to serve until their successors are elected at the special meeting held after fifty-one (51) Units are owned by Unit Owners other than Sponsor. At said special meeting, Directors C, D and E shall be elected by Unit Owners other than Sponsor (subject, however to Sponsor's right to appoint Director E as provided for in Section 4.02, above) to serve for an initial term which expires at the annual meeting of the membership at which Directors A and B are not scheduled for re-election, but in no event shall such initial term be less than two (2) years nor more than three (3) years. Thereafter, the term for Directors C, D and E shall be for two (2) years; it being the purpose and intent hereof that Directors A and B shall be elected in alternate years to Directors C, D and E.

The Directors shall hold office until their respective successors have been duly elected and qualified, or until removed in the manner elsewhere provided. If at any meeting for election of membership to the Board more than twice the number of candidates to be elected at such meeting are nominated, then, and in such event, there shall be two ballots for membership. At the end of the first ballot, the field of nominees shall be reduced so that there are twice as many candidates as there are positions to be filled, with the persons receiving the fewest votes being eliminated from the ensuing ballot. A second ballot shall be held, and on the second ballot, the persons receiving the most votes will be deemed to be elected in order to fill the vacant

positions. If there are not more than twice the number of nominees for the number of positions to be filled, then there shall be one ballot, with the persons receiving the most votes being elected in order to fill the vacancies on the Board. If ever applicable, candidates polling the highest votes will be considered elected for the longest period of years. Election of Directors at successive annual meetings shall be in accordance with this Section 4.03.

4.04 Sponsor's Protective Provisions. After control of the Board of Directors has become vested in Directors elected by Unit Owners other than the Sponsor, and so long as the Sponsor owns at least one (1) Unit and holds same for sale in the ordinary course of business, the following shall apply:

- (a) Neither the Association nor its Board of Directors shall take any action that will impair or adversely affect the rights of the Sponsor or cause the Sponsor to suffer any financial, legal or other detriment, including but not limited to any direct or indirect interference with the sale of Units, or the assessment of the Sponsor for capital improvements.
- (b) The Association and its Board of Directors shall continue the same level of maintenance, operation and

services as provided immediately prior to the assumption of control of the Association and the Board of Directors by Unit Owners other than the Sponsor.

The aforementioned protective provisions shall be construed in accordance with and not in derogation of N.J.S.A. 46:8B-12.1 of the New Jersey Condominium Act and N.J.A.C. 5:26-8.4 of the regulations promulgated pursuant to the New Jersey Planned Real Estate Development Full Disclosure Act, N.J.S.A. 45:22A-21 et seq.

4.05 Removal of Members of the Board. At any duly held regular or special meeting of the Unit Owners, any one or more Directors may be removed with or without cause by a majority of the Unit Owner votes present, and a successor may then and there be appointed by a majority of the remaining Directors to fill the vacancy thus created. Each person so appointed shall be a Director for the remainder of the term of the Director whose term he is filling and until the successor is duly elected and qualified. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting. This provision shall not apply to any Director appointed by the Sponsor. Despite the foregoing, the Sponsor, as the owner of Units, may not, acting alone, remove a Unit Owner-elected Director. In the event that all of the Unit Owner-elected Directors are removed, successors shall be elected by the Unit Owners other than the

Sponsor in the manner set forth in Article IV, Section 4.03 herein to fill the vacancies thus created.

4.06 Vacancies. Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Unit Owners of the Association shall be filled by a vote of a majority of the remaining Directors, including the Sponsor's appointees, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy. Each person so elected shall be a Director for the remainder of the term of the Director whose term he is filling and until the successor shall have been duly elected and qualified. Despite the foregoing, until the first annual meeting of Unit Owners, Sponsor shall have the right to fill all vacancies on the Board by appointment. Unit Owner-elected vacancies on the Board shall only be filled with Unit Owners other than the Sponsor, whether same be appointed or elected.

4.07 Meeting of the Board; Notices; Waiver of Notice. The first annual meeting of the Board shall be held within ten (10) days after the first annual meeting of the Unit Owners and at such time and place as shall be fixed by a majority of the Board and no notice shall be necessary. Thereafter, regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Board, but at least two meetings shall be held each year. Notice of regular meetings of the Board shall be given to each Director by telephone, mail, or telegram at least three (3) days prior to the

day of the meeting. Special meetings of the Board may be called by the President on three (3) days notice to each Director given by telephone, mail or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or the Secretary in like manner and on like notice on the written request of at least three (3) Directors. Any Director may, at anytime, waive notice of meeting of the board in writing and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. In the discretion of the Board, meetings of the Board or portions thereof, may be open to members of the Association for observation or participation in such manner and to the extent the Board may deem appropriate.

4.08 Quorum and Adjourned Meetings. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and the votes of a majority of the Directors present and voting at a meeting at which a quorum is present shall constitute a valid decision. If at any meeting of the Board there shall be less than a quorum present, the majority of those present shall adjourn the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be

transacted without further notice. The vote of a majority of those present at a Board meeting at which a quorum is present shall be necessary for valid action by the Board on any matter.

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

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

4.11 Consent in Lieu of Meeting and Vote. Despite anything to the contrary in these By-Laws, the Certificate of Incorporation or the Master Deed, the entire Board of Directors shall have the power to take action on any matter on which it is authorized to act, without the necessity of a formal meeting and vote if the entire Board, or all the Directors empowered to act,

whichever the case may be, shall consent in writing to such action.

5. POWERS AND DUTIES OF BOARD OF DIRECTORS

5.01 General Powers and Privileges. The Board shall have these powers, which include but which are not necessarily limited to the following, together with such other powers as may be provided herein or in the Master Deed, or By-Laws, or which may be necessarily implied.

- (a) Employ, by contract or otherwise, a manager, managing agent or an independent contractor, to oversee, supervise and carry out the responsibilities of the Board. Said manager or said independent contractor shall be compensated upon such terms as the Board deems necessary and proper; and
- (b) To employ any person, firm or corporation to repair, maintain or renovate the Common Elements of the Condominium; lay pipes or culverts; to bury utilities; to put up lights or poles; to erect signs and traffic and safety controls of various sorts on said Property; and

- (c) To employ professional counsel and to obtain advice from persons, firms or corporations such as, but not limited to, landscape architects, architects, engineers, lawyers and accountants; and while the developer maintains a majority of the executive board, he shall have an annual audit of association funds prepared by an independent accountant, a copy of which shall be delivered to each unit owner within ninety (90) days of the expiration of the fiscal year of the association. The audit shall cover the operating budget and reserve account; and
- (d) To employ or contract for water and sewer, electricity and gas or other forms of utilities, cable or master antenna television; and
- (e) To employ all managerial personnel necessary, or enter into a managerial contract for the efficient discharge of the duties of the Board hereunder; and

- (f) To adopt, amend, and publish Rules and Regulations covering the details of the operation and use of the Common Elements including but not limited to pet controls; and
- (g) Secure full performance by Unit Owners or occupants of all items of maintenance for which they are responsible; and
- (h) Coordinate the plans of Unit Owners and occupants of Units for moving their personal effects or property into the Unit or out of it, with a view toward scheduling such movements so that there shall be a minimum of inconvenience to others; and
- (i) Establish and enforce Rules and Regulations for parking by, and the assignment of parking spaces to, Unit Owners, subject to the provisions of the Master Deed, Certificate of Incorporation and these By-Laws; and
- (j) Arrange for security protection as necessary; and
- (k) Enforce obligations of the Unit Owners and do anything and everything

else necessary and proper for the sound management of the Condominium, including the right to bring or defend lawsuits to enforce the terms, conditions and restrictions contained in the Master Deed, these By-Laws, or the Rules and Regulations; and

- (l) Borrow and repay monies giving notes, mortgages or other security upon such term or terms as it deems necessary; and
- (m) Invest and reinvest monies, sue and be sued, collect interest, dividends, and capital gains; exercise rights; pay taxes; make and enter into contracts; enter into leases or concessions; make and execute any and all proper affidavits for various purposes; compromise any action without leave of court; and all other powers contained herein, and those necessary and incidental thereto; and
- (n) Grant and obtain permits, easements, licenses and other property rights with respect to the Common Elements and to contiguous lands for utili-

ties, roads and other purposes necessary for the proper operation of the Condominium; and

(o) Purchase or lease or otherwise acquire in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners within the Condominium, Units offered for sale or lease or surrendered by their Owners to the Board provided that the foregoing shall not be construed to constitute a right of first refusal; and

(p) Purchase Units within the Condominium at foreclosure or other judicial sales in the name of the Association or its designee, corporate or otherwise, on behalf of all Unit Owners; and

(q) Sell, lease, mortgage (but not vote the votes appurtenant thereto) or otherwise deal with Units acquired by the Association, and sublease any such Units leased by the Association or its designees, on behalf of all Unit Owners; and

- (r) Bring and defend actions by or against more than one Unit Owner which are pertinent to the operation of the Condominium, the health, safety or general welfare of the Unit Owners, or any other legal action to which the Unit Owners may consent in accordance with these By-Laws; and
- (s) Appoint an Insurance Trustee, who shall not be a member of the Association or an employee of the sponsor or the manager, who shall discharge his duties in accordance with these By-Laws. In the absence of such an appointment, the Board shall be responsible for the disposition of all insurance proceeds; and
- (t) Create, appoint members to, and disband such committees as shall from time to time be deemed appropriate or necessary to aid the Board in the discharge of its duties, functions and powers.

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

(a) Cause the General and Limited Common Elements to be maintained according to accepted standards and as set forth in the Master Deed, including, but not limited to such maintenance, painting, replacement and repair work as may be necessary, lawn maintenance and clearing of snow from roadways and walkways, as the Board may deem appropriate. All repairs and replacements shall be substantially similar to the original application and installation and shall be of first class quality; and while the Sponsor maintains control of the executive board, the Sponsor shall take no action which adversely affects a homeowner's rights under *N.J.A.C. 5:25-5.5*. Claims relative to defects in Common Elements shall be processed in accordance with *N.J.A.C. 5:25-5.5*.

(b) To investigate, hire, pay, supervise and discharge the personnel necessary to be employed, and provide the equipment and materials necessary, in

order to properly maintain and operate the Common Elements. Compensation for the services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Association; and

- (c) Cause to be kept a complete record of all its acts and corporate affairs and to present a summary report thereof to the members at the annual meeting or at any special meeting when requested in writing at least twenty-one (21) days in advance by members entitled to cast at least twenty-five (25%) percent of the total votes of the Association; and
- (d) Allocate common surplus of the Common Elements in accordance with the provisions of these By-Laws and the Master Deed after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings; and
- (e) Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the

premises maintained by the Association placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, and order of the Board of Fire Underwriters or other similar bodies; and

(f) Place and keep in force all insurance coverages required to be maintained by the Association, applicable to its property and members including, but not limited to:

(1) Broad form insurance against loss by fire and against loss by lightning, windstorm and other risks normally included within all risk extended coverage, including vandalism and malicious mischief, insuring all improvements existing on the Property, together with all service machinery appurtenant thereto as well as common personal property and supplies belonging to the Association, and covering the interest of the Association, the Board, the Sponsor, all Unit

Owners and any Mortgage Holder who has requested the Association in writing to be named as a loss payee, as their respective interests may appear, in an amount equal to the full replacement value of such improvements (exclusive of foundations and footings), without deduction for depreciation. The policy(ies) shall contain a standard mortgagee clause in favor of each applicable Mortgage Holder, its successors and assigns, which shall provide that the loss, if any, thereunder, shall be payable to each applicable Mortgage Holder, its successors and assigns as its interest may appear, subject to the loss payment provisions set forth in Paragraph 16 of the Master Deed. The aforesaid mortgagee clause shall name as mortgagee either the Federal National Mortgage Association ("FNMA") or its

servicers in the event FNMA holds mortgages on any Units. When a servicer is named as the mortgagee, its name must be followed by the phrase "its successors and assigns". Prior to obtaining any policy of fire insurance or any renewal thereof, the Board shall obtain a qualified appraisal of the full replacement value of the Units and Common Elements and the improvements located thereon, without deduction for depreciation, for the purposes of determining the amount of fire insurance to be effected pursuant to this subparagraph. The amount of any deductible shall be determined by the Board, in its sole discretion.

- (2) Public Liability Insurance. To the extent obtainable, public liability insurance for personal injury and death from accidents occurring within the Common

Elements (and any other areas which the Board may deem advisable), and the defense of any actions brought by injury or death of a person or damage to property, occurring within such Common Elements, and not arising by reason of any act or negligence of any individual Unit Owner. Said insurance shall be in such limits as the Board may, from time to time, determine, covering each Member of the Board, the managing agent, the manager, and each member, and shall also cover cross liability claims of one insured against another. Such public liability insurance shall be in a single limit of not less than \$1,000,000.00 covering all claims for personal injury or property damage arising out of any one occurrence. The Board shall review such limits once a year.

- (3) Directors and Officers Liability Insurance. Liability insurance indemnifying the Directors and Officers of the Association against the liability for errors and omissions occurring in connection with the performance of their duties, in an amount of at least \$1,000,000.00 with any deductible amount to be in the sole discretion of the Board.
- (4) Workers Compensation Insurance. Workers compensation and New Jersey disability benefits insurance as required by law.
- (5) Water Damage. Water damage legal liability insurance.
- (6) Flood Insurance. Flood hazard insurance in the event any of the insurable improvements to the Property are located within a federally designated zone of greater than minimal flood hazard.

- (7) Other Insurance. Such other insurance as the Board may determine.
- (8) All policies shall: (i) provide that adjustment of loss shall be made by the Board of Directors with the approval of the Insurance Trustee, if any, and that the net proceeds thereof, if \$25,000.00 or less shall be payable to the Board, and if more than \$25,000.00 shall be payable to the Insurance Trustee if any; (ii) require that the proceeds of physical damage insurance be applied to the restoration of such Common Elements and structural portions and service machinery as is required by the Master Deed and these By-Laws; (iii) to the extent obtainable contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured; and (iv)

provide that such policies may not be cancelled without at least thirty (30) days prior written notice to all of the named insureds, including all Unit Owners and Eligible Mortgage Holders.

(9) Any insurance maintained by the Board may provide such deductible amount as the Board may determine.

(10) Unit Owners shall not be prohibited from carrying insurance for their own benefit provided that all such policies shall contain waivers of subrogation; and, further provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

(11) The premiums for all insurance and fidelity bonds carried by the Association shall be a Com-

mon Expense and shall be borne by the Unit Owners in direct proportion to their respective percentage of interests.

- (g) To manage the fiscal affairs of the Association as hereinafter provided in Article VI.
- (h) To establish a Covenants Committee as hereinafter provided in Article IX.
- (i) To provide a fair and efficient procedure for the resolution of disputes between individual Unit Owners and the Association, and between different Unit Owners, that shall be readily available as an alternative to litigation.

6. FISCAL MANAGEMENT

6.01 Common Receipts. The Board shall have the duty to collect from each Unit Owner, his, her, or their heirs, administrators, successors and assigns, as "Common Receipts", the proportionate part of the Common Expense assessed against such Unit Owner as provided in the Master Deed, the Certificate of Incorporation, these By-Laws, and in accordance with applicable law.

6.02 Determination of Common Expenses. The amount of monies for Common Expenses deemed necessary by the Board and the manner of expenditure thereof, including but not limited to, the allocation thereof, shall be a matter for the sole discretion of the Board. While the Sponsor controls the Board of the Association, it shall make no additions, alterations, improvements or purchases not contemplated in the registered Public Offering Statement for the Condominium which would necessitate a special assessment or a substantial increase in the monthly Common Expense Assessment unless required by a governmental agency, title insurance company, Eligible Mortgage Holder or in the event of an emergency.

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

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

6.05 Accounts. The receipts and expenditures of the Association shall be common charges and Common Expenses respectively, and shall be credited and charged to accounts under the following classifications as the Board shall deem appropriate, all of which expenditures shall be Common Expenses:

- (1) Current expenses, which shall include expenditures within the year for which the budget is made, including reasonable allowances for contingencies and working funds. Current expenses shall not include expenditures chargeable to reserves. At the end of each year, the unexpended amount remaining in this account shall be applied to reduce the assessments for current expenses for the succeeding year, or may be distributed to the membership as the Board shall determine.
- (2) Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.
- (3) Reserve for replacement, which shall include funds for repair or replacement of the Common Elements and those

portions of the improvements located on the Property which the Association is obligated to maintain or repair which is required because of damage, depreciation or obsolescence. The amounts in this account shall be allocated among each of the separate categories of replacement items.

- (4) Reserves for capital improvements, which shall include the funds to be used for capital expenditures or for acquisition of additional personal property that will be part of the Common Elements.
- (5) Operations, which shall include all funds from the use of the Common Elements or from any other sources. Only the additional direct expense required by any revenue-producing operation will be charged to this account, and any surplus from any operation or otherwise shall be used to reduce the assessments for current expenses for the year during the one in which the surplus is realized, or at the discretion of the Board, in

the year following the one in which the surplus is realized. Losses from operations or otherwise shall be met by special assessments against Unit Owners, which assessments may be made in advance in order to provide a working fund.

- (6) Contributions to working capital, which shall be those funds equivalent to one-sixth of the annual common expense assessment on a Unit and that are initially collected by the Sponsor on behalf of and for the benefit of the Association at the initial conveyance of each Unit by the Sponsor.

The Board shall not be required to physically segregate the funds held in the above accounts except for reserves for replacement and repair and the initial contributions to working capital, which funds must be maintained in separate accounts. The Board may, in its sole discretion, maintain the remaining funds in one or more consolidated accounts. As to each consolidated account, the division into the various accounts set forth above need be made only on the Association's records.

6.06 Reserves. The Board shall not be obligated to expend all of the revenues collected in any accounting period, and must

maintain reasonable reserves for, among other things, repairs, replacements, emergencies, contingencies of bad weather or uncollected accounts. Despite anything herein to the contrary, the Board in its determination of the Common Expenses and the preparation of a budget shall specifically designate and identify that portion of the Common Expenses which is to be assessed against the Unit Owners as a capital contribution and is allocable to reserves for each separate item of capital improvement of and to said Property. The amounts assessed and collected for the reserves shall be kept in one or more interest-bearing savings accounts, or certificates of deposit and shall not be utilized for any purpose other than that which was contemplated at the time of the assessment. The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand, in a checking or petty cash account, for the necessary discharge of its functions.

6.07 Exemption from Assessments for Capital Improvements.

Anything to the contrary herein notwithstanding, neither Sponsor nor any Mortgage Holder for any Unit shall be required to pay any assessment for capital improvements, whether by way of regular or special assessments or otherwise. Further, this provision may not be amended without the written consent of the Sponsor and that of every Eligible Mortgage Holder. Despite the foregoing, both the Sponsor and Eligible Mortgage Holders shall be responsible for the installments of regular Common Expense Assessments, or portions thereof, attributable to Units for which they hold

title during the time title is held. This includes that portion of same attributable to normal reserves for repair and replacement.

6.08 Notice. The Board shall give to each Unit Owner, in writing, and to any Eligible Mortgage Holder who requests same, notice of the amount estimated by the Board for Common Expenses for the management and operation of the Association for the next ensuing budget period, directed to the Unit Owner at his last known address by ordinary mail, or by hand delivery. Said notice shall be conclusively presumed to have been delivered five (5) days after deposit in the United States mails. If an annual Common Expense Assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior year's assessment, increased by ten (10%) percent, and monthly installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. Despite the foregoing, while the Sponsor controls the Board, such an automatic increase shall not be deemed to have occurred, it being the intention that the Sponsor shall prepare a new budget annually. In the event the annual Common Expense Assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board, provided that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency which cannot be met by reserve funds earmarked for such contingency.

6.09 Acceleration of Assessment Installment Upon Default.

If a Unit Owner shall be in default in the payment of an installment upon a Common Expense Assessment, the Board may accelerate the remaining installments of the assessment and file a lien for such accelerated amount upon notice to the Unit Owner, and if the delinquent installment has not been theretofore paid, the then unpaid balance of the Common Expense Assessment shall become due upon the date stated in the notice, which date shall not be less than five (5) days after delivery of the notice to the Unit Owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur. If such notice is given and default shall continue for a period of thirty (30) days then the Board shall be required to accelerate the remaining installments of the assessment upon similar notice to the Unit Owner, and to file a lien for such accelerated assessment as permitted by law if the delinquent assessment has not been heretofore paid. In such latter event, the Board may, but will not be obligated to, also notify any Mortgage Holder holding a first mortgage which encumbers the Unit affected by such default and/or publish appropriate notice of such delinquency to the membership of the Association. If said default continues for a period of ninety (90) days then the Board shall foreclose the foregoing lien pursuant to law and/or commence a suit against the appropriate parties to collect said assessment.

6.10 Interest and Counsel Fees. The Board at its option shall have the right in connection with the collection of any Common Expense Assessment, or other charge, to impose a late charge of any reasonable amount and/or interest at the legal maximum rate permitted by law for the payment of delinquent real estate taxes, if such payment is made after a certain date stated in such notice. In the event that the Board shall effectuate collection of said assessments or charges by resort to counsel, and/or the filing of a lien, the Board may add to the aforesaid assessments or charge a sum or sums equal to twenty (20%) percent of the gross amount due as counsel fees, plus the reasonable costs for preparation, filing and discharge of the lien, in addition to such other costs as may be allowable by law.

- (a) In the case of any action or proceeding brought or defended by the Association or the Board pursuant to the provisions of these By-Laws, the reasonable costs and expenses of preparation and litigation, including attorneys' fees, shall be a Common Expense allocated to all Unit Owners.
- (b) Money judgments recovered by the Association in any action or proceeding brought hereunder, including costs, penalties or damages shall be deemed a special fund to be applied

to: (1) the payment of unpaid litigation expenses; (2) refunding to the Unit Owners the cost and expenses of litigation advanced by them; (3) Common Charges, if the recovery thereof was the purpose of the litigation; (4) repair or reconstruction of the Common Elements if recovery of damages to same was the motivation for the litigation; and (5) any amount not applied to (1), (2), (3) and (4) above shall, at the discretion of the Board, be treated either as: (i) a common surplus which shall be allocated and distributed pursuant to the provisions of Paragraph 6 of the Master Deed or (ii) a set-off against the Common Charges generally. Despite the foregoing, if a Unit Owner(s), the Board or any other person or legal entity affected by any such distribution shall assert that the damages sustained or the diminution in value suffered by a Unit Owner(s) was disproportionate to his or their percentage of common

interest, in that event the matter shall be submitted to binding arbitration to be decided in accordance with the procedures set forth in Article XV hereto.

- (c) All Common Charges received and to be received by the Board, for the purpose of paying any judgment obtained against the Association or the Board and the right to receive such funds, shall constitute trust funds and the same shall be expended first for such purpose before expending any part of the same for any other purpose.
- (d) In the event that a Unit Owner(s) succeeds in obtaining a judgment or order against the Association or the Board, then in addition to any other sums to which said Owner(s) would otherwise be entitled by such judgment or order, he or they shall also be entitled to the restitution or recovery of any sums paid to the Board as Common Charges for litigation expenses in relation to said action or proceeding.

6.11 Power of Attorney to Eligible Mortgage Holders. In the event the Board shall not cause the enforcement procedures provided in Section 9 above to be implemented within the time provided, any Mortgage Holder holding a first mortgage for any Unit as to which there shall be such unpaid Common Expense Assessments is hereby irrevocably granted a power of attorney to commence such actions and to invoke such other remedies, all in the name of the Association. This power of attorney is expressly stipulated to be coupled with an interest in the subject matter.

6.12 Annual Audit. The Board shall submit the books, records, and memoranda of the Association to an annual audit by an independent certified public accountant who shall audit the same and render a report thereon in writing to the Board and in summary form to the Unit Owners and such Eligible Mortgage Holders or other persons, firms or corporations as may be entitled to same.

While the Sponsor controls the Board, it shall have an audit of Association funds prepared by an independent accountant, a copy of which shall be delivered to each Unit Owner within ninety (90) days of the expiration of the fiscal year of the Association; such audit shall cover the operating budget and reserve accounts.

6.13 Examination of Books. Each Unit Owner shall be permitted to examine the books of account of the Board by appointment at a reasonable time on business days; provided, however, that the Treasurer has been given at least ten (10) days

prior written notice of the Unit Owner's desire to make such an examination.

6.14 Fidelity Bonds. Fidelity bonds shall be required by the Board from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board. The premiums on such bonds shall be paid by the Association. While the Sponsor maintains a majority of representation on the executive board, it shall post a fidelity bond or other guarantee acceptable to the Agency, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves.

7. OFFICERS

7.01 Designation. The principal officers of the Association shall be a President, a Vice President, both of whom shall be members of the Board, a Secretary and a Treasurer. The Board may also appoint such other Assistant Treasurers and Assistant Secretaries as in its judgment may be necessary. Any two (2) offices, except that of President and Vice President, may be held by one (1) person.

7.02 Election of Officers. The Officers of the Association shall be elected annually by the Board at the first Board of Directors meeting following each annual meeting and such Officers shall hold office at the pleasure of the Board.

7.03 Removal of Officers. Upon an affirmative vote of a majority of the full number of Directors, any Officer may be

removed, either with or without cause, after opportunity for a hearing, and the Officer's successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

7.04 Duties and Responsibilities of Officers.

- (a) The President shall be the chief executive officer of the Association. He shall preside at all meetings at the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an Association.
- (b) The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other Director to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board.

(c) The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the members of the Association; the Secretary shall have charge of such books and papers as the Board may direct; and the Secretary shall, in general, perform all the duties incident to the office of the Secretary.

(d) The Treasurer shall have the responsibility for the custody of Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of, the Association in such depositories as may from time to time be authorized by the Board.

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

7.06 Eligibility of Directors. Nothing herein contained shall prohibit a Director from being an Officer.

8. COMPENSATION, INDEMNIFICATION AND
EXCULPABILITY OF OFFICERS, DIRECTORS,
AND COMMITTEE MEMBERS

8.01 Compensation. No compensation shall be paid to the President or the Vice President or any Director, or Committee Member for acting as such Officer or Director. The Secretary and/or Treasurer (excluding Sponsor appointees) may be compensated for their services if the Board determines that such compensation is appropriate. Nothing herein stated shall prevent any Officer or Director, or Committee Member from being reimbursed for out-of-pocket expenses or compensated for services rendered in any other capacity to or for the Association, provided, however, that any such expenses incurred or services rendered shall have been authorized in advance by the Board.

8.02 Indemnification. Each Director, Officer or Committee Member of the Association, shall be indemnified by the Association against the actual amount of net loss, including counsel fees, reasonably incurred by or imposed upon him in connection with any action, suit or proceeding to which he may be a party by reason of his being or having been a Director, Officer, or Committee Member of the Association, or delegee, except as to matters for which he shall be ultimately found in such action to be liable for gross negligence or willful misconduct. In the event of a settlement of any such case,

indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct.

8.03 Exculpability. Unless acting in bad faith, neither the Board as a body nor any Director, Officer, or Committee Member shall be personally liable to any Unit Owner in any respect for any action or lack of action arising out of the execution of his office. Each Unit Owner shall be bound by the good faith actions of the Board, Officers and Committee Members of the Association, in the execution of the duties of said Directors, Officers and Committee Members. Nothing contained herein shall be construed so as to exculpate members of the Board of Directors appointed by the Sponsor from discharging their fiduciary responsibilities.

9. COVENANTS COMMITTEE

9.01 Purpose. The Board may establish a Covenants Committee, consisting of three (3) members appointed by the Board, each to serve for a term of one (1) year, in order to assure that the Condominium shall always be maintained in a manner:

- (a) providing for visual harmony and soundness of repair;

- (b) avoiding activities deleterious to the aesthetic or property values of the Condominium;
- (c) furthering the comfort of the Unit Owners, their guests, invitees and lessees; and
- (d) promoting the general welfare and safety of the Condominium community.

9.02 Powers. The Covenants Committee shall regulate the external design, appearance, use and maintenance of the Common Elements in accordance with standards and guidelines contained in the Master Deed or By-Laws or otherwise adopted by the Board. The Covenants 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, these By-Laws, the Rules and Regulations or resolutions of the Board (upon petition of any Unit Owner or upon its own motion). The Covenants Committee shall from time to time, as required, provide interpretations of the Master Deed, Certificate 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 Covenants Committee may be appealed to the Board by any party deemed by the Board to have standing as an aggrieved party and a

vote of a majority of the full authorized membership of the Board may modify or reverse any such action, ruling or decision.

9.03 Authority. The Covenants 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 pursuant to Section 9.02 hereof. The Board may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case by case basis by vote of a majority of its full authorized membership thereof. The Covenants Committee shall carry out its duties and exercise its powers and authority in the same manner provided for in the Rules and Regulations or by resolution of the Board. Despite the foregoing, no action may be taken by the Covenants Committee without giving the Unit Owner(s) involved at least ten (10) days prior written notice and affording the Unit Owner(s) the opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

10. ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE ASSOCIATION

Whenever, in the judgment of the Board, the Common Elements require improvements costing in excess of \$15,000.00, said improvements shall not be made unless they have been approved by a majority of votes present in person or by proxy at a meeting of the Unit Owners at which a quorum is present. When said approval has been obtained, all Unit Owners benefiting from same shall be assessed for the cost thereof as a Common Expense. In the event

of any emergency which could cause damage to any Building or part(s) thereof, the Board may expend sums in excess of \$15,000.00 to protect the said Building or part(s) thereof, and the judgment of the Board shall be final.

11. ENFORCEMENT

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

11.02 Fines. The Board shall also have the power to levy fines against any Unit Owner(s) for violation(s) of any Rule or Regulation of the Association or for any covenants or restrictions contained in the Master Deed or By-Laws, except that no fine may be levied for more than \$25.00 for any one violation; provided, however, that for each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against any Unit Owner(s) involved as if the fine were a Common Expense owed by the particular Unit Owner(s). Despite the foregoing, before any fine is imposed by the Board, the Unit Owner involved shall be given at least ten

(10) days prior written notice and afforded an opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

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

12. AMENDMENTS

Subject to the restrictions in Section 6.07 hereof and Paragraph 25 of the Master Deed, these By-Laws, or any of them, may be altered or repealed, or new By-Laws may be made, at any meeting of the Association duly held for such purpose, and previous to which written notice to Unit Owners of the exact language of the amendment or of the repeal shall have been sent, a quorum being present, by an affirmative vote of fifty-one (51%) percent in number and in interest of the votes entitled to be cast in person or by proxy, except that (a) the first annual meeting may not be advanced, (b) the first Board (including replacements in case of vacancies) may not be enlarged or removed, or (c) the obligation or the proportionate responsibility for the payment of Common Expenses with respect to Units or the Common Elements may not be changed by reason of any such new By-Law, amendment or repeal.

13. CONFLICT; INVALIDITY

13.01 Conflict. Despite anything to the contrary herein, if any provision of these By-Laws is in conflict with or contradiction of the Master Deed, the Certificate of Incorporation or with the requirements of any law, then the requirements of said Master Deed, Certificate of Incorporation or law shall be deemed controlling.

13.02 Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the enforceability or affect the remaining provisions of the By-Laws.

14. NOTICE

Any notice required to be sent to any Unit Owner under the provisions of the Master Deed or Certificate of Incorporation or these By-Laws shall be deemed to have been properly sent and notice thereby given, when mailed, by regular post with postage prepaid, addressed to the Unit Owner at the last known post office address of the person who appears as a member on the records of the Association at the time of such mailing. Notice to one of two or more Co-Owners of a Unit shall constitute notice to all Co-Owners. It shall be the obligation of every Unit Owner to immediately notify the Secretary of the Association in writing of any change of address. Valid notice may also be given to Unit Owners by (a) personal delivery to any occupant of said Unit over fourteen (14) years of age or (b) by affixing said notice to or sliding same under the front door of any Unit.

15. ARBITRATION

Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in Union County, New Jersey, by the American Arbitration Association, in accordance with its rules then obtaining and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. All expenses of arbitration hereunder including the fees and expenses of counsel and experts shall be Common Expenses.

16. CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words "Park Edge Condominium Association, Inc."

EXHIBIT 1F

SCHEDULE OF PERCENTAGE OF INTEREST IN COMMON ELEMENTS

EXHIBIT F

PERCENTAGE OF INTEREST SCHEDULE

<u>Unit Number</u>	<u>Percentage of Interest</u>
1-1	0.9688%
1-2	0.9688%
1-3	0.9688%
1-4	0.9688%
1-5	0.9688%
1-6	0.9688%
1-7	0.9688%
1-8	0.9688%
1-9	0.9688%
1-10	0.9688%
1-11	0.9688%
1-12	0.9688%
1-13	0.9688%
1-14	0.9688%
1-15	0.9688%
1-16	0.9688%
1-17	0.9688%
1-18	0.9688%
1-19	0.9688%
1-20	0.9688%
1-21	0.9688%
1-22	0.9688%
1-23	0.9688%
1-24	0.9688%
1-25	0.9688%
1-26	0.9688%
1-27	0.9688%
1-28	0.9688%
1-29	0.9688%
1-30	0.9688%
1-31	0.9688%
1-32	0.9688%
2-1	1.2500%
2-2	1.2500%
2-3	1.2500%
2-4	1.2500%
2-5	1.2500%
2-6	1.2500%
3-1	1.2500%
3-2	1.2500%
3-3	1.2500%
3-4	1.2500%
3-5	1.2500%
3-6	1.2500%

4-1	1.2500%
4-2	1.2500%
4-3	1.2500%
4-4	1.2500%
4-5	1.2500%
4-6	1.2500%
5-1	1.2500%
5-2	1.2500%
5-3	1.2500%
5-4	1.2500%
5-5	1.2500%
5-6	1.2500%
6-1	1.2500%
6-2	1.2500%
6-3	1.2500%
6-4	1.2500%
6-5	1.2500%
6-6	1.2500%
7-1	1.2500%
7-2	1.2500%
7-3	1.2500%
7-4	1.2500%
7-5	1.2500%
7-6	1.2500%
Building 8 Unit	<u>24.00%</u>
	100.00%

EXHIBIT 1G

SCHEDULE OF PERCENTAGE OF MAINTENANCE RESPONSIBILITIES

EXHIBIT G

**Schedule of Percentage of
Maintenance Responsibilities**

<u>Units</u>	<u>% General Common Expenses</u>	<u>% Limited Common Expenses</u>
Each Unit in Building 1	0.9688%	1.2747%
Each Unit in Buildings 2 through 7	1.2500%	1.6447%
Building 8 Unit	24.00%	0.0%

EXHIBIT 2

**PROPOSED OPERATING BUDGET FOR FIRST FULL YEAR
OF OPERATION, LETTER OF BUDGET ADEQUACY AND
LETTER OF INSURANCE ADEQUACY**

PARK EDGE
CONDOMINIUM ASSOCIATION, INC.
FORECASTED OPERATING BUDGET
FOR THE ASSOCIATION
INITIAL FULL FISCAL YEAR
AT FULL OCCUPANCY

PARK EDGE CONDOMINIUM ASSOCIATION, INC.

FORECASTED OPERATING BUDGET FOR THE ASSOCIATION

INITIAL FULL FISCAL YEAR AT FULL OCCUPANCY

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TO THE PARK EDGE DEVELOPMENT GROUP, INC.

We have examined the accompanying Forecasted Operating Budget of the Park Edge Condominium Association, Inc. for its initial full fiscal year based on full occupancy. Our examination was made in accordance with standards for an examination of a forecast established by the American Institute of Certified Public Accountants and, accordingly, included such procedures as we considered necessary to evaluate both the assumptions used by the Sponsor and the preparation and presentation of the forecast.

In our opinion, the accompanying forecast is presented in conformity with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants, and the underlying assumptions provide a reasonable basis for the Sponsor's forecast, and that the operating budget is adequate. However, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

WILKIN & GUTTENPLAN, P.C.
Certified Public Accountants

East Brunswick, New Jersey

July 5, 1993

Page 1

PARK EDGE CONDOMINIUM ASSOCIATION, INC.

FORECASTED OPERATING BUDGET FOR GENERAL COMMON AREA EXPENSES

INITIAL FULL FISCAL YEAR BASED ON FULL OCCUPANCY IN 1993 DOLLARS

	<u>FULL OCCUPANCY</u>
REVENUES: (Note 2)	
Residential assessments - Pages 6-7	<u>\$123,496</u>
EXPENSES AND RESERVES: (Note 3)	
I. ADMINISTRATIVE EXPENSES	
1. Management fees	\$ 9,600
2. Insurance	38,000
3. Office expenses	500
4. Legal fees	1,000
5. Audit	3,000
6. Dues and organizational expense	<u>500</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>52,600</u>
II. OPERATING EXPENSES	
1. Lawn, sprinkler and shrubbery maintenance	15,000
2. Snow clearing	5,300
3. Trash removal	27,600
4. Electricity	5,800
5. Water	3,500
6. Exterminating	200
7. Community center cleaning	<u>1,700</u>
TOTAL OPERATING EXPENSES	<u>59,100</u>
III. OPERATING CONTINGENCY, REPLACEMENT RESERVES AND DEFERRED MAINTENANCE	
1. Operating contingency	3,509
2. Replacement reserves	6,037
3. Deferred maintenance	<u>2,250</u>
TOTAL OPERATING CONTINGENCY, REPLACEMENT RESERVE AND DEFERRED MAINTENANCE	<u>11,796</u>
TOTAL EXPENSES AND RESERVES	<u>\$123,496</u>

See accountant's report.
The accompanying statement of assumptions and
rationale is an integral part of the forecast.

PARK EDGE CONDOMINIUM ASSOCIATION, INC.

SCHEDULE OF REPLACEMENT RESERVES AND DEFERRED MAINTENANCE

FOR GENERAL COMMON AREAS

INITIAL FULL FISCAL YEAR BASED ON FULL OCCUPANCY IN 1993 DOLLARS

	<u>APPROXIMATE</u>	<u>ESTIMATED</u>	<u>REPLACEMENT</u>	<u>ESTIMATED</u>	<u>ANNUAL</u>
	<u>AREA OR</u>	<u>UNIT COSTS</u>	<u>COST</u>	<u>LIFE</u>	<u>RESERVE</u>
	<u>QUANTITY</u>	<u>(CURRENT)</u>	<u>(CURRENT)</u>	<u>(YEARS)</u>	<u>PROVISION</u>
REPLACEMENT RESERVES:					
Fencing - Picket 3'9"	750 ln. ft.	\$ 15.00	\$11,250	15	\$ 750
Fencing - Picket 1'9"	32 ln. ft.	\$ 13.50	432	15	29
Walkway roof - Class A Fiberglass	14 squares	\$ 76.84	1,076	20	54
Pavement - parking areas:					
Wearing course	4,200 sq.yds.	\$ 3.42	14,364	20	718
Seal coating	4,200 sq.yds.	\$ 1.37	5,754	10	575
Concrete areas:					
Sidewalks	9,000 sq.ft.	\$ 4.00	36,000	30	1,200
Street lighting	17 lamps	Lump Sum	10,905	20	545
Other lighting	72 unit	Lump Sum	4,059	20	203
Carpet - community center	459 sq.yds.	\$ 16.00	7,344	8	918
Cast iron benches	21 benches	\$450.00	9,450	25	378
Furniture - community center	Various		5,000	10	500
HVAC system - community center	Lump sum		2,500	15	<u>167</u>
TO ANNUAL PROVISION FOR REPLACEMENT RESERVES					<u>\$6,037</u>

DEFERRED MAINTENANCE:

Mulching			4,500	2	<u>\$2,250</u>
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See accountants' report.
The accompanying statement of assumptions and
rationale is an integral part of the forecast.

PARK EDGE CONDOMINIUM ASSOCIATION, INC.

FORECASTED OPERATING BUDGET FOR LIMITED COMMON AREA EXPENSES

INITIAL FULL FISCAL YEAR BASED ON FULL OCCUPANCY IN 1993 DOLLARS

	<u>FULL OCCUPANCY</u>
REVENUES: (Note 1)	
Residential Assessments - Pages 6-7	<u>\$19,728</u>
EXPENSES AND RESERVES: (Note 4)	
I. OPERATING:	
1. General repairs and maintenance	2,500
2. Hallway cleaning	2,080
3. Elevator maintenance	<u>5,000</u>
TOTAL OPERATING EXPENSES	<u>9,580</u>
II. OPERATING CONTINGENCY, REPLACEMENT RESERVES AND DEFERRED MAINTENANCE:	
1. Operating contingency	942
2. Replacement reserves	6,726
3. Deferred maintenance	<u>2,480</u>
TOTAL OPERATING CONTINGENCY, REPLACEMENT RESERVES AND DEFERRED MAINTENANCE	<u>10,148</u>
TOTAL EXPENSES AND RESERVES	<u>\$19,728</u>

See accountants' report.
The accompanying statement of assumptions and
rationale is an integral part of the forecast.

PARK EDGE CONDOMINIUM ASSOCIATION, INC.

SCHEDULE OF REPLACEMENT AND DEFERRED MAINTENANCE RESERVES

FOR LIMITED COMMON AREAS

INITIAL FULL FISCAL YEAR BASED ON FULL OCCUPANCY IN 1993 DOLLARS

	<u>APPROXIMATE</u>	<u>ESTIMATED</u>	<u>REPLACEMENT</u>	<u>ESTIMATED</u>	<u>ANNUAL</u>
	<u>AREA OR</u>	<u>UNIT COST</u>	<u>COST</u>	<u>LIFE</u>	<u>RESERVE</u>
	<u>QUANTITY</u>	<u>(CURRENT)</u>	<u>(CURRENT)</u>	<u>(YEARS)</u>	<u>PROVISION</u>
REPLACEMENT RESERVES:					
Roof-Class A Fiberglass	640 squares	\$76.84	49,178	20	\$2,459
Gutters - aluminum	3,000 ln. ft.	\$ 4.71	14,130	20	707
Leaders - aluminum	2,350 ln. ft.	\$ 3.00	7,050	20	353
Balconies - treated wood	1,225 sq. ft.	\$12.00	14,700	15	980
Dumpster enclosures concrete pads	36 sq. yds.	\$25.50	918	30	31
Carpet - hallways	1,098 sq.yds.	\$16.00	17,568	8	<u>2,196</u>
TOTAL ANNUAL PROVISION FOR REPLACEMENT RESERVES					<u>\$6,726</u>
DEFERRED MAINTENANCE:					
Hallway painting	20,000 sq.ft.	\$.62	12,400	5	<u>\$2,480</u>

See accountants' report.
The accompanying statement of assumptions and rationale is an integral part of the forecast.

PARK EDGE CONDOMINIUM ASSOCIATION, INC.

SCHEDULE OF PROPORTIONATE RESPONSIBILITY

FOR COMMON AREA EXPENSE ASSESSMENTS

UNIT NUMBER	COMMON COSTS			COMMON COSTS			TOTAL MONTHLY ASSESSMENT	TOTAL ANNUAL ASSESSMENT
	PERCENTAGE OF PROPORTIONATE RESPONSIBILITY	MONTHLY ASSESSMENT	ANNUAL ASSESSMENT	PERCENTAGE OF PROPORTIONATE RESPONSIBILITY	MONTHLY ASSESSMENT	ANNUAL ASSESSMENT		
<u>GENERAL COMMON EXPENSES</u>			<u>LIMITED COMMON EXPENSES</u>					
1-1	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-2	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-3	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-4	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-5	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-6	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-7	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-8	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-9	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-10	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-11	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-12	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-13	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-14	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-15	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-16	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-17	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-18	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-19	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-20	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-21	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-22	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-23	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-24	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-25	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452
1-26	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 121	\$ 1,452

See accountants' report.
 The accompanying statement of assumptions and rationale is an integral part of the forecast.

PARK EDGE CONDOMINIUM ASSOCIATION, INC.
SCHEDULE OF PROPORTIONATE RESPONSIBILITY
FOR COMMON AREA EXPENSE ASSESSMENTS

UNIT NUMBER	COMMON COSTS GENERAL COMMON EXPENSES			COMMON COSTS LIMITED COMMON EXPENSES			TOTAL ANNUAL ASSESSMENT	TOTAL MONTHLY ASSESSMENT	TOTAL ANNUAL ASSESSMENT
	PERCENTAGE OF PROPORTIONATE RESPONSIBILITY	MONTHLY ASSESSMENT	ANNUAL ASSESSMENT	PERCENTAGE OF PROPORTIONATE RESPONSIBILITY	MONTHLY ASSESSMENT	ANNUAL ASSESSMENT			
1-27	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 1,452	\$ 121	\$ 1,452
1-28	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 1,452	\$ 121	\$ 1,452
1-29	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 1,452	\$ 121	\$ 1,452
1-30	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 1,452	\$ 121	\$ 1,452
1-31	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 1,452	\$ 121	\$ 1,452
1-32	0.9688%	\$100	\$ 1,200	1.2747%	\$21	\$ 252	\$ 1,452	\$ 121	\$ 1,452
2-1	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
2-2	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
2-3	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
2-4	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
2-5	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
2-6	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
3-1	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
3-2	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
3-3	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
3-4	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
3-5	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
3-6	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
4-1	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
4-2	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
4-3	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
4-4	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872
4-5	1.2500%	\$129	\$ 1,548	1.6447%	\$27	\$ 324	\$ 1,872	\$ 156	\$ 1,872

See accountants' report.
The accompanying statement of assumptions and rationale is an integral part of the forecast.

PARK EDGE CONDOMINIUM ASSOCIATION, INC.

SCHEDULE OF PROPORTIONATE RESPONSIBILITY

FOR COMMON AREA EXPENSE ASSESSMENTS

UNIT NUMBER	COMMON COSTS			COMMON COSTS			TOTAL MONTHLY ASSESSMENT	TOTAL ANNUAL ASSESSMENT
	PERCENTAGE OF PROPORTIONATE RESPONSIBILITY	MONTHLY ASSESSMENT	ANNUAL ASSESSMENT	PERCENTAGE OF PROPORTIONATE RESPONSIBILITY	MONTHLY ASSESSMENT	ANNUAL ASSESSMENT		
4-6	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
5-1	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
5-2	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
5-3	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
5-4	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
5-5	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
5-6	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
6-1	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
6-2	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
6-3	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
6-4	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
6-5	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
6-6	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
7-1	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
7-2	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
7-3	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
7-4	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
7-5	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
7-6	1.2500%	\$ 129	\$ 1,548	1.6447%	\$ 27	\$ 324	\$ 156	\$ 1,872
BLDG 8	24.0000%	\$ 2,470	\$ 29,640	0.0000%	\$ 0	\$ 0	\$ 2,470	\$ 29,640
	100.0000%	\$ 10,314	\$ 123,768	100.0000%	\$ 1,664	\$ 19,728	\$ 11,978	\$ 143,496

See accountants' report.
 The accompanying statement of assumptions and rationale is an integral part of the forecast.

STATEMENT OF ASSUMPTIONS AND RATIONALE

INITIAL FULL FISCAL YEAR BASED ON FULL OCCUPANCY

NOTE 1 - The financial forecast presents, to the best of the Sponsor's knowledge and belief, the Association's expected operating budget for the initial year assuming the following conditions:

- No construction or material defects of the common and limited common areas and structures exist.
- The quantities of common and limited common areas contained in the operating budget are accurate.
- Proper maintenance of the common and limited common areas and structures will take place in the future.
- The Schedule of Replacement Reserves and Deferred Maintenance will be reviewed on an annual basis and assessments will be updated for changes in projected lives and replacement costs.

The development to be built in Berkeley Heights, New Jersey is planned to be comprised of 64 apartments in two buildings and 36 townhouse units. Of the 100 units, 68 are to be conveyed as condominium sales and 32 units are to be retained by the Sponsor as rental units.

The forecast is subdivided into two components: an operating budget and reserves schedule for the general common elements which are for the use and benefit of all of the units; and an operating budget and reserves schedule for the limited common elements which are for the exclusive use and benefit of all except the rental units. The Sponsor will directly pay all maintenance and replacement expenditures for the exclusive benefit of the rental units, which will be contained in a separate building. Therefore, such expenditures are not included in this budget.

The forecast reflects the Sponsor's judgment as of the date of the forecast, of the expected course of action given 1993 dollars and full occupancy. The forecasted budget amounts are those expected to be incurred in the normal operations of common areas and limited common elements. It does not include expenses incurred on individual units. The assumptions disclosed herein are those that the Sponsor believes are significant to the forecast. Further, even if full occupancy levels were attained and expenses remained at 1993 dollars, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

NOTE 2 - The Association will receive revenue from members in the form of annual assessments which will be collected on a monthly basis. The assessments per unit are detailed on pages 6 through 8. The condominium unit assessments are comprised of two portions. One portion is attributed to operating expenses and replacement reserves for the general common areas of both the rental units and condominium units. The second portion pertains to the limited common operating expenses and replacement reserves for the exclusive benefit of the condominium units. The rental unit's assessments consists of their proportionate share of general common area expenditures. The Sponsor will provide building repair and maintenance for the exclusive benefit of the rental units.

PARK EDGE CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF ASSUMPTIONS AND RATIONALE

INITIAL FULL FISCAL YEAR BASED ON FULL OCCUPANCY

NOTE 3 - GENERAL COMMON AREAS EXPENSES

The Association will incur various expenses in connection with the maintenance of the common properties and facilities. The expense categories are explained as follows:

I. ADMINISTRATIVE EXPENSES

1. Management Fees - The operation of an Association requires various administrative and supervisory services. This category covers the cost of employing a management company to perform those duties. The cost of management is \$8 per residential unit per month based upon a proposal from Bedminster Realty Management, Inc., an entity which is related to the Sponsor.
2. Insurance - The Association documents detail the coverage and quote which was obtained from The Richland-Knowles Agency.
3. Office Expense - This category covers the cost of stamps, journals, photocopies and miscellaneous office expenses.
4. Legal Fees - The Association will require the service of an attorney for various purposes including collection matters, adopting resolutions, etc. This is an estimate of such services. The estimate does not include costs, if any, which may be incurred as a result of the transition process.
5. Auditing Fees - This expense, based upon an estimate from Wilkin & Guttenplan, P.C., will cover the cost for an annual audit of the financial statements and preparation of the annual corporate income tax return. The estimate does not include costs, if any, which may be incurred as a result of the transition process.
6. Dues and Organizational Expense - This category includes membership in the Community Association Institute and other miscellaneous expenses which may be incurred.

II. OPERATING EXPENSES:

1. Lawn, Sprinkler and Shrubbery Maintenance - This item covers the cost of routine maintenance to the common area lawn, shrubbery and sprinkler system as well as maintenance of building gutters and downspouts. The amount is based on a quote from Treich Landscape Contractors.

(Continued)

PARK EDGE CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF ASSUMPTIONS AND RATIONALE

INITIAL FULL FISCAL YEAR BASED ON FULL OCCUPANCY

NOTE 3 - CONTINUED

II. OPERATING EXPENSES (CONTINUED):

2. Snow Clearing - The Association will be responsible for clearing snow from the common roadways, sidewalks and parking areas. The amount is based on a proposal from Redwood Tree Service for snow removal for five storms less than seven inches and one storm greater than seven inches.
3. Trash Removal - This amount covers the cost of two weekly trash pickups and is based on a quote from D'Aneillo Carting Co., Inc. of \$23.00 per unit per month.
4. Common Electric - This line item covers the estimated cost of electricity for common area lighting. The estimate is based upon data obtained from Jersey Central Power and Light and extrapolated for this development. Electricity for the individual units will be billed directly to the unit owners by the utility company.
5. Common Water and Sewer - This line item covers the estimated cost of water and sewer services for the complex. The estimate is based upon usage at similar developments and rate data obtained from New Jersey American Water Company.
6. Exterminating - This line item represents the estimated cost of exterminating services on an as needed basis.
7. Community Center Cleaning - This item covers the cost of routine cleaning of the community center once weekly. The cost is based on a quote from Berkeley Cleaning Service.

III. OPERATING CONTINGENCY, REPLACEMENT RESERVES AND DEFERRED MAINTENANCE:

1. Operating Contingency - This item is intended to cover needs not anticipated at this time, as well as any deficiencies in the operating budget. It is based on approximately 3% of total expenditures exclusive of replacement reserves and deferred maintenance.
2. Replacement Reserves - An inventory of commonly owned assets for which the Association has the responsibility for replacement was developed through a review of construction plans. The quantities were supplied by the Sponsor. Asset costs and useful lives were derived from the Means Repair and Remodeling Cost Data Guide and other professional sources. The schedule of replacement reserves is detailed on page 3.

PARK EDGE CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF ASSUMPTIONS AND RATIONALE

INITIAL FULL FISCAL YEAR BASED ON FULL OCCUPANCY

NOTE 3 - CONTINUED

III. OPERATING CONTINGENCY, REPLACEMENT RESERVES AND DEFERRED MAINTENANCE (CONTINUED):

3. Deferred Maintenance - These reserves are for maintenance activities anticipated to be performed in future years and less frequently than annually. The schedule of deferred maintenance is detailed on page 3.

NOTE 4 - LIMITED COMMON AREAS EXPENSES

The Association will incur expenses for the exclusive benefit of the condominium units. The expense categories are explained as follows:

I. OPERATING EXPENSES:

1. Repairs and Maintenance - This line item provides funds for the repair and maintenance of common elements not delineated separately. This line item is an estimate based upon similar associations.
2. Hallway Cleaning - This item covers the cost of routine cleaning of the hallway, stairwells and dumpster rooms. The amount is based on a quote from Berkeley Cleaning Service.
3. Elevator Maintenance - This item covers the cost of a comprehensive elevator maintenance, contract covering all parts and labor necessary to keep the elevator in safe operating condition. The amount is based on a quote from Dover Elevator. The useful life of the elevator is estimated to be equal to that of the building provided it is properly maintained. Therefore, no provision for replacement reserves is considered necessary provided the maintenance contract is maintained.

II. OPERATING CONTINGENCY, REPLACEMENT RESERVES AND DEFERRED MAINTENANCE:

1. Operating Contingency - This item is intended to cover needs not anticipated at this time, as well as any deficiencies in the operating budget. It is based on approximately 3% of total expenditures exclusive of replacement reserves and deferred maintenance.

PARK EDGE CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF ASSUMPTIONS AND RATIONALE

INITIAL FULL FISCAL YEAR BASED ON FULL OCCUPANCY

NOTE 4 - CONTINUED

III. OPERATING CONTINGENCY, REPLACEMENT RESERVES AND DEFERRED MAINTENANCE: (CONTINUED)

2. Replacement Reserves - An inventory of commonly owned assets for which the Association has the responsibility for replacement was developed through a review of construction plans. The quantities were supplied by the Sponsor. Asset costs and useful lives were derived from the Means Repair and Remodeling Cost Data Guide and other professional sources. The schedule of replacement reserves is detailed on page 5.
3. Deferred Maintenance - These reserves are for maintenance activities anticipated to be performed in future years and less frequently than annually. The schedule of deferred maintenance is on page 5.

EXHIBIT 3

SUBSCRIPTION AND PURCHASE AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS.

Unit Type: _____ Unit No.: _____

Percentage Interest in Common Elements: _____

Mortgage: _____ Purchase Price: _____

Anticipated Closing Date: _____

**PARK EDGE, A CONDOMINIUM
Subscription and Purchase Agreement**

1. NAMES AND ADDRESSES OF PARTIES:

A. SELLER: PARK EDGE LIMITED PARTNERSHIP

B. ADDRESS: 100 Campus Drive
Florham Park, New Jersey 07932

C. TELEPHONE: (201) 301-8224

D. BUYER(S): _____

E. HOME ADDRESS: _____

F. TELEPHONE () _____ (Zip Code) _____

G. BUSINESS ADDRESS: _____

H. TELEPHONE () _____ (Zip Code) _____

2. SUMMARY OF FINANCIAL TERMS:

A. PREVIOUS DEPOSIT (paid by Buyer before this Agreement was signed): \$ _____

B. DEPOSIT (paid by Buyer on Signing this Agreement): \$ _____

C. ADDITIONAL DEPOSIT (to be paid by Buyer by _____): \$ _____

D. PROCEEDS of a mortgage loan (see Paragraph 5B): \$ _____

E. BALANCE due at closing (subject to closing adjustments as referred to in paragraph 9 of this Agreement): \$ _____

F. TOTAL PURCHASE PRICE \$ _____

Option or extras offered by the Seller and desired by the Buyer are described on the Option Rider which is attached hereto, if any. The cost of any option or extra is due when ordered by the Buyer and is in addition to the Total Purchase Price described above.

3. DESCRIPTION OF PROPERTY: PUBLIC OFFERING STATEMENT:

The property to be sold under this Agreement is described as follows:

Unit #: _____

Percentage Interest in Common Elements: _____

Throughout this Agreement, the property to be sold is referred to as the "Unit". The Unit is located PARK EDGE, A CONDOMINIUM, Springfield Avenue, Berkeley Heights, New Jersey, which is referred to in this Agreement as the "Condominium". The approximate location, size and layout of the Units in the Condominium may be found at Exhibits B and C of the Condominium's Master Deed. A copy of the Master Deed is reproduced in the Public Offering Statement for the Condominium.

4. AGREEMENT TO PURCHASE:

The Seller agrees to sell and the Buyer agrees to purchase the Unit. This written Agreement will govern the rights and obligations of the Seller and the Buyer. Any time another document is referred to in this Agreement, it will be as though that document were fully reproduced as part of this Agreement.

The Buyer also agrees to become a member of the PARK EDGE Condominium Association, Inc. which is referred to in this Agreement as the "Association". The Buyer will be a member of the Association for as long as the Buyer owns the Unit(s), and will abide by the Association's By-Laws and Rules and Regulations. The Unit and the Buyer's membership in the Association are subject to all of the terms of the Condominium's Master Deed.

5A. PAYMENT OF PURCHASE PRICE:

The Buyer will pay the Total Purchase Price of the Unit, as set forth in Paragraph 2F above in the manner provided in Paragraphs 2A, 2B, 2C, 2D and 2E above. The Buyer has delivered a personal check for the deposit monies (2A and 2B above) and may deliver a personal check for the additional deposit (2C above). These checks are accepted by the Seller subject to collection. If the checks are not paid by the bank, this Agreement may be cancelled by the Seller, and Paragraph 23 of this Agreement will control. If Paragraph 2D above indicates that the Buyer intends to finance a portion of the Total Purchase Price, the Buyer will try to obtain a mortgage loan.

The Buyer will pay the balance due at closing (2E above) in cash or by certified funds. "Certified funds" means a check of the Bank which has been certified by the Buyer's bank and may not be stopped. It also means a cashier's, treasurer's or official bank check which the Bank has drawn on itself. It does not mean an attorney's trust account check or a check drawn by the Bank on an account which it maintains with another bank.

5B. BUYER'S MORTGAGE LOAN:

By inserting a dollar amount in Paragraph 2D of this Agreement, the Buyer is indicating that the Buyer is desirous of obtaining a mortgage loan to pay part of the price of the Unit. The mortgage loan amount set forth in Paragraph 2D above shall be the amount sought by Buyer. The terms of the mortgage loan will be the prevailing terms offered by institutional lenders on the date of application for loans to acquire dwellings in the state of New Jersey unless more specific terms are specified by attachment of a rider to this Agreement signed by both Seller and Buyer. **THE BUYER UNDERSTANDS THAT THE BUYER MUST SATISFY THE LENDER'S CRITERIA AS TO CREDITWORTHINESS IN ORDER TO QUALIFY FOR THE MORTGAGE LOAN. IF BUYER DOES NOT QUALIFY FOR A MORTGAGE LOAN, THE SELLER SHALL HAVE NO LIABILITY TO THE BUYER.**

The Buyer agrees to promptly complete all necessary applications for the mortgage loan within fourteen (14) calendar days of the date Buyer signs this Agreement. Buyer shall notify Seller in writing within ten (10) calendar days of signing this Agreement the name of the lending institution to which the Buyer has submitted its application. If the lender requests further information, the Buyer agree to furnish it promptly. If the lender issues a commitment to make the mortgage loan, the Buyer will promptly sign all documents and take such action as may be reasonably required by the lender. The Buyer agrees to accept a commitment for a mortgage loan on the terms described above. The Buyer agrees to fulfill any conditions contained in such commitment. The Buyer's failure to accept an issued commitment or to fulfill any conditions to the commitment will be a breach of promise under this Agreement. If Buyer does not receive a mortgage loan commitment within forty-five (45) calendar days of the date of signing this Agreement, the Buyer will so notify the Seller in writing. This notice must be sent or delivered by the Buyer within five (5) business days of the end of this forty-five (45) day period. Upon the Seller's receipt of this notice, either the Seller or the Buyer may thereafter choose to terminate this Agreement. If either party chooses to terminate this Agreement, the other party shall be notified in writing. Upon termination of this Agreement, the Seller will promptly refund all deposit monies paid by Buyer, without interest. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement. **IF THE BUYER FAILS TO NOTIFY THE SELLER IN THE MANNER PROVIDED ABOVE THAT THE BUYER DID NOT OBTAIN A COMMITMENT FOR A MORTGAGE LOAN, THE BUYER WILL BE OBLIGATED TO CLOSE TITLE. IF THIS AGREEMENT HAS NOT BEEN PROPERLY TERMINATED AND THE BUYER FAILS TO CLOSE TITLE, THE BUYER WILL HAVE BREACHED A PROMISE UNDER THIS AGREEMENT.** If a commitment for a mortgage loan is made by a lender, the Buyer agrees to acquire private mortgage guaranty insurance as may be required by the lender. The Buyer shall pay all costs of applications and premiums for such insurance when due. The Buyer will pay all application, processing, commitment and other fees charged by the lender.

6. ESCROW DOWN PAYMENTS:

The Seller will hold all money paid by the Buyer under this Agreement prior to closing in escrow. This means the Seller may not use or keep that money until closing of title or unless the Buyer breaks a promise made in this Agreement, as discussed in Paragraph 21. This money will be held in escrow by Seller's attorney, Hartlaub & Dotten, in an Attorney's Trust Account maintained for that purpose with the Summit Trust Company, One Main Street, Chatham, New Jersey 07978, under the name "Park Edge Special Escrow Account for Purchasers" or similar name. This means that the Seller receive all deposit monies in trust (in escrow) until actually utilized as provided in this Agreement and the Public Offering Statement for the Condominium. At the option of the Seller, an interest bearing account may be established, with interest to accumulate to the Seller's benefit.

7. CONDITION OF TITLE TO THE PROPERTY:

The Seller will transfer title to the Unit to the Buyer, insurable at regular rates, free and clear of all claims and rights of others except the following:

- (a) Zoning regulations and other ordinances of the Township of Berkeley Heights which now or hereafter affect the Unit or the Condominium, provided that they do not presently prohibit the existing residential use of the Unit and are not presently violated by the Condominium structures and improvements.
- (b) Any easements referred to in the Public Offering Statement or the Master Deed for the Condominium
- (c) Any covenants, restrictions, reservations or agreements contained or referred to in the Public Offering Statement or the Master Deed for the Condominium.
- (d) Any state of facts which an accurate survey would reveal.

- (e) Any exception to affirmative insurance stated in the sample Unit Owner's title insurance policy contained in the Public Offering Statement for the Condominium.
- (f) Possible additional taxes and assessments for the year of sale imposed by the municipality under *N.J.S.A. 54:463.1* because of the construction of the improvements which constitute the Condominium.

At the closing, the Seller will deliver a form of deed commonly known as a "Bargain and Sale Deed with Covenant Against Grantor's Acts". As a condition of delivery of the deed, the Buyer will be required to sign the deed at the closing in the presence of a notary public or attorney-at-law of the State of New Jersey. The Buyer's signature is necessary to evidence the Buyer's Agreement to the matters contained in Paragraph 16 of this Agreement. Seller will also deliver the usual Affidavit of Title delivered by sellers in New Jersey real estate closings.

The Buyer acknowledges that the Seller has, or may in the future, borrow money to build the Condominium. The Buyer agrees that the Buyer's rights under this Agreement are subject and subordinate to the lien or any construction mortgage now or hereafter made by the Seller, and any advance made under any such mortgage, without the necessity of the Buyer signing any further document. This means that the Seller may place a mortgage on the Unit or the Condominium in order to obtain a loan. The Seller will not have to obtain the Buyer's permission to obtain the mortgage, even if it is made after the date of this Agreement. However, if the Seller requests, the Buyer will sign a separate legal document containing the Buyer's agreements in this Paragraph. The document will be prepared at the cost of the Seller and the Buyer may not request anything in return for signing it.

8. TIME AND PLACE OF CLOSING OF TITLE:

Closing of title to the Unit, when the Seller delivers the deed to the Unit and the Buyer delivers the unpaid portion of the purchase price and all other sums required to be paid under this Agreement, is anticipated to occur at the office of R. Jeffrey Hartlaub, Esq., Hartlaub & Dotten, 47 River Road, Summit, New Jersey 07901 on or about the date appearing at the top of page 1 of this Agreement entitled "Anticipated Closing Date". The Seller will notify the Buyer in writing of the exact day, time and place of closing at least five (5) days before it occurs. Upon receiving notice of the exact date, time and place of closing, the Buyer may not postpone the closing without the consent of the Seller. **FAILURE OF THE BUYER TO CLOSE TITLE AT THE SCHEDULED TIME AND PLACE, UNLESS THE SELLER CONSENTS TO A POSTPONEMENT, WILL BE A BREACH OF THIS AGREEMENT MADE BY THE BUYER.** The Seller will be entitled to a reasonable adjournment of the closing date, as discussed in Paragraph 10 of this Agreement.

The Buyer will be under no obligation to close title if more than sixty (60) days have elapsed since the anticipated closing date, as discussed in Paragraph 10 of this Agreement. The Buyer will be under no obligation to close title unless the Seller provides a Temporary or Permanent Certificate of Occupancy for the Unit, issued by the Township of Berkeley Heights, at or before the time of closing.

At closing, the Seller will be represented by Hartlaub & Dotten, P.C. who will not represent the interests of the Buyer. It is suggested that the Buyer retain other legal counsel to better represent the Buyer's interests in connection with this Agreement and the acquisition of the Unit. The Buyer shall be responsible for the fees and charges of any attorney retained by the Buyer.

9. PAYMENTS DUE AT CLOSING:

As a condition of the Seller's delivery of the deed for the Unit, at the closing the Buyer must pay the balance of the Total Purchase Price. The Buyer and Seller will also apportion certain expenses arising out of ownership of the Unit. The Buyer and Seller shall also have certain expenses connected with the closing which they each must pay.

(A) Unpaid Balance of Purchase Price:

At closing, the Buyer must produce cash or certified funds representing the difference between the Total Purchase Price of the Unit plus the cost of optional items ordered by Buyer, if any, and

down payments previously made by the Buyer plus the proceeds of a mortgage loan, if any. This amount is estimated at Paragraph 2E above. However, the total amount which the Buyer must pay to the Seller at the closing must take into account the adjustments which are discussed in the next section of this Agreement. These adjustments will probably require the Buyer to pay an amount different from the estimate.

(B) Adjustments Between Seller and Buyer:

The following expenses will be apportioned between Seller and Buyer based upon their respective periods of ownership of the Unit:

- (1) Real Estate taxes;
- (2) Municipal water and sewer charges;
- (3) The Association's Common Expense Assessment against the Unit; and
- (4) Such other items as are customarily adjusted at closing.

These adjustments will appear on the closing statement, credited to the appropriate party. The net result of the adjustments may be to increase or decrease the amount the Buyer must pay in cash or certified funds at the closing from that estimated in Paragraph 2E above.

(C) Other Expenses:

Certain other expenses payable by the Buyer and Seller respectively, are set forth in Section 15 of the Public Offering Statement. This includes a contribution made by Buyer to the Association's working capital fund equivalent to twice the monthly maintenance fee then in effect.

10. SELLER'S INABILITY TO DELIVER THE DEED:

If the Seller is not able, for reasons beyond its control, to deliver the Deed on the date set for closing, the Seller may postpone the closing for up to sixty (60) calendar days. To exercise this right prior to the anticipated date of closing contained in Paragraph 8, the Seller must notify the Buyer in writing that the closing has been postponed. If, after the period has expired, the Seller is still unable to deliver a deed for reasons beyond its control, either party may terminate this Agreement by so notifying the other party in writing. If this Agreement is terminated the Seller will promptly return to the Buyer all deposit monies paid under this Agreement without interest. The Seller will also reimburse the Buyer for the expenses of title searches or surveys which the Buyer has incurred if the Buyer produces adequate proof that the Buyer has paid or been charged these expenses. When the Seller returns the deposit monies and makes any applicable reimbursement to the Buyer, neither the Buyer nor the Seller will have any further rights or obligations under this Agreement. The Buyer agrees that if the Seller postpone and/or terminates this Agreement under this Paragraph, the Seller will not be responsible for any expense which the Buyer might incur as a result of the delay or termination. Those expenses will include, but not be limited to storage of the Buyer's furniture or to his or her personal property and substituted housing.

11. RENTAL BY SELLER; OCCUPANCY; INSPECTION:

The Seller has reserved the right to lease any Unit owned by it at any time. However, the Seller agrees that it will not enter into any lease for the Unit which is the subject of this Agreement prior to closing, except with the Buyer as tenant. The Seller has no intention of leasing any Units at this time except for the apartments comprising the Building B Unit.

The Buyer will not be entitled to possession of the Unit until closing of title. This means that the Buyer has no interest in the Unit, except those rights arising under this Agreement, and that the Buyer will not be permitted to enter, use or authorize the use of the Unit for any purpose until the Buyer is the owner of the Unit. The Buyer is not permitted to store any personal property in the Unit prior to closing. The Buyer is not permitted to send any contractors or other persons to the Unit, for the purpose of performing any work or otherwise, prior to closing. The Buyer understands that if the Buyer, or an

other person at the request of the Buyer, enters the Unit without the written permission of the Seller, the Buyer will be responsible for any injuries suffered or losses sustained.

Provided the Buyer gives the Seller at least twenty-four (24) hours advance notice, the Buyer shall have the right to inspect the Unit, accompanied by a representative of the Seller, at any time during normal business hours within three (3) business days of closing. The inspection will be conducted in accordance with preclosing inspection procedures established by the Seller.

12. STANDARD CHOICES: SUBSTITUTION OF MATERIALS:

Where the Seller offers a choice of standard items to be included in the Unit at no extra cost, such as colors, the Seller will notify the Buyer when the choice is to be made. The Buyer must notify the Seller of the choice selected within ten (10) calendar days from the date the Seller notifies the Buyer of the choice to be made. If the Buyer does not notify the Seller within the proper time of the choice selected, the Seller will have the right to make the selection for the Buyer. The choice(s), as selected, may not be changed by the Buyer. The Buyer understands that the Seller's ability to deliver materials, appliances, equipment or optional items of the kind, color, make or model which were displayed to or chosen by the Buyer depends upon availability from suppliers. If any standard or optional item to be sold as part of or with the Unit becomes unavailable for reasons beyond the Seller's control, the Buyer authorizes the Seller as follows: (i) to substitute colors which the Seller feels are compatible with the color scheme of the Unit; and (ii) to substitute materials, appliances, equipment or optional items of equal or better quality. Where possible, the Seller will consult with the Buyer before making any substitution. However, if the Seller exercises this authority to make substitutions, the Buyer will be obligated to accept the substitution(s).

13. USE AND CONTROL OF COMMON ELEMENTS:

The Common Elements of the Condominium will be managed, operated and maintained by the Association for the benefit of all owners of Units. The funds necessary to operate and repair the Common Elements (as well as other Common Expenses and the cost of services provided by the Association) are obtained by the Association through the Common Expense Assessments (sometimes referred to as "Maintenance Charges") which are paid by owners of the Unit. The Buyer understands that as the owner of the Unit, the Buyer will be a member of the Association and will be obligated to pay the Common Expense Assessment charged to the Unit.

The Buyer should consult the Public Offering Statement for the Condominium for limitations and restrictions which are imposed or exist upon the use and availability of the Common Elements.

14. SELLER'S LIMITED WARRANTY:

The Seller agrees to give the Buyer certain warranties concerning the construction of the Unit and the Common Elements, as follows:

(1) The Seller warrants the construction of the Unit in accordance with the provision of the New Jersey New Home Warranty and Builders' Registration Act, *N.J.S.A. 46:3B-1 et seq.* The Seller will enroll the Unit in an approved warranty security plan at or promptly after closing. The Seller will pay all requisite fees and premiums for enrollment and coverage, provided that the Buyer will be responsible for any deductibles which are a part of the warranty security plan.

(2) The Seller warrants that any outbuildings, driveways, walkways, patios, retaining wall and fences installed by the Seller and constituting a part of the unit will be free from substantial defect due to faulty materials or workmanship for a period of one (1) year from the date of closing or the date of possession, whichever first occurs.

(3) The Seller warrants that drainage of surface water runoff is proper and adequate.

(4) The Seller warrants that all off-site improvements installed by the Seller in constructing the Condominium will be free from defects due to faulty materials or workmanship for a period of two (2) years from construction of each improvement or facility.

(5) The Seller warrants that the Unit is fit for its intended use.

(6) The Seller warrants that the Common Elements and Common facilities installed or constructed by the Seller will be free from substantial defects due to faulty materials or workmanship for a period of two (2) years from completion of each improvement or facility.

(7) The Seller warrants that the Common Elements and common facilities installed or constructed by the Seller are fit for their intended use, and that within the two (2) year period in Sub paragraph (6) above the Seller will correct any such defect within a reasonable time after notification of the defect. This warranty will constitute the sole obligation of the Seller to the Buyer and owners of Unit with respect to the Common Elements and common facilities. When the Seller has surrendered control of the Association's Board of Directors to Unit Owners other than the Seller, the Association will be obligated to remedy all obligations of the Seller with respect to the Common Elements. The Buyer will have no right or right of action against the Seller with respect to the Common Elements after that surrender of control.

(8) The Seller warrants that the Unit and the Common Elements will substantially conform to the sales models, descriptions or plans used to induce the Buyer to sign this Agreement, unless otherwise provided in this Agreement. **THE BUYER UNDERSTANDS THAT THE SELLER'S MODELS MAY CONTAIN OPTIONS AND EXTRAS THAT ARE NOT INCLUDED IN THE BASE PRICE OF THE UNIT. THE SELLER WILL CLEARLY MARK THESE EXTRAS AND OPTIONS IN THE MODELS.**

(9) At the closing, the Seller will assign to the Buyer any unexpired, assignable warranties issued by the manufacturers or suppliers of appliances, equipment or other personal property installed in or sold with the Unit. **THE SELLER DOES NOT INDEPENDENTLY WARRANT ANY SUCH APPLIANCES, EQUIPMENT OR OTHER PERSONAL PROPERTY EXCEPT TO THE EXTENT REQUIRED UNDER SUB-PARAGRAPH (1) OF THIS PARAGRAPH 14.**

THE SELLER EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF WARRANTY ARISING BY VIRTUE OR LAW WITH RESPECT TO THE UNIT, OR ANYTHING CONTAINED IN THE UNIT, OR THE COMMON ELEMENTS, OR WHICH WOULD OTHERWISE ARISE BY VIRTUE OF THE MAKING OF THIS AGREEMENT. THIS MEANS THAT THE ONLY WARRANTIES WHICH ARE GIVEN BY THE SELLER TO THE BUYER OR OTHER OWNER OF THE UNIT ARE THOSE LISTED ABOVE. By signing this Agreement, the Buyer acknowledges and agrees to the following statements:

- (a) That the Seller is not obligated to repair or replace any part of the Unit or other property which is the subject of this Agreement unless it is covered by one of the warranties listed above;
- (b) That the Seller has not made any promises or representations as to the condition of the Unit or other property which is the subject of this Agreement, except in this Paragraph 14;
- (c) That the Seller has not authorized anyone else to make any promise or representation as to the condition of the Unit or other property which is the subject of this Agreement, or to vary the provisions of this Paragraph 14; and
- (d) That the furniture, decorations or upgraded appliances in the sales models are for display purposes only and are not included in the sale of the Unit unless separately agreed to in an Option Rider to this Agreement.

The Seller also expressly disclaims liability for any consequential damages arising out of any breach of warranty. By signing this Agreement, the Buyer agrees that the Seller will not be liable for consequential damages.

15. CONDOMINIUM DOCUMENTS:

The Buyer agrees that this Agreement and the Buyer's ownership of the Unit are subject to the terms and provisions of the Master Deed of the Condominium, the Association's By-Laws, Rules and Regulations (which are referred to in this Agreement as the "Condominium Documents") and any amendments to the Condominium Documents which may be lawfully adopted in the future. As owner of the Unit, the Buyer agrees to abide by the Condominium Documents and perform all obligations which they impose upon Unit Owners of the Condominium. If any of the Condominium Documents are properly amended after the date of this Agreement, the Buyer agrees to abide by those amendments as if they were contained in the Condominium Documents on the Date of this Agreement.

16. CHANGES TO CONDOMINIUM DOCUMENTS - POWER OF ATTORNEY:

The Condominium Documents provide procedures for their amendment. They may be amended by the action of the Unit Owners in the Condominium and/or their elected representatives in the Association. There is also a procedure for amendment of the Condominium Documents if an amendment is reasonably required by one of the following entities:

- (a) an Eligible Mortgage Holder, as defined in the Master Deed, which has provided mortgage loans to Unit Owners;
- (b) the title insurance company chosen by the Seller to provide title insurance policies to Unit Owners; or
- (c) a governmental or quasi-governmental body or agency which has authority over the Condominium or the Association and the Conduct of its affairs.

If an amendment is required by one of these entities, then the Buyer expressly agrees that the Seller is authorized, on behalf of the Buyer, to sign and record any document necessary to make the amendment effective. This authority is called a power of attorney and the Seller, in exercising this authority, is referred to as the Buyer's attorney-in-fact. The deed to the Unit will contain a clause which legally designates the Seller as having the authority. If the Seller requests, the Buyer also agrees to sign a separate document at the time of closing to evidence this power of attorney. This power of attorney given by the Buyer will also be binding upon anyone who claims an interest in the Unit by or through the Buyer, such as mortgagee, other lienholders, a purchaser, a tenant or someone with an interest through a will or by operation of law. If an amendment is requested by one of these entities, there will be no necessity for the Buyer to sign any other document for the amendment to be effective. However, the Seller may not exercise its authority as attorney-in-fact for the Buyer without a separate written consent of the Buyer if the amendment has any of the following effects:

- (1) the amendment substantially changes the floor plan of the Unit;
- (2) the amendment changes the percentage interest in the Common Elements associated with the Unit;
- (3) increases the financial obligations of the Buyer under the Condominium Documents as owner of the Unit; or
- (4) reserves any special privileges for the Seller which are not already contained in the Condominium Documents.

The Buyer declares and acknowledges that this power of attorney is coupled with an interest in the subject matter. This means that the Seller has caused or will cause the Condominium Documents to be adopted, recorded and binding on the Owners of all Units for the mutual benefit of the Owners of all Units. The Seller, as the Sponsor of the Condominium, the initial seller of all Units and the present Owner of Units has an interest in the Condominium and in the amendment of the Condominium Documents under the circumstances described. For this reason, the power of attorney may not be revoked by the Buyer. The power of attorney given by the Buyer to the Seller will be effective until the last Unit

is conveyed, but no longer than two (2) years from the date the Seller transfers title to the first Unit in the Condominium.

17. CASUALTY DAMAGE:

If the Unit is damaged by fire, vandalism, storm, flood or other casualty prior to closing, the Seller will have two options. It may terminate this Agreement and refund all deposit monies which have been paid by the Buyer for the Unit or, it may repair the damage. If Seller elects to repair the damage the closing date will be postponed for a period reasonable necessary to make repairs. However, if the repairs cannot be completed within one (1) year of the date of this Agreement, the Buyer may choose to terminate this Agreement and the Seller will promptly refund all deposit monies previously paid. If such damage occurs, the Seller will notify the Buyer in writing of its decision to terminate or repair. This notice will be sent by the Seller within thirty (30) calendar days of the date that the damage occurred.

18. CONDEMNATION OF THE PROPERTY:

Certain governmental or quasi-governmental bodies or agencies have the power to take real property for the benefit of the public. This is known as the power of "condemnation" or "eminent domain". A formal proceeding is instituted and the owner of the property must be compensated. If the Seller receives formal notice of the institution of a condemnation or eminent domain proceeding by a proper authority against any part of the Condominium Property, including the Unit, the Seller will have two options. The Seller may elect to terminate this Agreement, in which case the Seller must so notify the Buyer in writing thirty (30) calendar days after receiving that formal notice and promptly return all deposit monies previously paid by the Buyer, without interest. Or, the Seller may elect not to terminate this Agreement and will provide the Buyer with written notice of the institution of the proceedings within ten (10) business days after receiving that formal notice.

If the Seller chooses the latter option, the following provisions will apply: if the Unit is not proposed to be taken in the proceeding, this Agreement will continue in effect and the Seller will assign to the Buyer all rights to compensation, if any, arising out of a taking of a portion of the Condominium Property and which compensation is allocated to the Unit's appurtenant interest in the Common Elements of the Condominium. If the Unit is proposed to be taken in the proceeding, the Buyer will have two options: the Buyer may elect to terminate this Agreement, in which case the Seller will promptly refund all deposit monies previously paid by the Buyer, without interest, or, the Buyer may elect to perform this Agreement and pay the Total Purchase price of the Unit on the closing date, in which case the Seller will convey title to the Unit to the Buyer together with an assignment of all rights to compensation, if any, arising out of the taking and which compensation is allocated to the Unit and its appurtenant interest in the Common Elements of the Condominium. The Buyer must give the Seller written notice of the Buyer's election within ten (10) business days after receiving notice of the institution of the proceeding or else the Buyer will be irrevocably deemed to have chosen to perform this Agreement.

19. ASSESSMENTS FOR MUNICIPAL IMPROVEMENTS:

The Township of Berkeley Heights has the right to make local improvements which benefit the Unit and the Condominium. For example, this could include installation of a new sewer system, other utilities, road improvements or the like. The cost of the improvement would be charged against the property(ies) receiving the benefit of the improvement. This charge, known as an assessment, would be in addition to real estate taxes. The Seller does not know of any such improvement benefitting the Unit which would be completed prior to the date of closing. If there should be any such improvement, the Seller would pay the assessment, if any. The Seller may use the proceeds of closing to satisfy the assessment. If such municipal improvement benefitting the Unit is not completed prior to the date of closing the Buyer would be responsible to pay the assessment, if any.

20. ALTERATIONS TO THE UNIT:

The Unit and the Common Elements of the Condominium are being sold as they are presently constructed and currently exist. The Seller will not accept any request from the Buyer to alter the Unit or the Common Elements. No one is permitted to commit the Seller to make any such alteration.

The Condominium Documents contain restrictions upon the Buyer's ability to alter the Unit. The Seller cannot promise that the Buyer will be allowed to make any alterations. If the Buyer is interested in altering the Unit, the Buyer should review the applicable provisions of the Condominium Documents carefully and contact the Association's Covenants Committee for further guidance prior to signing this Agreement.

21. BREACH OF PROMISE BY THE BUYER:

This Agreement contains the Buyer's promises to do or not to do various things. The promises are not limited to the payment of the purchase price of the Unit. Failure to keep the promises, within the designated time periods if any are specified, is called a "default" or "breach of contract". If the Buyer commits a default or permits one to occur, the Seller will have certain rights against the Buyer. These are called "remedies". The Seller's choice to pursue one remedy will not preclude the Seller from pursuing any other remedy at the same time or at a later date unless the law or the contract prohibits it.

The Seller agrees that if the Buyer commits or permits a default which the Seller knows about, the Seller will notify the Buyer in writing. This is called "declaring an event of default". The Buyer will then have ten (10) business days after receipt of the notice to correct the default. This is called the "right to cure". If the Buyer fails to cure the default, then the Seller may proceed to seek the remedy available to it. The Seller will not be required to give the Buyer any further notice that the Seller is seeking a remedy upon default. The fact that the Seller does not notify the Buyer of a default, or provides notice but then does not take any action, will not prevent the Seller from demanding that the default be cured by the Buyer or declaring other events of default. The Buyer and the Seller specifically agree that if the Buyer commits or permits a default, the damages which the Seller will suffer cannot be calculated in advance with any degree of mathematical certainty. However, in good faith, the Buyer and the Seller have agreed to estimate the amount of such damages which will reasonably compensate the Seller for the default. This is called "liquidated damages". If the Buyer fails to cure a default after the notice, the Seller may choose to terminate this Agreement. If the Seller terminates this Agreement, the Buyer will no longer have any rights under this Agreement or with respect to the Unit. Upon termination, the Seller will be entitled to liquidated damages in an amount equal to ten (10%) percent of the Total Purchase Price of the Unit. If the deposit monies are less than that sum, then the Seller may institute legal proceedings to recover the remaining amount due.

22. RECORDING OF AGREEMENT PROHIBITED:

The Buyer agrees not to record this Agreement or any memorandum of this Agreement. If the Buyer breaches this promise, the Seller may declare this Agreement in default and proceed as provided in Paragraph 21.

23. BROKER:

(check if applicable) The Buyer and the Seller acknowledge that _____ is the real estate broker involved with this sale. The Buyer represents that the Buyer has contacted no other real estate broker or salesperson in connection with this sale. The Buyer understands that if any other broker or salesperson asserts that a commission or fee is due for assistance given to the Buyer, the Buyer will be responsible for that commission or fee.

24. ASSIGNMENT:

The Buyer may not transfer the Buyer's rights under this Agreement without the written consent of the Seller.

25. CHANGES TO AGREEMENT:

This Agreement may not be changed unless the change is in writing and signed by both the Seller and the Buyer. The attorneys for the parties may agree in writing to changes in the dates and time periods provided for in this Agreement. However, no change will permit the Buyer to have any additional time or rights to cancel this Agreement beyond the initial period contemplated by Paragraph 31.

26. NOTICES:

All notices under this Agreement must be in writing. Notices may be personally delivered to the other party or the attorney for the other party, or by Certified or Registered Mail, Return Receipt Requested, addressed to the other party at the address(es) written at the beginning of this Agreement. The parties will consider the notice as having been given when it is personally delivered or placed in the mail with proper postage.

27. ENTIRE AGREEMENT:

This Agreement contains the entire agreement between the Seller and the Buyer. Neither party has made any other agreement or promise which is not contained in this Agreement. The Application for Registration of the Condominium which the Seller has filed with the New Jersey Department of Community Affairs is incorporated by reference in this Agreement. The terms "Application for Registration" and "Public Offering Statement" include any present or future amendments properly filed by the Seller with respect to those documents.

28. PARTIAL INVALIDITY:

If any portion of this Agreement is held to be illegal or invalid or unenforceable by a court, the remainder of this Agreement shall remain in effect as written.

29. BINDING EFFECT OF AGREEMENT:

This Agreement is binding not only on the Seller and the Buyer, but also on their heirs, personal representatives, successors and lawful assigns.

30. MULTIPLE BUYERS:

If more than one person signs this Agreement as Buyer, then each person signing this Agreement will be jointly and severally liable. This means that each person is independently obligated to see that all promises of the Buyer are performed. This also means that the Seller may seek its remedies, in the event of a default, against all or any of the persons, as it so chooses. The term "Buyer" as used in this Agreement, is intended to include all persons signing this Agreement as Buyer.

31. ATTORNEY REVIEW:

a. Study by Attorney

Buyer or Seller may choose to have an attorney study this Contract. If an attorney is consulted, the attorney must complete his or her review of the Contract within a three (3) day period. This Contract will be legally binding at the end of this three (3) day period unless an attorney for Buyer or Seller reviews and disapproves of this Contract.

b. - Counting the Time.

You count the three (3) days from the date of delivery of the signed Contract to both Buyer and Seller. You do not count Saturdays, Sundays or legal holidays. Buyer and Seller may agree in writing to extend the three (3) day period for attorney review.

c. Notice of Disapproval.

If an attorney for Buyer or Seller reviews and disapproves of this Contract, the attorney must notify the REALTOR(S) and the other party named in this Contract within the three (3) day period. Otherwise, this Contract will be legally binding as written. The attorney must send the notice of disapproval to the REALTOR(S) and to the other party by certified mail, by telegram or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the REALTOR'S office and to the other party. The attorney may also, but need not, inform the REALTOR(S) or the other party of any suggested revision(s) in the Contract that would make it satisfactory.

32. PUBLIC OFFERING STATEMENT:

The Buyer acknowledges that prior to signing this Agreement, the Seller will provide the Buyer with a copy of the Public Offering Statement for the Condominium as currently registered with the New Jersey Department of Community Affairs, which will contain the following legend: **NOTICE TO THE PURCHASER: YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH (7TH) CALENDAR DAY FOLLOWING THE DAY ON WHICH IT WAS EXECUTED AND ALL MONIES PAID BY YOU SHALL BE PROMPTLY REFUNDED.** This right of rescission is neither expanded nor diminished by the provisions of Paragraph 31, hereof.

The Seller and the Buyer agree to the terms of this Agreement by signing below. If a party is a corporation, this Agreement is signed by its proper corporate officers and its corporate seal is affixed.

PARK EDGE LIMITED PARTNERSHIP
A New Jersey Limited Partnership

ATTEST:

By: _____

Date signed by Seller

WITNESS:

Buyer (L.S.)

Buyer (L.S.)

Date signed by Buyer

EXHIBIT 4

SAMPLE UNIT DEED

Prepared By: _____

UNIT DEED

THIS DEED, is made this _____ day of _____ in the year 199 between PARK EDGE LIMITED PARTNERSHIP, a limited partnership of the State of New Jersey, having an office at 100 Campus Drive, Florham Park, New Jersey, referred to in this document as "Grantor", and _____ residing at _____, referred to in this document as "Grantee". (The words "Grantor" and "Grantee" include all Grantors and all Grantees under this Deed.)

In return for the payment to the Grantor by the Grantee of _____ (\$ _____) Dollars the Grantor grants and conveys to the Grantee a certain Condominium Unit, located in the Township of Berkeley Heights, County of Union and State of New Jersey, specifically described as follows:

Unit, _____, situated in Park Edge, A Condominium, together with an _____ undivided percentage interest in the Common Elements of the Condominium (referred to in this Deed as the "Unit"). The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46:8B-1 et seq.) and the Planned Real Estate Development Full Disclosure Act (N.J.S.A. 22A-21 et seq.), as amended, and any applicable regulations adopted under either law. The conveyance evidenced by this Deed is also made in accordance with the terms, limitations, conditions, covenants, restrictions, easements,

agreements and other provisions set forth in that certain Master Deed for Park Edge, A Condominium dated _____ and recorded _____, in Deed Book _____, Page _____, et seq. of the Office of the Register of Union County, as same may now or hereafter be lawfully amended.

The Unit is now designated as Lot _____ in Block _____ on the municipal tax map of the Township of Berkeley Heights (or as Account No. _____).

No property tax identification number for the Unit is available at the time of this conveyance.

(check applicable box)

The Unit is subject to the Master Deed, as amended, mentioned above and all its exhibits including all easements, terms, conditions, reservations, rights-of-way, air rights, covenants of record, governmental statutes, ordinances and regulations, possible added assessments for the year of sale as set or levied under N.J.S.A. 54:4-63.1, et seq. and all facts that an accurate survey may disclose.

This Deed entitles the Grantee to have and to hold for its proper use and benefit forever the premises and all it is subject to as described in this document.

The Grantor covenants that the Grantor has done nothing which encumbers or adversely affects title to the Unit or the Common Elements of the Condominium.

By the acceptance of this Deed, the Grantee consents to any future amendments or revisions of the Master Deed or the By-Laws of the Condominium Association (referred to in this Deed as the "Condominium Documents"), which may be required by the laws or governmental agencies of the State of New Jersey in connection with the sale of any property described in any of the Condominium Documents, and/or by any title insurance company insuring title to any portion of the Condominium at the Grantor's request, and/or by an institutional lender (including the Grantor) providing mortgage loans to Unit Owners.

If amendment is required for any one of the reasons described above, then the Grantee expressly agrees that the Grantor is authorized, on behalf of the Grantee, to sign and record any documents necessary to make the amendment effective. This authority is called a power of attorney and the Grantor, in exercising this authority, is referred to as the Grantee's attorney-in-fact. By signing this Deed, the Grantee designates the Grantor as having this authority. This power of attorney will be binding upon anyone who claims an interest in the Unit by or through the Grantee, such as a mortgagee, other lienholder, a purchaser, a tenant or someone with an interest acquired through a will or by operation of law. If an amendment is required for one of the reasons expressed, only the signature of the attorney-in-fact is required in order for the amendment to be effective. However, the Grantor may not exercise its authority as attorney-in-fact without a separate written consent of the Grantee if the amendment would substantially change the floor plan of the Unit, or

the percentage interest in the Common Elements associated with the Unit, increase the financial obligations of the Grantee under the Condominium Documents, or reserve any additional or special privileges for the Grantor.

The Grantee declares and acknowledges that this power of attorney is coupled with an interest in the subject matter. The Grantee understands that the Grantor has caused the Condominium Documents to be adopted and recorded and that these Documents are binding on the owners of all Units in the Condominium for the mutual benefit of the owners of all Units including the Grantor. The Grantor, as the Sponsor of the Condominium, the initial seller of all Units and as a present owner of Units has an interest in the Condominium and the amendment of the Condominium Documents under the circumstances described. For this reason, this power of attorney may not be revoked by the Grantee.

The power of attorney will be effective for a period of two (2) years from the date that the first Unit is conveyed to a Buyer, or after the Grantor conveys title to the last Unit, whichever occurs first. This power of attorney shall not be affected by the death or disability of any principal.

The Grantor has received the full payment from the Grantee.

The Deed is signed by the Grantor and the Grantees on the date first mentioned above.

WITNESS:

PARK EDGE LIMITED PARTNERSHIP, a New Jersey limited partnership, Grantor

By: Park Edge Developers, L.P., a New Jersey limited partnership, general partner

By: GWD 103, L.P., a New Jersey limited partnership, general partner

By: GWD 103, Inc., a New Jersey corporation, general partner

By: Sydney W. Kitson, President

WITNESS:

(L.S.)
Grantee

(L.S.)
Grantee

(L.S.)
Grantee

CERTIFICATE OF ACKNOWLEDGEMENT BY INDIVIDUAL

STATE OF NEW JERSEY)
) SS:
COUNTY OF)

I am a(n) _____,
an officer authorized to take acknowledgements and proofs in this State. I sign this acknowledgment below to certify that it was made before me.

On _____, 199 ,

appeared before me in person. (If more than one person appears the words "this person" shall include all persons named who appeared before the officer and made this acknowledgment.) I am satisfied that this person is the person named in and who signed this Deed as the Grantee. This person acknowledges signing, sealing, and delivering this Deed as this person's act and deed for the uses and purposes expressed in this Deed.

(Officer's signature and title)

STATE OF NEW JERSEY)
) SS:
COUNTY OF)

BE IT REMEMBERED, that on this _____ day of _____, 199 , before me, the subscriber, a _____ of New Jersey, personally appeared Sydney W. Kitson, who, I am satisfied, is the person who executed the foregoing instrument as President of GWD 103, Inc., a New Jersey corporation which is a general partner of GWD 103, L.P., a New Jersey limited partnership, which is a general partner of Part Edge Developers, L.P., a New Jersey limited partnership, which is a general partner of Park Edge Limited Partnership, a New Jersey limited partnership, and thereupon he acknowledged that he signed, sealed and delivered the same as his act and deed and as the voluntary act and deed of said partnership, and that the full and actual consideration paid or to be paid for the transfer of title to realty evidenced by the within deed, as such consideration is defined in P.L. 1968, c. 49, Sec. 1(c), is \$ _____ .

_____ of the State of
New Jersey

EXHIBIT 5

SPECIMEN TITLE INSURANCE POLICY

PROFORMA POLICY

SCHEDULE A

Policy Amount \$

Policy No.

Policy Date

Order No. WT-

The Policy Amount will automatically increase by 10% of the amount shown above on each of the first five anniversaries of the Policy Date.

1. Name of Insured:

PROPOSED PURCHASER, AS SET FORTH IN DEED BOOK _____, PAGE _____,
DATED _____, RECORDED _____ IN THE _____ COUNTY REGISTER
OFFICE.

2. Your interest in the land covered by this Policy is:

FEE SIMPLE

3. The land referred to in this Policy is described as follows:

SEE ATTACHED.

P	O	R	S	T	U
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PROFORMA POLICY

ORDER NO. WT-

SCHEDULE A continued

ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATE IN THE TOWNSHIP OF BERKELEY HEIGHTS, COUNTY OF UNION, STATE OF NEW JERSEY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING KNOWN AS UNIT _____ IN BUILDING _____ IN PARK EDGE, A CONDOMINIUM, TOGETHER WITH AN UNDIVIDED _____ PERCENTAGE INTEREST IN THE COMMON ELEMENTS APPURTENANT THERETO AS SET FORTH IN THE MASTER DEED FOR PARK EDGE, A CONDOMINIUM, DATED _____ RECORDED _____ IN DEED BOOK _____, PAGE _____ AND ANY AMENDMENTS THERETO.

PROFORMA POLICY

Policy No.

Sheet 1 of __

SCHEDULE B

ORDER NO. WT-

EXCEPTIONS

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Any facts about the land which a correct survey would disclose, and which are not shown by the public record.
2. LIEN OF UNPAID TAXES FOR THE YEAR _____: _____ PAID.
SUBSEQUENT TAXES NOT YET DUE AND PAYABLE.
3. EASEMENTS AS SET FORTH IN DEED BOOK 2459, PAGE 133, DEED BOOK 2477, PAGE 458.
4. CONDITIONS, RESTRICTIONS, COVENANTS AND AGREEMENTS SET FORTH IN THE MASTER DEED INCLUDING THE BY-LAWS AND RULES AND REGULATIONS OF PARK EDGE, A CONDOMINIUM DATED _____ RECORDED _____ IN DEED BOOK _____, PAGE _____, AND AMENDED BY THE FOLLOWING: BOOK _____, PAGE _____, BOOK _____, PAGE _____, BOOK _____, PAGE _____, BOOK _____, PAGE _____, AND ANY OTHER LAWFUL AMENDMENTS THERETO. MORTGAGE POLICY WILL INSURE THAT PROVISIONS OF THE CONDOMINIUM ACT, N.J.S.A. 46:8B-1 ET SEQ. HAVE BEEN COMPLIED WITH.
5. RESTRICTIONS, RESERVATIONS AND CONDITIONS IN DEED BOOK _____, PAGE _____.
6. MORTGAGE MADE BY PROPOSED INSURED TO _____ TO SECURE PAYMENT OF \$ _____, DATED _____, RECORDED _____ IN M.B. _____, PAGE _____ IN THE _____ COUNTY REGISTER'S OFFICE.

TRANSAMERICA TITLE INSURANCE COMPANY

File No. WT92 1787

ALTA ENDORSEMENT - FORM 4

Attached to and made a part of Policy Number

The Company insures the Insured against loss or damage sustained by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the jurisdiction in which the unit and its common elements are located.
2. The failure of the documents required by the condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the title to the unit and its common elements.
3. Present violations of any restrictive covenants which restrict the use of the unit and its common elements and which are contained in the condominium documents, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the public records and is not excepted in Schedule B. The restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.
4. The priority of any lien for charges and assessments at Date of Policy provided for in the condominium statutes and condominium documents over the lien of any insured mortgage identified in Schedule A.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
6. Any obligation to remove any improvements which exist at Date of Policy because of any present encroachments or because of any future unintentional encroachment of the common elements upon any unit or of any unit upon the common elements or another unit.
7. The failure of title by reason of a right of first refusal to purchase the unit and its common elements which was exercised or could have been exercised at Date of Policy.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

IN WITNESS WHEREOF, TRANSAMERICA TITLE INSURANCE COMPANY has caused its corporate name and seal to be hereunto affixed by its duly authorized officers on the day of JUNE 19 29TH 93.

TRANSAMERICA TITLE INSURANCE COMPANY

Attest:

James J. Lynch, Jr.
Secretary



By *Robert J. Zinn*
President

Countersigned

Robert J. Zinn
Authorized Officer or Agent
ROBERT J. ZINN

EXHIBIT 6

PROPOSED MANAGEMENT AGREEMENT

MANAGEMENT AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 1993 by and between:

PARK EDGE CONDOMINIUM ASSOCIATION, INC., a New Jersey not-for-profit corporation with an office at c/o Gale, Wentworth & Dillon, 100 Campus Drive, Florham Park, NJ 07932 (hereinafter referred to as the "Association"),

AND

GALE, WENTWORTH & DILLON, a New Jersey corporation, with offices at 100 Campus Drive, Florham Park, New Jersey 07932 (hereinafter referred to as "Managing Agent" or "Agent").

WHEREAS, the Association is responsible for the administration, management and operation of that certain residential condominium known as PARK EDGE, A CONDOMINIUM, located in the Township of Berkeley Heights, Union County, New Jersey (hereinafter referred to as the "Condominium"), and

WHEREAS, the Managing Agent possesses expertise in the management, operation and administration of residential communities; and

WHEREAS, the Association desires to engage the Managing Agent to perform all the management services required for the efficient administration, operation and management of the Condominium, including but not limited to those authorized by the Master Deed of the Condominium, the By-Laws of the Association and those services hereinafter expressly set forth.

NOW, THEREFORE, WITNESSETH, that in consideration of the promises, conditions, and covenants hereinafter set forth and other valuable consideration, in hand paid by the parties hereto, each to the other, simultaneously with the execution and delivery of this Agreement, receipt of which is hereby acknowledged, the parties hereto covenant and agree to as follows:

1. The Association herewith employs and appoints the Managing Agent as the exclusive agent for the management, operation and administration of the Condominium, and the Managing Agent herewith accepts said employment under and upon the terms and conditions hereinafter provided.
2. The responsibility of the Managing Agent for the administration, management and operation of the Condominium shall commence on the date hereof and shall continue for one (1) year thereafter, provided however that either party shall have the right to terminate said Agreement with or without cause by affording the other party at least sixty (60) days prior written notice of said termination. Prior written approval by each Eligible Mortgage Holder (as same is defined in this Master Deed for the Condominium) holding a first mortgage lien on a Unit shall also be required before the effectuation of any decision by the Association to terminate

this Agreement and assume self-management.

3. The Managing Agent agrees, notwithstanding the authority vested in the Managing Agent by terms of this Agreement, to confer fully and freely with the Board of Directors of the Association in the performance of its duties as herein described and to attend general membership or Board meetings at any time requested by the Association.

4. It is further understood and agreed that the authority and duties conferred upon the Managing Agent hereunder are confined to the common areas and facilities as defined in the Master Deed creating the Condominium. Such authority and duties shall not include supervision or management of individual Units except as directed by the Association.

5. The services to be rendered by the Managing Agent in connection with the operation, administration and managing of the condominium are as follows:
 - a. Subject to the approval of the Board of Directors of the Association, to cause to be selected, hired and supervised, all persons necessary to be employed in order to properly

manage, maintain and operate the Condominium, which employees in each instance shall be employees of the Association, or an independent contractor, or may be employees of the Managing Agent. All personnel who are responsible hereunder for the handling of the Association's funds shall, without expense to the Association, be bonded by a fidelity bond acceptable to the Managing Agent and the Association. All wages, salaries and other compensation paid to such employees, including all items payable in respect to the payroll, such as, but not limited to, unemployment insurance and social security, worker's compensation, disability benefits, medical and surgical plans compensations, medical and surgical plans now in existence or hereinafter imposed or include agreements which Agent may enter into, shall be at the expense of the Association and considered as operating expenses of the Condominium. Agent will prepare and file all necessary reports and make required payments with respect to the unemployment insurance, disability and social security taxes. Anything to the contrary herein notwithstanding, the Association will be responsible for the payment of direct or indirect compensation to any employee for services actually rendered on behalf of the Association and the Association shall have the

right at all reasonable times to audit all records with respect to any and all payroll or other expenses for which payment has been made by or required of the Association.

- b. Cause the Common Elements as defined in the Master Deed, of the Condominium to be maintained and kept in a first-class state of repair, including interior and exterior (exclusive of the interior of individual Units) cleaning and cause necessary repairs and alterations to the Common Elements of the Condominium to be made, including but not limited to electrical, plumbing, carpentry, masonry, public space, parking areas, redecorating of public and common areas and such other incidental alterations or changes therein that may be proper, subject only to the limitations contained in this Agreement, or in the Master Deed for the Condominium, the Certificate of Incorporation, By-Laws and Rules and Regulations of the Association.
- c. Cause to be purchased, on behalf of and at the expense of the Association, all tools, equipment, supplies and materials as may be necessary and desirable for the maintenance and upkeep of the Common Elements of the Condominium. Such purchases shall be made in the name of the Association.

- d. Check all bills received by the Association for services, work and supplies ordered in connection with and for maintaining the Common Elements and Residential Limited Common Elements and cause to be paid by the Association all such bills, as and when same shall become due and payable.
- e. Collect on behalf of the Association all Common Expense Assessments, Residential Limited Common Expense Assessments, maintenance fees, charges, monies and debts which may become due to the Association and to take such action in the name of the Association as may be required for the collection of same. For such purposes, the Managing Agent may, with the prior approval of the Board of Directors of the Association, and at the expense of the Association, employ counsel designated by the Association for such purposes.
- f. Deposit all funds collected for the Association, in a bank designated by the Association, as agent for the Association.
- g. Maintain business-like relations with members of the Association whose service requests and complaints shall be received, considered, acted upon and recorded in a systematic fashion in order to show the action taken with respect to each. Requests that the Managing Agent deems outside of the scope of its responsibility or of a serious

nature or complaints or requests deemed by the Managing Agent to be unreasonable shall, after thorough investigation, be reported to the Association with appropriate recommendations.

- h. Cooperate with the Association's accountants with regard to the preparation and filing on behalf of the Association of governmental forms and returns. Cause to be prepared and sent out letters, reports and notices as may be reasonably requested by the Board of Directors of the Association, including any newsletter or other publication which the Board directs. The Association will be billed for such services at the rates appearing on Schedule A attached hereto.
- j. Cause all insurance required by law or otherwise to be carried and maintained in full force and effect; and to make appropriate adjustments with all insurance carriers and cause all insurance proceeds to be promptly paid.
- k. Cause to be maintained and kept current, the Association minute book and Unit Owner/Membership list; prepare and give notice of the meetings to the Unit Owner/Membership and Directors of the Association; provided, however, that nothing shall require the Managing Agent to perform legal or professional accounting services.
- l. Maintain records with respect to services and

materials and expenses on behalf of the Association, which records shall be sufficient to describe the services rendered and shall be kept in accordance with prevailing accounting procedures and shall identify the source and expenditures of all funds. Such records shall be freely available for inspection by the Association's Officers and Directors on a reasonable basis during normal business hours.

- m. Render to the Association a monthly statement of all collections and disbursements made, within the next month, and at such other times, at the option of the Association, as shall be consistent with collection, expenditures and commitments for the Condominium. Such statements shall be prepared at the Managing Agent's expense.
- n. Prepare an annual operating budget for submission to the Board of Directors of the Association no later than thirty (30) days before the end of each fiscal year of the Association for the next succeeding fiscal year.
- o. Arrange for snow clearing from and maintenance of all roads, walkways and parking areas.
- p. Arrange for the removal of refuse from all buildings and common areas.
- q. Generally do all things deemed reasonable, necessary or desirable by the Board of Directors of

the Association to oversee the proper management of the Condominium.

- r. To notify the Association of any practice, procedure or activity or other matter connected with the Condominium, which, in the opinion of the Managing Agent, may constitute a violation on any ordinance, code, governmental regulation, provision of the Master Deed, provision of the By-Laws or Rules and Regulations of the Association.

6. The Managing Agent shall not be required or obligated to advance any monies or credit for any purchases and expenditures on behalf of the Association. In no event, however, shall the Managing Agent expend any sum in excess of \$1,000.00 per expenditure, or \$10,000.00 in the aggregate on an annual basis, unless said expenditure(s) are specifically authorized by (i) the Board of Directors of the Association or (ii) an approved operating budget of the Association or (iii) the same is immediately required by law or under circumstances where such expenditures are required to eliminate or prevent an emergent danger to life or limb, or an imminent and substantial loss of or damage to the Common Elements or Elements of the Condominium, in which cases, such expenditure(s) may be made by the Managing Agent, irrespective of the above limitations.

7. The Managing Agent is authorized on behalf of the Association to make all necessary disbursements for expenses incurred by the Managing Agent pursuant to any of the provisions of this Agreement, including the retention of legal counsel,

accountants and other professional services as may be necessary, subject to proper approval thereof by the Board of Directors of the Association, and also including the payment of the Managing Agent's compensation as herein provided, and to deduct same from the collections made for the Association. In the event that at any time there be insufficient funds in the custody of the Managing Agent from the current collections to pay such expenses, the Association agrees to supply the Managing Agent immediately with funds required to make such payments. The Association agrees to reimburse the Managing Agent upon demand for any disbursements which Managing Agent may elect to advance for the account of the Association and for any monies which Managing Agent becomes obligated and required to pay pursuant to any of the provisions of this Agreement. Nothing herein contained, however, shall be construed to obligate the Managing Agent to make such advances.

8. Exclusive of the revenue derived from laundry equipment, any vending machines, pay telephone, or other coin-operated equipment which may be installed in any building by outside contractors, any revenue derived from such installation shall be for the benefit of the Association and any income arising therefrom shall accrue to and be allocated to the maintenance, administration, upkeep and repair of the Common Elements. The Board of Directors of the Association shall first approve the installation of any such machines.

9. The Association agrees to pay the Managing Agent the sum of \$8.00 per closed unit per month for all services to be

performed in connection with the management, administration and operation of the Condominium and those additional fees listed on Schedule A attached hereto.

10. The Management Agent has and shall have general authority and powers necessary to carry out the intent of this Agreement and to act therefore on behalf of the Association. In no event, however, shall the levels of maintenance of general supervision provided by the Managing Agent be less than that contemplated by the proposed budget set forth in the Public Offering Statement prepared by the Sponsor of the Condominium.

11. The Managing Agent shall, at the expense of the Association, cause to be placed and kept in force all forms of insurance as required by the Master Deed for the Condominium, the By-Laws of the Association or the laws of the State of New Jersey. Until the first meeting of the Board of Directors following the first annual meeting of the members of the Association, this shall be limited to:

- a. Risk and extended coverage in a sum equal to the full replacement value of the buildings;
- b. Public liability insurance in amounts of \$1,000,000.00 for claims for bodily injury with an Umbrella Liability amount of an additional \$1,000,000.00.
- c. Worker's compensation insurance as required by law. The Managing Agent shall promptly investigate and

make a full written report as to all accidents or claims for damages relating to the management, operation and maintenance of the Condominium, the estimated cost of repair and shall further cooperate and make any and all reports required by any insurance carrier in connection therewith.

12. The Managing Agent shall be liable to the Association for any loss or damage caused by the Managing Agent's gross negligence or willful misconduct or caused by the Managing Agent's own failure to comply with its obligations hereunder. The Association will indemnify the Managing Agent against and hold the Managing Agent harmless from: (i) any loss, damage, cost or expenses (including reasonable attorneys' fees) sustained or incurred for injury to any person or property in or about and in connection with the Condominium, from any cause except the gross negligence or willful misconduct of the Managing Agent; and (ii) any liability, damage, penalties, costs or expenses, statutory or otherwise, for any acts properly performed by the Managing Agent pursuant to the instruction of the Association; provided however, in each of the foregoing instances, the Managing Agent promptly advises the Association of the receipt of this information concerning any such injury, such liability, damages, penalties, costs and expenses. (b) The Association shall carry contractual liability insurance, specifically covering the indemnity provisions contained in subparagraph (a) hereof, and employer's liability insurance and will include the Managing Agent as a party insured in the liability policy. A copy of such policy will be provided to

the Managing Agent or a certificate evidencing same.

13. In the event a petition in bankruptcy is filed by or against the Association or the Managing Agent, or in the event that either shall make an assignment for the benefit of creditors or take advantage of any insolvency act, either party hereto may forthwith terminate this Agreement upon ten (10) days prior notice in writing to the other.

14. Notice which either party desires to give to the other or is required to give to the other under this Agreement, shall be given by Certified or Registered Mail, Return Receipt Requested, and it shall be deemed received seventy-two (72) hours after it shall have been deposited in the United States Mail, addressed to the party for whom it is intended as follows:

FOR THE ASSOCIATION:
PARK EDGE CONDOMINIUM ASSOCIATION, INC.
100 CAMPUS DRIVE, 3RD FLOOR
FLORHAM PARK, NJ 07932

FOR THE MANAGING AGENT:
GALE, WENTWORTH & DILLON
100 CAMPUS DRIVE
FLORHAM PARK, NJ 07932

15. The term "Managing Agent" as used in this Agreement shall include any corporate subsidiaries or affiliates of the Managing Agent who perform services, in on or about the Condominium arising out of or in connection with this Agreement.

16. This Agreement may not be transferred or assigned by either party without the written consent of the other.

17. Upon termination of this Agreement, the parties

shall account to one another with respect to all matters outstanding as of the date of termination, and the Association shall furnish to the Managing Agent security satisfactory to the Managing Agent, against any outstanding obligations or liabilities which may have been incurred hereunder.

A. This Agreement shall constitute the entire understanding between the parties, and no variance or modification thereof shall be valid and enforceable except by supplemental Agreement in writing, executed and approved in the same manner as this Agreement.

MANAGING AGENT:
GALE, WENTWORTH & DILLON

By: _____

ASSOCIATION:
PARK EDGE CONDOMINIUM
ASSOCIATION, INC.

By: _____

SCHEDULE "A"

FEES

The following services/supplies will be provided to the Association by the Managing Agent at the following rates:

1. Postage at cost.
2. Photocopying - .20 per copy.
3. Stationery - at cost.
4. Mailing labels - .10 per label.
5. Re-sale Certificates and Community Qualification forms - \$15.00 each.
6. Delinquency notices - \$5.00 per month per delinquent account.