

**BY-LAWS
FOR
THE 1012 PARK AVENUE CONDOMINIUM**

ARTICLE I -- NATURE OF BY-LAWS

These By-Laws are intended to govern the administration of The 1012 Park Avenue Condominium Association, Inc. (hereinafter referred to as the "Association"), a non-profit Corporation organized under Title 15A of the Revised Statutes of New Jersey, together with the management and administration of the Common Elements of 1012 Park Avenue, Hoboken, New Jersey, hereinafter referred to as The 1012 Park Avenue Condominium which has been established by a Master Deed to which these By-Laws are appended to as Exhibit 1-E. Unless the context clearly indicates otherwise, all definitions set forth in N.J.S.A. 46:8B-3 are incorporated herein by reference.

ARTICLE II -- TRUSTEES

Section 1. Board of Trustees. The affairs of the Association shall initially be governed by a Board of Trustees consisting of three (3) persons who need not be Unit Owners of The 1012 Park Avenue Condominium. Except as set forth below, after the sale of three units, the Board of Trustees shall be replaced with three (3) persons who shall be Unit Owners.

When Unit Owners other than the Sponsor own twenty-five percent (25%) or more of the units, the Unit Owners other than the Sponsor shall be entitled to elect not less than twenty-five percent (25%) of the members of the Board. Unit Owners other than the Sponsor shall be entitled to elect not less than forty percent (40%) of the members of the Board upon the conveyance of fifty percent (50%) of the units. Unit Owners other than the Sponsor shall be entitled to elect all of the members of the Board upon conveyance of seventy-five percent (75%) of the units in a condominium. The Sponsor shall be entitled to elect at least one member of the Board as long as the Sponsor holds one or more units for sale in the ordinary course of business. However, when some of the units have been sold to purchasers and none of the others are being offered for sale by the Sponsor in the ordinary course of business, the Unit Owners other than the Sponsor shall be entitled to elect all of the members of the Board. Within thirty (30) days after the Unit Owners other than the Sponsor are entitled to elect a member or members of the Board, the Association shall call, and give not less than twenty (20) days nor more than thirty (30) days notice of, a meeting of the Unit Owners to elect the members of the Board. The meeting may be called and the notice given by any Unit Owner if the Association fails to do so.

Section 2. Powers of the Board of Trustees. The property, affairs and business of the Association shall be managed by the Board of Trustees, which shall have all those powers granted to it by law. The decision of a majority of the Trustees shall prevail. In addition, it shall have the following powers herein granted or necessarily implied which it shall exercise in its sole discretion:

- A. Operation, care, upkeep and maintenance of the General Common Elements;
- B. Employment by contract or otherwise, of a Manager or an independent contractor to oversee, supervise and carry out the directives of the Board. Said Manager or said independent contractor shall be compensated upon such term or terms as the Board deems necessary and proper;
- C. Adoption and amendment of the Rules and Regulations covering the details of the operation and use of property;

D. Purchasing, leasing or otherwise acquiring in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease by their Owners to the Board;

E. Purchasing of Units, regardless of type, at foreclosure or other judicial sales in the name of the Association or its designee, corporate or otherwise, on behalf of all dwelling Unit Owners;

F. Selling, leasing, mortgaging (but not voting the votes appurtenant thereto) or otherwise dealing with Units acquired by, and subleasing Units leased by the Association or its designees, on behalf of all dwelling Unit Owners;

G. Enforcing obligations of the Unit Owners, to allocate profits and expenses and to do anything and everything else necessary and proper for the sound management of the Condominium, including the right to bring lawsuits to enforce the Rules and Regulations promulgated by the Board;

H. Levying fines against the Unit Owners for violations of reasonable Rules and Regulations established by it to govern the conduct of the Unit Owners. No fine may be levied for more than \$25.00 for any one violation but for each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against the Unit Owner involved as if the fine were a Common Expense owed by the particular Unit Owner or Owners;

I. Employing a Managing Agent and/or Manager for the Condominium at a compensation to be established by the Board, to perform such duties and services as the Board shall authorize, including but not limited to duties granted to the Board as set forth above. The Board may delegate to the Manager or Managing Agent such powers as may be necessary to carry out the function of the Board;

J. Establishing Rules and Regulations for the use of the Common Areas;

K. Employing any person, firm or corporation to repair, maintain and renovate all Common Elements;

L. Employing professional counsel to obtain advice from persons, firms or corporations, such as, but not limited to landscape architects, recreation experts, architects, planners, lawyers and accountants;

M. Employing or contracting for water and sewer service, electricity, gas or other forms of utilities, snow plowing or removal, painting, building, repairing, renovating and remodeling, if any;

N. Employing all managerial personnel necessary or entering into managerial contracts for the efficient discharge of the duties of the Board of Trustees hereunder. Those employees who handle or are responsible for the handling of monies shall be bonded by a fidelity bond. While the Sponsor maintains a majority of representation on the Board of Trustees, he shall post a fidelity bond or other guarantee acceptable to the Department of Community Affairs, in an amount equal to the annual budget. A specimen copy of same is annexed hereto. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves;

O. Investigating, hiring, paying, supervising and discharging the personnel necessary to be employed in order to properly maintain and operate the Condominium. Compensation for services of such employees shall be considered an Operating Expense of the Condominium;

P. Coordinating the plans of Owners and occupants of dwelling Units for moving their personal effects into the Condominium or out of it with a view towards scheduling such movements so that there shall be minimum of inconvenience to other Owners or occupants;

Q. Maintaining businesslike relations with Owners or occupants whose service requests shall be received, considered and recorded in systematic fashion, in order to show the action taken with respect to each. As part of a continuing program, securing full performance by such Owners or occupants of all such items and maintenance for which they are responsible;

R. Causing the Common Elements of the Condominium to be maintained according to accepted standards, including but not limited to, interior and exterior cleaning, painting and decorating, plumbing, steam cleaning, carpentry and such other normal maintenance and repair work as may be necessary;

S. Taking such action as may be necessary to comply promptly with any and all orders or requirements affecting the Association placed thereon by any Federal, state, county or municipal authority having jurisdiction there over, or any order of the Board of Fire Underwriters or other similar bodies;

T. Arranging for maintenance of sidewalks;

U. Arranging for removal of refuse from all Buildings and Common Areas;

V. Arranging for security protection as necessary;

W. Placing and keeping in force all of the insurance coverages hereinafter described in Article IX hereof;

X. Borrowing and repaying monies and giving notes, mortgages or other security upon such term or terms as it deems necessary;

Y. Investing and reinvesting monies due and to be used, collecting interest, dividends, capital gains, exercising rights, paying taxes, making and entering into contracts, insuring, entering into leases or concessions and passing good and marketable title without the necessity of any third party seeing to the application of the funds, making and executing any and all proper affidavits for various purposes, including but not limited to, title to real estate, compromising any action without leave of Court, insuring its own liability for claims against it or for damages to the Association, including moral claims, and all powers contained herein and those necessary and incidental thereto; and

Z. Borrowing money on a real estate mortgage, passing title to real estate, or purchasing real estate shall be exercised by the Board only with the assent of two-thirds (66.6%) of the Members.

The powers herein granted or necessarily implied, shall be construed to favor the broadest discretion of the Board of Trustees, except that the Board of Trustees shall have the duty to exercise all of such powers as required by the law and by Subparagraphs R, T, U, V, and W of this Section 2 of Article II and shall be governed by the following with respect to its fiscal duties and responsibilities:

1. Common Expenses. The Board shall have the duty to collect as "Common Expenses" assessed against each dwelling Unit Owner, his, her or their heirs, administrators, successors and assigns, a proportionate part of the Common Expense of the entire Condominium as provided in the Master Deed and in accordance with applicable law. The Board shall have the power to estimate the cost in advance on an annual basis and to give notice thereof to the individual Unit Owners in the manner herein provided and the same shall be a lien against each dwelling Unit.

a) Liability for Assessments. All Unit Owners are obligated to pay the Common Charges assessed by the governing board at such times as the Board may determine. No Unit Owner may exempt himself from liability for any assessment for Common Charges by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. However, no Unit Owner shall be liable for any assessment for Common Charges against his Unit subsequent to a sale, transfer, or other conveyance by him of such Unit made in accordance with the provisions of Article II of these By-Laws. In all voluntary conveyances of Units, the Grantee shall be jointly and severally liable with the Grantor for all unpaid assessments against the latter for his share of Common Expenses up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover against the Grantor for any amounts paid by the Grantee.

However, any such Grantee, or any mortgagee shall be entitled, within ten (10) days after making written request therefore, to a certificate from the Board of Trustees, or Managing Agent or Manager, as the case may be, setting forth the amount of unpaid assessments pertaining to such Unit, and in such event, any person other than the Unit Owner, who relies on such certificate shall be entitled to rely thereon and shall not be liable for any amounts in excess of the amount stated therein. A mortgagee or other purchaser of a Unit at a foreclosure sale shall not be liable for nonpayment of any Common Charges assessed prior to the date of the foreclosure sale, and such Unit shall not be subject to a lien for nonpayment of such charge.

b) Foreclosure of Liens for Unpaid Common Charges. It shall be the right and duty of the governing board to attempt to recover unpaid Common Charges, together with interest thereon, and expenses of the proceeding, including reasonable attorney's fees, in an action brought against any Unit Owner in default of his obligation to pay the same; or by foreclosure of the lien on any Unit in respect to which such default occurred as provided for in Section 46:8B-21 of the New Jersey Statutes. Any unpaid Common Expenses remaining uncollected for more than sixty (60) days after such Sheriffs Sale may be assessed by the Board of Trustees as Common Expenses to be collected from all Unit Owners including the purchaser who acquires title at the Sheriffs Sale, his successors and assigns.

The Board of Trustees, acting on behalf of all Unit Owners, shall have power to bid on and to purchase any Unit offered for sale at a Sheriffs Sale and to acquire, hold, lease, mortgage, convey or otherwise deal with same. Suit to recover a money judgement for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding the pendency of a suit to recover a money judgement. No vote will attach to any units owned by the Association.

c) Contribution to Capital. As authorized by N.J.S.A. 46:8B-15(e) as amended on September 10, 2007, simultaneously with the acquisition of title to a Unit, each new Owner shall pay to the Association a non-refundable and non-transferable contribution or fee in the amount equal to three (3) months of the current Annual Common Expense Assessment attributable to his Unit, which fee shall be used for working capital and reserves. Any unpaid capital contribution shall be deemed a lien on the Unit in the same manner as any unpaid Common Expense attributable to such Unit. This provision shall apply to the sale of all Units subsequent to the adoption of this bylaw.

2. Notice

The Board shall give notice to each such Unit Owner in writing of the amount estimated by the Board of Common Expenses for the management of the Association for the ensuing period directed to the Member of its last address known to the Board by ordinary mail. The said notice shall be conclusively presumed to have been received five (5) days after deposit in the United States mails.

In the event that no objection is made by the Unit Owners on or before the twentieth (20th) day after receipt of such notice, the amount shall be deemed to be conclusive and binding.

In the event the annual 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 an immediate need or emergency.

3. Acceleration of Annual Assessment Installments Upon Default. If a Member shall be in default in the payment of an installment of the annual assessment, the Board may accelerate the remaining installments of such annual assessment upon notice to the Member and the then entire unpaid balance of the assessment shall come due upon the date stated in such notice, but not less than five (5) days after delivery of the notice to the Member, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

4. Interest and Counsel Fees. The Board, at its option, shall have the right in connection with the collection of this or any other charge to impose an interest charge at the legal maximum if such payment is made after a certain date stated in such notice. In the event that the Board shall effectuate collection of said charges by resort to Counsel, the Board may add to the aforesaid charge or charges a sum or sums equal to twenty (20%) percent of the gross amount due as counsel fees in addition to such costs allowable by law.

5. Bank Accounts. The depository of the Association shall be such a bank or banks within the State of New Jersey 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 persons 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.

6. Expenditure of Funds. The amount of monies for Common Expenses deemed necessary by the Board of Trustees 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.

7. Reserves. The Board shall not be obligated to expend all of the revenues collected in any accounting period, but must maintain a reasonable reserve for, among other things, replacement, emergencies, contingencies of bad weather or uncollected accounts. Said reserve fund or funds shall, however, be kept in interest bearing accounts. The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand in checking or petty cash accounts for the necessary discharge of its function.

8. Annual Audit. The Board of Trustees shall submit its books, records and memoranda to an annual audit by an independent public accountant who shall audit the same and render a report thereon in writing to the Board and in summary form to the Members and such other persons, firms or corporations as may be entitled to same. If in any year all Unit Members consent in writing, this provision shall be waived. While the Sponsor maintains a majority of the 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 accounts.

9. Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, to which all expenditures shall be Common Expenses:

- a) Current Expenses. The classification shall include all receipts and expenditures within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, for replacements or to operations. The balance of this fund at the end of each taxable year shall be distributed to the Membership in proportion to each Member's percent interest as indicated in the Master Deed;
- b) Reserve for Deferred Maintenance. This classification shall include funds for maintenance items that occur less frequently than annually;
- c) Reserve for Replacement. This classification shall include funds for repair or replacement required because of damages, depreciation or obsolescence;
- d) Capital Expenditures. This classification shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the Common Elements;
- e) Operations. This classification shall include the gross revenues from the use of Common Elements and from 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 shall be used to reduce the assessments for the current expenses for the year during which surplus is realized, or, at the discretion of the Board of Trustees, in the year following the year in which the surplus is realized. Losses from the operations shall be met by special assessments against Members, which assessments may be made in advance in order to provide a working fund.
- f) While the Sponsor maintains a majority of the Board of Trustees, it shall make no additions, alterations, improvements or purchases not contemplated in this Offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a governmental agency, title insurance company, mortgage lender or in the event of an emergency.

Section 3. Election and Term of Office. The affairs of the Association shall initially be governed by a Board of Trustees consisting of three (3) persons who need not be Unit Owners of The 1012 Park Avenue Condominium. Except as set forth below, after the sale of three units, the Board of Trustees shall be replaced with three (3) persons who shall be Unit Owners. Each Trustee shall serve for a term of one (1) year.

When Unit Owners other than the Sponsor own twenty-five percent (25%) or more of the units, the Unit Owners other than the Sponsor shall be entitled to elect not less than twenty-five percent (25%) of the members of the Board. Unit Owners other than the Sponsor shall be entitled to elect not less than forty percent (40%) of the members of the Board upon the conveyance of fifty percent (50%) of the units. Unit Owners other than the Sponsor shall be entitled to elect all of the members of the Board upon conveyance of seventy-five percent (75%) of the units in a condominium. The Sponsor shall be entitled to elect at least one member of the Board as long as the Sponsor holds one or more units for sale in the ordinary course of business. However, when some of the units have been sold to purchasers and none of the others are being offered for sale by the Sponsor in the ordinary course of business, the Unit Owners other than the Sponsor shall be entitled to elect all of the members of the Board. Within thirty (30) days after the Unit Owners other than the Sponsor are entitled to elect a member or members of the Board, the Association shall call, and give not less than twenty (20) days nor more than thirty (30) days notice of, a meeting of the Unit Owners to elect the members of the Board. The meeting may be called and the notice given by any Unit Owner if the Association fails to do so.

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

A Sponsor may surrender control of the Board of Trustees of the Association prior to the time as specified, provided the Owners agree by a majority vote to assume control. Upon the assumption by the Owners of the Board of Trustees, the Sponsor shall forthwith deliver to the Association all items and documents pertinent to the Association.

These documents shall include, but not be limited to, a certified copy of the Master Deed, documents of creation of the Association, By-Laws, Minute Book, including all minutes, any Rules and Regulations and accounting of Association funds, all personal property, insurance policies, government permits, a membership roster and all contracts and agreements relative to the Association.

The Association, when controlled by the Unit Owners, shall not take any action that would be detrimental to the sales of Units by the Sponsor and shall continue the same level of maintenance, operation and services as immediately prior to their assumption of control, until the last Unit is sold in the normal course of business.

From the time of conveyance of seventy-five percent (75%) of the lots, parcels, Units or interests, until the last lot, parcel, Unit or interest in the development is conveyed in the ordinary course of business the Master Deed, By-Laws or declaration of covenants and restrictions shall not be amended to require the affirmative vote of more than seventy-five percent (75%) of the votes to be cast in order to amend the By-Laws or Rules and Regulations.

The Sponsor shall not be permitted to cast any votes allocated to unsold lots, parcels, Units or interests in order to amend the Master Deed, By-Laws, or any other document for the purpose of changing the permitted use of a lot, parcel, Unit or interest, or for the purpose of reducing the Common Elements or facilities.

Section 4. Vacancies. On subsequent sale of a dwelling Unit, the Owner thereof shall resign as a Member of the Board and an election will be held as soon as possible to fill the vacancy. When the Member of the Board of Trustees other than the Sponsor who has been elected by Unit Owners is removed or resigns, that vacancy shall be filled by a Unit Owner other than the Sponsor. Each person so elected shall be a Member of the Board of Trustees for the remainder of the term of the Director whose term he is filling until his successor shall be elected.

Section 5. Compensation. No Member of the Board of Trustees shall receive any compensation. However, Trustees may be reimbursed for out-of-pocket expenses and may be compensated for services rendered to or for the Condominium in any other capacity.

Section 6. Meeting of the Board of Trustees. The first meeting of the Board of Trustees shall be held within ten (10) days after the first annual meeting of the Unit Owners at such time and place as shall be fixed by the Unit Owners at their annual meeting 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 Members of the Board, but at least two (2) meetings shall be held each year.

Notice of regular meetings of the Board of Trustees must be given to each Member of the Board by mail or telegram at least three (3) business days prior to the day of the meeting. Special meetings of the Board may be called by the President (See Article V, Section 3) on three (3) business days notice to each Member of the Board given by 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 Secretary in like manner and on like notice at the written request of at least three (3) Members of the Board. Any Member of the Board may, at any time, waive notice on any meeting of the Board in writing and such waiver shall be deemed

equivalent to the giving of notice. Actual attendance by Members of the Board at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof.

Section 7. Open Meetings of Association.

1. Open Meetings. All meetings of the Board of Trustees, 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 (1) above, the Board of Trustees may exclude or restrict attendance at those meetings or portions of meetings dealing with the following:

(a) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;

(b) Any pending or anticipated litigation or contract negotiations;

(c) Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer, or

(d) Any matter involving the employment, promotion, discipline, or dismissal of a specific employee of the association.

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

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

4. Adequate Notice Requirements for Open Meetings. Adequate notice of any open meeting shall be given to all Unit Owners. 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, telegrammed or hand delivered to at least two newspapers designated by the Board of Trustees.

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

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

6. Emergency Meetings. In the event that a Board of Director's 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.

Section 8. Quorum of the Board of Trustees. At all meetings of the Board, a majority of the Members thereof shall constitute a quorum for the transaction of business and the votes of a majority of the Members of the Board present and voting at a meeting at which a quorum is present shall constitute a valid decision. If there is a tie, then the matter shall be submitted to arbitration. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may 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.

Section 9. Non-Waiver. All the rights, duties and privileges of the Board of Trustees 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.

ARTICLE III -- OFFICERS

Section 1. Designation of Officers. The principal Officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer. The Board may also appoint such other Assistant Treasurers and Assistant Secretaries as in their judgment may be necessary.

Section 2. Election of Officers. The Officers of the Association shall be elected annually by the Board of Trustees at the first Board of Trustees meeting following each annual meeting and such Officers shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of two-thirds (2/3's) majority of the Members of the Board of Trustees, any Officer may be removed, either with or without cause and his successor elected at any regular meeting of the Board of Trustees, or at any special meeting of the Board of Trustees for such purpose.

Section 4. President. The President shall be the Chief Executive Officer of the Association. He shall preside at all meetings of the Association and of the Board of Trustees. He shall have all of the general powers and duties which are usually vested in the Office of President of an association, including but not limited to, the power to appoint committees from among the Members of the Association from time to time as he may, in his discretion, deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor Vice-President is able to act, the Board of Trustees shall appoint some other Member to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Trustees.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Trustees and the minutes of all meetings of the Members of the Association, and shall have charge of such books and papers as the Board of Trustees may direct. The Secretary shall, in general, perform all the duties incidental to the Office of the Secretary.

Section 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. 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 of Trustees.

Section 8. 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 of Trustees.

Section 9. Fidelity Bonds. While the Sponsor maintains a majority of representation on the Board of Trustees, he shall post a fidelity bond or other guarantee acceptable to the Department of Community Affairs, in an amount equal to the annual budget. If the Sponsor maintains control during the second and succeeding years, the bond or other guarantee shall include accumulated reserves.

Section 10. Compensation of Officers. The President and Vice-President shall not receive any compensation for their services except for out-of-pocket expenses but maybe compensated for services rendered in any other capacity. The Secretary and Treasurer may be compensated for their services if the Board determines that such compensation is appropriate.

Section 11. Eligibility of Trustees. Nothing herein contained shall prohibit a Trustee from being an Officer.

ARTICLE IV -- FISCAL YEAR

The fiscal year of the Association shall be on a calendar year basis.

ARTICLE V -- MEETINGS OF THE UNIT OWNERS

Section 1. Time of Meetings. Annual meetings of the Unit Owners shall be held at the Condominium on the second Monday in January of each year.

Section 2. Place of Meeting. The meeting of the Unit Owners shall be held at the principal office of the Association or at such other suitable place convenient to the Unit Owners as may be designated by the Board.

Section 3. Special Meetings. After the first annual or special meeting, special meetings of Members may be called by the President whenever he deems such a meeting advisable and shall be called by the Secretary when so ordered by the Board of Trustees to or upon the written request of Members entitled to not less than thirty-three percent (33%) of all votes entitled to be cast at such meeting. Such request shall state the purpose or purposes of such meeting and the matter proposed to be acted on thereat. The Secretary shall give notice stating the purpose or purposes of the meeting to all Members entitled to vote at such meeting.

No special meeting need be called upon the request of Members entitled to be cast less than fifty percent (50%) of all votes entitled to be cast at such meeting to consider any matter which is substantially the same as a matter voted upon at any meeting of the Members held during the preceding twelve (12) months.

Section 4. Notice of Meeting. Except as otherwise provided by law, notice of each meeting of Members 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 the representative of each Unit Owner at the address of its Unit, by delivering a written or printed notice thereof to him personally or mailing such notice by regular mail, postage prepaid.

Except where expressly required by law, no publication of any notice of a meeting of the Members shall be required. Every such notice shall state the time and place of the meeting and shall state briefly the purposes thereof. Notice of any meeting of the Members shall not be required to be given to any Members who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the Members shall not be required to be given, except when expressly required to be given.

Section 5. Quorum. At each meeting of the Members, a majority of the Owners as defined in Subparagraph C of Subsection 8, present in person or represented by proxy, shall constitute a quorum for the transaction of business except where otherwise provided by law or these By-Laws. In the absence of a quorum, the Unit Owners present in person or represented by proxy and entitled to vote, by majority vote, may adjourn the meeting from time to time, until a quorum shall be present and represented. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at a meeting originally called.

Section 6. Organization. At each meeting of the Association, the President or in his absence, the Vice-President, or in the absence of both of them, a Chairman chosen by a majority vote of the Unit Owners present in person or represented by proxy and entitled to vote thereat, shall act as Chairman and the Secretary or in his absence a person whom the Chairman shall appoint, shall act as Secretary at the meeting.

Section 7. Conduct of the Meetings. The order of business at the annual meeting of the Unit Owners or at any special meeting as far as practicable shall be:

- A. Call of the roll and certifying the proxies;
- B. Proof of Notice of Meeting or Waiver of Notice;
- C. Reading and disposal of any unapproved minutes;
- D. Receiving reports of Officers;
- E. Receiving reports of Committees;
- F. Appointment of Judges of Election, if necessary;
- G. Election of Trustees if necessary;
- H. Old business;
- I. New business;
- J. Adjournments.

Section 8. Membership and Voting Rights.

A. Membership in the Association shall be limited to the Owners or Co-Owners of Units in the Condominium provided that wherever title to a Unit is vested in two (2) or more persons, such Co-Owners shall be entitled jointly to only one (1) vote for their particular Unit as designated on the records of the Association.

B. For purposes of electing Trustees, each Unit Owner shall be entitled to one (1) vote. For all other voting, each Unit Owner shall be entitled to cast a number of votes equal to the percentage interest in the Common Elements assigned to that Unit Owner's unit.

C. As used in these By-Laws, the term "Majority of the Owners" shall mean those Owners holding seventy-five percent (75%) of the votes in accordance with the percentage interests in the Common Elements assigned in the Master Deed.

D. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "Majority of Owners" as defined in Subparagraph C, Section 8 of this Article V shall constitute a quorum.

E. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. All proxies shall be in writing, signed by all individual Owners of each Unit or by his or their duly authorized representative(s) and delivered to the Secretary of the meeting, but no proxy shall be voted on after eleven (11) months from its date unless said proxy provides for a longer period. The election of Trustees shall be by ballot. Unless demanded by a least twenty-five percent (25%) of the Members present in person or by proxy at such meeting and entitled to vote thereat, or determined by the Chairman of the meeting to be advisable, the vote on any other question need not be by ballot.

F. 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, 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.

G. The Board shall impose upon each Unit Owner, upon acquisition of title to his Unit, a non-refundable fee for membership in the Association in an amount equal to two months current maintenance charges, which fee shall be used for working capital. Payment of such fee shall be a condition precedent to membership in the Association. Any unpaid membership fee shall remain a lien on the Unit in the same manner as any unpaid common expenses attributable to such Unit.

Section 9. Judges. If at any meeting of the Members, a vote by ballot shall be taken on any question, the Chairman of such meeting shall appoint two (2) Judges to act thereafter with respect to such vote. Each Judge so appointed shall first subscribe to an oath faithfully to execute the duties of a Judge at such meeting with strict impartiality and according to the best of his ability.

Such Judges shall decide upon the qualification of voters and shall report the number of Members represented at the meeting and entitled to vote on such questions, 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 question. 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 of the Association may be a Judge on a 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.

ARTICLE VI -- TITLE TO UNITS

Title to Units may be taken in the name of an individual or in the names of two (2) or more persons as tenants in common or as joint tenants with right of survivorship, or in the name of a corporation or

partnership, or in the name of a fiduciary. Any officer of a corporate owned dwelling Unit or partner of a partnership owned Unit shall be eligible to serve on the Board of Trustees.

ARTICLE VII -- COVENANTS COMMITTEE

Section 1. Purpose. The Board may establish a Covenants Committee, consisting of three Members appointed by the Board, each to serve for a term of one 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 aesthetics 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.

Section 2. 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 Deeds or these By-Laws or otherwise adopted by the Board, including in the case of more than one structure that the exterior of the buildings and the roofs be maintained in the same color and texture. 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 Deeds, the 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 Deeds, Articles of Incorporation and By-Laws, Rules and Regulations and resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a Unit Owner or the Board. Any action, ruling or decision of the Covenants Committee may be appealed to the Board by any party deemed by the Board to have standing as an aggrieved party and a vote of a majority of the full authorized Membership of the Board may modify or reverse any such action, ruling or decision.

Section 3. 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 Subsection H of section 2 of Article II 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 a 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 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 him the opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

ARTICLE VIII -- RULES OF CONDUCT

- A. All Units shall be utilized for residential purposes only.
- B. No resident of the Condominium shall post any advertisements or posters of any kind in or on the Condominium Property except as authorized by the Board.

C. Residents shall exercise extreme care about making noises or the use of musical instruments, radios, television and amplifiers that may disturb other residents.

D. Keeping domestic animals shall be subject to such rules and regulations as the Association may adopt.

E. It is prohibited to hang garments, rugs, etc., from the windows or to clean rugs, etc., by beating on the exterior part of the Condominium.

F. It is prohibited to throw garbage or trash outside the disposal installations provided for such purposes in the service areas.

G. No Unit Owner shall install wiring for electrical or telephone installation, television antenna, machines or air conditioning units, etc., on the exterior of the Condominium except as authorized by the Board.

H. No personal property of any Unit Owner shall be stored in the hallways or any of the Common Areas of the premises. Any personal property found in the Common Areas may be disposed of by the Board with no liability therefor on its part.

I. All applicable regulations concerning recycling and separation of trash shall be strictly obeyed.

ARTICLE IX -- INSURANCE

The Board of Trustees, as insurance trustee for each of the dwelling Unit Owners, pursuant to N.J.S.A. 46:8B-14, shall be required to obtain and maintain to the extent obtainable, without prejudice to the right of each Unit Owner to insure his own Unit for his own benefit, the following insurance for loss by fire and other casualties and insurance against liability for personal injury and death for accidents occurring within the Common Areas:

1. Physical Damage Insurance. Broad form insurance against loss by fire and against loss by lightning, windstorm, and other risks normally included within extended coverage, insuring all structural portions of the Condominium Property, together with all service machinery contained therein and covering the interest of the Association, the Board of Trustees and all Members and their mortgagees as their interests may appear in the sum of \$1,500,000.00 with a \$1,000.00 deductible, an amount calculated to be the full replacement of the Buildings, without deduction for depreciation. Each of said policies shall contain a standard mortgagee clause in favor of each mortgagee of a dwelling Unit and which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interests may appear, subject, however, to the payment provisions in favor of the Board of Trustees, Workmen's Compensation insurance and such other insurance as the Board of Trustees may determine.

All such policies shall provide that adjustment of loss shall be made by the Board of Trustees.

All policies of physical damage insurance shall to the extent obtainable, contain waivers of subrogation and waivers from any acts of the insured, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of dwelling Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums shall be delivered to all mortgagees of dwelling Units at least ten (10) days prior to expiration of the then current policies.

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 actor negligence of any individual Unit Owner. Said insurance shall be in the sum of \$1,000,000.00 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.

Until the first meeting of the Board following the first annual meeting, such public liability insurance shall be in a single limit of \$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. Trustees and Officers Liability Insurance. At the election of the Condominium Association, liability insurance indemnifying the Trustees and Officers of the Association against the liability for errors and omissions occurring in connection with the performance of their duties, in an 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 insurance, if required, in an amount equal to the total amount of first mortgages affecting all the Units or the maximum amount available, whichever is less.

7. Other Insurance. Such other insurance as the Board may determine, including, but not limited to such fidelity bonds as the Board deems necessary.

Any insurance maintained by the Board may provide for such deductible amount as the Board may determine.

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.

The premiums for all insurance and fidelity bonds carried by the Association shall be a Common Expense and shall be borne by the Unit Owners in direct proportion to their respective percentage interests.

Until such time as control of the Board of Trustees is turned over to the Unit Owners, Robert C. Matule, Esq., shall act as the Insurance Trustee hereunder. Neither Sponsor nor any principal thereof may act as such Insurance Trustee.

ARTICLE X -- ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE BOARD

Whenever in the judgement of the Board of Trustees, Common Areas shall require additions, alterations or improvements costing in excess of \$ 1,000 said alterations and improvements shall not be made unless they have been approved by a majority of the dwelling Unit Owners present and voting at a meeting at which a quorum is present.

When said approval has been obtained, all dwelling Unit Owners shall be assessed for the cost thereof as a Common Charge. In the event of any emergency which could cause damage to any Building(s) or part(s) thereof, the Board may expend sums in excess of \$1,000 to protect said Building(s) or part(s) and the judgement of the Board shall be final.

ARTICLE XI -- ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE UNIT OWNERS

No dwelling Unit Owner shall make any structural additions, structural partitions, wall changes or structural alteration or improvement in or to his Unit without the prior written authorization of the Board and, if necessary, the mortgagee of said Unit.

The Board shall have the obligation to answer any written request by a dwelling Unit Owner for approval of a proposed structural addition, alteration, or improvement in such Unit Owner's Unit within sixty (60) days after such request. Failure to do so within the stipulated time shall constitute a rejection by the Board of the proposed structural addition, alteration or improvement, however, such rejection shall be without prejudice to a Unit Owner's right to resubmit such request for approval to the Board. Any request by a Unit Owner to the Board to execute an application to any municipal authority for a permit to make an addition, alteration or improvement in or to any dwelling Unit shall be conditioned upon said approval being given. The Board, however, shall not incur any liability on their part to any contractor, sub-contractor or materialman on account of such additions, alterations or improvements, or to any person having any claim for injury to person or damage to property arising therefrom and such Unit Owner shall indemnify the Board and the Association against same.

ARTICLE XII -- RIGHT OF ACCESS

Each Unit Owner shall grant a right of access to his Unit to the Manager and or the Managing Agent and/or any other person authorized by the Board for the purpose of making inspections and for the purpose of correcting any condition originating in his Unit and threatening another Unit or Common Element or for the purpose of performing the necessary installation, alterations or repairs to the electrical or mechanical services or other Common Element in his Unit or elsewhere in the Building within which the Unit is located 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.

ARTICLE XIII -- ELECTRICITY, GAS, WATER AND HEATING

Electricity and gas for cooking, air conditioning, heat and hot water shall be supplied by the public utility company serving the area directly to each Unit through separate meters for each Unit and each Unit Owner shall be required to pay the bills for electricity and gas consumed or used by his Unit and in any Limited Common Areas serving his Unit.

The electricity serving the General Common Elements and grounds shall be metered and the Board shall pay the cost of same as a Common Expense. The utility charges for water and sewer use shall be paid by the Board as Common Expenses.

ARTICLE XIV -- MORTGAGEES

Section 1. Notice to Association. An Owner who mortgages his Unit, shall notify the Association through the Management unit, if any, or the President of the Board of Trustees in the event there is no Management Agent, of the name and address of his mortgagee and the account number of his mortgage; and the Association shall maintain such information in a book entitled "Mortgagees of Units."

Section 2. Notice of Unpaid Assessments. The Board shall, at the request of a mortgagee of a Unit, report any unpaid assessments due from the Owner of such Unit.

Section 3. Rights of First Mortgagees

A. Consents. The Board shall not without the prior written consent of two-thirds of the first mortgagees (such vote being based upon one (1) vote for each first mortgage held on each living Unit by such first mortgagee) or Owners other than the Grantor herein of the individual Condominium Units, except as provided by statute in case of condemnation or substantial loss to the Units and/or Common Elements of the Condominium project:

1. by act or omission, seek to abandon or terminate the Condominium project;
2. change the pro rate interest or obligations of any individual Condominium Unit for the purpose of:
 - i) Levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or
 - ii) Determining the pro rata share of ownership of each Condominium Unit in the Common Elements;
3. partition or sub-divide any Condominium Unit;
4. by act or omission, seek to abandon, partition, sub-divide, encumber, sell or transfer the Common Elements (the granting of easements of public utilities or for other public purposes consistent with the intended use of the Common Elements by the Condominium shall not be deemed a transfer within the meaning of this clause); or
5. use hazard insurance proceeds for losses to any Condominium Property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such Condominium Property.

B. Taxes. All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual Condominium Units and not to the Condominium Project as a whole.

C. Damage. In the event of damage to or destruction of any Condominium Unit or portion thereof, or any part of the Common Elements, the first mortgagee of said Condominium Unit is entitled to timely written notice of any such damage or destruction. No Condominium Unit Owner or any other party shall have priority over any rights of the first mortgagee of said Condominium Unit pursuant to its mortgage with respect to the distribution to such Condominium Unit of any insurance proceeds.

D. Condemnation. In the event condemnation of any Unit or portion thereof, or any part of the Common Elements, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the first mortgagee of said Condominium Unit is entitled to timely notice of any such proceeding or proposed acquisition.

No Condominium Unit Owner or other party shall have priority over said first mortgagee with respect to the distribution to such Condominium Unit of the proceeds of any award or settlement.

E. Amenities (Intentionally left blank.)

F. Notice of Default. A first mortgagee, upon notification to the Association, shall be entitled to written notification from the Association of any default in performance by the Condominium Unit Owner of any living Unit upon which the first mortgagee holds a mortgage, of any obligation of said Condominium Unit Owner created by the Master Deed or By-Laws which is not cured within sixty (60) days from such date of default.

ARTICLE XV -- MISCELLANEOUS

Section 1. Examination of Books. Each Unit Owner and each mortgagee of a Unit shall be permitted, upon no less than ten (10) days written notice, to examine the books of account of the Board of Trustees at a reasonable time on business days.

Section 2. Financing the Purchase of Units by the Board of Trustees. Acquisition of Units, regardless of type, by the Board on behalf of all Unit Owners may be made from the working capital in the hands of the Board, or if such funds are insufficient, the Board may levy an assessment against each Unit Owner in proportion to his ownership in the Common Elements as a Common Charge, which assessment shall be enforceable in the same manner as Common Charges, or the Board may in its discretion borrow money to finance the acquisition of such Units, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than Unit itself together with the appurtenant interests thereto to be acquired by the Board. The Association cannot acquire any Units while the Sponsor retains control of same.

Section 3. Notices. All notices hereunder to the Association shall be sent by registered or certified mail to the Board in care of the President of the Association and/or to the Managing Agent if there is a Managing Agent. All notices to any Unit Owner shall be sent registered or certified mail to the Building in which the Unit is situated, or to such other address as may have been designated by him from time to time in writing to the Board. All notices shall be deemed to have been given when mailed except notice of change of address which shall be deemed to have been given when received.

Section 4. Waiver. No restrictions, conditions, obligations or covenants 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.

ARTICLE XVI -- AMENDMENTS

These By-Laws, or any individual sections of the By-Laws, may be altered or repealed, or new By-Laws may be made, at any meeting of the Association duly constituted for such purpose, a quorum being present by an affirmative vote of seventy-five percent (75%) of the votes entitled to be cast in person or by proxy, except that the first annual meeting may not be advanced and the first Board of Trustees (including replacements in case of vacancies) may not be removed by reason of any such amendment or repeal.

ARTICLE XVII -- EXCULPABILITY OF BOARD, OFFICERS AND COMMITTEE MEMBERS

Neither the Board as a body, nor any Member thereof, nor any Officer of the Association, nor Member of the Covenants Committee 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 and Officers of the Association in the execution of the duties of said Trustees and Officers.

Unless acting in bad faith, no Director or Officer of the Association shall be liable to any Unit Owner or other person for misfeasance or malfeasance in the office. Nothing contained herein to the contrary shall serve to exculpate Members of the Board of Trustees appointed by the Sponsor from their fiduciary responsibilities.

ARTICLE XVIII -- CONFLICT

Despite anything to the contrary herein, if any provision of this instrument is in conflict with or contradiction of the New Jersey Condominium Act, or with the requirements of any other law, then the requirements of said Act or other law shall be deemed controlling.

ARTICLE XIX -- ARBITRATION

Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in Hudson 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.

ARTICLE XX -- HANDICAP UNITS

Nothing herein shall be construed to prohibit the reasonable adaptation of any Unit for handicap use.

ARTICLE XXI -- POWERS AND DUTIES

Subject to the Master Deed, Declaration of Covenants and Restrictions, if any, or other instruments of creation, the Association may do all that it is legally entitled to do under the laws applicable to its form of organization.

The Association shall discharge its powers in a manner that protects and furthers the health, safety and general welfare of the residents of the Condominium Community.

The Association shall 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.