

# PUBLIC OFFERING STATEMENT

for



a Condominium

Filed and presented by:  
Senior Housing Associates, L.P. a New Jersey Limited Partnership  
100 Ridgewood Road  
Township of Washington, New Jersey 07676

90 Age Restricted Condominium Units and 142 Parking  
Spaces of which 33 spaces will be offered for sale  
located at  
Ridgewood Road, Township of Washington,  
Bergen County, New Jersey

Effective Date of Statement: October 12, 2000  
Registration Number: R-3477

## NOTICE TO PURCHASERS:

**THIS PUBLIC OFFERING STATEMENT IS FOR INFORMATIONAL PURPOSES ONLY. PURCHASERS SHOULD ASCERTAIN FOR THEMSELVES THAT THE PROPERTY OFFERED MEETS THEIR PERSONAL REQUIREMENTS. THE NEW JERSEY DIVISION OF CODES AND STANDARDS HAS NEITHER APPROVED NOR DISAPPROVED OF THE MERITS OF THE OFFERING. BE SURE TO CAREFULLY READ ALL DOCUMENTS BEFORE YOU SIGN THEM. THIS PUBLIC OFFERING STATEMENT HAS BEEN FILED AND IS PRESENTED PURSUANT TO THE PLANNED REAL ESTATE DEVELOPMENT FULL DISCLOSURE ACT (N.J.S.A. 45:22A-21 et seq) AND THE RESPECTIVE RULES AND REGULATIONS PROMULGATED THEREUNDER.**

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PUBLIC OFFERING STATEMENT

for

WASHINGTON GRAND, a Condominium

Sponsor:

Senior Housing Associates, L.P.  
a New Jersey Limited Partnership  
100 Ridgewood Road

Township of Washington, New Jersey 07675

for

90 Age Restricted Condominium Units and 142 Parking Spaces of  
which 33 spaces will be offered for sale located at  
Ridgewood Road, Township of Washington,  
Bergen County, New Jersey

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EXHIBITS  
TO PUBLIC OFFERING STATEMENT  
FOR  
WASHINGTON GRAND, A CONDOMINIUM

Exhibit

- A Master Deed
- B Estimated Budget, Estimated Common Expense Assessment and Letters of Adequacy with Respect to the Budget and Insurance Coverage
- C Management Agreement
- D Form of Subscription and Purchase Agreement
- E Form of Unit Deed
- F Specimen Title Insurance Policy



## FOREWORD

ANY PROSPECTIVE PURCHASER WHO ENTERS INTO A SUBSCRIPTION AND PURCHASE AGREEMENT CAN, AS A MATTER OF RIGHT, CANCEL THE AGREEMENT, WITHOUT CAUSE, BY DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE SPONSOR BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH THE AGREEMENT IS EXECUTED, AND ALL MONIES PAID WILL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

### 1. INTRODUCTION

Senior Housing Associates, L.P. a New Jersey Limited Partnership (hereinafter referred to as the "Sponsor"), with offices at 100 Ridgewood Road, Township of Washington, New Jersey, 07675, presents herewith its Public Offering Statement for the establishment of a condominium form of ownership (hereinafter the "Plan") with respect to the five and eighty-three hundredths (5.83) acres of land (Block 2506, Lots 7 and 8) in the Township of Washington, County of Bergen and State of New Jersey (hereinafter the "Property"), and certain Buildings and improvements to be constructed thereon (hereinafter the "Condominium"). The Plan will be established pursuant to and in accordance with the provisions of the Master Deed for Washington Grand, a Condominium (hereinafter the "Master Deed") to be executed by Sponsor and recorded prior to the first conveyance of title to a Unit. A copy of the Master Deed is attached hereto as Exhibit A. The Master Deed contains a legal description of the land, a site plan setting forth the location of all Buildings and improvements, Unit layouts and a schedule of Units and their percentage interest in the Common Elements.

The Plan and the creation of the Condominium is governed by the New Jersey Condominium Act (N.J.S.A. 46:8B-1 et seq.) (hereinafter the "Act") and the New Jersey Planned Real Estate Development Full Disclosure Act (P.L. 1970, Chapter 419; N.J.S.A. 45:22A-21 et seq.), and the Rules and Regulations promulgated thereunder.

### 2. DESCRIPTION OF INTEREST TO BE CONVEYED

The interest held by the Owner of a Unit in the Condominium consists of two distinct but inseparable interests in real property. One is the sole ownership in fee simple of the Unit itself, and the other is the ownership of an undivided percentage interest in the Common Elements of the Condominium in common with all of the other Owners. A Unit Owner owns his Unit in many respects as a private home owner owns his own home. He owns the Unit in fee simple and is entitled to the exclusive possession

thereof. Each Unit Owner may mortgage his Unit to an institutional lender or obtain a purchase money mortgage, his Unit is not subject to the lien of any mortgages placed by his neighbors on their Units; and he is also free to lease (subject to the provisions of the Master Deed), sell and convey his Unit by gift or by will. Under New Jersey law, each Unit is to be taxed separately for real estate tax purposes just as if it were a privately owned home. An Owner is entitled to the sole possession of his Unit. A Unit Owner may generally decorate the interior of his Unit as he wishes, although he is subject to certain restrictions on the use of his Unit, which are contained in the Master Deed and By-Laws. In addition, he is responsible for the maintenance of the Unit.

The Units generally consist of the space bounded by an imaginary plane along and coincident with the underside of the ceiling joists of the Unit, an imaginary plane along and coincident with the uppermost surface of the subfloor of the Unit and imaginary planes along and coincident with the innermost surfaces of the studding of the perimeter walls of the Unit. A more complete definition of the Unit is contained in the Master Deed.

Appurtenant to the ownership of each Unit is an undivided percentage interest in the Common Elements and any Limited Common Elements. Common Elements consist of General Common Elements and Limited Common Elements. All Units Owners, unless otherwise noted in the Master Deed, have access to all of the General Common Elements, while access to the Limited Common Elements is restricted to the Owners of the Unit to which they are appurtenant. Limited Common Elements are those items which are utilized exclusively by a specific Unit, but are not within the Unit, such as the decks/terraces appurtenant to a unit, assigned parking spaces, and assigned storage areas. The Common Elements of the Condominium include, but are not limited to, such things as the land on which the Building is erected, the exterior of the Building itself, the hallways, lobbies, reception rooms, recreation areas, multipurpose rooms, pool, and pool deck, fencing, walkways, footings, roadways, lawn and landscape areas and any equipment, furniture or other essentials which are owned by "The Washington Grand Condominium Association, Inc." (hereinafter the "Association").

The interest of each Unit Owner in the Common Elements, has been established by the Sponsor and is expressed as an undivided percentage interest in all of the Common Elements as set forth in Exhibit G to the Master Deed. The percentage interest is significant in that it is utilized to allocate casualty insurance



proceeds that may be paid for any damage to the Common Elements as well as any proceeds resulting from any condemnation thereof or any disposition of common surplus. The undivided percentage interest is also utilized to determine the amount of maintenance assessment to be paid by each Unit Owner to the Association.

The ownership of the Common Elements cannot be legally partitioned from a Unit. When a Unit Owner sells his interest in a particular Unit, he conveys both his fee interest in the Unit and his undivided percentage interest in the Common Elements.

All Unit Owners are members of the Association, a non-profit corporation which is charged with the responsibility of maintaining the Common Elements and managing the affairs of the Condominium through its Board of Trustees. Each Unit Owner's vote is equal to his percentage interest in the Common Elements.

Each Unit Owner will be responsible for paying a proportionate share of the expenses incurred by the Association for the administration, management, maintenance, repair and replacement of the Common Elements of the Condominium (the "Common Expenses"). The proportionate share to be paid by each Unit Owner will be equivalent to the particular Unit's appurtenant interest in the Common Elements.

The rights and obligations of a Unit Owner are specifically described in the Master Deed, Certificate of Incorporation and By-Laws of the Association. The Master Deed is attached hereto as Exhibit A, and the Certificate of Incorporation and By-Laws are attached to the Master Deed as Exhibits E and F respectively. The Sponsor recommends that each prospective Unit Owner review these documents. Each prospective purchaser should be aware that, as a Unit Owner, he will be bound by the terms thereof, as well as any Rules and Regulations promulgated by the Board of Trustees of the Association (hereinafter the "Board"), as well as any amendments or additions thereto.

### 3. DESCRIPTION OF DEVELOPMENT

The Sponsor intends to construct ninety (90) age restricted apartment style Units in two (2) Buildings surrounding a common court yard on the Property. Building I is a two (2) story building and Building II is a three (3) story building, both above one level of underground parking garage. On site parking will be provided for 142 vehicles (123 garage and 19 outdoor spaces). Each unit owner will be assigned one garage parking space and one enclosed storage area at time of closing. Additionally, there will be nineteen (19) outdoor parking spaces

available for use as determined by the Association. Thirty-three (33) garage parking spaces may be purchased from Sponsor. The Condominium will also contain an outdoor heated swimming pool, hot tub, pool deck and lounging area. An apartment will be constructed for use by an on-site superintendent/manager.

Building I will contain a two-story entry foyer with grand staircase, lobby, mail room, multi-purpose room, exercise room/gym with equipment, mens and womens locker rooms each with shower and sauna, kitchen, arts and crafts room, office and library/game room. Building II will contain a two-story entry foyer, lobby, mail room, library, game room and office. Building I will have one (1) elevator and Building II will have two (2) elevators. Unit owners may use the common area facilities of either building in accordance with the Master Deed and Rules and Regulators of the Association.

There will be eleven (11) different styles of dwelling Units in the Condominium. The following is a breakdown of the Unit types planned:

<u>Unit Type</u>	<u># of Bedrooms</u>	<u># of Bathrooms</u>	<u>Square Footage</u>	<u># in Project</u>
A	One	One	997	10
A1	One	One	931	1
A2	One	One	1048	1
A3	One	One	995	4
B	Two	Two	1225	14
B1	Two	Two	1250	5
C	Two	Two	1315	33
D1	Two	Two	1505	1
D2	Two	Two	1661	13
D3	Two	Two	1642	6
E	Two	Two	1558	2

Access to the Condominium will be provided from Ridgewood Road. Each building will contain an underground garage with access provided via an entrance and exit at either "ends" of the building. Access to the garage will be controlled by an electric door. The anticipated commencement date for construction of the Condominium is Summer of 2000, and the anticipated completion date is Winter of 2001. The Sponsor anticipates that all Units will be sold or rented within twenty-four (24) months after the date of completion, subject to market conditions.

All sewer, water, electric, telephone and cable television lines for the Units will be installed by Sponsor. Charges for such utilities used directly by the Unit Owner will be the

responsibility of each individual Unit Owner. Each Unit Owner will be responsible for any connection fee or meter fee charged by the utility company. Utility charges for service to the Common Areas will be the responsibility of the Association and will be part of the common area charges paid by the Unit Owners. The Association will be responsible for the operation and maintenance of the sanitary sewer extension line. Each Unit Owner will be responsible for the payment of all utility charges for lighting adjacent to the front door of the Unit and on the patio/terrace of the Unit.

Each Unit will contain a fully equipped kitchen with dishwasher, stove, oven, refrigerator, washer and dryer. To the extent that any appliance is covered by a manufacturer's guarantee or warranty that is assignable, the Sponsor will assign same to the Unit Purchaser. The kitchen will contain vinyl flooring. The foyer will contain oak flooring. The bathrooms will contain ceramic tile flooring and one jacuzzi tub in each unit. Each Unit will be carpeted by the Sponsor from wall to wall, with the exception of the closets, kitchen, foyer, bathrooms, utility room, and patio/terrace. Each Unit will have either a balcony or patio with sliding glass doors opening onto same. Each unit has its own HVAC system, a portion of which will be contained in the mechanical room on each patio/terrace.

The model types described above are shown on Exhibit "C" of the Master Deed. Any areas and dimensions of the Units set forth herein or depicted on Exhibit "C" of the Master Deed are only approximations. The actual areas and dimensions may vary. The Sponsor expressly disclaims any warranty, express or implied, with regard to the accuracy of these verbal and graphic approximations. The Sponsor reserves the right to amend this offering to vary the types, number, and size of Units and Buildings offered. The Sponsor can exercise this right by registering an appropriate amendment to this Public Offering Statement with the New Jersey Department of Community Affairs. In any event, the Sponsor will also have to comply with applicable requirements of all laws, ordinances, codes and other governmental regulations relating to the Property in order to modify the building or Unit types. Such modification and/or amendment may include changing the configuration, design, mix, materials, model types or Percentage Interest of any unsold Units or of any Common Elements which have not been legally designated for a specific Unit which has been sold to an individual purchaser by the Sponsor.

In the Master Deed, the Sponsor has reserved the right to use one or more Units and common areas as models or a sales

office or both until it has sold the last Unit within the fully developed Condominium. The Sponsor may choose to use a Unit or Common Area as a sales office, or it may choose to locate the sales office elsewhere within the Property. This reserved right shall continue for so long as the Sponsor continues to offer Units for sale in the regular course of business but shall in no event exceed two (2) years from the date of recordation of the Master Deed. Prospective purchasers shall consult the exhibits to the Master Deed for the purposes of familiarizing themselves with the location of all improvements and for ascertaining the location of any particular Unit in which they may be interested. Unit Owners other than the Sponsor will be limited to use of their Units for residential purposes.

In addition to the Buildings, Units and Common Elements described herein, the Condominium will also contain those other site improvements shown on the Site Plan.

Unit Owners, their respective families and guests, shall be entitled to equal use of common facilities subject to such rules, regulations, limitations and conditions as may from time to time be imposed by the Association acting through its Board of Trustees. Unit Owners may, by written agreement and upon notice to the Board, delegate their right of enjoyment and use of the parking and other common elements to their permitted lessees.

Maintenance, repair, and replacement of the physical structure or property which are within or part of a Unit shall be the responsibility of each Unit Owner, individually.

#### 4. COMMUNITY INFORMATION

The Township of Washington is located in the historic Pascack Valley of Bergen County, New Jersey. The Township of Washington is a quiet, mostly residential community approximately 23 miles from New York City and 25 miles from downtown Newark, New Jersey. Conveniently accessible, the Township is within ten miles of Route 17, Route 4 and Interstate 80, and is adjacent to the Garden State Parkway.

The Township is serviced by several mass transportation systems. The Pascack Valley line of the New Jersey Transit railroad, which connects with the Path Service at Journal Square to New York City, has a stop in the adjoining Town of Westwood. In addition, the Red and Tan Bus Line route to New York City services the Township. Expanded AmTrak and Conrail service is available in Newark. Three airports service the New York/New

Jersey Metropolitan area: Newark International Airport, Kennedy International Airport and LaGuardia International Airport, which are approximately 20, 30 and 25 miles from the Property, respectively. There is also a general aviation airport, Teterboro Airport, in Teterboro, New Jersey, approximately 10 miles away.

The local shopping area is located along Pascack Road, the main thoroughfare in the Township, which is approximately 1.5 miles from the Condominium. Along Pascack Road can be found a supermarket, stores, restaurants, gasoline stations, and various specialty shops. In addition, there are several major shopping centers within Bergen County, including Riverside Square, which contains Bloomingdales and Saks Fifth Avenue, Paramus Park, which contains Sears and Macy's, and the Garden State Plaza, which contains Macy's, Nordstrom's, Neiman-Marcus and Lord and Taylor all within 5-10 miles of the Property.

The public schools serving the children of Washington Township are ranked among the top in the country. They offer a multitude of excellent scholastic programs with small student teacher ratios. Located within 1 mile, on School Street, is Washington Elementary School which serves grades K through 4. Within 1½ to 2 miles of the Condominium, the Jessie George Elementary School on Palm Street serves grades K through 4. Within 1½ miles of the Condominium, Brookside Upper Elementary School, located on Lake Drive, serves grades 5 and 6. Westwood Regional Jr./Sr. High School, located on Ridgewood Road, less than 1 mile from the Property, serves grades 7 through 12. The Westwood Regional Board of Education is also on Ridgewood Road. Washington Township is also serviced by St. John Interparochial School in Hillsdale, and in close proximity are: Our Lady of Mercy School located in Park Ridge, serves pre-kindergarten through 8<sup>th</sup> grade, St. Joseph's School located in New Milford, which is pre-kindergarten through 8th grade, Bergen Catholic High School located in Oradell, and Assumption School, a Catholic school located in Emerson. The Frish School, a Hebrew school in Paramus, the Moriah School, a Hebrew school in Englewood and the Dwight Englewood School, a preparatory school in Englewood are also located hereby. Numerous other private schools and colleges are located in Bergen County.

There are several hospitals located in nearby towns: The Valley Hospital located in Ridgewood, Pascack Valley Hospital in Westwood; Holy Name Hospital in Teaneck, Hackensack Hospital in Hackensack and Englewood Hospital in Englewood are all within 5-10 miles of the Condominium. There are also numerous additional hospitals in the New York City/New Jersey metropolitan area.

The Township of Washington is serviced by a community supported ambulance, a volunteer fire department, and a full time police department. The ambulance corps, fire department and police department are all located on 3 Hudson Street within one (1) mile from the Property.

The Meadowland Sports Complex, approximately 20 miles from the Property, includes Giant Stadium, home of the New York Giants and the New York Jets, professional football teams, the Meadowlands Arena, home of the New Jersey Nets, a professional basketball team, and the Devils, a professional hockey team. Also located at the Meadowlands Sports Complex is a race track for trotter and thoroughbred horse racing. The Complex is also host to many additional special events ranging from the circus, to musical concerts, to automobile racing.

Washington Township and the surrounding community are host to numerous golf courses both private and public. The Paramus Golf and County Club is located approximately 2.5 miles away; Edgewood County Club is located about 4.5 miles from the Property. Also located nearby is the Emerson Golf Club (3.25 miles). The Bergen County YM-YWHA contains an olympic size pool, indoor walking/running track, tennis courts, fitness and wellness center and conducts numerous programs is within 2 miles of the Condominium. Van Saun Park, a multi-acre recreational area, is located within 5.5 miles of the Property.

The Developer has not reserved any right to use any off-property public or private recreational facility on behalf of Unit Owners. Interested prospective purchasers should contact such facilities directly to ask about the availability of membership and use fees, if applicable.

Water from the Property is supplied by United Water New Jersey. Electricity and gas for the Condominium are provided by PSE&G. Local telephone service is provided by Bell Atlantic. Cable television service is supplied by Cable Vision of New York and U.A. Columbia under individual contract with interested unit owners. The sewerage collection system within the Property is owned by the Association and is connected to the public sewerage system of the Township of Washington. All driveways and roadways within the development are private roadways and will not be dedicated to the Township of Washington. All garbage and refuse from the Units in the Condominium will be collected by the Association and then disposed of by the Township of Washington. The Association will be responsible for snowplowing all drives, entrances and parking spaces. Each unit owner will be

responsible for general maintenance and for snow removal from the patio or balcony associated with that Unit.

#### 5. IMPROVEMENTS

The Buildings, Units, parking areas, internal driveway and roadways, recreation areas, and other site improvements as depicted on the Site Plan (Exhibit C to the Master Deed) are the only improvements contemplated by the Sponsor.

#### 6. COMMON ELEMENTS - USE - INTEREST OF OWNERS

The Common Elements as defined in the Master Deed will consist of all parts of the Property other than the Units, including, without limitation, the following items:

- (a) All of the land which is a part of the Condominium.
- (b) All foundations, structural and bearing parts, supports, main walls and roofs.
- (c) Yards, walkways and roadways.
- (d) Portions of the land or any improvement or appurtenance reserved exclusively for the management, operation or maintenance of the Common Elements, or of the Condominium Property.
- (e) All apparatus and installations existing or intended for common use.
- (f) All other elements or any improvements necessary or convenient to the existence, management, operation, maintenance and safety of the Property, or normally in common use.
- (g) Such other elements and facilities as are designated in the Master Deed as Common Elements.

The Common Elements may be used in accordance with the Master Deed, By-Laws of the Association and such rules and regulations as may be promulgated from time to time by the Association. Such use may be conditioned upon, among other things, the payment by each Unit Owner of such assessments as may be established by the Board for the purposes of defraying the costs thereof. The undivided interest of the Common Elements which is appurtenant to a Unit may not be separated therefrom and

shall pass with the title to the Unit whether or not separately described. The interest in the Common Elements appurtenant to a Unit cannot be conveyed or encumbered, except together with a Unit.

#### **7. LIMITED COMMON ELEMENTS**

Each Residential Unit has a terrace, accessible through a sliding door from the Unit, each of which shall be a Limited Common Element. Additionally, there will be one garage parking space and one enclosed storage area assigned to each Unit. The Limited Common Element is reserved for the use of the Unit Owner to whom it is assigned, to the exclusion of all other Unit Owners, and there shall pass with the Unit the exclusive right to use said Limited Common Element. Any expenses for repair or replacement relating to such Limited Common Element, or involving structural maintenance, repair or replacement, except if necessitated by negligence, misuse or neglect of the Condominium Unit Owner, shall be paid for as part of the Common Expenses of the Association. However, each Unit Owner shall be responsible for the cleaning, and the removal of debris, leaves, ice and snow from the patio/terrace. The use of the Limited Common Elements and the storage of furniture equipment and the like on the Limited Common Elements is regulated by the Board.

#### **8. MORTGAGING OF CONDOMINIUM UNIT BY CONDOMINIUM UNIT OWNER**

A Unit Owner may place a mortgage on his Unit or any interest therein without the approval of the Association. A copy of each Mortgage will be provided to the Association.

#### **9. SALES PROCEDURE**

The Units when sold by the Sponsor will be sold in fee simple to Buyers who may be individuals, partnerships, corporations or fiduciaries. The sales of such Units will be made by the Sponsor or real estate agents, if any, retained by Sponsor to sell such Units. Sponsor will not be responsible for any finders' fees or brokerage commissions with reference to any sale or initial mortgage financing or otherwise, except pursuant to a written agreement between Sponsor and the broker.

Sales of the Units will be made at prices set by the Sponsor. Title to each Unit will be conveyed by Sponsor by Deed in the form annexed hereto as Exhibit E, and shall be delivered free and clear of all liens and encumbrances except:



(a) The terms, limitations, conditions, covenants, restrictions and other provisions, including lien and assessment rights set forth in the Master Deed.

(b) Zoning regulations, ordinances, and regulations of the governmental authority in which the premises lie and amendments and additions thereto in effect at the date of delivery of the Deed, provided that same do not prohibit the construction, use or maintenance of any Unit.

(c) Facts as may be shown by an accurate survey of drives, walls, curbs and similar items on or below grade.

(d) Sewer, water, electric, gas, telephone and other utility easements and consents, if any, now or hereafter recorded, including the right to maintain and operate lines, wire cables, poles and distribution boxes in, over, through and upon the Property.

(e) Covenants, restrictions, easements and consents now or hereafter recorded, provided they do not prohibit the erection, use or maintenance of any Unit.

(f) Easements for the continuance of encroachments on the Units, on the Common Elements by other Units, or portions of the Common Elements now or hereafter existing, whether by reason of original construction, repair and/or restoration by the Association of such other Units or such other Common Elements after damage by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the Common Elements made by the Association, or otherwise, so that any such encroachment may remain as long as either of the Buildings stand.

(g) Current real estate taxes.

(h) The lien of the purchase money mortgage for the Unit, if any.

(i) The right of the Sponsor to amend the Master Deed and all Exhibits as provided herein.

(j) Occupancy of Units in the Condominium is intended only for person fifty-five (55) years of age and older as provided in the Federal Housing for Older Persons Act of 1995 (Pub.L. 104-76) and the Active Adult Dwelling District of the Zoning Regulations of the Township of Washington (Ordinance #98-

18). As a result, occupancy of every Unit is restricted to the following individuals:

- (1) Persons of fifty-five (55) years of age or older, who are designated as "Qualified Occupants";
- (2) A spouse of a Qualified Occupant residing in the same Unit as the Qualified Occupant, even if the spouse is under the age of fifty-five years;
- (3) A child or children of a Qualified Occupant residing in the same Unit as the Qualified Occupant, provided that the child or children are at least eighteen (18) years of age or older;
- (4) An individual at least eighteen (18) years of age or older residing with and providing physical support and caretaking services to a Qualified Occupant.

If all Qualified Occupants of a Unit expire or permanently leave the occupancy of the Unit, a surviving spouse under the age of fifty-five (55) years, or a child or children eighteen (18) years of age or older, of the Qualified Occupant may continue to reside in the Unit. However, at any one time at least eighty (80) percent of the Units shall be occupied by at least one Qualified Occupant. If a Unit is occupied in violation of these restrictions, the Association may take all legal action permitted the Master Deed to prohibit the occupancy of the Unit by unauthorized individuals.

The occupancy restrictions described in the preceding paragraph apply to the persons actually residing in the Unit, whether it be an Owner or a tenant. An Owner does not have to comply with the age restriction if he or she does not reside in the Unit, but his or her tenant must comply. All persons who intent to occupy a Unit shall, prior to closing and to moving into the Unit, supply the Association with proper proof of the age of all occupants. All agreements for the sale or lease of Units shall provide that the occupants will comply with the age restriction set forth in this Offering. The Association has the right at least once every two (2) years, from time to time, to conduct surveys of the residents of the Condominium in order to verify and update its information concerning the age of the residents and to insure compliance with the aforesaid age restrictions.

Every purchaser must execute a specific Power-of-Attorney that is a part of the deed conveying title of a Unit. It makes the Developer the attorney-in-fact for the limited purposes described in the Master Deed and Bylaws. If requested by the Township of Washington, the Association will provide copies of all surveys and other information received to verify and update compliance with the aforesaid age restrictions.

#### 10. INSTRUMENTS TO BE DELIVERED TO BUYER

A Bargain and Sale Deed with Covenants Against Grantor's Acts, in the form attached hereto as Exhibit E, shall be delivered to the Buyer at the closing to evidence his ownership of Unit. No membership certificate in the Association is issued, as membership is automatic with ownership of a Unit. A copy of the Subscription and Purchase Agreement, which is a binding contract and which must be signed by the Buyer in order to purchase his Unit, is attached as Exhibit D.

#### 11. ESCROW ACCOUNT

All deposit monies paid by the Buyer directly or through its agents or employees, will be held by the Escrow Agent, Jeff A. Weinberger, Esq., until the closing of title or termination of the Subscription and Purchase Agreement, in a non-interest bearing escrow account, entitled Jeff A. Weinberger, Esq., attorney trust account for "Senior Housing Associates L.P.", Commerce Bank, Hillsdale Branch, Hillsdale Ave., Hillsdale, New Jersey.

In the event of a failure by or inability of the Sponsor to convey title, as provided in the Subscription and Purchase Agreement, then all deposit monies shall be returned to the person by whom they have been given, together with a reimbursement of the costs actually incurred by Buyer for a title search and survey, and thereafter, all liability of the Sponsor to the Buyer shall be ended. In the event the Buyer defaults under any provisions of the Subscription and Purchase Agreement, Buyer shall forfeit ten (10%) percent of the total purchase price, plus the cost of options/extras installed, as liquidated damages resulting from the default.

#### 12. CONTROL OF ASSOCIATION

The affairs of the Association will be governed by the Board. The first Board shall consist of the three persons named in the Certificate of Incorporation of the Association, which is attached hereto as Exhibit E to the Master Deed.

Control of the Association shall be surrendered to the Owners in the following manner:

(a) Within sixty (60) days after the conveyance of twenty-five (25%) percent of the total number of Units in this offering, the Unit Owners, other than Sponsor, shall elect 25% of the members of the Board. Thereafter, within sixty (60) days after fifty (50%) percent of the total number of Units in this offering have been conveyed, the Unit Owners, other than the Sponsor, shall elect at least forty (40%) percent of the membership of the Board, and subsequently, within sixty (60) days after seventy-five (75%) percent of the total number of Units in this offering have been conveyed, the Unit Owners, other than the Sponsor, shall elect all Board members subject to the right of the Sponsor to select one (1) Board member for so long as it holds any Units for sale in the ordinary course of business.

(b) Sponsor may surrender control of the Board prior to the time as specified, provided the Owners agree by a majority vote to assume control;

(c) Upon the assumption by the Owners of control of the Board, the Sponsor shall forthwith deliver to the Association all items and documents pertinent to the Association.

The Trustees shall hold office until their respective successors have been duly elected and qualified, or until removed in the manner elsewhere provided. Notwithstanding the foregoing, the Sponsor shall be entitled to appoint one of the three (3) Trustees for so long as it owns one or more Units and holds the same for sale in the ordinary course of business. Further, the Sponsor may abandon its right to appoint a majority or any of the Trustees at any time.

The conduct of the Board, shall be governed by the By-Laws of Association which are attached hereto as Exhibit F to the Master Deed.

Notwithstanding the surrender by the Sponsor of control of the Association through the appointment of a majority of the Board, until Sponsor has conveyed the last Unit, the Board is prohibited in the normal course of business, from taking any action as a Board or on behalf of the Unit Owners, that would have the effect of infringing upon the Sponsor's right to build, sell, advertise, or rent any or all of its Units. Further, neither the Association or the Board shall take any other action which would be detrimental to the sales of Units by or discriminating against the Sponsor and shall continue the same

level of maintenance, operation and services as that provided immediately prior to the assumption of control of the Association by the Unit Owners, until the last Unit is sold by the Sponsor in the normal course of business.

### **13. MANAGEMENT AGREEMENT AND SERVICE CONTRACTS**

The Sponsor has not caused the Association to enter into a management contract for the management of the Condominium as of the date of this Offering. The Sponsor's affiliate will initially manage the Condominium. A copy of the Management Agreement is attached hereto as Exhibit C.

The Sponsor does not presently expect to enter into any other service contracts, leases or other contracts or agreements or proposed contracts or agreements affecting the use, maintenance or access of or to any or all of the Common Elements that will be binding upon the Association once the Condominium is under Unit Owner control. Any contract or agreement affecting the use, maintenance, management or access of or to the Common Elements and facilities entered into between the Sponsor and itself or a company owned, operated or controlled by it or in which it has a financial interest, prior to Unit Owners being entitled to elect a majority of the Trustees of the Board, shall not be entered into for a period in excess of one (1) year. Further, such contracts or agreements shall not be renewed for periods in excess of one (1) year and the Association may, at the expiration of any one (1) year period, terminate any further renewals or extensions thereof and any such contracts or agreements shall expire ninety (90) days after control of the Association is turned over to the Unit owners, other than the Sponsor, unless ratified by the new Board.

It is anticipated that the Sponsor will enter into initial agreements with independent contractors for landscaping services, snow clearing and similar maintenance services. The estimated cost of such services has been included in the estimated operating Budget.

### **14. RESTRICTIONS ON OCCUPANCY, ALIENATION AND ALTERATION OF THE UNITS**

Under the Master Deed, certain restrictions are imposed upon the occupancy, right to transfer and right to alter the Units. These restrictions place limits on such things as affixing antennae or other items to the exterior of the Buildings and making structural alterations to a Unit. The Association is charged with enforcing these restrictions and may do so by

several different means, including the imposition of fines or the institution of appropriate legal action.

The prospective purchaser should refer to the Master Deed and familiarize himself thoroughly with the restrictions before purchasing a Unit.

#### 15. BUDGET AND COMMON EXPENSES

Pursuant to its By-Laws, the Association is obligated to prepare an annual budget which reflects the anticipated Common Expenses for the ensuing fiscal year. Common Expenses include, but are not limited to, the estimated costs for the operation, repair and maintenance of the Common Elements and Limited Common Elements (other than as specified herein), the estimated costs for the operation of the Association and amounts which are to be placed in separate accounts as reserves for deferred maintenance, replacement and capital improvements of the Common Elements. The estimated annual budget for the Condominium, based upon full occupancy of the Condominium and prevailing costs for 2000, appears as Exhibit B to this Public Offering Statement. Included with the estimated budget is an estimate of the initial annual Common Expenses assessments to be levied against the Units, as well as letters of budget and insurance adequacy.

The funds necessary to meet the Common Expenses contemplated by the annual budget are acquired by the Association through the assessment of an annual charge (the "Annual Common Expense Assessment") which is to be paid by each Unit Owner in monthly installments on the first day of each month. The Annual Common Expense Assessment borne by each Unit is based on the Common Expenses contemplated under the annual budget, and the allocation of that amount among the Units as provided in the Master Deed and By-Laws. The Sponsor will be obligated to pay Common Expense Assessments only for those Units within the Condominium to which it holds title and for which the Township of Washington has issued a Certificate of Occupancy.

Despite any of the foregoing, while the Sponsor is in the process of selling Units in the ordinary course of business, Sponsor's obligation to pay Common Expenses shall be limited to the lesser of the amounts assessed or actual operating expenses.

The Sponsor has reserved the right, but not the obligation, while it controls the Association, to subsidize any deficit in the operating expenses of the Association, which subsidy may be terminated unilaterally by the Sponsor at any time. The Sponsor hereby represents that in the event such subsidy is undertaken,

it is the Sponsor's intent to subsidize budget deficits which are beyond the Sponsor's control and not for the purpose of artificially reducing common expenses payable by Unit Owners other than the Sponsor during the period of the Sponsor's control of the Board.

The Budget is not intended, and should not be taken to constitute, a guarantee by anyone that Common Expenses or other income or expenses for the first or succeeding fiscal years of operation of the Association will be as set forth in the Budget and it is likely that actual Common Expenses, other expenses will vary from the amounts shown. The Sponsor has not undertaken to guarantee the amount of Common Expenses payable by Unit Owners or to assess responsibility for any increase in the amounts as presently projected.

If the costs incurred by the Association for any particular year exceed those which are estimated, the Board can impose a special assessment to cover the deficiency. In addition, the Board is empowered under the terms of the Master Deed to levy a special assessment to defray the cost of any emergency or other repair, replacement or improvement to the Common Elements.

The regular assessments and special assessments are personal obligations of each Unit Owner under the terms of the Master Deed. Payment of these charges is secured by a continuous lien which is placed on each Unit. If any assessment is not paid by a Unit Owner, the Board can accelerate the outstanding assessments and institute lawsuits to foreclose upon the Unit and to compel the payment of any unsatisfied regular or special assessments.

While the Sponsor maintains a majority of representation on the Board, the Sponsor shall post, at the Association's expense, a fidelity bond or other guarantee acceptable to the Department of Community Affairs in an amount equal to the annual budget. Beginning with the first anniversary date of the recording of the Master Deed, and for succeeding years thereafter in which the Sponsor maintains a majority of representation on the Board, the amount of the bond or other guarantee shall also include accumulated reserves. The Association is responsible for paying the premiums on such bonds.

The Association, acting on behalf of all the owners of Units, shall have a lien on each Unit. Reasonable attorneys' fees incurred by the Association incident to the collection of such assessment for the enforcement of such lien, together with all sums advanced and paid by the Association for taxes and payment on account of superior mortgages, liens or encumbrances

which may be required to be advanced by the Association in order to preserve and protect its lien, shall be payable by the Unit Owner and secured by such lien. The lien shall also include those sums advanced on payment of a Unit Owner's obligation. Said lien shall become effective as and in the manner provided for by The Condominium Act of New Jersey from and after the filing of a notice thereof in the Bergen County Clerk's Office and until all sums secured thereby with interest thereon shall have been fully paid and shall be subordinate to liens for real estate taxes on the Unit and the mortgages or other liens on record on such Unit recorded prior to the lien for unpaid Common Expenses. Such lien may be foreclosed by a suit brought in the name of the Association, in like manner as the foreclosure of a mortgage on real property.

In the event title to a Unit is acquired after a sheriff's sale, the Unit's unpaid share of Common Expenses and other assessments shall be deemed to be Common Expenses collectible from all of the Unit Owners, including such acquirer, his successors and assigns.

#### **16. CHANGES IN PRICE, SIZE OR LAYOUT**

In order to meet possible demands for larger or smaller Units or Buildings, or to meet the particular requirements of prospective Buyers, or for any other reason, the Sponsor reserves the right, so long as it is the owner of any unsold Unit, to change the size, layout or price of any such Unit, at Sponsor's sole cost and expense. No change in the price of a Unit, however, will vary the estimated Common Expenses for that Unit or its percentage interest in the Common Elements.

No changes will be made in the percentage interest in the Common Elements or price of any Unit for which an Agreement of Sale has been accepted by the Sponsor and with respect to which the Buyer is not in default.

#### **17. EASEMENTS, ENCUMBRANCES AND RESTRICTIONS**

(a) The Property is presently encumbered by the following mortgage(s): A mortgage made by the Sponsor, as mortgagor, and Union State Bank, as mortgagee, dated June 1, 1999, and recorded in the Bergen County Clerk's Office in Mortgage Book 10089, Page 660, et seq., and having an original face principal amount of One Million (\$1,000,000.00) Dollars (the "Mortgage"). A mortgage made by Sponsor, as Mortgagor, and Union State Bank, as Mortgagee, dated February 3, 2000, and recorded in



the Bergen County Clerk's Office on February 4, 2000, in Mortgage Book 10298, Page 744. A partial release from the lien of these Mortgages will be obtained by Sponsor at or prior to the time title closes on a Unit.

(b) The Property is presently subject to the following easements and restrictions:

(i) Easement for ingress and egress in favor of premises to the South in Deed Book 2501, Page 66 and recited in Deed Book 2711, Page 393, which affects Block 2506, Lot 8, a copy of which is attached hereto as Exhibit 19A.

(ii) Rights in Deed Book 3824, Page 462, which affects Block 2506, Lot 8, a copy of which is attached hereto as Exhibit 19B.

(iii) Rights in Deed Book 3982, Page 272, which affects Block 2506, Lot 7, a copy of which is attached hereto as Exhibit 19C.

(iv) The easements, terms, restrictions and conditions contained in the Master Deed.

(v) Any facts that an accurate survey or accurate title search may reveal and the exceptions contained in the sample owner's title insurance policy set forth in the Public Offering Statement.

#### 18. USE AND ZONING OF ADJOINING LAND

The property is bordered to the east by one family residential dwellings which are located in the AA (Residential - one family dwelling); the property is bordered to the west by the Garden State Parkway; the property is bordered to the south by one family residential dwellings which are located in the AA (Residential - one family dwelling); and the property is bordered to the north by Temple Beth Or which is located in the AA (Residential - one family dwelling).

#### 19. TITLE

At closing, upon payment in full of the purchase price and such other sums as are provided for in the Subscription and Purchase Agreement, the Sponsor shall convey to the Buyer by Bargain and Sale Deed with Covenants Against Grantor's Acts, good and marketable title to a Unit, free and clear of all encumbrances, except as set forth herein, and subject to those

items set forth in the specimen Title Policy attached as Exhibit F and the items set forth in the Subscription and Purchase Agreement. Title shall be insurable at regular rates by National Granite Title Agency, Inc., or any other title insurance company licensed to do business in the State of New Jersey.

## **20. NATURAL AND MAN-MADE FORCES AFFECTING THE USE OF THE PROPERTY**

To the best of Sponsor's knowledge, there are no natural or man-made forces affecting the use of the Property. The Property abuts the northbound lane of the Garden State Parkway and is immediately adjacent to the Hillsdale Toll Plaza, but there is no direct access from the Development to the Parkway. The Development abuts the northbound lane of the Garden State Parkway and is immediately adjacent to the Hillsdale toll plaza. The proximity of the Parkway and toll plaza to the Development and in particular, those units in Building no. II facing west (towards the Parkway) may be cause for concern as noise levels may be above levels which are acceptable to such Purchasers. The Sponsor intends to erect a 12' high fence along the westerly boundary line of the development set upon a three (3) foot high earthen berm. The existence of this fence and associated landscaping as shown on the approved site development plan will mitigate, but not eliminate, the traffic and toll booth noise emanating from the Parkway.

The current standards and guidelines promulgated by the Garden State Parkway do not provide for the installation or erection of any sound barriers by the Parkway Authority along the common property line, either now or in the future. Prospective Purchaser should not expect that the Parkway Authority will be receptive to or agree to a request by a Unit Owner or the Condominium Association to erect a noise barrier.

## **21. TAXES AND MUNICIPAL ASSESSMENTS**

Since the Master Deed has not yet been filed, the Property has not yet been subdivided into separate Condominium Units, and as a result no tax assessment has yet been made on individual Units.

Any taxes or confirmed assessments outstanding at the time of closing of title to a Unit will be adjusted and apportioned as of that date. Any unconfirmed municipal assessment as of a date prior to the title closing date will be paid and allowed by the Sponsor out of the purchase price, but only if the improvements

or work with respect thereto shall have been completed on or before the date of closing of title.

The tax rate per One Hundred (\$100.00) Dollars of the assessed value for the Township of Washington for the last three (3) years is as follows:

<u>Year</u>	<u>Tax Rate</u>	<u>Tax Ratio</u>
2000	\$2.48	83.18%
1999	\$2.38	92.46%
1998	\$2.31	92.82%

To the best of Sponsor's knowledge, there are no existing or proposed special taxes or exemptions on the Property.

If, at the time of the delivery of the Deed to the prospective Buyer, the Property, Common Elements or the Unit or any part thereof, shall be or shall have been affected by an assessment for improvements imposed by any governmental taking authority which assessment is, or may become payable in annual installments of which the first installment is then due or has become a lien, even though actually payable after the delivery of the Deed, the assessments shall be deemed to be due and payable and to be liens upon the Unit prior to the delivery of the Deed and shall be paid and allowed by the Sponsor out of the purchase price. Assessments for unconfirmed improvements, if any, shall be paid and allowed by the Sponsor out of the purchase price, but only if the improvements or work with respect to the assessment, shall have been completed on or before the date of the closing of title.

Any assessment made subsequent to the closing of title shall be solely the responsibility of the Buyer.

## 22. SETTLEMENT COSTS AND CLOSING OF TITLE

Good and marketable title to each Unit and its appurtenant interest in the Common Elements, insurable at regular rates, will be conveyed to each Purchaser by the Sponsor by Bargain and Sale Deed with Covenant Against Grantor's Act, free and clear of all liens and encumbrances other than:

(a) Zoning regulations and ordinances, if any, and any amendments thereto now or hereafter adopted.

(b) Easements, covenants, restrictions, reservations, agreements and other matters contained, incorporated by

reference, or referred to in this Public Offering Statement, the Master Deed, or any exhibits thereto.

(c) Any state of facts which would be shown by an accurate survey or title search, so long as same do not render title unmarketable.

(d) Those exceptions contained in the specimen purchaser's commitment for title insurance issued by National Granite Title Agency Inc. (Exhibit F).

(e) From and after the date the Master Deed is recorded, the lien in favor of the Association for unpaid Common Expense Assessments.

(f) The right of Sponsor to change the size, layout or number of Units provided the number of units (other than the superintendent's apartment) does not exceed ninety (90).

As a condition to the Seller's delivery of the Deed for the Unit, at the closing 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 will also have certain expenses connected with the closing which they must each pay, they are as follows:

(i) Unpaid Balance of Purchase Price. At the closing, the Buyer will be required to pay the outstanding balance of the Total Purchase Price of the Unit. The outstanding balance is the difference between the Total Purchase Price plus extras, and the total of the payments the Buyer has made to the Seller for the Unit prior to closing.

If the Buyer has obtained a mortgage loan in order to purchase the Unit, the Buyer may endorse the check representing the loan proceeds to the order of the Seller. The check from the lender must be a certified check or bank check.

(ii) Adjustments Between Seller and Buyer. There are certain expenses associated with the ownership of the Unit which must be regularly paid by its owner. The Buyer will be responsible for these expenses commencing on the closing date, which is the date the Buyer becomes the owner of the Unit. The following expenses will be apportioned between the Seller and Buyer based upon their respective periods of ownership of the Unit:

(A) Real estate taxes;

(B) Water, sewer, and utility charges, deposits, connection and meter fees;

(C) The Association's common expense assessments against the Unit and any special assessments if applicable;

(D) Insurance premium; and

(E) Such other items as are customarily adjusted at closing.

Any expense item which has been prepaid by the Seller will be credited to the Seller on the closing statement for the portion of the payment attributable to the Buyer's period of ownership of the Unit. Any expense item for which payment is not yet due will be credited to the Buyer to the extent attributable to the Seller's period of ownership of the Unit.

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 via a certified check or a bank check at the closing.

(iii) Buyer's Other Expenses. In addition to the Total Purchase Price payable to the Seller for the Unit and adjustments in favor of the Seller, the Buyer will be responsible for paying the following:

(A) The fees of the Buyer's attorney;

(B) The costs of a survey certificate, if one is requested by the Buyer;

(C) All fees, charges, escrows and prepayments required by a mortgage lender as a condition of a mortgage loan;

(D) Costs of title inspection and premiums for title insurance;

(E) Costs of recording deed and mortgage, if applicable;

(F) Insurance premiums, if required;

(G) One (1) month's common expense assessment. Said sum shall be non-refundable to the Unit Owner

on resale and shall be used to establish a capital reserve fund. The capital reserve fund is to be used for capital improvements, and for repair or replacement as required as a result of damage, depreciation or obsolescence. Each subsequent Buyer of the Unit is required to make a non-refundable payment of one (1) month's common expense assessment to the capital reserve fund;

(H) One (1) month's common expense assessment. Said sum shall be used to establish a working capital fund for the Association. Said sum is non-refundable to the Unit Owner on resale; and

(I) One (1) month's common expense assessment. Said sum shall be used to establish security account to be drawn against by the Association in the event a Unit Owner defaults in the payment of a monthly common expense assessment. Said escrow (if not previously used due to a default by a Unit Owner) shall be refunded to a Unit Owner upon the sale of a Unit and the new Unit Owner's posting of the sum of one (1) month's common expense assessment.

(J) Adjustment of any Common Expense Assessment from the date of closing to the end of the month, as well as the payment of the next month's Common Expense Assessment.

The Seller will notify the Buyer of the amount due to the Association. This amount will be due at closing and must be paid by certified check. Casualty insurance maintained by the Association does not protect the Buyer's personal property and the Unit. Liability insurance maintained by the Association does not insure against the acts or omissions of the Buyer. The Buyer is advised to consult with an insurance broker as to the types and limits of insurance which will best suit the needs of the Buyer.

(iv) Seller's Expenses. The Seller will pay the following expenses in connection with the closing:

- (A) Realty transfer fee;
- (B) Brokerage commission, if any, in accordance with a written Agreement; and
- (C) Mortgage cancellation fee, if any.

23. LIMITED WARRANTY, APPLIANCES AND INSULATION  
INFORMATION

(a) Limited Warranty. The Sponsor warrants the construction of the Unit as follows:

(i) In accordance with the provisions of the New Jersey Home Warranty and Builders' Registration Act (N.J.S. 46:3B-1 et seq.), Sponsor shall enroll each Unit, at or prior to closing, in an approved warranty security plan and shall pay all requisite fees for such enrollment and coverage; provided, however, that any deductibles for such warranty coverage shall be the obligation of the purchaser.

(ii) Any outbuildings, driveways, walkways, patios, retaining walls and fences shall be free from substantial defects due to material and workmanship for a period of one year from the date of closing or the date of possession, whichever first occurs.

(iii) All drainage is proper and adequate.

(iv) All Units offered hereby are fit for their intended use.

(v) The common facilities are fit for their intended use and warrants the construction of same for a period of two (2) years from the date of completion. The Sponsor shall repair or correct any defect in construction, material or workmanship in the common facilities within a reasonable time after notification of the defect.

(vi) Seller does not warrant the growth of grass, shrubs, trees, etc. or the continued growth of existing grass, shrubs, trees, etc.

(vii) THE SELLER DOES NOT WARRANT THAT THE UNIT AND THE COMMON ELEMENTS WILL SUBSTANTIALLY CONFORM TO ANY SALES MODELS, DESCRIPTIONS OR PLANS USED TO INDUCE THE BUYER TO SIGN A SUBSCRIPTION AND PURCHASE AGREEMENT. DIORAMAS, SMALL-SCALE MODELS, AND ARTISTS' SKETCHES AND DRAWINGS CANNOT ACCURATELY DEPICT ALL FEATURES OF A FULLY CONSTRUCTED CONDOMINIUM OR A PARTICULAR UNIT. A BUYER SHOULD BE AWARE THAT THE SELLER'S MODELS MAY CONTAIN OPTIONS AND EXTRAS THAT ARE NOT INCLUDED IN THE BASE PRICE OF THE UNIT.

The contents of this Plan and its exhibits are controlling. No person has been authorized to make any representation not expressly contained in this Statement.

While the Sponsor maintains majority control of the Board, the Sponsor shall take no action which adversely affects the rights of the Unit Owners pursuant to N.J.A.C. 5:25-5.5. Claims relative to defects in the Common Elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

(b) Appliances. The Sponsor will assign any and all warranties received from appliance manufacturers to a Unit Purchaser at closing.

(c) Insulation Information. Pursuant to the requirements of Section 460.16 of the Trade Regulation Rules promulgated by the Federal Trade Commission with respect to Labeling and Advertising of Home Insulation (16 CFR Part 460), the Sponsor hereby discloses and purchaser hereby acknowledges receipt of the following information that has been furnished to the Sponsor by the manufacturer with respect to the fiberglass insulation that will be installed.

LOCATION	R-VALUE
Roof	R-30
Exterior Walls	R-19
Between Units	R-19
Floor Ceiling between the garage and first floor units	R-30

In addition, there is to be a minimum R-13 in the corridor and Unit separation walls.

#### 24. OTHER DEVELOPMENTS

The Sponsor's principals have constructed another residential development within the State of New Jersey known as Stonybrook Manor, a condominium in Hillsdale, New Jersey. The Sponsor has constructed other residential developments in Rockland County, New York.

#### 25. INSURANCE

As set forth in detail in the By-Laws, the Board is obligated to procure and maintain certain policies of insurance, to the extent obtainable in the normal commercial market, including:

(a) Broad form insurance against loss by fire and against loss by lightning, windstorm and other risks normally



included within all risk extended coverage, insuring the Common Elements and covering the interests of the Association, the Board, the Sponsor, and all Unit Owners and Eligible Mortgage Holders as their respective interests may appear, in an amount equal to the full replacement value of such Common Elements (exclusive of foundations and footings).

(b) 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 the Common Elements and not arising by reason of any act or negligence of any individual Unit Owner. This insurance shall initially be secured for One Million (\$1,000,000.00) Dollars, covering each Trustee, officer, the Managing Agent, the Manager, and each member and shall also cover cross-liability claims of one insured against another.

(c) 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 of at least One Million (\$1,000,000.00) Dollars, with any deductible amount to be in the sole discretion of the Board.

(d) Workers' compensation and New Jersey Disability Benefits Insurance as required by law.

(e) Vehicular liability insurance to cover all motor vehicles owned or operated by the Association.

(f) Flood hazard insurance covering damage to or destruction of the Common Elements, if it is later determined that any portion thereof is located in a flood hazard zone.

(g) Such other insurance as the Board may deem appropriate.

Prospective purchasers are referred to the insurance letter of adequacy appearing in Exhibit B hereof which describes the nature and extent of the insurance coverage intended to be maintained while the Sponsor controls the majority of the Board.

The insurance maintained by the Association does not insure the Unit or contents of any Unit, nor does it insure against the liability of any Unit Owner on account of their own acts or omissions. The Sponsor recommends that each Unit Owner procure and maintain through his own insurance agent adequate insurance against property damage to his Unit, and insurance against liability for occurrences within his Unit or occurrences which otherwise may give rise to personal liability. Each such policy

must, however, contain a waiver of subrogation of all claims against the Association or other Unit Owners.

26. RIGHTS AND OBLIGATIONS OF SPONSOR

(a) Effective Date of the Plan. The date of recording of the Master Deed will be the effective date of the Plan.

(b) Unsold Units - Rights of the Sponsor to Rent. The Sponsor reserves the right to rent any unsold Unit to any person or entity, for such a term, at such a rental and under such terms and conditions as it shall deem appropriate.

(c) Obligation of Sponsor to Post Fidelity Bond. While the Sponsor maintains a majority of representation on the Board, the Sponsor shall ensure that a fidelity bond or other guarantee acceptable to the Agency is posted. For the initial year of operation of the Association, a bond in the amount of the budget will be posted. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves. The cost of each bond shall be paid by the Association.

The Sponsor hereby represents that to the best of its knowledge, information and belief, the statements and representations contained in this Public Offering Statement are true and accurate.

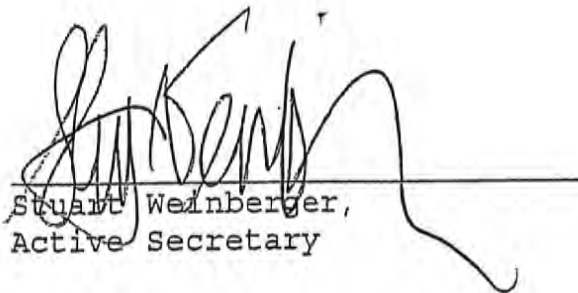
SENIOR HOUSING ASSOCIATES,  
L.P., a New Jersey limited  
partnership

By:

Senior Housing  
Associates, Inc., a New  
York corporation, General  
Partner

By:

Jeff A. Weinberger,  
President



Stuart Weinberger,  
Active Secretary

DATED: October 12, 2000

EXHIBIT A TO PUBLIC OFFERING STATEMENT  
MASTER DEED



MASTER DEED

FOR

WASHINGTON GRAND, A CONDOMINIUM

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DATED: \_\_\_\_\_, 2000

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RECORD AND RETURN TO:

COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A.  
Court Plaza North  
25 Main Street  
P.O. Box 800  
Hackensack, New Jersey 07602-0800

Prepared By: \_\_\_\_\_  
Wendy M. Berger, Esq.



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MASTER DEED

FOR

WASHINGTON GRAND, A CONDOMINIUM

THIS MASTER DEED made this            day of            , 2000, by Senior Housing Associates, L.P., a New Jersey Limited Partnership, having offices at 100 Ridgewood Road, Township of Washington, Bergen County, New Jersey 07675 (the "Sponsor").

WHEREAS, Sponsor is the owner of the fee simple title to those lands and premises known and designated as Block 2506, Lots 7 and 8, in the Township of Washington, Bergen County, New Jersey (the "Property"), all as more particularly described and shown on a certain survey and legal description, attached hereto and made a part hereof as Exhibits A and B, respectively; and

WHEREAS, the Sponsor desires to submit the Property (as hereinafter defined) to the form of condominium ownership authorized by the Condominium Act of the State of New Jersey, N.J.S.A. 46:8B-1, et seq. (the "Act") and to presently create ninety (90) apartment units ("Units") and thirty-three (33) parking units ("Parking Units") together with certain other improvements all as more particularly shown on that certain site plan dated December 12, 1998 prepared by Entec Engineering, revised through June 9, 1999, attached hereto and made a part hereof as Exhibit C and on those certain architectural drawings dated March 19, 1999 prepared by Martin Architectural Associates, and layout of Units last revised April 26, 1999 attached hereto and made a part hereof as Exhibit D; and

WHEREAS, THE WASHINGTON GRAND CONDOMINIUM ASSOCIATION, INC., a New Jersey nonprofit corporation (the "Association"), has been established for the administration, operation, maintenance and management of Washington Grand, a Condominium (the "Condominium") and other improvements intended for the common use and enjoyment of the occupants of the Property; and

WHEREAS, Sponsor does hereby submit the Property, together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind now and hereafter constructed or erected thereon, and all rights and privileges belonging or in anyway pertaining thereto to the provisions of the Act; and

WHEREAS, Sponsor further desires to establish for its own benefit and for the mutual benefit of all future owners or occupants of the Property or any part thereof, and intends that all future owners, occupants, mortgagees, and any other persons hereinafter acquiring any interest in the Property shall hold

said interest subject to certain rights, easements and privileges in, over and upon said Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and preserve the condominium aspects of ownership of the Property and are established for the purpose of facilitating the proper administration of the Property and enhancing and perfecting the value, desirability and attractiveness of the Property;

WHEREAS, all owners of Units in the condominium will automatically be members of the Association, and subject to the terms and provisions of the Master Deed, By-Laws and Certificate of Incorporation; and

WHEREAS, the Sponsor intends to restrict occupancy of Units in the Condominium (other than an apartment to be occupied by the superintendent or manager) only to persons fifty-five (55) years of age or older as provided in the Federal Housing for Older Persons Act of 1995 (Pub. L. 104-76) and the Regulations of the Township of Washington, Ordinance #98-18.

NOW, THEREFORE, WITNESSETH:

1. ESTABLISHMENT OF CONDOMINIUM. Sponsor does hereby submit, declare and establish in accordance with the Act, the condominium form of ownership, for the Property together with all improvements now and hereafter constructed or erected thereon, subject to the covenants, restrictions, easements and liens hereinafter set forth as well as the Certificate of Incorporation, By-Laws and Rules and Regulations of the Association and Sponsor's right to amend these documents as set forth herein. The Condominium will be known as "Washington Grand, A Condominium" and will consist of ninety (90) dwelling Units (the "Units") and thirty-three (33) parking units ("Parking Units"). The Property will also contain an apartment to be used by a superintendent or manager as may be determined by the Association. The Property is shown on the Survey attached hereto as Exhibit A, is described in the Legal Description attached hereto as Exhibit B, and the Units are shown on the Site Plan attached hereto as Exhibit C and on the Layout of Units and Garage Level Plan attached hereto as Exhibit D. Upon recordation of this Master Deed the Sponsor shall be the owner of every dwelling Unit and Parking Unit and its appurtenant percentage interest in the Common Elements and shall have the right to sell, convey, lease or otherwise transfer each Unit and Parking Unit as it may deem appropriate in its sole discretion.

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

(a) "Act" means the "Condominium Act" N.J.S.A. 46:8B-1 et seq. of the State of New Jersey, and all applicable amendments and supplements thereto.

(b) "Assessment" means a share of the funds required for the payment of the Common Expenses which from time to time is assessed against the Unit Owner.

(c) "Association" shall mean THE WASHINGTON GRAND CONDOMINIUM ASSOCIATION, INC., a New Jersey nonprofit corporation, formed to administer, manage and operate the common affairs of the Condominium and to maintain, repair and replace the Common Property of the Condominium. A copy of the Certificate of Incorporation for the Association is attached hereto as Exhibit E.

(d) "Board" means the Board of Trustees of the Association.

(e) "Buildings" mean any and all enclosed structures or structural improvements appurtenant thereto to be located on the Property and containing one or more Units as shown on Exhibits C and D.

(f) "By-Laws" means the By-Laws of the Association, attached hereto and made a part hereof as Exhibit F together with all future amendments or supplements thereto.

(g) "Common Elements" means and includes (1) the parcel of land described in Exhibit B and graphically shown on Exhibits A and C; (2) all portions of the Property, except the Units and Parking Units; (3) the Buildings, including the space within each building not otherwise defined as being the Unit and including foundations, exterior walls, load bearing interior walls, fire walls, common walls, roofs, hallways, lobbies, Superintendent apartment, recreation areas, recreation and community activity rooms, pipes, ducts, electrical wiring supplying the individual Units, public utility lines and connections, fire suppression systems, sprinkler systems, structural parts of the Buildings and all other portions of the Property and Buildings which are not a part of a Unit; (4) all roads, curbs, walkways, paths, retaining walls, trees, shrubs, recreation facilities, parking facilities and structures, pool, patio and fences; (5) all personal property owned by the Association in connection with the operation of the Condominium; (6) all other elements of the buildings constructed and intended for common

use, including tangible personal property; and (7) all those elements defined as common elements by the Act. Any references to "Common Elements" appearing on Exhibits A, B or C shall be deemed solely for purposes of general information and shall not be limiting in any way, nor shall any such reference define the Common Elements in any way.

(h) "Common Expenses" or "Common Expense Assessment" means all those expenses anticipated by N.J.S.A. 46:8B-3, in addition to the proposed or actual expenses affecting the Property for which the Unit Owners are proportionately liable, including reserves, if any, lawfully assessed by the Board. Such Common Expenses shall include the expenses incurred by the Association, or its respective trustees, officers, agents or employees in the lawful performance of their duties, including, but not limited to payment of utilities, administration, maintenance, repair, replacement and operation of the Common Elements and any other expenses incurred in conformance with the Act, this Master Deed, and the By-Laws.

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

(j) "Limited Common Elements" shall have the same meaning as "Limited Common Elements" under N.J.S.A. 46:8B-3(k) except as may be modified herein. Limited Common Elements reserved for the exclusive use of each Unit include the following: (1) any deck/terrace to which there is direct access from the interior of a Unit; (2) one (1) assigned parking space per Unit in the garage; and (3) one (1) enclosed storage area per Unit. The maintenance, repair, cleaning, snowplowing and use of the Limited Common Elements is as set forth in this Master Deed and By-Laws. The Association may adopt Rules and Regulations to regulate the Unit Owner's use and maintenance of same.

(k) "Majority" or "majority of the Unit Owners" means the owners of more than fifty (50%) percent of the aggregate in interest of the undivided ownership of the Common Elements. Any specified percentage of Unit Owners means that percentage of Unit Owners who in the aggregate own such specified percentage of the entire undivided ownership of the Common Elements.

(l) "Master Deed" means this instrument, by which the Property is submitted to the provisions of the Act, as hereinafter provided, and such Master Deed as amended from time to time.

(m) "Occupant" means a person or persons in possession of a Unit, regardless of whether said person is a Unit Owner.

(n) "Parking Unit" shall mean a part of the Building designed and intended for independent use and ownership for automobile parking and shall consist of the area designated as delineated by painted lines on the parking surface. Each Parking Unit shall be separately numbered and designated.

(o) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(p) "Property" shall mean the land described in Exhibit B and all improvements now or hereinafter constructed in, upon, over or through such land and personal property of the Association for the use and benefit of its members.

(q) "Record or Recording" refers to the record or recording in the office of the Bergen County Clerk's Office.

(r) "Unit" means a part of the Property designed and intended for any type of independent use and ownership so specified as a Unit and listed on Exhibit G, attached hereto, and as set forth on the Layout of Units, attached hereto as Exhibit D, and shall not be deemed to include any part of the Common Elements situated within or appurtenant to a Unit, unless otherwise noted. Each Unit includes the proportionate undivided interest in the Common Elements assigned thereto. Each Unit shall consist of the space enclosed and bounded by its horizontal and vertical planes, and shall include all improvements contained within such area, including all appliances, fixtures, hardware, interior walls and partitions (nonbearing), facing material on the walls and ceilings and the inner decorated and/or finished surface of the floors including tiling, and finished flooring, any plumbing and electrical fixtures, provided, however, that no structural components of the Building, and no pipes, ducts, wires, conduits, flues, or public utility lines, situated within such Unit and forming a part of any system serving one or more other Units or the Common Elements, shall be deemed to be a part of such Unit. Without intending to limit the foregoing, the Units are also described as follows:

The Units generally consist of the space bounded by an imaginary plane along and coincident with the underside of the ceiling joists of the Unit, an imaginary plane along and coincident with the uppermost surface of the subfloor of the Unit and imaginary planes along and coincident with the innermost

surfaces of the studding of the perimeter walls of the Unit.

The Unit also includes the following, to the extent that they serve an individual Unit only and not any other Unit or any portion of the Common Elements:

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

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

(iii) All utility meters not owned by the public utility agency supplying the service and located within the Unit; and

(iv) All equipment, appliances, air conditioning units, heating systems, water heaters, fixtures, machinery, mechanical or other systems located within the Unit and serving only the Unit; and

(v) Units include all appliances and fixtures, interior walls and partitions, gypsum board or other facing material on walls and ceilings, the decorated or finished inner surface of all wood, tile, carpeting and padding or other type of finished flooring, and all other improvements, doors, cabinets, closets, fixtures and appliances located within the Unit.

(s) "Rules and Regulations" shall mean those Rules and Regulations of the Association that may be promulgated by same, together with all future amendments or supplements thereto.

(t) "Survey" means the survey of the Property attached hereto as Exhibit A.

(u) "Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and of the undivided interest in the Common Elements and Limited Common Elements appurtenant thereto.

(v) 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. SURVEY AND LAYOUT OF UNITS. The Survey (Exhibit A), the Site Plan (Exhibit C), the Layout of Units and the Garage Level Plan (Exhibit D) set forth the measurements, locations and other data, as required by the Act, with respect to (i) the land, (ii) the Building(s), and (iii) the identity of each Unit.

4. DESCRIPTION OF UNITS. The approximate dimensions, area and location of the Building(s) and the Units and the Parking Units are as shown graphically on Exhibits A, C and D and as same may be amended from time to time. The legal description of each Unit and each Parking Unit shall consist of the number assigned to such Unit or Parking Unit as shown on the Schedule of Units and Schedule of Parking Units, attached hereto as Exhibit G. Every deed, lease, mortgage or other instrument shall legally describe a Unit or Parking Unit by its identifying number as shown on the Schedule of Units or Schedule of Parking Units and every such description shall be deemed good and sufficient for all purposes, as provided in the Act.

5. DESCRIPTION OF COMMON ELEMENTS. All appurtenances and facilities and other items which are not part of the Units hereinbefore described in Paragraph 2 shall comprise the Common Elements.

6. INTEREST IN THE COMMON ELEMENTS. Each Unit Owner shall have such percentage of ownership interest in the Common Elements allocated to the respective Unit or Parking Unit owned by such Unit Owner, as set forth in Exhibit G. The percentages of ownership interest set forth in Exhibit G shall remain constant unless hereafter changed by amendment to this Master Deed, and such amendment is recorded in accordance with the Act. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of ownership. Except as provided in the Act and this Master Deed, the ownership interest in the Common Elements shall remain undivided, and no Unit Owner shall bring any action for partition or division of the Common Elements, and any agreement or covenant to the contrary shall be void. The ownership of each Unit shall not be conveyed, transferred, encumbered or otherwise affected separate from the percentage of ownership in the Common Elements corresponding to said Unit. However, the ownership of a Parking Unit may be conveyed to another Unit owner separate and apart from the conveyance of a Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit or Parking Unit shall be deemed conveyed, transferred, encumbered or otherwise affected with that Unit or Parking Unit, even though the legal description in the instrument conveying, transferring, encumbering or otherwise affecting said Unit may refer only to the fee title to that Unit and not expressly mention or describe

the percentage of ownership in the Common Elements corresponding to that Unit or Parking Unit, or may refer to an incorrect percentage for that Unit or Parking Unit.

7. USE OF THE COMMON ELEMENTS. The Common Elements shall be used for the benefit of all Unit Owners and for the furnishing of services and facilities for which they are reasonably intended. Each Unit Owner shall have the right to use the Common Elements in common with all other Unit Owners. Such right to use the Common Elements shall extend to not only each Unit Owner, but also to his agents, servants, tenants, and invitees. Such rights to use the Common Elements shall be subject to and governed by the provisions of the Act, Master Deed, By-Laws and Rules and Regulations of the Association. The Association shall have the authority to lease, grant concessions and/or grant easements with respect to the Common Elements, subject to the provisions of this Master Deed and By-Laws.

The Board has the power in its discretion to: (a) designate from time to time certain Common Elements as "Reserved Common Elements"; (b) grant reserved rights therein to the Association or to any or less than the Owners of all of the Units; (c) establish a reasonable charge to such Unit Owners for the use and maintenance thereof; and (d) adopt, amend, publish and enforce those Rules and Regulations as it deems appropriate governing the use thereof. Such designation by the Board is not to be construed as a sale or disposition of the Common Elements. Any fee paid for reserved rights is to be paid to the Association and is to be available for use by the Association in the same manner as Common Expense Assessments. No part of the Common Elements are to be designated as Reserved Common Elements for exclusive use by non-Unit Owners, except for those who are lessees who occupy the applicable Units. Under such circumstances, the Unit Owner must accept in writing primary responsibility and liability for any Common Element to be designated as a Reserved Common Element for exclusive use by the Unit Owner's lessee before such designation can be made for the lessee's benefit.

8. COMPLIANCE WITH LAW. Every Unit Owner shall fully and promptly comply with and conform the use and condition of its Unit or Parking Unit to the requirements of any and all laws, statutes, rules and regulations, whether now existing or hereafter enacted, promulgated by any governmental authority having jurisdiction over the Property ("Governmental Regulations"). The Association may promulgate Rules and Regulations to govern and facilitate compliance by the Unit Owners with Governmental Regulations affecting the Condominium, or otherwise. The failure to promptly comply with such Governmental Regulations shall be grounds for injunctive relief by the Association and/or any Unit Owner and for penalties and

other available remedies at law or in equity and any Unit Owner failing to comply with any Governmental Regulation hereby agrees to and does indemnify the Association and/or the other Unit Owners from and against any fines, penalties, damages, losses, costs, expenses or attorneys fees arising out of or in connection with such failure of compliance, including but not limited to attorneys' fees incurred in enforcing this indemnification provision.

#### 9. COMMON EXPENSES.

(a) Assessments. Each Unit Owner shall pay his proportionate share of the Common Expenses. Except for its responsibilities as a Unit Owner, as provided herein, or as otherwise agreed to in writing by the Sponsor and the Association. Such proportionate share of the Common Expenses for each Unit Owner shall be in the same ratio as his percentage of ownership in the Common Elements. Payment of Common Expenses shall be in such amounts and at such times as determined in the manner provided in the By-Laws. No Unit Owner shall be exempt from payment of his proportionate share of the Common Expenses by waiver or non-use or non-enjoyment of the Common Elements or by abandonment of his Unit or Parking Unit.

All charges and expenses chargeable to any Unit or any Parking Unit constitute a lien against said Unit or Parking Unit in favor of the Association. The charges and expenses represented in the annual budget and Common Expense Assessment become effective as a lien against each Unit on the first day of each year. Additional or added assessments, any and all other types of fees, fines, charges and expenses (collectively referred to as "Additional Fees"), if any, chargeable to a Unit or Parking Unit or Unit Owner and not covered by the annual Common Expense Assessment become effective as a lien against each Unit or Parking Unit as of the date when the Additional Fees are levied or incurred. All liens may be recorded in accordance with N.J.S.A. 46:8B-21, et seq. and foreclosed by the Association in accordance with law. In the event of foreclosure, in addition to the Common Expense Assessment, and any Additional Fees which are due and owing, the Association is entitled to recover interest, the expenses of the action, including search fees, filing fees, court costs and reasonable legal fees. The Association's right to foreclose its lien is in addition to any other remedies available at law or equity, including the right to proceed personally against any delinquent Unit Owner.

If any Unit Owner shall fail or refuse to make any such payment of the Common Expenses when due, the amount thereof together with legal fees and interest thereon at the highest rate permitted by law from and after the date said Common Expenses

become due and payable, shall constitute a lien on the interest of such Unit Owner in the Property and on its Unit, as provided in the Act, provided, however, that such lien shall be subordinate to the lien of any prior recorded mortgage or trust deed on the Property or any portion thereof, or on the interest of such Unit Owner, owned or held by any mortgagee of a Unit or Parking Unit, its successors and assigns, except for the amount of the proportionate share of Common Expenses which become due and payable from and after the date on which the said mortgage or trust deed owner or holder either takes possession of the Unit, accepts a conveyance of any interest therein (other than as security) or files suit to foreclose its mortgage or trust deed, and causes a receiver to be appointed. This provision shall not be amended, changed, modified or rescinded without the prior written consent of all such holders of a recorded mortgage or trust deed encumbering any one or more Units or Parking Units in the Building.

In the event that a Unit Owner shall lease or sublease its Unit or Parking Unit, and that Unit Owner fails to pay his proportionate share of Common Expenses, the Association shall have the right to require the tenant to pay the monthly rental directly to the Association and the Association shall deduct from same the Common Expenses, interest, penalties, additional fees and other charges owed the Association. The right of the Association to collect rental payments shall be a continuing right. All leases and subleases of a Unit or Parking Unit shall contain a clause wherein both Landlord and Tenant agree to same.

Any persons who acquire title to a Unit or Parking unit are jointly and severally liable with their predecessor in title for the amounts owing by the latter to the Association up to the time of the transfer of title, without prejudice to the acquirer's right to recover from the predecessor in title the amount paid by them as joint debtor. Any contract purchaser of a Unit may request in writing that the Association provide them with a certificate setting forth the amount of unpaid assessments or other debts owed to the Association for a Unit or Parking Unit. The written request is to include the names and ages of all persons who will reside in the Unit, and the anticipated date of closing title. The Association will provide the certificate within ten (10) days after receipt of the request. The purchasers may rely upon the certificate and their liability to the Association is limited to the amount set forth therein. Liability for the payment of amounts due the Association does not attach to a Unit's purchaser following a mortgage foreclosure or sheriff's judgment sale of any Unit or Parking Unit, except to the extent permitted by any applicable New Jersey or Federal law. Further, any Permitted Mortgagee who obtains title to a Unit or Parking Unit pursuant to remedies provided in the Mortgage or foreclosure of the Mortgage is not liable for the Unit's or

Parking Unit's unpaid amounts due the Association which accrued before the acquisition of title to the Unit by the Mortgage Holder, except to the extent permitted by any applicable New Jersey or federal law. Any such unpaid amounts will become a common expense of the Association payable to all Unit Owners, including the Permitted Mortgagee who obtains title to the Unit or Parking Unit, in proportion to their percentage interest in the condominium.

Every Unit Owner, by acceptance of a deed or other document of conveyance of an ownership interest in a Unit, whether or not it is expressed in any deed or other document of conveyance, is deemed to covenant to pay to the Association all Common Expense Assessments, Additional Fees and other sums contemplated in this Master Deed or the By-Laws.

(b) Emergency Assessment. In the event any Common Expense assessment proves to be insufficient for an immediate need or emergency, the assessment may be amended at any time by the Board and the Board may impose an Emergency Assessment. The determination of an immediate need or emergency shall be in the sole discretion of the Board.

(c) Special Assessments. In addition to the other assessments herein authorized, the Board may levy, in any fiscal year, a Special Common Expense Assessment, for the purpose of defraying in whole or in part, the cost of any reconstruction, repair or replacement of an existing Common Element or Limited Common Element not determined by the Board to constitute an emergency or immediate need but for which funds held in reserve are inadequate, or for any other lawful purpose, other than the construction or acquisition of new capital improvements, which shall be subject to the provisions of the By-laws. If, during any fiscal year, a Special Common Expense Assessment exceeds the sum of Eighteen Thousand (\$18,000.00) Dollars, it shall be subject to the vote or consent of a majority of the Unit Owners. This vote shall be taken at a special meeting duly called for this purpose, if a meeting is to be held, or by written consent. The due date(s) of any Special Common Expense Assessment, or any installment(s) thereof, shall be fixed in the resolution authorizing the Special Common Expense Assessment. While the Sponsor maintains a majority of the Board, 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 government agency, title insurance company, mortgage lender or in the event of an emergency.

(d) Capital Improvement Assessments. In addition to the other assessments herein authorized, the Board may levy a Capital Improvement Common Expense Assessment for the purpose of

acquiring or constructing any new capital improvements. For purposes of this Paragraph "capital improvements" means any improvement to the Property with a useful life in excess of one (1) year undertaken by the Association for which monies have not been provided in the first Association budget or reserves. If, during any assessment year, a Capital Improvement Common Expense Assessment, together with all other Capital Improvement Common Expense Assessments for the assessment year, exceeds in the aggregate the sum of Twenty Five Thousand (\$25,000.00) Dollars, it must be authorized by the affirmative vote of two-thirds (2/3) of the Members in Good Standing.

In spite of anything to the contrary herein, neither the Sponsor nor any Mortgage Holder is obligated to pay any assessments for capital improvements. This Paragraph of the Master Deed may not be amended without the prior written consent of the Sponsor and every Mortgage Holder.

10. EASEMENTS. Subject to the provisions of this Master Deed, Sponsor, for itself, its successors, and assigns hereby declares that the Property shall be subject to the following easements:

(a) Every Unit Owner, in common with every other Unit Owner and the Association shall have a perpetual easement for the following purposes, subject to all applicable Rules and Regulations promulgated by the Association:

(i) In, over and through the Common Elements and to use the sidewalks, hallways, lobbies and other common facilities within the Property subject to the right of the Association, to promulgate reasonable Rules and Regulations for the use thereof and subject to the provisions hereof. When any Unit is not occupied by the legal title holder, such aforementioned easement shall be solely for the benefit of the occupants of the Unit, their licensees, employees, agents and invitees.

(ii) For the existence and continuance of any encroachment by his Unit upon any Common Elements or Limited Common Elements now existing or which may come into existence hereafter as a result of construction, repair, shifting, settlement, movement of any portion of a Unit, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Unit stands.

(iii) For ingress and egress to his Unit in, upon, under, over, across and through the Common Elements.

(iv) In common with all other Unit Owners to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Association to install, use, maintain, and gain access to the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving its and located in another Unit, subject to rules, regulations, and restrictions as established by the Board.

(v) In, upon, over, under, across and through the Common Elements for the purpose of installation, maintenance, repair and replacement of all sewer, water, power and telephone or drainage pipes, lines, mains, conduits, poles, transformers and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility or other systems serving the Property. Should any governmental agency or utility company furnishing one of the foregoing services hereafter request a specific easement by a separate recordable instrument in connection with the furnishing of any such service, the Board shall have the right to grant such easement provided that it does not impair the rights of any Unit Owner.

(b) The Township of Washington, its employees (but not the public in general) shall have a blanket perpetual non-exclusive easement to enter upon the Property for purposes of maintaining the safety, health, welfare (including refuse and snow removal), police (including the enforcement of all fire lanes and parking regulations) and fire protection of its citizens, including the Occupants of the Condominium.

(c) The Association, its officers, agents and employees and all policemen, firemen and emergency personnel shall have a blanket, perpetual easement to enter the Property, any Unit or any part thereof 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 and/or Limited Common Elements. Except in the event of emergencies, the rights accompanying the easements provided for in this Article shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to and with permission of the owner or owners directly affected thereby.

(d) The Association shall have a perpetual easement for the existence, continuance, and maintenance of any improvements which presently or may hereafter encroach upon a Unit. The Association or its representative shall have the right of access to each Unit to inspect same in order to correct any conditions threatening another Unit or Common Elements or violating any provision set forth in the Master Deed, the By-Laws or in any

regulations promulgated by the Association, 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.

(e) The Association shall have the right of access to each Unit to inspect same to remove any violations as set forth in this Master Deed, the By-Laws or in any regulations promulgated by the Association.

(f) Any Person who is the holder of a mortgage which encumbers any Unit, and its officers, agents and employees shall have a blanket and perpetual easement to enter the Property or any part thereof to inspect its condition. This right shall be exercised whenever practicable, after advance notice to and with the permission of the Association.

(g) Any utility company or entity furnishing utility service to the Property, its agents and employees shall have a blanket and perpetual easement to enter the Property, or any part thereof, in order to read meters, service or repair utility lines and equipment and do everything and anything else necessary in order to properly maintain and furnish utility service to the Property and Units.

(h) Any easements or rights of ways located on the Survey.

(i) Any other easements or agreements of record which affect the Property.

(j) The Sponsor reserves the following easements with respect to the Property:

(i) A blanket and nonexclusive easement in, on, through, under, over and across the Common Elements for the purpose of construction, installation, maintenance and repair of any improvements to the Units, utility systems or the Common Elements; for use and access to one or more on-site sales, storage, construction and service trailers which the Sponsor may relocate at its discretion to other areas of the Property; for ingress and egress and the use of all driveways and parking areas for the use of Sponsor-owned Units for models, administrative offices; for rental and sales promotion and exhibition of Units and other real property offerings of the Sponsor or its Affiliates; all until one (1) year after the date the last Unit or Parking Unit conveyed in the normal course of the Sponsor's business, but in no event more than five (5) years from the date this Master Deed is recorded. Sponsor is to pay to the



Association all Common Expenses and other assessments on Units it leases to others, except as set forth herein.

(ii) Any irrevocable easement and right to enter in, on, through, under, over and across any Unit or Parking Unit for such purposes as reasonably necessary for the Sponsor or its agents to service such Unit or any part of the Building or Property provided that a request for entry is made in advance and entry is at a time reasonably convenient to the Unit's Owner. In emergencies, the right of entry is immediate whether the Unit Owner is present or not. For as long as Sponsor or its Affiliates hold title to any Unit in the ordinary course of business they reserve the right and an easement to lease those Units to third parties.

(iii) A perpetual, blanket and nonexclusive easement in, on, over, under, across and through the Common Elements for surface water runoff and drainage caused by natural forces and elements, grading or the improvements located on the Property or other property now or hereafter owned or controlled by the Sponsor or its Affiliates. Unit Owners must not in any way directly or indirectly interfere with or alter the drainage and runoff patterns, systems and improvements within the Condominium.

(iv) A perpetual, blanket and nonexclusive easement in, on, through, under and across the Common Elements for the purpose of construction, installation, maintenance and repair of lines, conduits, meters, utilities and other facilities necessary for the operation of a private cable, satellite or other type of master antenna television system. This easement may be assigned. Unit Owners must not in any way directly or indirectly interfere with or alter the use of this easement or systems. Neither the Association nor any Unit Owner is obligated by this Master Deed or the reservation of this easement to contract for the use of any such system installed in accordance with this easement.

(v) A perpetual, blanket and nonexclusive easement in, on, through, across and over the Common Elements for access to the site entrance sign or signs. The Association is responsible to maintain and light these signs as originally constructed. Sponsor reserves the right to maintain these signs if the Association fails to do so. These signs must not be altered or changed in any way without Sponsor's prior written consent.

(k) The Condominium is subject to a blanket, perpetual and nonexclusive easement in, on, over, across and through the Common Elements and Limited Common Elements for the purpose of installation, maintenance, repair and replacement of all sewer,

water, power, gas, telephone, security alarm, satellite or cable or other type of television, fire suppression or lawn sprinkler systems, facilities, equipment, mains, conduits, wires, poles, transformers, meters and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility or other systems serving the Property. Said easements are for the benefit of any governmental agency, utility company or other person or entity that requires same for the purpose of maintaining, etc. said systems or furnishing one or more of these services. The width of this easement is to be of reasonable size so as not to interfere with the use and enjoyment of the Common Elements.

11. ASSOCIATION OF UNIT OWNERS AND ADMINISTRATION  
AND OPERATIONS OF THE PROPERTY.

(a) Association. There has been formed, pursuant to the Certificate of Incorporation attached hereto as Exhibit E and made a part hereof, an Association having the name "THE WASHINGTON GRAND CONDOMINIUM ASSOCIATION, INC.," a New Jersey nonprofit corporation, which Association shall be the governing body for all of the Unit Owners, for the maintenance, repair, replacement, administration and operation of the Property, as provided in the Act, this Master Deed and the By-Laws. The Association shall have and shall exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized, and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Act, this Master Deed or the By-Laws. The By-Laws for the Association shall be the By-Laws attached to the Master Deed as Exhibit F.

(b) Governing Body. The Board shall constitute the governing body provided for in the Act and shall be appointed and shall serve in accordance with the provisions of the By-Laws and of the Act. Subject to the Act and terms of this Master Deed, the Board shall have standing to act in a representative capacity in relation to matters involving the Property. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business for profit of any kind. All activities undertaken by the Association shall be for the sole benefit of the Unit Owners, and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners in accordance with the provisions of the Master Deed and By-Laws. Upon dissolution, the assets of the Association shall be distributed to the Unit Owners as tenants in common in accordance with their respective percentage interest in the Common Elements.

(c) Membership. Each Unit Owner shall be a member of the Association so long as he is a Unit Owner. A Unit Owner's membership shall automatically terminate when he ceases to be a Unit Owner. Upon the conveyance or transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall simultaneously succeed to the former Unit Owner's membership in the Association.

(d) Management of Property. The Board shall have the authority to engage the services of an on-site superintendent, manager and/or managing agent (herein sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer and operate the Property, or any part thereof, to the extent deemed advisable by the Board. The cost of such services shall be a Common Expense. The Managing Agent can be the Sponsor, a Unit Owner, Occupant or a related entity or person; and such relationship should be disclosed to the Board. The Board may offer the use of an apartment on the Property as part of the compensation to the superintendent or manager. The occupancy of said apartment does not have to conform to the age restriction required for occupancy of a Unit.

(e) Non-Liability of the Board of Trustees, Officers and Sponsor. The Trustees, Officers of the Association and Sponsor shall not be personally liable to the Unit Owners or any other person for any act of any nature whatsoever as Trustee, Officer, or Sponsor, except for any acts or omissions found by a court to constitute gross negligence, wilful misconduct or fraud. The Unit Owners shall indemnify and hold harmless each of the Trustees, Officers and/or Sponsor, and their respective devisees, legatees, heirs, executors, administrators, legal representatives, successors and assigns in accordance with the provisions of the By-Laws.

(f) Board's Determination Binding. In the event of any dispute between any Unit Owners relating to the Property, or any question of interpretation or application of the provisions of this Master Deed or the By-Laws, the determination thereof by the Board shall be final and binding on each and all such Unit Owners.

12. RESTRICTIONS. This Master Deed is subject to all covenants, restrictions and easements of record and to the following restrictions:

(a) Units must be occupied in accordance with the restrictions and limitations contained in the Master Deed, the By-Laws and the Rules and Regulations. Occupancy of Units in the Condominium is intended only for persons fifty-five (55) years of age and older as provided in the Federal Housing for Older

Persons Act of 1995 (Pub. L. 104-76) and the Regulations of the Township of Washington, Ordinance #98-18. As a result, occupancy of every Unit is restricted to the following individuals:

(i) Persons of fifty-five (55) years of age or older, who are designated as "Qualified Occupants";

(ii) A spouse of a Qualified Occupant residing in the same Unit as the Qualified Occupant, even if the spouse is under the age of fifty-five (55) years;

(iii) A child or children of a Qualified Occupant residing in the same Unit as the Qualified Occupant, provided that the child or children are at least eighteen (18) years of age or older; or

(iv) An individual at least eighteen (18) years of age or older residing with and providing physical support and caretaking services to a Qualified Occupant.

If all Qualified Occupants of a Unit expire or permanently leave the occupancy of the Unit, a surviving spouse under the age of fifty-five (55) years, or a child or children [eighteen (18) years of age or older] of the Qualified Occupant may continue to reside in the Unit. However, at any one time at least eighty (80%) percent of the Units shall be occupied by at least one Qualified Occupant. If a Unit is occupied in violation of these restrictions, the Association may take all legal action permitted by the Master Deed to prohibit the occupancy of the Unit by unauthorized individuals.

The occupancy restrictions set forth herein apply to the persons actually residing in the Unit, whether it be an Owner or a tenant. An Owner does not have to comply with the age restriction if he or she does not reside in the Unit, but his or her tenant must comply. All persons who intend to occupy a Unit shall, prior to closing and moving into the Unit, supply the Association with proper proof of the age of all occupants. All agreements for the sale or lease of Units shall provide that the occupants will comply with the age restriction set forth in this Offering. The Association has the right, from time to time, to adopt procedures to determine the occupancy of each Unit and to conduct, at least every two (2) years, surveys of the residents of the Condominium in order to verify and update its information concerning the age of the residents and to insure compliance with aforesaid age restrictions.

Every Buyer must execute a specific power of attorney that is a part of the deed conveying title of a Unit. It makes the Sponsor the attorney-in-fact for the limited purposes described in the Master Deed, By-Laws and the Public Offering Statement.

If requested by the Township of Washington, the Association will provide copies of all surveys and other information received to verify and update compliance with the aforesaid age restrictions.

(b) No Unit shall be used for any purpose other than as permitted by law.

(c) There shall be no obstruction of the Common Elements. The use of the Common Elements areas, shall be in accordance with Rules and Regulations promulgated by the Association.

(d) No Unit Owner or Occupant shall build, plant, or maintain any matter or thing upon, in, over or under the Common Elements without the prior written consent of the Association.

(e) No person shall place trash, garbage, excess materials of any kind on or about the Common Elements except in locations and in receptacles designated by the Association. It is the Unit Owner's responsibility to promptly report to the Board or Managing Agent any defect, need for repairs or maintenance.

(f) The use of propane gas is prohibited in any Unit, the Common Elements, the Limited Common Elements and anywhere throughout the Condominium Property.

(g) Nothing shall be done or kept in any Unit or in or upon the Common Elements which will increase the rates of insurance of the Building(s) or the contents thereof beyond the present rates applicable for the Units, without the prior written consent of the Association. 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 of the Property, Buildings or the contents thereof, or which will be in violation of any law.

(h) No articles shall be hung, painted or displayed on the inside of the windows except as permitted by Township zoning ordinance and no signs, awnings, canopies, antennas or shutters shall be affixed or placed upon the exterior walls, roofs, patios or terraces or any part thereof.

(i) Nothing shall be done to any Unit or on or in the Common Elements or Limited Common Elements which will impair the structural integrity of the Building or which will structurally change the Buildings. No Unit Owner may make any alterations or improvements in or to his Unit without the prior written consent of the Association. The Board shall have the obligation to answer any written request received by it from a Unit Owner for

approval of an alteration or improvement in such Unit Owner's Unit within sixty (60) days after receipt of such request, and failure to do so within the stipulated time shall constitute a consent to the alteration or improvement. Any application to any municipal authority for a permit to make an alteration or improvement in or to any Unit must be approved by the Association in accordance with the provisions of this Master Deed and shall be executed by the Board and may then be submitted by the Unit Owner. Approval of the Board, however, shall not result in any liability on the part of the Board of Trustees, Officers, Managing Agent or the Association to any contractor, subcontractor, or materialman on account of such 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 Association with a copy of any such permit which he has procured. Any contract for work on a Unit shall contain a waiver by the contractor of the right to file a mechanic's lien and/or mechanic's notice of intention. The provisions of this Section shall not apply to Units owned by the Sponsor until such Units have been initially sold and conveyed by the Sponsor.

(j) The Common Elements and Limited 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.

(k) In the event a tenant or subtenant of a Unit Owner fails to comply with the provisions of this Master Deed, the By-Laws or Rules and Regulations of the Association, then, in addition to all other remedies which it may have, the Association shall notify the Unit Owner of such default(s) and demand that the same be cured through the Unit Owner's efforts within thirty (30) days after such notice. If such default(s) is not cured 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 default(s). In the event the Unit Owner fails to fulfill the foregoing obligation, then the Association 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 Association in the same manner as the Association 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 Association and Board as his attorney-in-fact for the purposes described in this subparagraph and in paragraph

20(b) hereof which power of attorney is expressly deemed to be coupled with an interest.

(l) The Association shall have the power to make such Rules and Regulations as may be necessary to carry out the intent of these use restrictions and shall have the right to bring lawsuits to enforce the Rules and Regulations which it shall promulgate. The Association shall further have the right to levy fines for the violation of such regulations. For each day a violation continues after notice it shall be considered a separate violation. Any fine so levied is to be considered as a charge to be levied against the particular Unit Owner involved, and collection may be enforced by the Association in the same manner as the Association is entitled to enforce collection of Common Expenses. Fines may be levied against a Unit Owner's tenant, and the Unit Owner shall be jointly and severally liable with his tenant for the payment of same. In the event the Association institutes legal action for collection of any fines, or late payments, or failure to pay Common Expense Assessments or Special Assessments, or any other claim, then the defendant Unit Owner shall be responsible for payment of reasonable attorneys' fees of the Association, plus interest and costs of suit.

In addition to the foregoing, the Association through its agents and employees shall have the right, without incurring any liability therefor, to enter upon any portion of the Property in order to cause an abatement of any violation of the provisions of this Master Deed, the By-Laws or the Rules and Regulations of the Association. The costs incurred in connection with such action may be specially assessed by the Association against the Unit Owner and enforced as a lien in accordance with N.J.S.A. 46:8B-21.

(m) Each Unit Owner shall have the right, subject to the provision of this Master Deed, to mortgage or encumber his Unit together with his ownership interest in the Common Elements.

(n) 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 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 percentage interest in the Common Elements.

(o) Each Unit Owner shall pay for his own cable television, telephone, electric and other utilities, if any, which are separately metered or billed to each user by the respective utility company. Utilities which are not separately

metered or billed shall be treated as part of the Common Expenses.

13. NO PARTITION. Except as otherwise provided in the Master Deed and By-Laws and the Act, the Common Elements shall remain undivided and no Unit Owner(s) shall bring any action for partition or division thereof. In addition, the Common Elements shall not be separated from the Unit to which they appertain and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

14. COMPLIANCE BY OWNERS; MEMBERSHIP IN THE ASSOCIATION; VOTING. 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 Articles of Incorporation, By-Laws and Rules and Regulations of the Association, and any other documents, amendments or supplements to the foregoing. Failure to comply with any such provisions, rules and regulations shall be grounds for injunctive relief by the Sponsor, the Association and/or any Unit Owner, and for penalties and other available remedies at law or in equity.

Each Unit Owner shall be entitled to vote on all matters put to a vote at all meetings of Unit Owners in accordance with his percentage interest in the Common Elements. If a Unit is owned by more than one person, the voting rights of such Unit Owner shall not be divided but shall be exercised as if the Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. If no decision can be reached, the vote will be counted as an abstention.

15. DAMAGE, DESTRUCTION OR CONDEMNATION. If the Common Elements, Limited Common Elements or Association Property or any part thereof is damaged or destroyed by fire, casualty or if same is taken in eminent domain, the proceeds of any insurance or award payable with respect thereto shall be collected by the Association. The Board shall arrange for their prompt repair and restoration and the Board shall utilize the proceeds of all insurance policies or condemnation awards on account of the cost of such repair and restoration in appropriate progress payments, unless such damage shall constitute substantial or total destruction of the Property so as to render it totally unusable for their intended purposes, as determined in the sole discretion of the Board, or seventy-five (75%) percent of the Unit Owners shall determine not to proceed with repair or restoration. Any cost of repair and restoration in excess of the insurance proceeds or condemnation award shall constitute a Special Assessment.



Proceeds of insurance or condemnation awards not required for the repair and restoration or if the Unit Owners and holders of first mortgage liens shall not vote to repair and restore, shall be distributed to the Unit Owners in proportion to their respective percentage interest. Any insurance proceeds not used to rebuild the Condominium or awards payable to a Unit Owner as a result of damage, destruction or taking of his Unit and/or his interest in the Common Elements are hereby assigned and shall be paid to the holder of a first mortgage lien, if any, on said Unit for application to the sums secured by said mortgage with the excess, if any, paid to the Unit Owner. Upon written request, including its address for notices, to the Association, any mortgagee which is the holder of a first mortgage on a Unit shall receive from the Association timely written notice of any fire, casualty or eminent domain proceeding or proposed acquisition by an entity possessing the power of condemnation which affects the Unit securing such mortgage. Such mortgagee's priority and lien shall attach to any funds or proceeds which may come into existence under the circumstances.

16. MORTGAGES AND OTHER LIENS.

(a) Each Unit Owner shall have the right, subject to the provisions herein, to make or create, or cause to be made or created, any mortgage or other lien on or affecting his respective Unit together with his respective ownership interest in the Common Elements.

(b) Subsequent to the recording of this Master Deed, no liens of any nature shall be created or arise against any portion of the Property except against an individual Unit or Units. No labor performed or materials furnished with the consent or at the request of a particular Unit Owner shall be the basis of the filing of a mechanics' lien claim against any other Unit. If the performance of the labor or furnishing of the materials to the Common Elements is expressly authorized by the Board, each Unit Owner shall be deemed to have expressly authorized and consented to such performance of labor and furnishing of materials, and each Unit Owner shall be liable for payment of his Unit's proportionate share of any indebtedness due and payable as set forth in the Act. A Unit Owner shall not be liable for any claims, damages, or judgments entered against the Association or the Board as a result of any action or inaction of the Board other than the mechanics' liens as set forth above. Each Unit Owner's liability for any judgment entered against the Board or the Association shall be limited to his proportionate share of the indebtedness, as set forth in the Act, whether collection is sought through assessment or otherwise, except as otherwise provided.

17. INSURANCE.

(a) The Board shall have the authority to and shall obtain insurance for the Common Elements, the Limited Common Elements and the Association Property, exclusive of the additions within (for example, cabinets, appliances, plumbing fixtures, flooring, lighting fixtures, interior doors) improvements to and decorating of the Units, against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the Condominium Property (including all buildings, service equipment and the like) (excluding footings, foundations and land), the Association Property, Common Elements and the Limited Common Elements and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed the cost of restoring the Common Elements and the Limited Common Elements, or the Association Property or any part thereof to substantially the same condition in which they existed prior to damage or destruction, exclusive of an addition, within, improvement to and decorating of the Units. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Association, as Trustee, for each of the Unit Owners in direct ratio to said Unit Owner's respective percentage of ownership in the Common Elements, as set forth in the Master Deed and for the holders of mortgages on each Unit, if any. Each such policy of insurance shall also contain, if obtainable at reasonable cost, a waiver of subrogation rights by the insurer against individual Unit Owners. The premiums for such insurance shall be a Common Expense, except any portion of the premium which is specially assessed to a particular Unit pursuant to the Rules and Regulations of the Association. The Board shall notify all Unit Owners under such policy in the event of any cancellation thereof.

(b) All hazard policies issued to protect the Common Elements and the Limited Common Elements shall provide that the word "building(s)" wherever used in the policy shall include, but shall not necessarily be limited to, fixtures, installations, or additions comprising that part of the Building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Units initially installed, or replacements thereof of like kind or quality, in accordance with the original plans and specifications, or as existed at the time the Unit was initially conveyed if the original plans and specifications are not available. However, the word "building" shall not include floor coverings, wall coverings, ceiling coverings, electrical fixtures, appliances, air conditioner or heating equipment within the Unit, and servicing only the Unit, water heaters within the Unit, and servicing only the Unit, plumbing

fixtures within the Unit, and servicing only the Unit, tiling, flooring, and interior doors.

(c) The Board shall obtain comprehensive general public liability insurance on the Common Elements and Limited Common Elements and all other areas under the supervision of the Association in an amount of at least \$1,000,000 for bodily injury, death, and property damage for any single occurrence, with excess coverage insuring the Unit Owners, individually and severally, if any, the Association, its Officers, Trustees and the Managing Agent, if any, and their respective employees and agents and all persons acting as their respective agents, from liability in connection with the ownership, existence, use or management of the Property. The insurance shall include coverage for death, injury and property damage resulting from the operation, maintenance and use of the Common Elements, Limited Common Elements and Association Property. Such other public liability insurance in such amounts and with such coverage as determined by the Board. The Unit Owners shall be included as additional insureds but only with respect to that portion of the Property not included within a Unit. Each such policy of insurance shall cover claims of one or more insured parties against other insured parties and shall also contain a waiver of subrogation rights by the insurer against such insured persons or entities. The premiums for such insurance shall be a Common Expense. The Board shall notify all persons insured under any such public liability policy in the event of any cancellation thereof, and shall retain any such public liability policy for five (5) years after the expiration date of the policy.

(d) The Board shall also have authority to and may obtain such insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable, insuring the Property and/or each member of the Board and Officer of the Association, and member of any committee appointed pursuant to the By-Laws of the Association from liability arising from the fact that said person is or was a Trustee or Officer of the Association, or a member of such a committee. The premiums for such insurance shall be a Common Expense.

(e) The Board shall also have authority to and may obtain such other insurance, including but not limited to Director's and Officer's Liability coverage, as it deems desirable or necessary for the Property, or any aspect of the ownership, operation or management, thereof, or for any other property owned by the Association, in such amounts, from such sources and in such forms as the Board deems desirable. The premiums for such insurance shall be a Common Expense.

18. RECONSTRUCTION AND REPAIR.

(a) If any part of the Property shall be damaged by casualty, it shall be reconstructed or repaired unless it is determined in the manner elsewhere provided that the Condominium shall be terminated. Despite anything hereinbefore contained or implied to the contrary, if the Condominium or any part thereof is damaged by fire or other casualty, such damage shall be restored and repaired according to the original plans and specifications.

(b) Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original Building(s) or Improvements, or if not, then according to plans and specifications approved by the Board.

(c) If the damage is only to those parts of a Unit for which the responsibility of maintenance and repair is that of the Unit Owner, the then Unit Owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility for reconstruction and repair after casualty or other damage shall be that of the Association. Insurance proceeds shall be applied to such reconstruction and repair, except for damage or destruction caused by the intentional or negligent act or omission of a Unit Owner which shall be the responsibility of that Unit Owner to the extent not covered insurance.

(d) Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

(e) If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, the funds for the payment of the costs thereof are insufficient, the Association shall pay over sufficient amounts to provide funds to pay the estimated costs, which amount shall be part of the Common Expenses of the Association assessed against Unit Owners.

(f) The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance and funds collected by the Association from assessments against Unit Owners, shall be disbursed in payment of such costs in the manner required by the Board. The first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds, and if there is a balance in the construction fund after payment of all costs of reconstruction and repair for

which the fund is established, such balance shall be distributed to the Association as Common Surplus.

(g) Each Unit Owner shall be responsible for purchasing, at his, her or its own expense, liability insurance to cover accidents occurring within the Unit or on that Unit's Limited Common Elements, insurance coverage for his Unit including all additions and improvements thereto, decorating, furnishing, appliances, fixtures, cabinets, plumbing and lighting fixtures, flooring and all personal property and insurance coverage for all glass and screen in all windows and sliding doors. Insurance policies issued to individual Unit Owners shall provide that the coverage afforded by such policies is excess over the amount recoverable under any other policy covering the same property without rights of subrogation against the Association.

(h) If available at reasonable cost and where applicable, the Association shall endeavor to obtain policies which provide that the insurer waives its right of subrogation as to any claims against Unit Owners, the Association, their respective servants, agents, and guests. Insurance companies authorized to do business in the State of New Jersey shall be affirmatively presumed to be good and responsible companies and the Board of Trustees of the Association shall not be responsible for the quality or financial responsibility of the insurance companies, provided they are licensed to do business in the State of New Jersey.

(i) In the event any damage not covered by insurance is caused to any Unit the Limited Common Elements, the Common Elements or the Association Property by a Unit Owner or a tenant, occupant, guest, licensee or invitee thereof or any pet of the foregoing, such damage shall be repaired at the cost and expense of the Unit Owner. A Unit Owner shall be liable for any claim, damage or judgment entered as a result of the use or operation of his Unit or caused by his own conduct or the conduct of the occupant of his Unit.

**19. MAINTENANCE, REPAIRS AND REPLACEMENTS.** Each Unit Owner, at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within his own Unit. The cost of maintenance of, repairs to and replacements within the Common Elements shall be part of the Common Expenses, subject to the By-Laws and Rules and Regulations of the Association.

If, due to the act or neglect of a Unit Owner, or of his agent, servant, tenant, invitee, or licensee, damage shall be caused to the Common Elements, or to a Unit or Units owned by others, or maintenance, repair or replacement is required which

would otherwise be a Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association. Maintenance, repairs and replacements to the Property shall be subject to the By-Laws and the Rules and Regulations of the Association.

While the Sponsor maintains control of the Board, he shall take no action which adversely affects a home owner'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.

## 20. TRANSFER OF A UNIT.

(a) Unrestricted Transfers. Subject to the provisions of this Master Deed, including the age restriction, a Unit Owner may sell, give, devise, lease or otherwise transfer his Unit, or any interest therein, to a third party provided however, that a Parking Unit cannot be transferred to any one other than a Unit Owner. Notice of any such transfer shall be given to the Board not less than five (5) days prior to consummation of such transfer.

(b) Leases. A copy of every lease, as and when executed, shall be furnished to the Board. The lessee under every such lease shall be bound by and subject to the terms and provisions of the Master Deed By-Laws, and Rules and Regulations and every lease shall expressly so provide. Each lessee, prior to moving into the Unit, must provide to the Association proof of compliance with the age and occupancy restrictions set forth herein. The Unit Owner making such lease shall not be relieved thereby from any of said obligations. Every such lease shall also expressly provide that the Association may exercise against the lessee thereunder any and all remedies available to the Association set forth in this Master Deed, including, but not limited to, the right to take possession of the Unit, or of the interest leased thereunder. If a Unit Owner lets or sublets the Unit and fails to make payment when due ("default") of any Common Expense Assessment, Special Assessment, Additional fees, violation, fine, penalty, or any other obligation (including attorneys' fees, interest and costs of suit), and such default is not cured within ten (10) days of written notice from the Association, the Association, may, at its option, for so long as such default continues, demand upon written notice and receive from such tenant or subtenant(s) the rent due or to become due from such tenant or subtenant(s) to the Unit Owner, and apply the amount received to the payment of monies due and to become due from the Unit Owner to the Association. Any payment by a tenant or subtenant(s) to the Association shall constitute a discharge of the obligation of such tenant or subtenant(s) to the Unit Owner, to the extent of the amount so paid. The acceptance of

rent from any tenant or subtenant(s) shall not be deemed a waiver, release, or discharge of any obligations of Unit Owner hereunder. In the event the tenant or subtenant fails or refuses to make rental payments to the Association, the Association may institute proceedings for eviction and collection.

## 21. REMEDIES.

(a) In the event of any violation of the provisions of the Act, Master Deed, By-Laws or Rules and Regulations of the Association by any Unit Owner (either by his own conduct or by the conduct of any Occupant of his Unit) the Association, the Board, and/or its agents, shall have each and all of the rights and remedies which may be provided for in the Act, Master Deed, By-Laws, or said Rules and Regulations, or which may be provided or permitted at law or in equity, and may prosecute an action or other proceeding against such defaulting Unit Owner and/or others for enforcement of any lien and the appointment of a receiver for the Unit and ownership of such Unit Owner, or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Unit and such Unit Owner's interest in the Property, and collection of rent, and to sell the same, as hereinafter in this paragraph provided, or for any combination of remedies, or for any other relief.

(b) All expenses of the Board in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of fifteen (15%) percent per annum or at such other rate as determined by the Board until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the Common Expenses, and the Board shall have a lien for all of the same, as well as for nonpayment of his respective share of the Common Expenses, upon the Unit and ownership interest in the Common Elements of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property, provided, however, that such lien shall be subordinated to the lien of any prior recorded mortgage on the Property or any portion thereof or the interest of such Unit Owner, held by an existing mortgagee of the Property, its successors and assigns, except for the amount of the proportionate share of said Common Expenses which become due and payable from and after the date on which the said mortgage holder either takes possession of the Unit, accepts a conveyance of any interest therein (other than as security) or files suit to foreclose its mortgage and causes a receiver to be appointed.

(c) In the event of any such default by any Unit Owner, the Board or the Managing Agent, if so authorized by the Board, shall have the authority to correct such default and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner, together with interest thereon at the rate aforesaid. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board.

(d) The violation of any provisions of the Act, this Master Deed, the By-Laws or the Rules and Regulations of the Association by any Unit Owner (either by his own conduct or by the conduct of any Occupant of his Unit) shall give the Board, and its employees and agents, the right, in addition to any other rights provided for in this Master Deed: (i) to enter upon the Unit, or any portion of the Property upon which, or as to which such violation or breach exists pursuant to legal process and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions of the Act, this Master Deed, the By-Laws or such Rules and Regulations, as the case may be, and the Board, or its employees or agents, shall thereby not be deemed guilty in any manner of trespass; (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; (iii) to take possession of such Unit Owner's interest in the Property and to maintain an action for possession of such Unit in the manner provided by law; and/or (iv) to collect all rents from said Unit Owner or its Occupant and to apply same to any unpaid Common Expense Assessments, Special Assessments, Additional Fees, liens, penalties, violations, or any other obligations, including interest, attorneys' fees and costs of suit.

(e) If any Unit Owner (either by his own conduct or by the conduct of any Occupant of his Unit) shall violate any provision of the Act, any law or Rule or Regulation, this Master Deed or the By-Laws or Rules and Regulations of the Association, and if such default or violation shall not be cured within twenty (20) days after notice to the Unit Owner in writing from the Board, then the Board shall have the power to take all action as may be permitted by the Master Deed and By Laws.

**22. RIGHT OF ACCESS.** By acceptance of a deed to a Unit, each Unit Owner is deemed to have granted a right of access to his Unit, to the Managing Agent and/or other person authorized by the Association, for the purpose of correcting any condition originating in his Unit or any appurtenance and threatening another Unit or Common Element or for the purpose of performing necessary installations, alterations or repairs to the electrical



or mechanical services or other Common Elements in his Unit or appurtenance or elsewhere in the Building 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 emergency, such right of entry shall be immediate, whether or not the Unit Owner is present at the time.

23. AMENDMENT OF MASTER DEED. This Master Deed may be amended by a vote of the majority of the Unit Owners present, in person or by proxy, at a meeting duly held in accordance with the provisions of the By-Laws of the Association; however, if the Act or this Master Deed shall require the consent or agreement of a certain percentage of all Unit Owners or lien holders for any action specified in the Act or in the Master Deed, then any amendment or amendments with respect to such action shall require such percentage of consent or agreement as may be provided in the Act or in this Master Deed. All amendments to this Master Deed shall be recorded. All holders of a recorded mortgage encumbering any one or more Units shall be notified by certified mail of any such amendment, modification or rescission and an affidavit by the secretary of the Association certifying to such mailing shall be made a part of any instrument effecting such amendment, modification or rescission. The Sponsor shall not be permitted to cast any votes held by him for unsold lots, parcels, Units or interests for the purpose of amending 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.

24. RESTRICTIONS ON USE OF UNITS AND THE CONDOMINIUM PROPERTY. In order to provide for the congenial occupancy of the Property and for the protection of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

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

(b) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to the Occupants of the other Units, or which interferes

with the peaceful possession or proper use of the Property by its Occupants.

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

(d) No lease or sublease of a Unit shall be for a period of less than six (6) months. Upon the lease or sublease of a Unit the name and address of the tenant or subtenant shall be provided to the Association. Each tenant or subtenant at the time of establishing its tenancy shall be required to sign a statement acknowledging that it will abide by the terms and provisions of the Master Deed, By-Laws, and Rules and Regulations of the Association, including the age restriction for occupancy. Each lease shall provide that if the Unit Owner defaults in the payment of any Common Expense Assessment or Special Assessment, fine, lien, penalty, interest, attorneys' fees, then the Association may [upon ten (10) days written notice to the Unit Owner and tenant] collect the rental directly from the tenant and apply same to any unpaid assessments, interest, fines, liens and costs of collection, as more specifically provided in Paragraph 20(b) hereof. Despite the foregoing, the Sponsor may rent a Unit for any period of time whether for more or less than six (6) months.

(e) Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board.

(f) There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements without the prior consent of the Board of Trustees, except as herein expressly provided.

(g) The Board shall designate as a Common Element an area for the placement of trash receptacles and recyclables.

(h) Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit in accordance with the provisions of the Master Deed, By-Laws, Rules and Regulations.

(i) Each Unit Owner may paint, decorate or otherwise change the appearance of any portion of the interior of the Unit, provided that: (1) such changes have been approved by all required governmental authorities; (2) all required permits and governmental approvals have been received to permit said changes; (3) the Unit Owner will pay for the cost of said changes and will indemnify and save harmless the other Unit Owners and the Associ-

ation for all damage to the Common Elements, which may result; (4) the construction is in accordance with the BOCA Code; (5) the Unit Owner will be responsible for any increase in Association insurance occasioned by the construction; (6) the Unit Owner will be responsible for the maintenance, repair and replacement of that which is constructed; (7) no structural changes will be made without the consent of the Association; (8) the Unit Owner will be responsible for any damage to the Common Elements or Limited Common Elements resulting from the work performed by or on behalf of Unit Owner.

(j) No exterior signs, advertising signs, or for sale signs except those of Sponsor or Sponsor's sales representative, shall be erected or displayed. Sponsor or its sales representative are expressly permitted to display for sale signs and other signs advertising the Units for sale in or on the premises the number and location are within their sole discretion.

(k) 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 by 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 to the Association his proportionate part thereof in accordance with his Percentage Interest.

(l) Each Unit Owner shall pay for his own telephone, cable television 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 to the individual Unit Owners or which serve the Common Elements shall be treated as part of the Common Expenses.

(m) No clothes poles, lines or clothes trees shall be installed or maintained, nor shall any laundry or other thing be hung outside of any Unit.

(n) No trailer, tractor, truck (other than pick-up truck), mobile home, recreation vehicles, boat, boat trailer or the like shall be stored, housed or parked on the Property. This restriction shall not apply to trucks and equipment stored on the Property by Sponsor, the Association and/or the Managing Agent for use in maintaining the Property or any portion thereof. Abandoned, immobile, damaged and unregistered vehicles will be towed off the Property by the Association, at the Unit Owner's expense.

(o) No external or visible radio, satellite dish, television or any type of communication aerial or antenna shall be installed or affixed on or about the exterior of the Building,

or elsewhere on the Property unless agreed to in writing by the Board. Portable radios shall be played at a volume that shall not cause a nuisance to other Unit Owners. No storage of any materials or personalty shall be permitted on decks, Limited Common Elements, other than designated storage areas, or Common Elements, except that on the deck, Unit Owners may maintain chairs and tables for recreational use.

(p) All Unit Owners shall provide the Association with keys to their Unit and designated storage areas.

(q) The Board shall have the power to make such Rules and Regulations as may be necessary to carry out the intent of these use restrictions or for such other reasons as may be consistent with the nature and intent of the Master Deed and shall have the right to bring lawsuits to enforce any Rules and Regulations. The Board shall further have the right to levy fines for violations of any Rule or Regulation, 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 a separate violation. Any fine so levied shall be considered as a Limited Common Expense, the Limited Common Expense Assessment for which shall be levied against the particular Unit involved.

(r) No Unit Owner shall permit the temperature within the Unit to fall below fifty-two (52°) degrees Fahrenheit between October 1 and March 31.

(s) The use of propane gas is prohibited in any Unit, the Common Elements, the Limited Common Elements and anywhere throughout the Condominium Property.

(t) Nothing herein shall be construed to prohibit the reasonable adaption of any Unit for handicapped use.

(u) No more than one (1) dog or cat with a maximum weight of thirty (30) pounds shall be permitted upon occupancy in each Unit. All pets shall be leashed while they are outside the Unit, and all excrement from such pets shall be removed promptly from the Common Elements. Pets should be walked only in designated areas of the Common Elements and are restricted from the recreation rooms, meeting rooms, activity rooms and the pool area. The Association may designate additional areas wherein pets are restricted as well as designated entrances for exits for pets. Each Unit Owner will be held liable for any damage caused by the pet. If any pet causes a disturbance or nuisance to other residents, including, but not limited to, excessive barking, the resident and/or Unit Owner will be advised that if the situation continues the Owner will be required to permanently to remove the pet from the Property. In the event a pet expires, said pet can

not be replaced. It is the intention that you may keep a dog or cat under 30 pounds if you owned same prior to occupancy of the Unit, but you will not be able to replace the pet if it expires or add an additional pet.

25. INSTITUTIONAL LENDERS; NOTICES.

(a) Upon written request to the Association identifying the name and address of the holder, insurer or guarantor and the Unit number or address, any such eligible Institutional Lender, insurer or guarantor shall be entitled to timely written notice by the Association of:

(i) Any proposed Condominium Amendment;

(ii) Any proposed termination of the Condominium;

(iii) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a first mortgage held, insured or guaranteed by such eligible mortgage holder, insurer or guarantor, as applicable;

(iv) Any delinquency in the payment of Assessments or charges owed by an Owner of Unit subject to a first mortgage held, insured or guaranteed by such eligible holder, insurer or guarantor which remains uncured for a period of sixty (60) days;

(v) Any lapse, cancellation or material modification or any insurance policy or fidelity bond maintained by the Association; and

(vi) Any proposed action which requires the consent of any specified percentage of Institutional Lenders.

26. ADDITIONAL RIGHTS OF INSTITUTIONAL FIRST MORTGAGEES.

(a) In addition to all other rights herein set forth, Institutional First Mortgagees shall have the right, upon written request to the Association, to:

(i) Examine the Association's books;

(ii) Receive notice of Association meetings and attend such meetings;

(iii) Receive notice of an alleged default by any Unit Owner, for whom such Mortgagee holds a mortgage, which is

not cured within 30 days of notice of default to such Unit Owner;  
and

(iv) Receive notice of any substantial damage or loss to any portion of the Condominium Property.

27. RIGHTS OF SPONSOR.

(a) Changes to Buildings and Units. Before the closing of title on any Unit in the Building affected, the Sponsor may amend and supplement the Master Deed to alter or fix the location, configuration, shape and size of any Building, and the size, shape, number (provided the number of dwelling Units does not exceed 90) and configuration of any Unit, including the floor plan of any Unit, in any Building.

(b) Easements. To grant, add or alter the location, size or purpose of easements and lands for utilities, roads, access, ingress or egress, drainage or financing purposes; or to convey or assign such easements to the appropriate governmental authority, utility agency or company, title insurance company or as otherwise set forth in this Master Deed.

(c) Use of Easements. To permit the Sponsor, its agents, Affiliates, employees or subcontractors to utilize easements, roads, drainage facilities, utility lines and the like within or servicing the Condominium.

(d) Surrender of Sponsor's Rights. To surrender or modify the Sponsor's rights in favor of the Unit Owners or Association, or their respective mortgagees.

(e) Technical Changes. To correct, supplement or provide technical changes to the Master Deed, By-Laws or other documents that create or implement the creation of the Condominium or Association.

(f) Miscellaneous Changes. To amend the Master Deed, By-Laws or other documents that create or implement the creation of the Condominium or the Association to qualify the Property for programs and requirements of the secondary mortgage market and lenders in same, such as the Federal National Mortgage Association, Federal Unit Loan Mortgage Corporation or any other similar secondary mortgage lender; or as required by governmental or quasi-governmental agencies with regulatory jurisdiction over the Condominium; by any title insurance company insuring title to a Unit; or to comply with a court order or decree.

(g) Rights Reserved to Sponsor. Despite anything to the contrary herein or in the Certificate of Incorporation or By-

Laws, the Sponsor hereby reserves for two (2) years from the date of conveyance of a Unit the following rights for itself, its successors and assigns:

(i) the right, for so long as it owns one or more Units in the Condominium, to sell, lease, mortgage or sublease any unsold Units; and

(ii) Sponsor reserves the right to seek amendment to or modification of present and future development approvals and permits from applicable governmental authorities. The construction of the Property, including the type, character, design, quantity, etc. of site improvements, Units (provided that the number of units does not exceed 90), Buildings and other improvements is in the sole and absolute discretion of the Sponsor, subject only to the approval of and regulation by all governmental authorities with jurisdiction over such improvements.

By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Condominium, each contract purchaser, Unit Owner, mortgagee or other lienholder or party having a legal or equitable interest in the Condominium does automatically and irrevocably name, constitute, appoint and confirm the Sponsor, its successors and assigns, as attorney-in-fact for the purpose of executing Amendments and Supplements to this Master Deed and any other instruments necessary to effect the rights reserved to the Sponsor. This power of attorney is declared and acknowledged to be coupled with an interest in the subject matter hereof and runs with title to any and all Units and is binding upon the heirs, personal representatives, successors and assigns of any of the foregoing parties. The power of attorney is not affected by the death or disability of any principal and is intended to deliver all rights, title and interest of the principal in and to said power.

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

29. 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.

30. GENDER. The use of the masculine gender or neuter gender in this Master Deed shall be deemed to refer to such gender as shall be appropriate and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

31. RATIFICATION, CONFIRMATION AND APPROVAL OF AGREEMENTS. The fact that some or all of the Officers, Trustees, members or employees of the Association and the Sponsor may be identical, and the fact that the Sponsor or its nominees has heretofore or may hereafter enter into agreements with the Association or with third parties will not violate 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 approval by such purchaser, his heirs, legal representatives, successors and assigns of the propriety and legality of said agreements or any other agreements authorized and permitted by the Act, this Master Deed, the Articles of Incorporation or the By-Laws of the Association.

32. NOTICES. Notices provided for in the Act, Master Deed or By-Laws shall be in writing and shall be addressed to the Association or Board at New Jersey, or to any Unit Owner, at the address of each Unit, or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Unit Owners. Any Unit Owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above shall be deemed delivered three (3) business days after mailing by United States first class, registered or certified mail, or when delivered in person.

Upon written request to the Board, the holder of any recorded mortgage or trust encumbering any one or more Units in the Building shall be given a copy of all notices permitted or required by this Master Deed, the By-Laws or the Act to be given to the Unit Owner or Owners whose Unit is subject to such mortgage or trust deed.

33. LITIGATION. Despite any other provision of this Master Deed, any controversy or claim arising out of, or relating to, this Master Deed or the enforceability or breach thereof, may be settled by a court of competent jurisdiction in Bergen County, New Jersey.

34. COMPLETION AND SALE. Until the Sponsor has sold all Units and completed the construction of all required Common



Elements, neither the Unit Owners nor the Association shall interfere with the completion of the contemplated improvements or the sale or rental of the Units. The Sponsor retains the right to make use of the unsold Units, the Property and Common Elements to facilitate such completion and sale, including, but not limited to, maintenance of sale model(s), a sales rental office, a construction office, storage area, construction material and equipment area, the display of signs and other advertising items and events as necessary.

35. EXECUTION. This Master Deed is executed by Sponsor.

IN WITNESS WHEREOF, Sponsor has caused these presents to be signed and witnessed the day and year first above written.

ATTEST:

SENIOR HOUSING ASSOCIATES, L.P.

BY: Senior Housing Associates,  
Inc., General Partner

\_\_\_\_\_  
Acting Secretary

By: \_\_\_\_\_  
Jeff A. Weinberger  
President

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

BE IT REMEMBERED, that on this \_\_\_\_ day of \_\_\_\_\_, 2000, before me, the subscriber, a notary public of the State of New Jersey, personally appeared JEFF A. WEINBERGER, the President of SENIOR HOUSING ASSOCIATES, INC., the General Partner of SENIOR HOUSING ASSOCIATES, L.P., who, I am satisfied, is the person who signed the within instrument, and thereupon he acknowledged that he signed, sealed and delivered the same as such officer; and that the within instrument is the voluntary act and deed of said corporation, made by virtue of authority from its Board of Directors.

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EXHIBIT B TO PUBLIC OFFERING STATEMENT  
ESTIMATED COMMON EXPENSE ASSESSMENT AND LETTERS OF ADEQUACY  
WITH RESPECT TO THE BUDGET AND INSURANCE COVERAGE

**Washington Grand Condominium Association  
Projected Budget  
For The First Full Year Of Operation**

**Income**

Common Charges <sup>(1)</sup>	<u>\$344,160</u>
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**Expenses <sup>(2)</sup>**

Superintendent Salaries And Benefits	37,500
Activities Director Fees	14,000
Social Activities Expenses	16,000
Utilities	76,000
Water for Sprinkler System	8,000
Building Maintenance and Supplies <sup>(3)</sup>	25,000
Outside Cleaning Contractor	12,000
Exterminator	5,500
Insurance	71,500
Management Fees	15,100
Professional Fees	3,000
Rubbish Removal	10,800
Pool Expenses	3,200
Lifeguard Expense	8,400
Landscaping and Snow Removal	26,000
Security and Fire Alarm System	2,500
Office Supplies and Expenses	3,512
Reserve For Replacement Fund <sup>(4)</sup>	<u>6,148</u>

**Total Expenses**

\$344,160

Washington Grand  
Calculations of Common Assessment Fees

Unit Type	Model Name	Unit Square Footage	Number of Units	Total SF For Type Of Unit	Total % of	Insurance	Reserve For Replacement	Common Expenses	Total	Per Unit Yrly Charge	Per Unit Monthly Charge	Total Charges
<u>Maintenance Charge Type 1</u>												
<u>One Bedroom and Den</u>												
A		997	10	9970								
A1		931	1	931								
A2		1048	1	1048								
A3		995	4	3980								
			16	15929	13.362%	9,554	822	45,972	56,347	3,522	293	56,347
<u>Maintenance Charge Type 2</u>												
<u>Two Bedroom</u>												
B		1255	14	17570								
B1		1250	5	6250								
			19	23820	19.982%	14,287	1,228	54,592	70,107			
			33	43395	36.402%	26,028	2,238	94,817	123,083	3,715	310	193,190
<u>Maintenance Charge Type 3</u>												
<u>Two Bedroom and Den End</u>												
D1		1505	1	1505								
D2		1661	13	21593								
D3		1642	6	9852								
			20	32950	27.640%	19,763	1,699	57,465	78,927			
			2	3116	2.614%	1,869	161	5,746	7,776	3,941	328	86,703
<u>Maintenance Charge Type 4</u>												
<u>Extra Garage Spaces</u>												
						0	0	7,920	7,920		240	20
<u>Building Totals</u>												
			90	119210	100.000%	71,500	6,148	266,512	344,160			
						71,500	6,148	266,512	344,160			344,160



Selective Insurance Company of America  
Selective Way Insurance Company  
Branchville, New Jersey 07890  
201-948-3000

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we the undersigned, **SENIOR HOUSING ASSOCIATES, L.P.**, a limited partnership formed under the laws of the State of New Jersey with offices at 100 Ridgewood Road, Washington Township, New Jersey, as Principal, and the **SELECTIVE INSURANCE COMPANY OF AMERICA**, incorporated under the laws of the State of New Jersey, having an office at Branchville, New Jersey, and duly authorized to transact business in the State of New Jersey, as Surety, are held and firmly bound unto the **WASHINGTON GRAND CONDOMINIUM ASSOCIATION, INC.**, in the penal sum of **THREE HUNDRED FORTY FOUR THOUSAND SIX HUNDRED FORTY DOLLARS, (\$344,640.00)** for the payment of which well and truly to be made, we hereby jointly and severally, bind ourselves, our heirs, executors, administrators, successors and assigns.

SIGNED and sealed this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20\_\_.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH THAT, WHEREAS, The above named principal as Sponsor of the Condominium known as WASHINGTON GRAND CONDOMINIUM did enter into the agreement dated \_\_\_\_\_, 2000, with said Obligee requiring Principal to post the above amount representing the first year's budget of the Washington Grand Condominium Association, Inc., which said agreement is made a part of this bond as though set forth herein;

NOW, if said Principal shall well and faithfully do and preform the things agreed to be done and performed according to the terms of the said agreement, or said Principal shall post said \$344,640.00, then this obligation shall be null and void; otherwise the same shall be remain in full force and effect; it being expressly understood and agreed that the liability of the surety for any and all claims hereunder shall in no event exceed the penal amount of this obligation as herein stated.

The said surety hereby stipulates and agrees that no modification, omissions or additions in or t the terms of the said contract, or in or to the plans or specifications therefor shall in no wise affect the obligation of said surety on its bond.

Witness:

\_\_\_\_\_  
(If Individual or Firm)

Attest:

\_\_\_\_\_  
(If Corporation)

\_\_\_\_\_

\_\_\_\_\_  
Principal

Selective Insurance Company of America  
\_\_\_\_\_  
Surety

by: \_\_\_\_\_

EXHIBIT C TO PUBLIC OFFERING STATEMENT  
MANAGEMENT AGREEMENT





MANAGEMENT AGREEMENT

This Agreement made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2000, between The Washington Grand Condominium Association, Inc., a non-profit corporation, with offices at 100 Ridgewood Road, Township of Washington, New Jersey 07675 (hereinafter called the "Association") and Senior Housing Associates, Inc., a New York corporation, having an office at 29 Third Street, New City, New York 10956 (hereinafter called the "Agent").

W I T N E S S E T H:

In consideration of the mutual promises herein contained, the parties hereto agree as follows:

1. The Association hereby appoints the Agent as the exclusive management agent of the condominium known as Washington Grand, a Condominium, located in the Township of Washington, County of Bergen, State of New Jersey and the Agent hereby accepts appointment as such upon the terms and conditions hereinafter provided.

2. This Agreement shall be for a term of one year commencing on the date of the closing of title to the first condominium Unit for a flat fee of One Thousand Two Hundred Fifty Eight and 33/100 (\$1,258.33) Dollars per month, provided, however, that: (a) either party shall have the right to terminate this agreement with or without cause by affording the other party at least thirty (30) days prior written notice of said termination, and (b) this agreement shall expire ninety (90) days

after control of the Association is turned over to Unit Owners other than Sponsor unless rectified by the new Board.

3. The Agent agrees as follows:

(a) To hire all personnel for and arrange for all repairs and maintenance necessary for the Common Elements including the buildings, on behalf of all Unit Owners, and

(b) To use its best efforts to collect the Assessments and to disburse the Common Expenses in connection with the services rendered hereunder.

At the request of the Association, the Agent shall, in the name of and at the expense of the Association, institute any and all legal actions or proceedings for the collection of any unpaid Assessments assessed against a Unit.

All monies received by the Agent for or on behalf of the Association less any sums properly deducted by the Agent pursuant to this Agreement, shall be deposited in a bank in a special account maintained by and in the name of the Association and not commingled with the funds of the Agent; provided, however, that the Agent shall have the right to draw checks and make withdrawals from such account for the purpose of paying all expenses incurred in connection with the performance of the services hereunder.

(c) To make, or cause to be made, in the name of and at the expense of the Association, such ordinary repairs to the Common Elements as may be advisable or necessary, and to purchase supplies incidental thereto. The expense to be incurred for any

(f) To render to the Association an annual estimate of the Common Expenses required for the maintenance and operation of the Common Elements and to render to the Association a monthly statement of receipts and disbursements. The annual estimate shall be rendered upon the effective date hereof and upon the date of all renewals thereafter. Such disbursements shall include the compensation of the Agent for its services hereunder on the basis hereinafter provided.

(g) To attend all meetings of the Board of Trustees and Unit Owners to the extent so requested, but not exceeding attendance at five (5) such meetings during each year hereof, and to advise and counsel them and answer inquiries with respect to all matters pertaining to the operation of the Common Elements and maintenance of the Buildings.

(h) To obtain and maintain, at the direction of the Association, and in compliance with the Bylaws, policies of fire insurance, workmen's compensation insurance, public liability insurance and such other insurance as the Board of Trustees may determine necessary.

4. The Association agrees as follows:

(a) To reimburse the Agent upon demand for any monies which the Agent is required to pay out for any reason whatsoever either in connection with, or as an expense in defense of, any claim, or civil action, proceeding, charge or prosecution made, instituted or maintained against the Agent or the Association and the Agent, jointly or severally, arising out of or due to the

one item of repair shall not exceed the sum \$10,000.00 unless authorized by the Board of Directors of the Association. The Agent shall allow to the Association any rebate or discount which the Agent shall obtain in connection therewith.

(d) To make, in the name of and at the expense of the Association, contracts for electricity, gas, telephone, landscaping, snow removal, pool maintenance, property maintenance and such other services as the Agent shall deem advisable in connection with the operation and maintenance of the Common Property and Buildings, provided that said contracts shall not have a term exceeding one year.

(e) To supervise the work of and to hire and discharge employees in connection with the services to be rendered hereunder. It is expressly understood and agreed, however, that all employees are in the employ of the Association solely and not in the employ of the Agent and that the Agent is in no way liable to employees for their wages or compensation, nor to the Association or others for any act or omission on the part of such employees.

Employees who handle or are responsible for the Association monies shall at the request and expense of the Association be bonded by a fidelity bond. The agent, at the request of the Association, shall prepare additional reports as required and engage independent accountants for the Association to prepare, at the Association's expense, an annual balance sheet and profit and loss statement of the Association.

address first above written or at such other address as either party shall designate by like notice to the other.

8. If the Agent is prevented from performing any act required to be performed hereunder by reason of fire, catastrophe, strikes, civil commotion, acts of God or the public enemy, government prohibitions, inability to obtain materials or labor, or any other reason beyond the reasonable control of the Agent, the Agent shall be excused from such performance during the period that such act cannot be performed for any of the foregoing reasons.

9. Unless otherwise provided herein, all words and terms appearing in this Agreement shall have the same meaning as those defined in the Master Deed for the Washington Grand, a Condominium.

10. This Agreement constitutes the entire agreement between the parties and cannot be changed, modified, amended or terminated unless such change, modification, amendment or termination is in writing and executed by the party against which enforcement thereof is sought.

11. Upon the signing of this Agreement, the Trustees of The Washington Grand Condominium Association, Inc. consist of Jeff A. Weinberger, Stuart Weinberger and Keith Geasey.

condition or use of the Association's property or the acts or omissions of the Association's officers, agents, servants, employees or contractors.

(b) To promptly defend, at its own cost and expense, any claim action or proceeding brought against the Agent or the Association, jointly or severally, arising out of or in connection with this Agreement, and to hold harmless and fully indemnify the Agent from any judgment, loss or settlement on account thereof.

(c) To promptly observe and comply with all present and future laws, ordinances, requirements, orders, directives, rules and regulations of all governmental authorities affecting the Common Elements.

5. The Agent shall have full authority to enter into all contracts as agent for and on behalf of the Association necessary to carry out its duties hereunder. Any contract which on an annual basis exceeds \$25,000.00 shall receive the written approval of the Board of Trustees.

6. The parties executing this Agreement on behalf of the Association have done so only in their respective capacities as members of the Board of Trustees and as agents for all Unit Owners and have no personal liability hereunder.

7. Any notices, consents, approvals, submissions or demands which either party hereto shall be required or desire to give or make hereunder, shall be by certified mail, return receipt requested, addressed to the respective parties at the

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

ATTEST:

THE WASHINGTON GRAND  
CONDOMINIUM ASSOCIATION, INC.,  
a Non-profit Corporation  
of the State of Ne Jersey

\_\_\_\_\_  
, Secretary

By: \_\_\_\_\_  
, President

ATTEST:

By: SENIOR HOUSING  
ASSOCIATES, INC.  
A NEW YORK CORPORATION

\_\_\_\_\_  
, Secretary

By: \_\_\_\_\_  
Jeff A. Weinberger, President





EXHIBIT D TO PUBLIC OFFERING STATEMENT  
FORM OF SUBSCRIPTION AND PURCHASE AGREEMENT



**WASHINGTON GRAND, A CONDOMINIUM  
SUBSCRIPTION AND PURCHASE AGREEMENT**

**1. NAMES AND ADDRESSES OF PARTIES:**

- A. SELLER: Senior Housing Associates, L.P., a New Jersey limited partnership
- B. ADDRESS: 100 Ridgewood Road  
Township of Washington, New Jersey 07675
- C. BUYER(S): \_\_\_\_\_
- D. HOME ADDRESS: \_\_\_\_\_
- E. TELEPHONE: \_\_\_\_\_
- F. BUSINESS ADDRESS: \_\_\_\_\_
- G. TELEPHONE: \_\_\_\_\_
- H. FAX NO: \_\_\_\_\_ EMAIL ADDRESS: \_\_\_\_\_
- I. SOCIAL SECURITY NO: \_\_\_\_\_
- J. DATE OF BIRTH OF BUYER(S): \_\_\_\_\_
- K. NAME AND DATE OF BIRTH OF ANY OTHER PERSONS WHO WILL RESIDE IN THE UNIT: \_\_\_\_\_

2. **SALE AND PURCHASE.** The Seller shall sell and the Buyer shall buy the Unit herein set forth under the terms and conditions of this Agreement.

**3. PAYMENT OF PURCHASE PRICE.**

- A. Deposit (paid by Buyer on signing) \$ \_\_\_\_\_
- B. Balance due at closing (subject to closing adjustments as referred to in this Agreement), in cash or certified check \$ \_\_\_\_\_
- C. Total Purchase Price \$ \_\_\_\_\_

4. DESCRIPTION OF PROPERTY. The property to be sold under this Agreement is described as follows:

Unit # \_\_\_\_\_ Building \_\_\_\_\_

Parking Unit # \_\_\_\_\_

Percentage Interest in Common Elements: \_\_\_\_\_

Throughout this Agreement, the property to be sold is referred to as the "Unit." The Unit is located at Washington Grand, a Condominium, which is referred to in this Agreement as the "Condominium." The approximate location, size and layout of each Unit in the Condominium may be found in Exhibits C and D to the Master Deed, a copy of which is reproduced in the Public Offering Statement.

5. OCCUPANCY RESTRICTION. Occupancy of Units in the Condominium is intended only for person fifty-five (55) years of age and older as provided in the Federal Housing of Older Persons Act of 1995 (Pub. L. 104-76) and the Township of Washington Ordinance # 98-18. As a result, occupancy of every Unit, other than the Superintendent/Manager apartment, is restricted to the following individuals:

A. Persons of fifty-five (55) years of age or older, who are designated as "Qualified Occupants";

B. A spouse of a Qualified Occupant residing in the same Unit as the Qualified Occupant, even if the spouse is under the age of fifty-five years;

C. A child or children of a Qualified Occupant residing in the same Unit as the Qualified Occupant, provided that the child or children are at least eighteen (18) years of age or older;

D. An individual at least eighteen (18) years of age or older residing with and providing physical support and caretaking services to a Qualified Occupant.

If all Qualified Occupants of a Unit expire or permanently leave the occupancy of the Unit, a surviving spouse under the age of fifty-five (55) years, or a child or children eighteen (18) years of age or older, of the Qualified Occupant may continue to reside in the Unit. However, at any one time at least eighty (80%) percent of the Units shall be occupied by at least one Qualified Occupant. If a Unit is occupied in violation of these restrictions, the Association may take all legal action permitted by the Master Deed to prohibit the occupancy of the Unit by Unauthorized individuals.

The occupancy restrictions set forth herein apply to the person actually residing in the Unit, whether it be an Owner or a tenant. An Owner does not have to comply with the age restriction if he or she does not reside in the Unit, but his or her tenant must comply. All persons who intend to occupy a Unit shall, prior to closing and moving into the Unit, supply the Association with proper proof of the age of all occupants. All agreements for the sale or lease of Units shall provide that the occupants will comply with the age restriction set forth in this Offering. The Association has the right, from time to time, to adopt procedures to determine the occupancy of each unit and to conduct, at least every two (2) years, surveys of the residents of the Condominium in order to verify and update its information concerning the age of the residents and to insure compliance with the age restrictions.

Every Buyer must execute a specific Power-of-Attorney that is a part of the deed conveying title of the Unit. It makes the Sponsor the attorney-in-fact for the limited purposes described in the Master Deed, Bylaws and the Public Offering Statement.

6. **MORTGAGE CONTINGENCY.** Unless Buyer has, upon the signing of this Agreement, waived the following, all of the terms of this Agreement are contingent upon the ability of the Buyer, within forty-five (45) days from the date hereof, to obtain a written commitment from a lender for a mortgage loan in the amount of \_\_\_\_\_ (\$ \_\_\_\_\_) Dollars, such loan to be secured by a first mortgage covering the premises which are the subject of this Agreement, such loan to bear interest at the institutional lender's prevailing rate and to have a term equal to thirty (30) years, or such lesser term as the Buyer may elect and the said institutional lender may approve. Buyer agrees to diligently pursue an application for such a mortgage loan upon execution of this Agreement. Buyer agrees to submit to lender a complete mortgage application within ten (10) days from receipt of a fully executed copy of this Agreement.

Buyer agrees to accept any commitment for a mortgage loan complying with the foregoing terms and to pay the institutional lender's application fee, appraisal fee, points, or other fees usually charged by such institutional lender. Buyer also agrees promptly to forward to the Seller a copy of any mortgage commitment letter issued by an institutional lender and also agrees to provide the Seller with a copy of any rejection of Buyer's mortgage application.

If the Buyer's application for a mortgage loan does not result in the issuance of a commitment within forty-five (45) days of the date hereof, the Buyer will so notify the Seller in writing. The notice will specify one of the following: (a) that the Buyer has elected to terminate this Agreement due to the inability to procure a mortgage loan; or (b) that the Buyer waives the mortgage

contingency. If the Buyer chooses to terminate this Agreement, the Seller will within ten (10) business days promptly refund all deposit money (without interest) paid to the Buyer. When the Buyer has received this refund, this Agreement shall terminate and be null and void; neither the Seller nor the Buyer will have any further obligation to the other under this Agreement.

If the Buyer fails to notify the Seller within forty-five (45) days of the date hereof that the Buyer did not obtain a commitment for a mortgage loan, the Buyer will be obligated to close title whether or not the Buyer obtains financing. If this Agreement is not properly terminated and the Buyer fails to close title, the Buyer will have breached a promise under this Agreement and will be declared in default.

The Buyer is responsible to pay any and all application, processing, commitment and other fees charged by the lender in connection with the mortgage loan.

Once the Buyer has obtained a mortgage loan commitment, any subsequent change in the Buyer's credit status shall be at the risk of the Buyer and the failure of an institutional lender to make such a mortgage loan because of a subsequent change in the Buyer's credit status shall not be deemed a failure of the mortgage contingency provided for herein to have been met.

IF THE BUYER OBTAINS A MORTGAGE COMMITMENT IN ACCORDANCE WITH THE AFORESAID TERMS, THIS MORTGAGE CONTINGENCY SHALL BE DEEMED TO HAVE BEEN MET EVEN THOUGH SUCH COMMITMENT REQUIRES THE BUYER TO MEET SOME CONDITION NOT WITHIN THE CONTROL OF THE SELLER. THE SATISFACTION OF ANY SUCH CONDITION(S) ARE THE SOLE RESPONSIBILITY OF THE BUYER AND ARE NOT CONTINGENCIES IN THIS CONTRACT. THIS CONTINGENCY SHALL ALSO BE DEEMED TO HAVE BEEN MET EVEN THOUGH THE COMMITMENT LETTER EXPIRES OR IS REVOKED.

Buyer agrees, if required by the lending institution, to apply for and to obtain private mortgage guaranty insurance from an insurer acceptable to the lending institution. In such event, Buyer shall pay at closing the required mortgage guaranty insurance premium. PRIVATE MORTGAGE GUARANTY INSURANCE IS SOLELY FOR THE BENEFIT OF THE LENDER AND IS NOT CREDIT LIFE INSURANCE.

7. ESCROW OR BONDING OF DOWN PAYMENTS. All deposits paid under this Agreement shall be held in escrow as follows:

Jeff A. Weinberger, Esq.  
Special Trust Account for Senior Housing  
Associates, L.P.  
Commerce Bank  
Hillsdale Avenue  
Hillsdale, New Jersey 07642

All interest accruing on deposits, if any, shall be the sole property of the Seller and will not be credited to the account of or paid to the Buyer under any circumstances.

8. CONDITION OF TITLE TO THE PROPERTY. The Seller will transfer title to the Unit to the Buyer free and clear of all claims and rights of others except the following:

A. Zoning regulations and other ordinances of the Township of Washington which now or hereafter affect the Unit or the Condominium, provided that they do not presently prohibit the residential use of the Unit and are not violated by the Condominium development.

B. Any easements, covenants, reservations, agreements or restrictions referred to in the Public Offering Statement or the Master Deed for the Condominium.

C. Any state of facts which an accurate survey or title search would reveal.

D. Any exception to affirmative insurance in the sample unit owner's title insurance policy contained in the Public Offering Statement for the Condominium.

E. Possible additional taxes and assessments for the year of sale imposed by the municipality under N.J.S.A. 54:4-63.1 because of the construction of the improvements which constitute the Condominium.

F. Any laws, ordinances or regulations which now or hereafter affect the Unit or the Condominium.

At the closing, the Seller will deliver a form of deed commonly known as a "Bargain and Sale Deed with Covenants Against Grantor's Acts" and an Affidavit of Title. For the purposes of this Agreement, good marketable title shall be considered to mean title insurable at regular rates by National Granite Title Agency, Inc. 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.

If the Seller is unable to deliver the quality of title required by this Agreement, the Buyer will be entitled to terminate this Agreement. If the Buyer so terminates, the Seller will refund within ten (10) business days all deposit money paid, together with the actual costs of survey and title examination incurred by the Buyer. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

9. TIME AND PLACE OF CLOSING OF TITLE. Closing of title shall be held on \_\_\_\_\_ ("Anticipated Closing Date") at the Condominium property or the office of the Seller's attorneys, Cole, Schotz, Meisel, Forman & Leonard, P.A., Court Plaza North, 25 Main Street, Hackensack, New Jersey, or such other location as designated by Seller. If for any reason Buyer requests that the closing take place at a location other than as designated by Seller, then Seller's consent to same will be conditioned upon the payment by Buyer at closing of a fee of Three Hundred Fifty (\$350.00) Dollars to Seller's attorney. The Seller will notify the Buyer in writing of the exact date, time and place of closing at least seven (7) calendar days before it occurs. The Seller may not schedule the closing before the Anticipated Closing Date unless the Buyer consents. 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 schedule time and place, unless the Seller consents in writing to a postponement, will be a breach of this Agreement. If the Buyer wishes to postpone the closing from the scheduled date, then the Seller's consent, if granted, will be conditioned upon the Buyer's agreement that all closing adjustments be made as of the originally scheduled closing date. Seller is not required to consent to any postponement of the closing.

The Buyer will be under no obligation to close title unless the Seller provides either a temporary or permanent certificate of occupancy for the Unit at the time of closing.

10. PAYMENTS DUE AT CLOSING. As a condition to the Seller's delivery of the Deed for the Unit, at the closing, 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 will also have certain expenses connected with the closing which they must each pay.

A. Unpaid Balance of Purchase Price. At the closing, the Buyer will be required to pay the outstanding balance of the Total Purchase Price of the Unit in certified check or bank check. The outstanding balance is the difference between the Total Purchase Price plus extras, and the total of the payments the Buyer has made to the Seller for the Unit prior to closing.



If the Buyer has obtained a mortgage loan in order to purchase the Unit, the Buyer may endorse the lender's check representing the loan proceeds to the order of the Seller. The check from the lender must be a certified check or bank check.

B. Adjustments Between Seller and Buyer. There are certain expenses associated with the ownership of the Unit which must be regularly paid by its owner. The Buyer will be responsible for these expenses commencing on the closing date, which is the date the Buyer becomes the owner of the Unit. The following expenses will be apportioned between the Seller and Buyer based upon their respective periods of ownership of the Unit:

- (1) Real estate taxes;
- (2) Water, sewer, utility, and cable television charges, deposits and connection fees;
- (3) The Association's common expense assessments against the Unit and any special emergency assessments, if applicable;
- (4) Insurance premium adjustments; and
- (5) Such other items as are customarily adjusted at closing.

Any expense item which has been prepaid by the Seller will be credited to the Seller on the closing statement for the portion of the payment attributable to the Buyer's period of ownership of the Unit. Any expense item for which payment is not yet due will be credited to the Buyer to the extent attributable to the Seller's period of ownership of the Unit.

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 via a certified check or a bank check at the closing.

C. Buyer's Other Expenses. In addition to the Total Purchase Price payable to the Seller for the Unit and adjustments in favor of the Seller, the Buyer will be responsible for paying the following:

- (1) The fees of the Buyer's attorney;
- (2) The costs of a survey certificate, if one is requested by the Buyer;
- (3) All fees, charges, escrows and prepayments required by a mortgage lender as a condition of a mortgage loan;

(4) Costs of title inspection and premiums for title insurance;

(5) Costs of recording deed and mortgage, if applicable;

(6) Insurance premiums, if required;

(7) One (1) month's common expense assessment. Said sum shall be nonrefundable to the Unit Owner on resale and shall be used to establish a capital reserve fund. The capital reserve fund is to be used for capital improvements, and for repair or replacement as required as a result of damage, depreciation or obsolescence. Each subsequent Buyer of the Unit is required to make a nonrefundable payment of one (1) month's common expense assessment to the capital reserve fund;

(8) One (1) month's common expense assessment. Said sum shall be used to establish a working capital fund for the Association. Said sum is nonrefundable to the Unit Owner on resale; and

(9) One (1) month's common expense assessment. Said sum shall be used to establish a security account to be drawn against by the Association in the event a Unit Owner defaults in the payment of a monthly common expense assessment. Said security (if not previously used due to a default by a Unit Owner) shall be refunded to a Unit Owner upon the sale of a Unit and the new Unit Owner's posting of a sum equal to one (1) month's common expense assessment.

(10) Adjustment of monthly Common Expense Assessment from the date of closing to end of month as well as payment of next month's Common Expense Assessment.

The Seller will notify the Buyer of the amount due to the Association. This amount will be due at closing and must be paid by certified check. Casualty insurance maintained by the Association does not protect the Buyer's personal property and the Unit. Liability insurance maintained by the Association does not insure against the acts or omissions of the Buyer. The Buyer is advised to consult with an insurance broker as to the types and limits of insurance which will best suit the needs of the Buyer.

D. Seller's Expenses. The Seller will pay the following expenses in connection with the closing:

(1) Realty transfer fee;

(2) Brokerage commission, if any, in accordance with this Agreement; and

(3) Fee to the Bergen County Clerk for discharge/release of mortgage, if any.

11. **SELLER'S INABILITY TO DELIVER THE DEED.** If the Seller is not able to deliver the deed on the date set for closing, the Seller may postpone the closing for up to one hundred and twenty (120) days from the Anticipated Closing Date ("Postponement Period"). To exercise this right the Seller must notify the Buyer in writing, prior to the Anticipated Closing Date, that the closing has been postponed. If, after this Postponement Period has expired, the Seller is still unable to deliver a deed to the Unit, Buyer may terminate this Agreement by so notifying Seller in writing. If this Agreement is terminated, the Seller will promptly return to the Buyer all deposit money paid under this Agreement without interest. The Seller will also reimburse the Buyer for the actual expense incurred by Buyer for title search and survey, if the Buyer produces adequate proof that the Buyer has paid or has 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, obligations, or liabilities under this Agreement.

The Buyer agrees that if the Seller postpones and/or terminates the Agreement under this paragraph, the Seller will not be responsible for any expenses which the Buyer might incur as a result of any postponement or termination. Those expenses include, but are not limited to, storage of the Buyer's furniture or other personal property and substituted housing, legal fees or expenses related to the Buyer's mortgage loan.

12. **RENTAL BY SELLER; OCCUPANCY, INSPECTION.** Although the Seller intends to sell all of the Units, 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 Unit is not presently the subject of a lease unless the existence of a lease and an outline of the terms of the lease are disclosed as an addendum to this Agreement.

Unless the Unit is the subject of a lease between the Seller and the Buyer, 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, occupy or use the Unit without written permission of the Seller. Buyer shall be responsible for any injuries suffered or losses sustained as a result of said use of the Unit.

The Buyer shall have the right to inspect the Unit, accompanied by a representative of the Seller, at a reasonable time within seventy-two (72) hours before closing. The inspection will be

conducted in accordance with pre-closing instruction procedures established by the Seller. During the inspection, the Buyer and Seller will prepare a pre-move report. The pre-move report will list unfinished items or existing defective conditions which the Seller will complete or repair within sixty (60) days of the closing of title. The Buyer agrees that the closing will occur if a temporary or permanent certificate of occupancy will be issued for the Unit at closing. The closing will not be postponed because of the items or conditions on the pre-move report. No escrow will be held for incomplete, defective or unfinished items.

All moves into and out of a Unit must be scheduled with the Condominium manager or a designated representative at such times and dates so that there will be a minimum of inconvenience to others. The Association requires that a Unit Owner, prior to moving into or out of a Unit, execute an Agreement and post monies to be drawn against in the event any Common Elements or Limited Common Elements are damaged during the move whether by the Unit Owner, its tenant, agent, servant or employee.

**13. USE AND CONTROL OF COMMON ELEMENTS.** The Common Elements of the Condominium are 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 "Common 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 all regular and special Expense Assessments charged by the Association.

**14. SELLER'S WARRANTY.** The Seller agrees to give the Buyer certain warranties concerning the construction of the Unit and the Common Elements as follows:

A. The Seller warrants the construction of the Unit in accordance with the provisions of the New Jersey Home Warranty and Builder's 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.

B. The Seller warrants that any out buildings, driveways, walkways, patios, retaining walls and fences installed by the Seller and constituting a part of a Unit will be free from defects due to faulty materials or workmanship for a period of one (1) year from the date of closing.

C. The Seller warrants that the Unit is fit for its intended use.

D. 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.

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

F. The Seller warrants that the Common Elements are fit for their intended use and within the two (2) year period set forth above, the Seller will correct any such defect within a reasonable time after notification of the defect.

G. At the closing, the Seller will assign to the Buyer any unexpired 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 appliance, equipment or other personal property, except to the extent required under subparagraph A of this paragraph.

H. The Seller expressly disclaims any implied warranty or warranty arising by virtue of law with respect to the Unit, or anything contained in the Unit or the Common Properties 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:

(1) 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;

(2) That the Seller has not made any promises or representations as to the condition of the Unit or other property which is the subject hereof, or to vary the provisions of this paragraph except as set forth in the Public Offering Statement and this Agreement

(3) 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 hereof, or to vary the provisions of this paragraph; and

(4) 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 addendum to this Agreement. The Seller will not be providing a refrigerator, washer, dryer, or jacuzzi as part of the basic sales price. These items may be purchased from Seller as "extras" at an additional cost.

The Seller also expressly disclaims liability for any consequential damages arising out of any breach or warranty. This means that the Seller will not be responsible if other property is damaged because of a defect in any warranted item. By signing this Agreement, the Buyer agrees that the Seller will not be liable for any 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, the Association's By-Laws, Rules and Regulations (which are collectively referred to in this Agreement as the "Condominium Documents") and any amendments to the Condominium Documents which may be lawfully adopted in the future. This means that the Unit and its use will be governed, regulated and subject to the rights of others under any covenants, restrictions, rules, regulations, easements or agreements contained or referred to in the Condominium Documents. As the owner of the Unit, the Buyer agrees to abide by the Condominium Documents and to perform all obligations which they impose upon the Unit Owners of the Condominium. This includes, by way of example, but is not limited to, payment of all maintenance and special assessments which the Association charges to the Buyer. 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 also be amended by the action of the Unit Owners in the Condominium and/or their elected representatives to the Association. There is also a procedure for amendment of the Condominium Documents if an amendment is reasonably required by one or more of the following entities:

A. An institutional lender which has provided mortgage loans to Unit owners;

B. The title insurance company chosen by the Seller to provide title insurance policies to the Unit owners;

C. Any federal, state or local governmental or quasi-governmental body or agency which has authority over the Condominium or the Association and the conduct of its affairs; or

D. As set forth in Paragraph 5 of this Agreement.

This authority is called the 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 this authority. The Buyer agrees to sign the deed at the closing to evidence the giving of this 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 a 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) The amendment increases the financial obligations of the Buyer under the Condominium Documents as owner of the Unit; or
- (4) The amendment 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 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 the Unit 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 two (2) years from the date that the first Unit is

conveyed to a Unit purchaser. However, if the Seller has sold the last Unit in the Condominium before that date, the power of attorney will expire at the closing of title to the last Unit.

17. CASUALTY DAMAGE. If the Unit is damaged by fire, vandalism, storm, flood or other casualty prior to closing the Seller will have two (2) options. It may terminate this Agreement and refund the Deposit, without interest, to the Buyer, or it may repair the damage at its own expense. If the Seller chooses to repair the damage, the closing date will be postponed for a period reasonably necessary to make repairs. However, if the repairs cannot be completed within one hundred twenty (120) days from the Anticipated Closing Date, the Buyer may choose to terminate this Agreement and the Seller will promptly refund the Deposit, without interest, to Buyer. If such damage has occurred, the Seller will notify the Buyer in writing of its decision to terminate or repair. This notice will be sent by the Seller to the Buyer within thirty (30) days of the date the damage occurred.

18. ASSESSMENTS FOR MUNICIPAL IMPROVEMENTS. The Township of Washington has the right to make local improvements which benefit the Unit and the Condominium. The cost of the improvement would be charged against the Property or Unit 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 which is presently needed or contemplated.

If such a municipal improvement benefiting the Unit would be completed prior to the date of closing, the Seller would pay the assessment, if any. The Seller may use the proceeds of closing to satisfy the assessment.

19. INSULATION. The plans and specifications for the Condominium anticipate the installation of R-19 insulation in all exterior walls. Roof insulation is to be R-30. Insulation in the floor/ceiling between the garage and the first floor units is R-30. Insulation at the floor/ceiling assembly between units is to be R-19. In addition, there is to be a minimum R-13 sound attenuation in the corridor and Unit separation walls.

20. BREACH OF A PROMISE BY THE BUYER. This Agreement contains the Buyer's promise to do or not to do various things. These promises include, but are not limited to, the payment of the Total Purchase Price of the Unit. Failure to keep those promises, within the designated time periods if any are specified, is called a "default" or "breach of contract." The time for payment of the Purchase Price by the Buyer hereunder is of the essence of this Agreement.

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 remedies available to the Seller in the event of a default are those permitted under New Jersey law. 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 New Jersey law 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 seven (7) calendar 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 remedies available to it. The Seller will not be required to give the Buyer any further notice that the Seller is seeking a remedy upon the 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 a default. This is called "liquidated damages." If the Buyer fails to cure a default after notice the Seller may choose to terminate this Agreement. If the Seller terminates the 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 not to exceed a maximum of ten (10%) percent of the Total Purchase Price of the Unit, plus the cost of options or extras installed at the request of the Buyer, if any. The Seller may retain the deposit monies paid by the Buyer up to a maximum of ten (10%) percent, plus the cost of options or extras installed at the request of Buyer, and will promptly return any excess to the Buyer. If the deposit monies are less than that sum, then the Seller may institute legal proceedings to recover the remaining amount due, or if the breach is for the failure to pay the down payment set forth in this Agreement, then the Seller may sue for said unpaid deposit.

21. RECORDING OF AGREEMENT PROHIBITED. The Buyer agrees not to record this Agreement or any memorandum of agreement. If the Buyer breaches this promise, the Seller may declare this Agreement in default.

22. BROKER. The Buyer and Seller acknowledge that \_\_\_\_\_ Realty acted as Broker for this sale. The Seller will be responsible to pay the Broker's commission upon closing of title. 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, only the Buyer will be responsible for that commission or fee.

23. VEGETATION. No representation is made by Seller regarding the condition of trees or other vegetation or growth installed or planted by Seller on the premises. The Seller shall not be responsible for the survival of any trees, vegetation or growth after control is turned over to the Association. Seller shall not be responsible to replace vegetation, growth or seed which may wash away.

24. CHOICES AND SUBSTITUTION OF MATERIALS. All color or other selections for standard items and all selections relative to options or extras to be included in the Unit, where selections are offered by the Seller, must be made by the Buyer within fifteen (15) days of the date Buyer signs this Agreement or upon ten (10) days written notice from Seller to do so. If the Buyer does not notify the Seller within the time required of the choice selected, the Seller shall have the right to make the selection for the Buyer.

The Seller's ability to deliver materials, appliances, equipment, flooring or optional items of the kind, color, make or model which were designated by Seller depends upon availability from suppliers. If a color, make or model is unavailable, the Seller reserves the right to substitute those of comparable or better quality.

25. GOVERNING LAW. This Subscription and Purchase Agreement has been executed and delivered in the State of New Jersey and shall be governed by, construed and enforced in accordance with the laws of the State of New Jersey.

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

27. 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 right to cancel this Agreement beyond the initial period contemplated herein.

28. 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 mail, return

receipt requested, addressed to the other party at the addresses 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.

29. 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 herein by reference in this Agreement. The term "Application for Registration" includes any present or future amendments properly filed by the Seller with respect to those documents.

30. 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.

31. CAPTIONS. The captions in this Agreement are for convenience only. The captions are not to be considered when interpreting the meaning of any part of this Agreement.

32. 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.

33. 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 seek 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.

34. NOTIFICATION REGARDING OFF-SITE CONDITIONS. Pursuant to the "New Residential Construction Off-Site Conditions Disclosure Act", P.L.1995, c.253 (C. 46:3C-1 et seq.), sellers of newly constructed residential real estate are required to notify purchasers of the availability of lists disclosing the existence and location of off-site conditions which may affect the value of the residential real estate being sold. The lists are to be made available by the municipal clerk of the municipality within which the residential real estate is located and in other municipalities which are within one-half mile of the residential real estate. The address and telephone number of the municipalities relevant to this project and the appropriate municipal offices where the lists are made available are listed below. Purchasers are encouraged to exercise all due diligence in order to obtain any additional or more recent information that they believe may be relevant to their decision to purchase the residential real estate. Purchasers are

also encouraged to undertake an independent examination of the general area within which the residential real estate is located in order to become familiar with any and all conditions which may affect the value of the residential real estate.

The purchaser has five (5) business days from the date the contract is executed by the purchaser and the seller to send notice of cancellation of the contract to the seller. The notice of cancellation shall be sent by certified mail. The cancellation will be effective upon the notice of cancellation being mailed. If the purchaser does not send a notice of cancellation to the seller in the time or manner described above, the purchaser will lose all right to cancel the contract as provided in this notice.

MUNICIPALITY: Washington Township

ADDRESS: Municipal Building, 350 So. Hudson Avenue  
Washington Township, New Jersey 07675

TELEPHONE NUMBER: (201) 664-4404

FACSIMILE NUMBER: (201) 664-8281

CLERK: Juliana Zykoff

35. ATTORNEY REVIEW. THIS IS A LEGALLY BINDING CONTRACT WHICH WILL BECOME FINAL IN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO MAY REVIEW AND CANCEL THIS CONTRACT. YOU ALSO HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT.

36. OFFERING STATEMENT. The Buyer acknowledges that prior to signing this Agreement, the Seller provided the Buyer with a copy of the Public Offering Statement with amendments for the Condominium as currently registered with the New Jersey Department of Community Affairs. NOTICE TO PURCHASER: YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE SPONSOR (SELLER) BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT WAS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID BY YOU SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

If a party is a corporation, this Agreement is signed by its proper corporate officers and its corporate seal is affixed.

IN WITNESS WHEREOF, the parties have executed this Agreement the \_\_\_\_ day of \_\_\_\_\_, 2000.

DATE SIGNED:      ATTEST:

SENIOR HOUSING ASSO-  
CIATES, L.P. (Seller)  
By: SENIOR HOUSING  
ASSOCIATES, INC.

\_\_\_\_\_

By: \_\_\_\_\_  
Jeff A. Weinberger,  
President

DATE SIGNED:      WITNESS:

\_\_\_\_\_

\_\_\_\_\_  
(Buyer)

\_\_\_\_\_

\_\_\_\_\_  
(Buyer)



EXHIBIT E TO PUBLIC OFFERING STATEMENT  
FORM OF UNIT DEED





CONDOMINIUM UNIT DEED

THIS DEED, is made on \_\_\_\_\_, 2000, between SENIOR HOUSING ASSOCIATES, L.P., a New Jersey Limited Partnership, having offices at 100 Ridgewood Road, Township of Washington, New Jersey 07675, referred to in this document as "Grantor", and \_\_\_\_\_, whose address is \_\_\_\_\_, referred to in this document as "Grantee". (The words "Grantor" and "Grantee" shall mean all Grantors and Grantees under this Deed.)

In return for the payment to the Grantor by the Grantee of

(\$ \_\_\_\_\_) DOLLARS, the Grantor grants and conveys (Transfers ownership) to the Grantee, a certain Condominium Unit, located in the Township of Washington, County of Bergen, and State of New Jersey, specifically described as follows:

Unit \_\_\_\_\_, in Building \_\_\_\_\_, situated in Washington Grand, a Condominium, together with an undivided \_\_\_\_\_ ( ) percent interest in the Common Elements of Said Condominium (referred to in this Deed as the "Condominium 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. 45:22A-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 and subject to the covenants, restrictions, conditions, easements, charges, assessments, obligations, liens and other provisions set forth in The Master Deed for Washington Grand, a Condominium dated \_\_\_\_\_, 2000 and recorded in the Office of the Clerk of Bergen County in Book \_\_\_\_\_ at Page \_\_\_\_\_, as the same may now or hereafter be lawfully amended, all exhibits thereto, including all easements, terms, conditions, reservations, rights-of-way, air rights and covenants of record now or hereafter granted thereunder, and all 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.

Prepared By:

The Condominium Unit is now designated as part of Lots 7 and 8 and in Block 2506 on the municipal tax map of the Township of Washington.

Check if applicable:

\_\_\_\_\_ No property tax identification number for the land is available at the time of this conveyance.

This Deed entitles the Grantee to have and to hold for its proper use and benefit forever the Condominium Unit subject to the terms and conditions of this Deed.

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

By the execution of this Deed, the Grantee consents to any future amendments or revisions of any documents which affect the rights of Grantee in the Condominium Unit or to which the conveyance evidenced by this Deed may be subject (collectively referred to in this Deed as the "Documents") which may be required by any institutional lender, governmental agency or title insurance company for the finance, sale or insurance of any Condominium Unit within the Condominium or as required by the Public Offering Statement or the Master Deed.

If an amendment is required as provided above, then the Grantee expressly agrees that the Grantor is authorized, on behalf of the Grantee, to sign and record any document 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 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 Condominium Unit by or through the Grantee, such as a mortgagee, other lienholders, 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 become effective.

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 Condominium Unit,

increase the financial obligations of the Grantee or reserve any additional special privileges for the Grantor. Pursuant to the Public Offering Statement Grantor has retained the right to add additional lands and Units to the Condominium.

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 Documents to be adopted and recorded and that they 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 creator 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 Documents as provided in this Deed and the Master Deed for the Condominium. For this reason, this power of attorney may not be revoked by the Grantee.

This power of attorney shall not be affected by the death or disability of any principal. This power of attorney will be effective for a period of two (2) years from the date this document is signed, or until the sale of the last unit, whichever occurs first.

The Grantor has received the full payment from the Grantee.

The Grantor and Grantee sign this Deed as of the date at the top of the first page.

ATTESTED TO BY:

SENIOR HOUSING  
ASSOCIATES, L.P.  
By: Senior Housing Associates,  
Inc.

\_\_\_\_\_  
Stuart Weinberger, Secretary

By: \_\_\_\_\_  
Jeff A. Weinberger,  
President

WITNESSED BY:

\_\_\_\_\_

\_\_\_\_\_ (L.S.)  
, Grantee

\_\_\_\_\_

\_\_\_\_\_ (L.S.)  
, Grantee

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

BE IT REMEMBERED, that on this \_\_\_\_\_ day of \_\_\_\_\_,  
 2000, before me, an officer authorized to take oaths pursuant to  
 N.J.S.A. 41:2-1, personally appeared **JEFF A. WEINBERGER**, President  
 of Senior Housing Associates, Inc., the corporation named in the  
 foregoing instrument as the General Partner of Senior Housing  
 Associates, L.P., a limited partnership, who I am satisfied, is the  
 person who signed the within instrument, and that he, as such  
 President of the General Partner, being authorized by virtue of a  
 resolution of its Board of Directors to do so, executed the  
 foregoing instrument by signing the name of such Partnership by  
 himself as President of the General Partner and sending it with the  
 corporate seal, and did acknowledge the same as his voluntary act  
 and deed, the voluntary act and deed of said corporation and said  
 Partnership, for the purposes therein expressed, and that the full  
 and actual consideration paid for the transfer of title to realty  
 as evidenced by the within Deed, as defined in P.L. 1968, C.49,  
 Section 1(c) is \$\_\_\_\_\_.

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An Attorney At Law of New Jersey

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

BE IT REMEMBERED, that on this \_\_\_\_\_ day of \_\_\_\_\_,  
 2000, before me, an officer authorized to take oaths pursuant to  
 N.J.S.A. 41:2-1, personally appeared \_\_\_\_\_,  
 Grantee, who I am satisfied is (are) the person(s) named in and who  
 executed the within instrument, and thereupon they acknowledged  
 that they signed, sealed and delivered the same as their act and  
 deed, for the uses therein expressed.

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An Attorney At Law of New Jersey

EXHIBIT F TO PUBLIC OFFERING STATEMENT

SPECIMEN TITLE INSURANCE POLICY



RESIDENTIAL POLICY OF TITLE INSURANCE

(PRO FORMA POLICY)

POLICY NUMBER: To be assigned

FILE NUMBER: To be assigned

SCHEDULE A

Date of Policy: Recording Date of Insured Deed

Amount of Insurance: \$Purchase Price

1. Name of Insured:

John Doe and Mary Doe, his wife, under deed from Senior Housing Associates, L.P. dated (date of deed), recorded (recording date of deed), in the Bergen County Clerk's Office in Deed Book \_\_\_\_\_, Page \_\_\_\_\_.

2. Your interest in this land covered by this policy is:  
FEE SIMPLE

3. The land referred to in this policy is in the Township of Washington, County of Bergen, State of New Jersey, and as more particularly described in the aforesaid Deed and being known as Unit \_\_\_\_\_ in Building \_\_\_\_\_.

COUNTERSIGNED:

BY: PRO FORMA POLICY  
Judith Cavaliere, Title Officer

Issued by:  
National Granite Title Agency, Inc.  
39 Hudson Street, 4<sup>th</sup> Floor, Hackensack, NJ 07601  
Telephone: 201-489-0400 Fax: 201-489-4030

**POLICY NUMBER: To be assigned**

**FILE NUMBER: To be assigned**

**(PRO FORMA POLICY)**

**SCHEDULE B**

**PART I**

**EXCEPTIONS FROM COVERAGE**

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

1. Rights of utility companies servicing premises.
2. Rights or claims or parties in possession not shown by the public records.
3. Easements, or claims or easements, not shown by the public records.
4. Encroachments, overlaps, boundary line disputes and other matters which would be disclosed by an accurate survey and inspection of the premises.
5. Lien of unpaid taxes for the year of 2000. Taxes are paid through (paid amount at time of closing). Subject to possible additional taxes assessed or levied under R.S.54:4-63.1 et seq., not yet due and payable.
6. Easements for ingress and egress in favor of premises to the south in Deed Book 2501, Page 66 and recited in Deed Book 2711, Page 393.
7. Rights in Deed Book 3824, Page 462.
8. Rights of ingress and egress to and from the Garden State Parkway are not insured herein.
9. Rights in Deed Book 3982, Page 272.
10. Mortgage made by John Doe and Mary Doe, his wife to ABC Mortgage Services (fictitious names), dated (date of mortgage), recorded (recording date of mortgage) in the Bergen County Clerk's Office in Mortgage Book \_\_\_\_\_, Page \_\_\_\_\_.



## OWNER'S COVERAGE STATEMENT

This policy insures your title to the land described in Schedule A — if that land is a one-to-four family residential lot or condominium unit. Your insurance, as described in this Coverage Statement, is effective on the Policy Date shown in Schedule A.

Your insurance is limited by the following:

- Exclusions on page 5
- Exceptions in Schedule B
- Conditions on pages 5 & 6

We insure you against actual loss resulting from:

- any title risks covered by this Policy — up to the Policy Amount  
and
- any costs, attorneys' fees and expenses we have to pay under this Policy

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## COVERED TITLE RISKS

This Policy covers the following title risks, if they affect your title on the Policy Date.

1. Someone else owns an interest in your title.
2. A document is not properly signed, sealed, acknowledged, or delivered.
3. Forgery, fraud, duress, incompetency, incapacity or impersonation.
4. Defective recording of any document.
5. You do not have any legal right of access to and from the land.
6. There are restrictive covenants limiting your use of the land.
7. There is a lien on your title because of:
  - a mortgage or deed of trust
  - a judgment, tax, or special assessment
  - a charge by a homeowner's or condominium association
8. There are liens on your title, arising now or later, for labor and material furnished before the Policy Date — unless you agreed to pay for the labor and material.
9. Others have rights arising out of leases, contracts, or options.
10. Someone else has an easement on your land.
11. Your title is unmarketable, which allows another person to refuse to perform a contract to purchase, to lease or to make a mortgage loan.
12. You are forced to remove your existing structure — other than a boundary wall or fence — because:
  - it extends on to adjoining land or on to any easement
  - it violates a restriction shown in Schedule B
  - it violates an existing zoning law
13. You cannot use the land because use as a single-family residence violates a restriction shown in Schedule B or an existing zoning law.
14. Other defects, liens, or encumbrances.

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## COMPANY'S DUTY TO DEFEND AGAINST COURT CASES

We will defend your title in any court case as to that part of the case that is based on a Covered Title Risk insured against by this Policy. We will pay the costs, attorneys' fees, and expenses we incur in that defense.

We can end this duty to defend your title by exercising any of our options listed in Item 4 of the Conditions.

## EXCLUSIONS

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
  - land use
  - improvements on the land
  - land division
  - environmental protectionThis exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
  - a notice of exercising the right appears in the public records on the Policy Date
  - the taking happened prior to the Policy Date and is binding

if you bought the land without knowing of the

3. Title risks:
  - that are created, allowed, or agreed to by you
  - that are known to you, but not to us, on the Policy Date unless they appeared in the public records
  - that result in no loss to you
  - that first affect your title after the Policy Date — this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks.
4. Failure to pay value for your title.
5. Lack of a right:
  - to any land outside the area specifically described in Item 3 of Schedule A
  - or
  - in streets, alleys, or waterways that touch your landThis exclusion does not limit the access coverage in Item 8 of Covered Title Risks.

## CONDITIONS

### 1. DEFINITIONS

- a. Easement - the right of someone else to use your land for a special purpose.
- b. Land - the land or condominium unit described in Schedule A and any improvements on the land which are real property.
- c. Mortgage - a mortgage, deed of trust, trust deed or other security instrument.
- d. Public Records - title records that give constructive notice of matters affecting your title — according to the state statutes where your land is located.
- e. Title - the ownership of your interest in the land, as shown in Schedule A.

### 2. CONTINUATION OF COVERAGE

This Policy protects you as long as you:

- own your title
- or
- own a mortgage from anyone who buys your land
- or
- are liable for any title warranties you make

This Policy protects anyone who receives your title because of your death.

### 3. HOW TO MAKE A CLAIM

#### a. You Must Give The Company Notice Of Your Claim

If anyone claims a right against your insured title, you must notify us promptly in writing.

Send notice to Fidelity National Title Insurance Company of New York, 2 Park Avenue, New York, NY 10016. Please include the Policy Number shown in Schedule A, and the count and state where the land is located.

Our obligation to you could be reduced if:

- you fail to give prompt notice
- and
- your failure affects our ability to dispose of or to defend you against the claim

#### b. Proof Of Your Loss Must Be Given To The Company

You must give us a written statement to prove your claim of loss. This statement must be given to us not later than 90 days after you know the facts which will let you establish the amount of your loss.

The statement must have the following facts:

- the Covered Title Risks which resulted in your loss
- the dollar amount of your loss
- the method you used to compute the amount of your loss

You may want to provide us with an appraisal of your loss by a professional appraiser as a part of your statement of loss.

We may require you to show us your records, checks, letters, contracts and other papers which relate to your claim of loss. We may make copies of these papers.

We may require you to answer questions under oath.

Our obligation to you could be reduced if you fail or refuse to:

- provide a statement of loss
- or
- answer our questions under oath
- or
- show us the papers we request,
- and
- your failure or refusal affects our ability to dispose of or to defend you against the claim.

### 4. OUR CHOICES WHEN YOU NOTIFY US OF A CLAIM

After we receive your claim notice or in any other way learn of a matter for which we are liable, we can do one or more of the following:

- a. Pay the claim against your title.
- b. Negotiate a settlement.
- c. Prosecute or defend a court case related to the claim.
- d. Pay you the amount required by this Policy.
- e. Take other action which will protect you.
- f. Cancel this policy by paying the Policy Amount, then in force, and those costs, attorneys' fees and expenses incurred up to that time when we are obligated to pay.

### 5. HANDLING A CLAIM OR COURT CASE

You must cooperate with us in handling any claim or court case and us all relevant information.

We are required to repay you only for those settlement costs, attorney fees and expenses that we approve in advance.

When we defend your title, we have a right to choose the attorney. We can appeal any decision to the highest court. We do not have to pay your claim until your case is finally decided.

(Continued on Page 6)

**6. LIMITATION OF THE COMPANY'S LIABILITY**

- a. We will pay up to your actual loss or the Policy Amount in force when the claim is made — whichever is less.
- b. If we remove the claim against your title within a reasonable time after receiving notice of it, we will have no further liability for it. If you cannot use any of your land because of a claim against your title, and you rent reasonable substitute land or facilities, we will repay you for your actual rent until:
  - the cause of the claim is removed
  - or
  - we settle your claim
- c. The Policy Amount will be reduced by all payments made under this policy — except for costs, attorneys' fees and expenses.
- d. The Policy Amount will be reduced by any amount we pay to our insured holder of any mortgage shown in this Policy or a later mortgage given by you.
- e. If you do anything to affect any right of recovery you may have, we can subtract from our liability the amount by which you reduced the value of that right.

**7. TRANSFER OF YOUR RIGHTS**

When we settle a claim, we have all the rights you had against any person or property related to the claim. You must transfer these rights to us when we ask, and you must not do anything to affect these rights. You must let us use your name in enforcing these rights. We will not be liable to you if we do not pursue these rights or if we do not recover any amount that might be recoverable.

With the money we recover from enforcing these rights, we will whatever part of your loss we have not paid. We have a right to what is left.

**8. ARBITRATION**

If it is permitted in your state, you or the Company may demand arbitration. The arbitration shall be binding on both you and the Company. The arbitration shall decide any matter in dispute between you and the Company. The arbitration award may:
 

- include attorneys' fees if allowed by state law
- be entered as a judgment in the proper court.

 The arbitration shall be under the Title Insurance Arbitration Rules of American Arbitration Association. You may choose current Rules or Rules in existence on Policy Date. The law used in the arbitration is the law of the place where the property is located. You can get a copy of the Rules from the Company.

**9. OUR LIABILITY IS LIMITED TO THIS POLICY**

This Policy, plus any endorsements, is the entire contract between you and the Company. Any claim you make against us must be made under this Policy and is subject to its terms.

This Policy is not complete without Schedules A and B.

*Fidelity National Title Insurance Company of New York has caused its corporate seal to be affixed and this Policy to be signed in facsimile under authority of its by-laws.*

FIDELITY NATIONAL TITLE INSURANCE COMPANY  
OF NEW YORK



By: *W. H. Wimer*

President

Attest: *Charles H. Wimer*

Secretary

**ALTA  
RESIDENTIAL  
TITLE INSURANCE  
POLICY**

ONE - TO - FOUR  
FAMILY RESIDENCES

**Fidelity National Title  
INSURANCE COMPANY OF NEW YORK**

2 Park Avenue, New York, NY 10016



EXHIBIT A TO MASTER DEED  
SURVEY





**MAP CERTIFICATION**

I, the undersigned, being duly qualified, do hereby certify that the above described map was prepared by me or under my direct supervision and that I am a duly licensed Professional Engineer in the State of New Jersey.

**DATE:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

THIS MAP AND LOCAL ORDINANCES BY RESOLUTION THEREOF ENACTED.

THIS MAP HAS BEEN APPROVED BY WASHINGTON TOWNSHIP PLANNING BOARD.

**SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**SURETECH**

DESIGN & CONSTRUCTION

**NOTES**

1. ALL LOTS SHALL BE CONVEYED TO THE BUYER UNDER A DEED.
2. ALL LOTS SHALL BE CONVEYED TO THE BUYER UNDER A DEED.
3. THE BUYER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.
4. THE BUYER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.
5. THE BUYER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.
6. THE BUYER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.

**ALL REQUIREMENTS**

NO.	REQUIREMENT	REMARKS	DATE
1	...	...	...
2	...	...	...
3	...	...	...
4	...	...	...
5	...	...	...
6	...	...	...
7	...	...	...
8	...	...	...
9	...	...	...
10	...	...	...
11	...	...	...
12	...	...	...
13	...	...	...
14	...	...	...
15	...	...	...
16	...	...	...
17	...	...	...

**PROPERTY OWNERS**

LOT NO.	OWNER NAME	ADDRESS	DATE
1	...	...	...
2	...	...	...
3	...	...	...
4	...	...	...
5	...	...	...
6	...	...	...
7	...	...	...
8	...	...	...
9	...	...	...
10	...	...	...
11	...	...	...
12	...	...	...
13	...	...	...
14	...	...	...
15	...	...	...
16	...	...	...
17	...	...	...

**MINOR SUBDIVISION PLAT**  
FOR  
**WASHINGTON GRANDE**  
BLOCK 2506

WASHINGTON COUNTY, NEW JERSEY

DATE: \_\_\_\_\_

**SURETECH**

PETER C. KITCHEN

DESIGN & CONSTRUCTION

33 SPRING STREET  
MANTON, NEW JERSEY

SCALE: \_\_\_\_\_

DATE: \_\_\_\_\_

NO.	DATE	REVISION





EXHIBIT B TO MASTER DEED

LEGAL DESCRIPTION OF LAND



GARY F. SCHICK, PLS  
LICENSED LAND SURVEYOR  
28 WARD RD. BLAIRSTOWN, N.J. 07825  
(908)362-5890

Being known as tax lot 7 and 8, in tax block 2506. In the Township of Washington Bergen County New Jersey.

Beginning at a point in the westerly right of way of Ridgewood Road. Said point being South 65°04'51" East 2.31' from a iron pipe, said pipe being the second corner of the lands of the Temple Beth Or. As recorded in deed book 4592 page 180. And filed in the Bergen County Clerks Office; thence

1) Along the lands of the Temple Beth Or, North 65°04'51" West 444.53' to a iron pipe. Said pipe being the third corner of the lands of the Temple Beth Or and also being in the easterly right of way of the Garden State Parkway; thence

2). Leaving the lands of the Temple Beth Or, and along the Garden State Parkway. North 6°10'03" East 235.12' to a New Jersey Highway Authority concrete monument; thence

3). Still along the same, North 10°03'27" East 256.30' to a concrete monument, said monument being the most westerly monument as shown on a certain map entitled " Final plat of Fairfield Acres located in the Township of Washington, Bergen County New Jersey" and filed in the Bergen County Clerks Office as Map No 6061; thence

4). Leaving the Garden State Parkway and along Fairfield Acres, South 65°41'00" East 614.77' to a point in the westerly right of way of Ridgewood Road. said point being South 65°41'00" East 13.85' from a concrete monument. Said monument being the most southerly monument as shown on Fairfield Acres Map; thence

5). Along the westerly right of way of Ridgewood Road, South 28°26'00" West 177.90' to a point in said right of way; thence

6). Still along the same, South 65°20'05" East 0.39' to a point in the same; thence

7). Still along Ridgewood Road, South 28°26'00" West 299.83' to the Point of Beginning.

Containing 5.81 Acres of land, more or less.

This description written by Gary. F. Schick, licensed land surveyor, Blairstown, New Jersey, March 24, 1999.

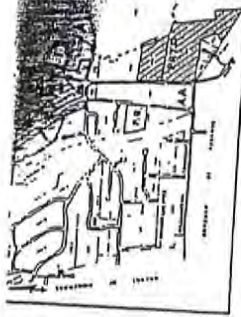
  
GARY F. SCHICK, PLS.



EXHIBIT C TO MASTER DEED

SITE PLAN





**ZONING MAP**

THIS MAP IS A REPRODUCTION OF THE ZONING MAP OF THE CITY OF WASHINGTON, DISTRICT OF COLUMBIA, AS AMENDED TO DATE 1/1/88.

THE ZONING MAP IS A LEGAL INSTRUMENT WHICH DETERMINES THE PERMITTED USES OF LAND AND THE HEIGHT, AREA, AND OTHER PHYSICAL DEVELOPMENT STANDARDS WHICH APPLY TO SUCH USES.

THE ZONING MAP IS SUBJECT TO CHANGE WITHOUT NOTICE.

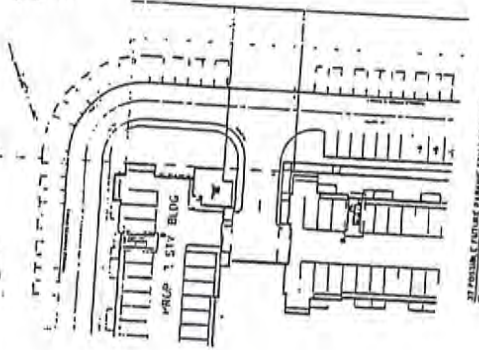
FOR A COMPLETE LIST OF ZONING REGULATIONS, SEE THE ZONING REGULATIONS CODE OF THE CITY OF WASHINGTON, DISTRICT OF COLUMBIA.

**FORM FOR LANDLORDS TO FILE**

**THESE PLANS PROPOSE THE FOLLOWING BEING APPROVED, ONLY.**

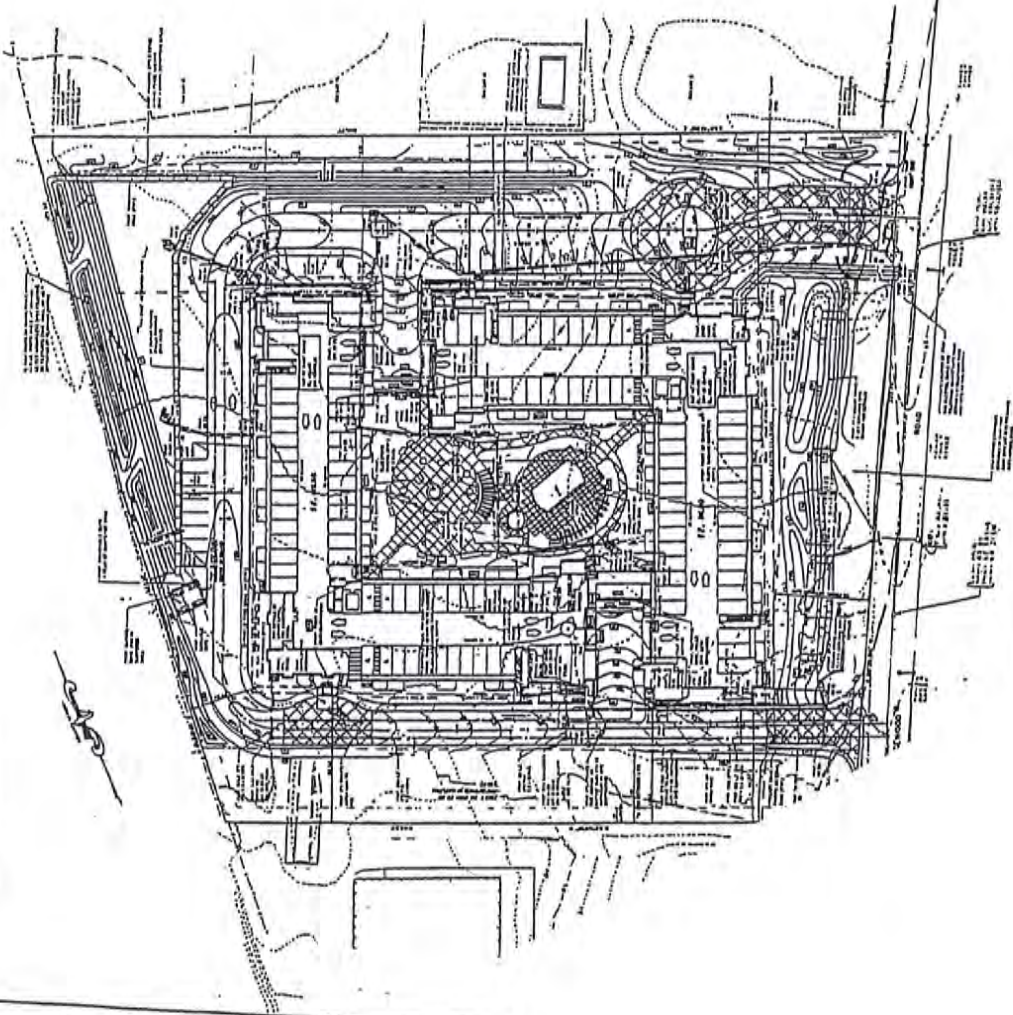
1. PROJECT NAME	2. PROJECT ADDRESS	3. PROJECT CITY	4. PROJECT STATE
5. PROJECT ZIP	6. PROJECT PHONE	7. PROJECT FAX	8. PROJECT E-MAIL
9. PROJECT ARCHITECT	10. PROJECT ENGINEER	11. PROJECT CONTRACTOR	12. PROJECT OWNER
13. PROJECT DATE	14. PROJECT SCALE	15. PROJECT SHEET NO.	16. PROJECT SHEET TOTAL

**WASHINGTON GRANGE SENIOR HOUSING ASSOCIATES**  
 LOTS 7 & 8, BLOCK 2516  
 WASHINGTON TOWNSHIP  
 WASHINGTON COUNTY  
 NEW JERSEY  
 PROJECT ARCHITECT: [Name]  
 PROJECT ENGINEER: [Name]  
 PROJECT CONTRACTOR: [Name]  
 PROJECT OWNER: [Name]



**PERMITTED USES**

USE	PERMITTED
Single-Family Detached	Yes
Single-Family Attached	Yes
Two-Family Attached	Yes
Three-Family Attached	Yes
Four-Family Attached	Yes
Five-Family Attached	Yes
Six-Family Attached	Yes
Seven-Family Attached	Yes
Eight-Family Attached	Yes
Nine-Family Attached	Yes
Ten-Family Attached	Yes
Eleven-Family Attached	Yes
Twelve-Family Attached	Yes
Thirteen-Family Attached	Yes
Fourteen-Family Attached	Yes
Fifteen-Family Attached	Yes
Sixteen-Family Attached	Yes
Seventeen-Family Attached	Yes
Eighteen-Family Attached	Yes
Nineteen-Family Attached	Yes
Twenty-Family Attached	Yes
Twenty-One-Family Attached	Yes
Twenty-Two-Family Attached	Yes
Twenty-Three-Family Attached	Yes
Twenty-Four-Family Attached	Yes
Twenty-Five-Family Attached	Yes
Twenty-Six-Family Attached	Yes
Twenty-Seven-Family Attached	Yes
Twenty-Eight-Family Attached	Yes
Twenty-Nine-Family Attached	Yes
Thirty-Family Attached	Yes
Commercial	No
Industrial	No
Public	No
Religious	No
Government	No
Other	No

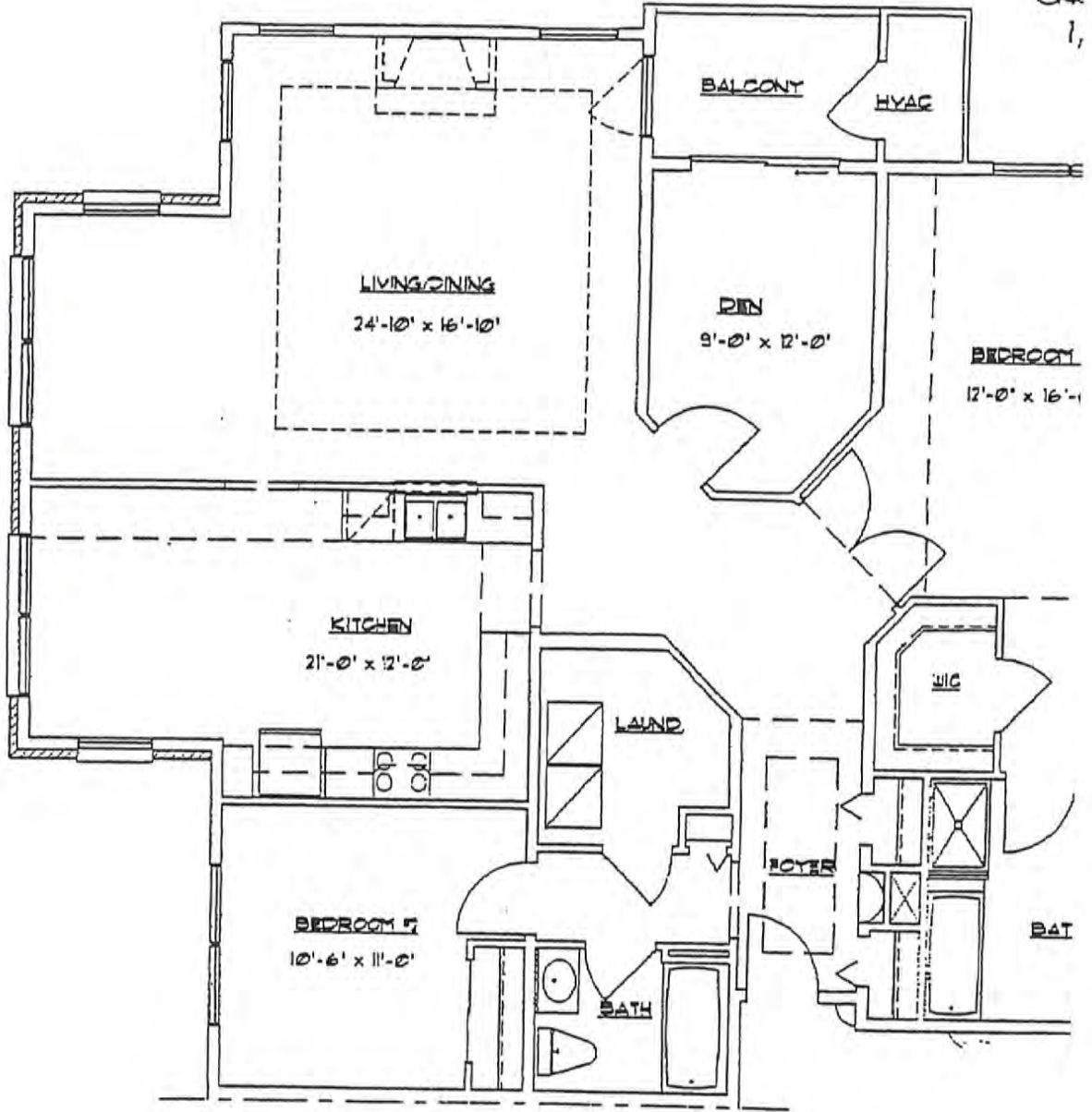


SEE A. 217000 8/7 PROFESSIONAL ENGINEER, P.E. (117)



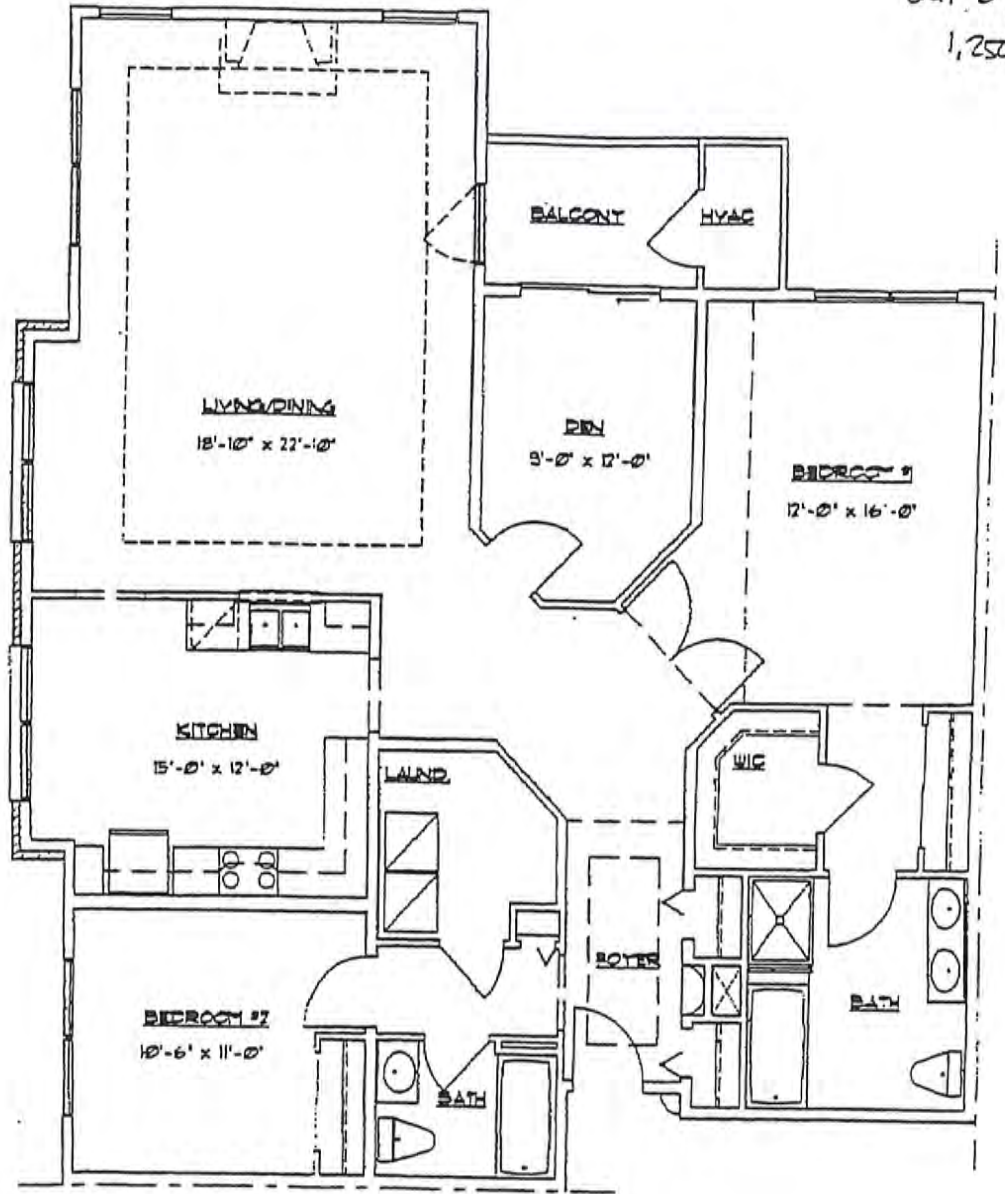


Unit 1,



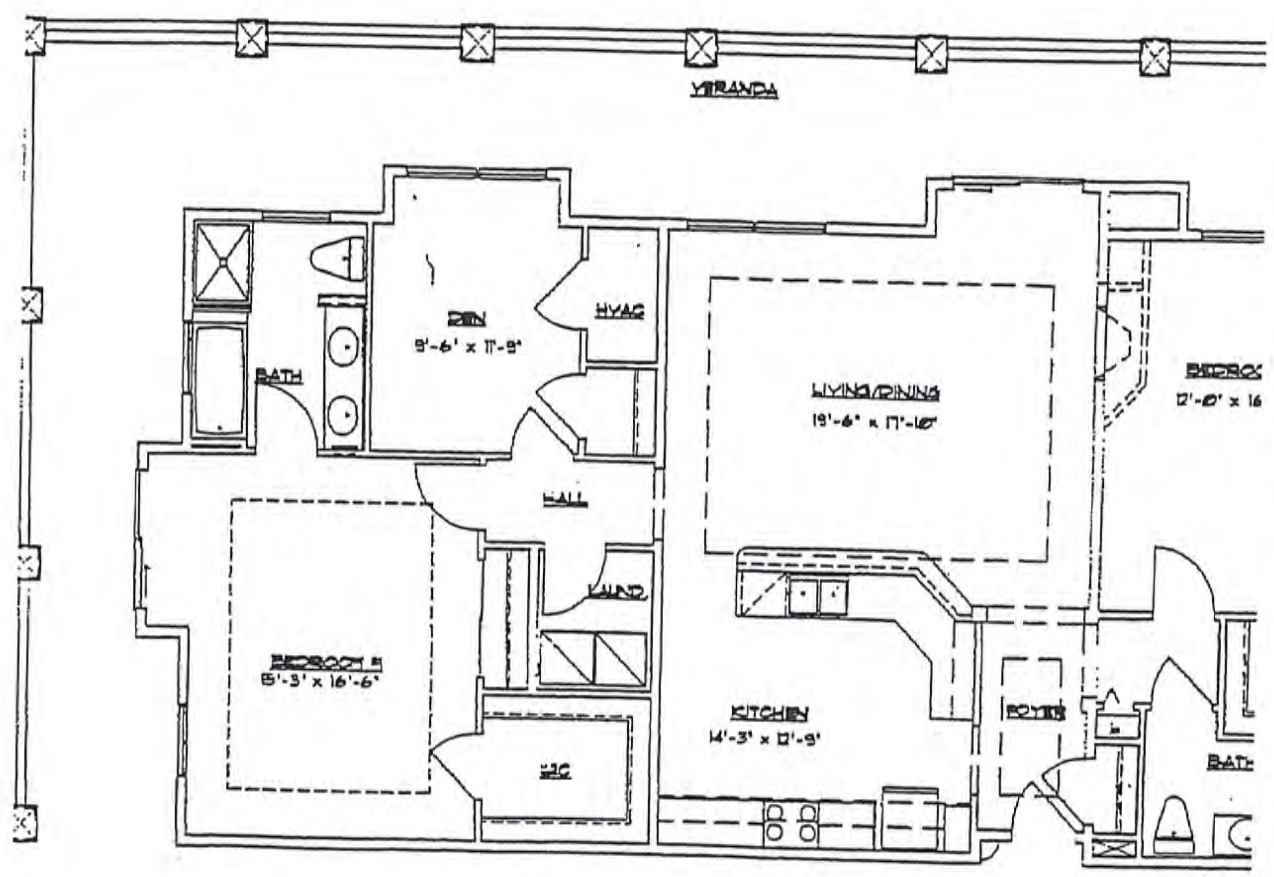


Unit D3  
1,250sqft

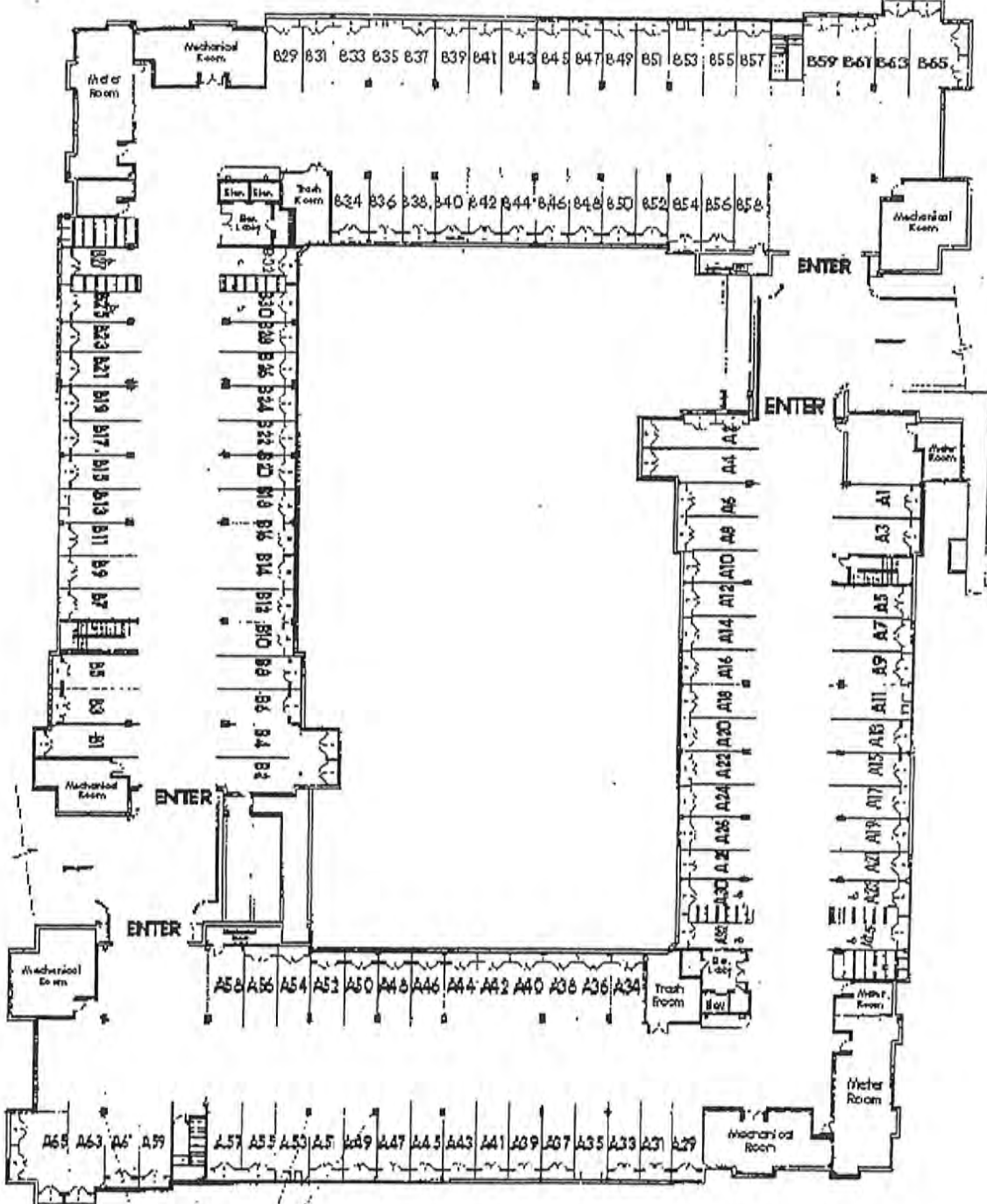




UJ  
1







Denotes Support Column

GARAGE LEVEL PLAN

Revised Sept. 1, 2000

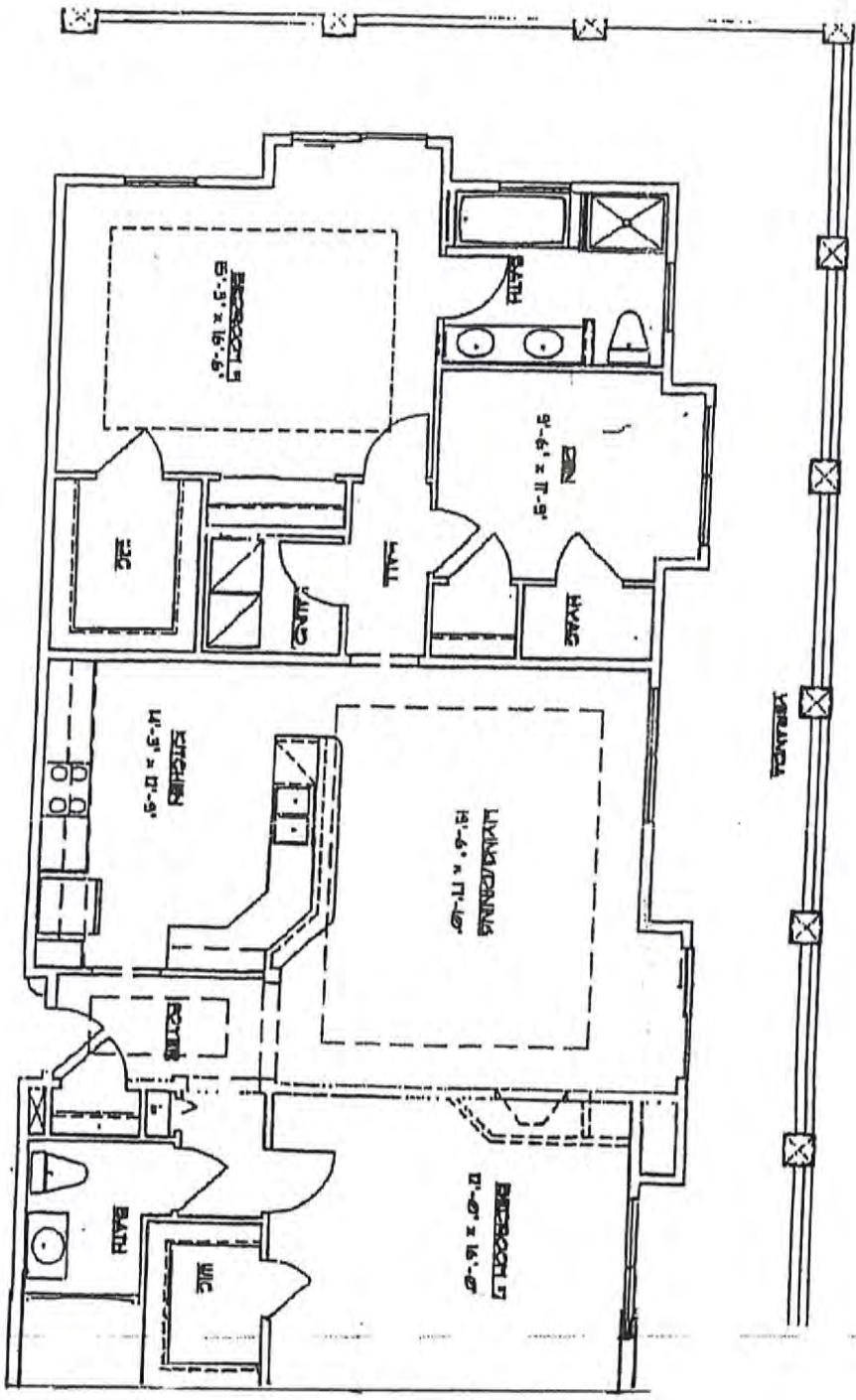




EXHIBIT D TO MASTER DEED

LAYOUT OF UNITS

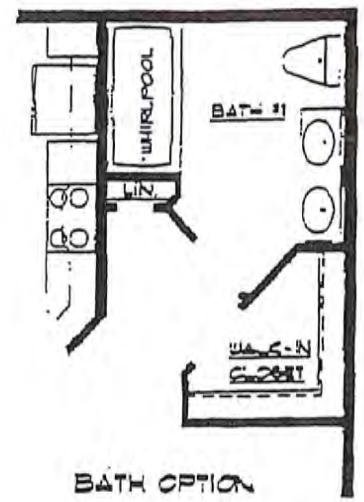
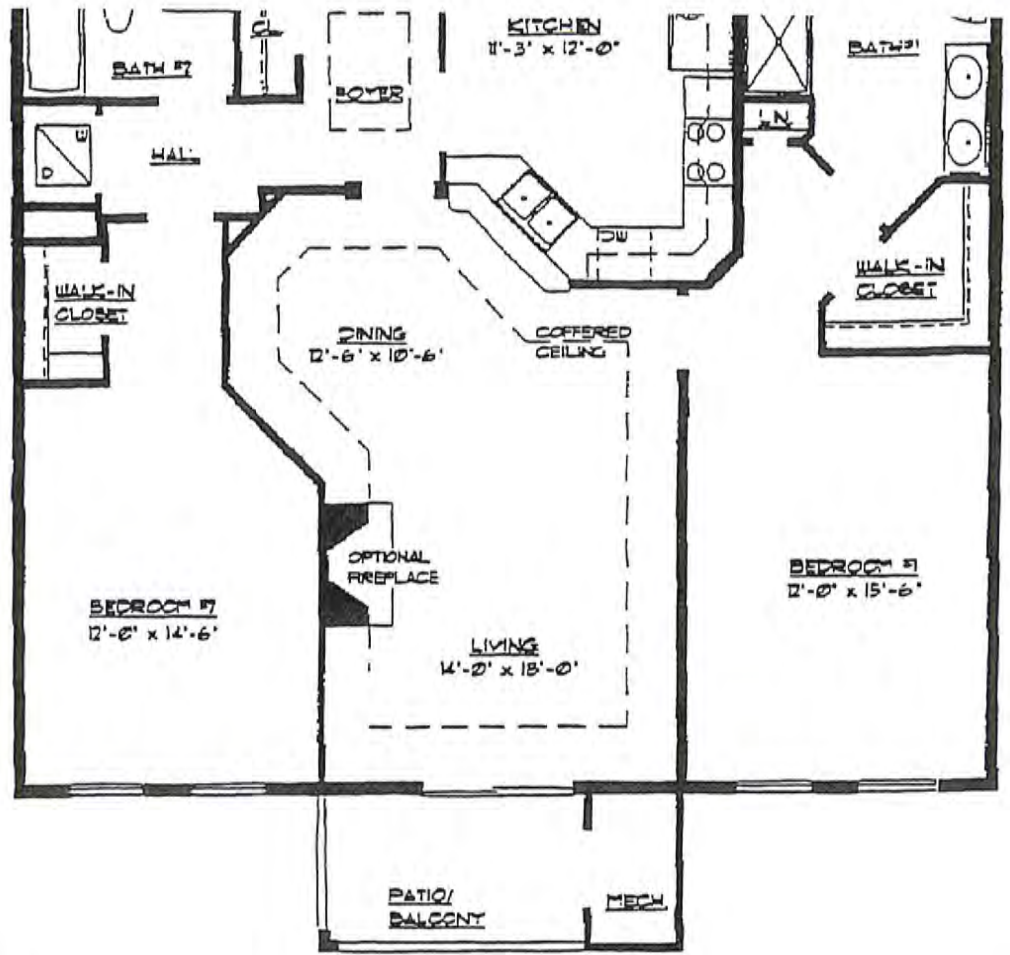




Unit E  
1,558

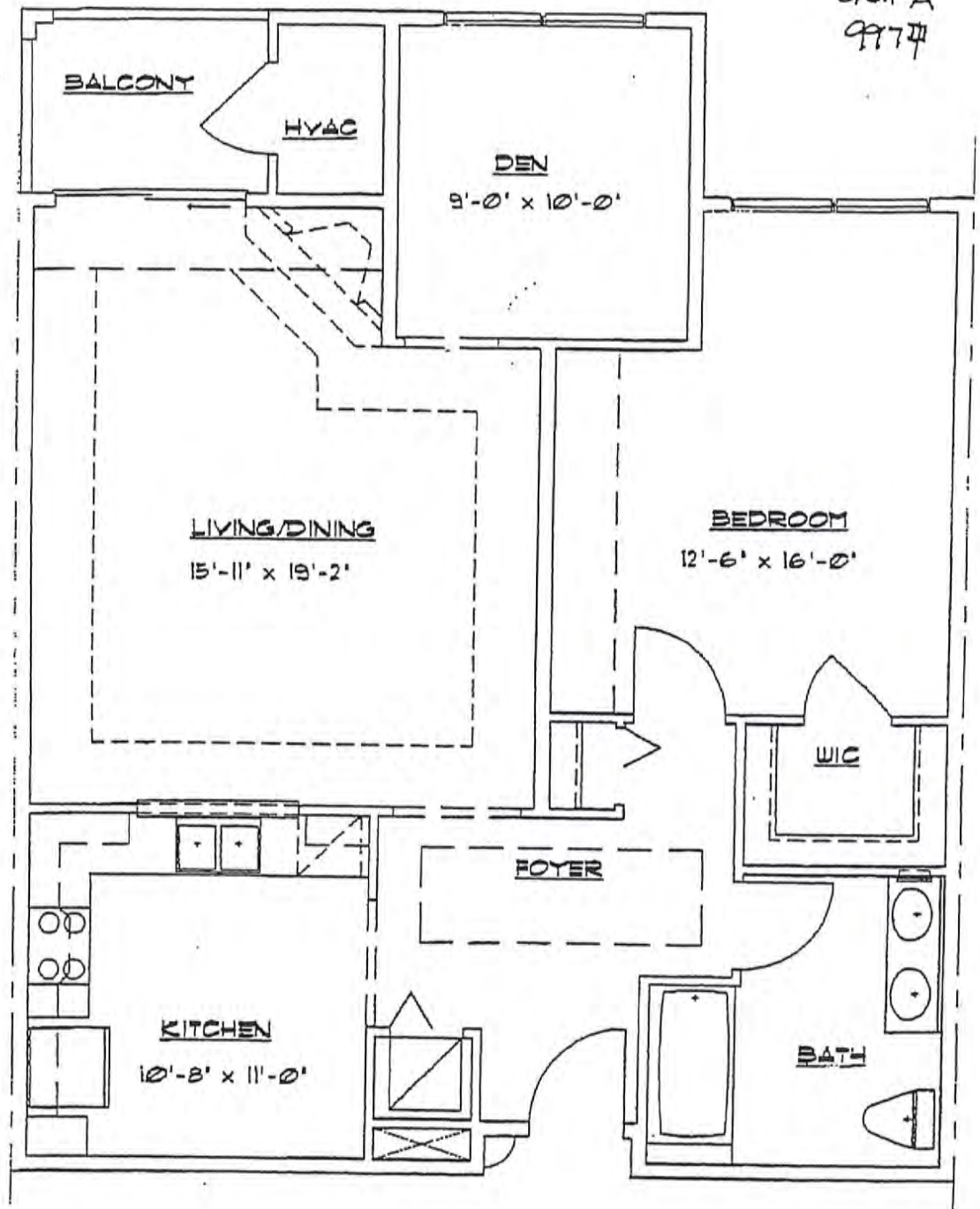


B





UNIT A  
9977

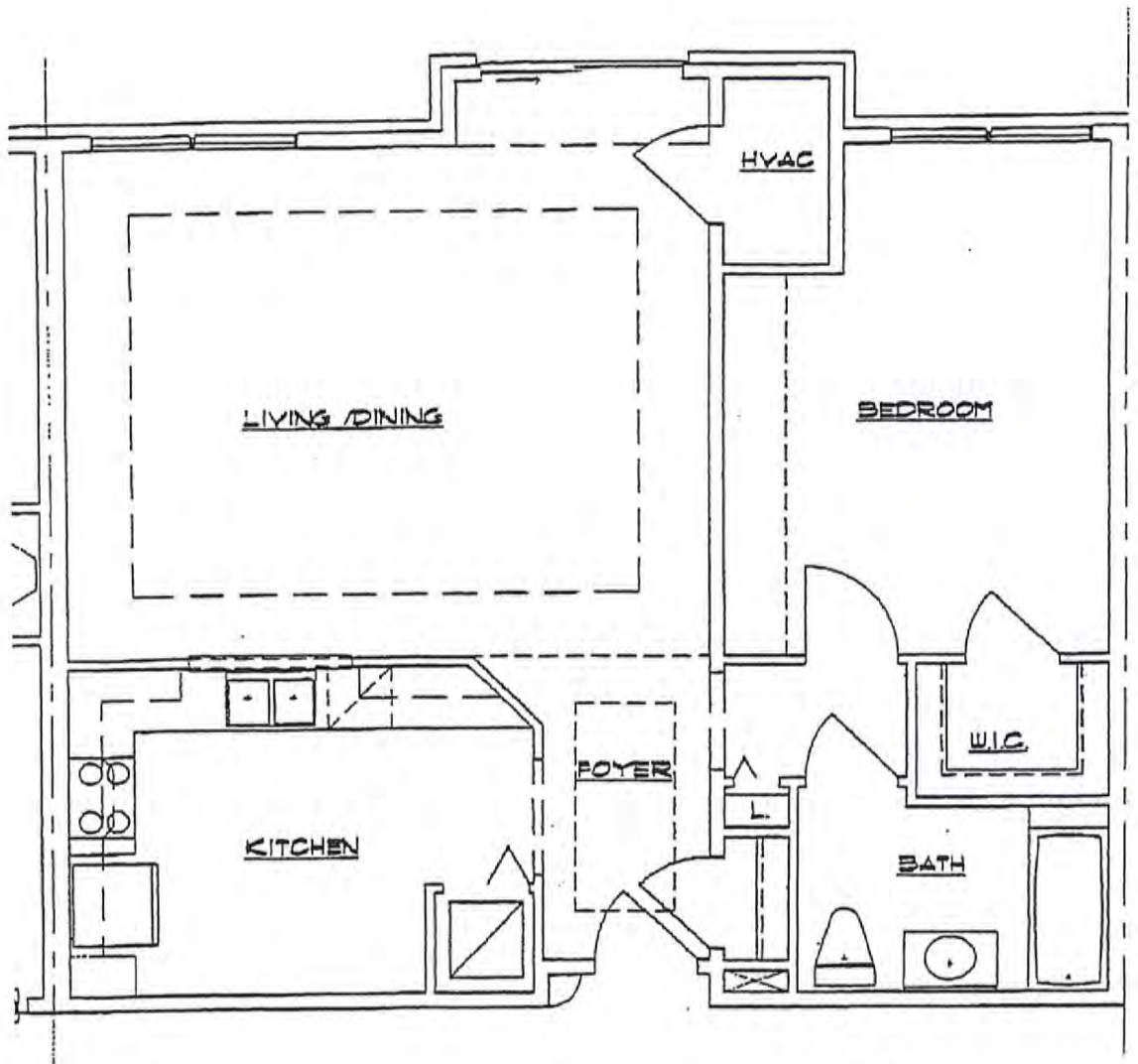






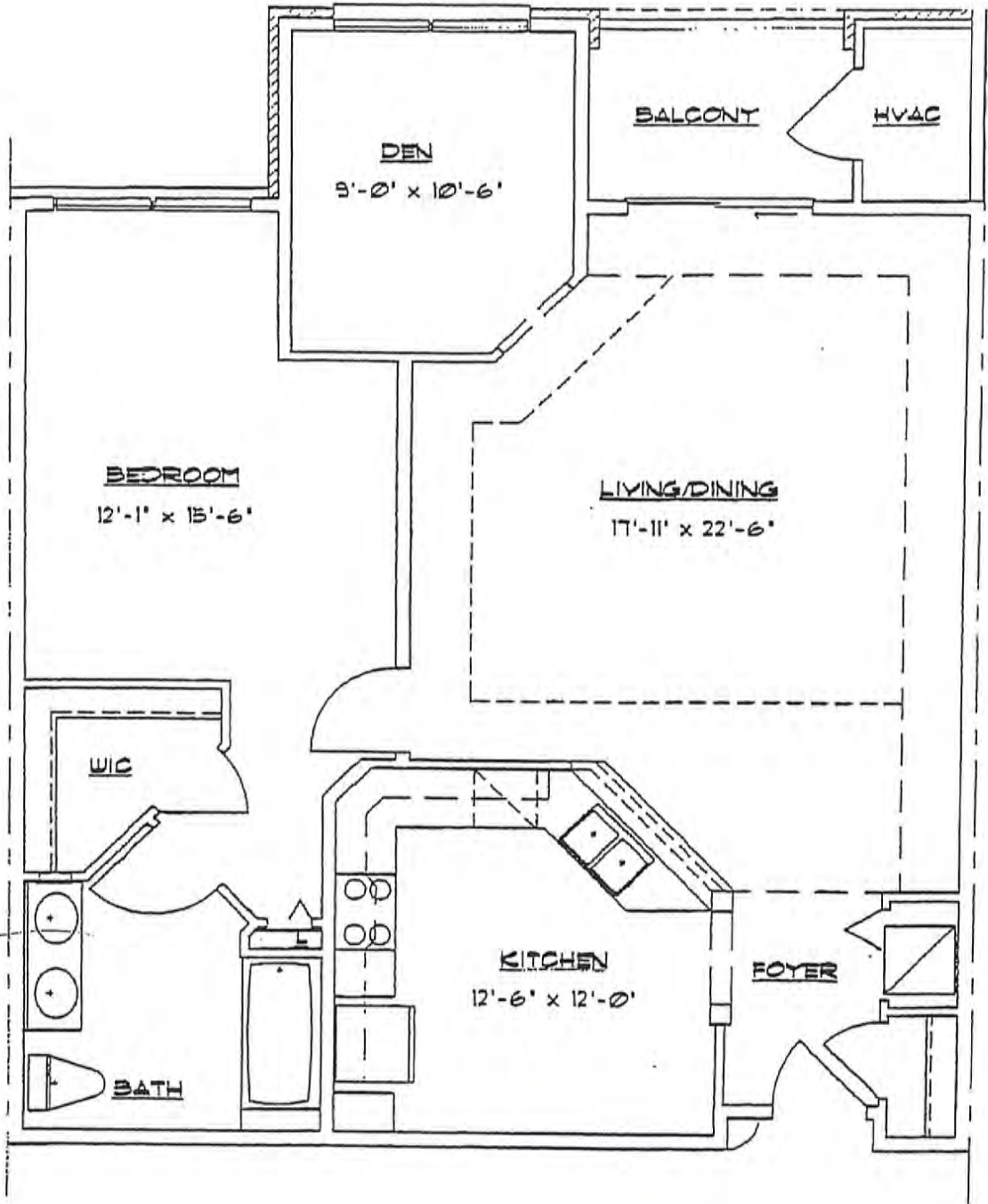
UNIT A1

931



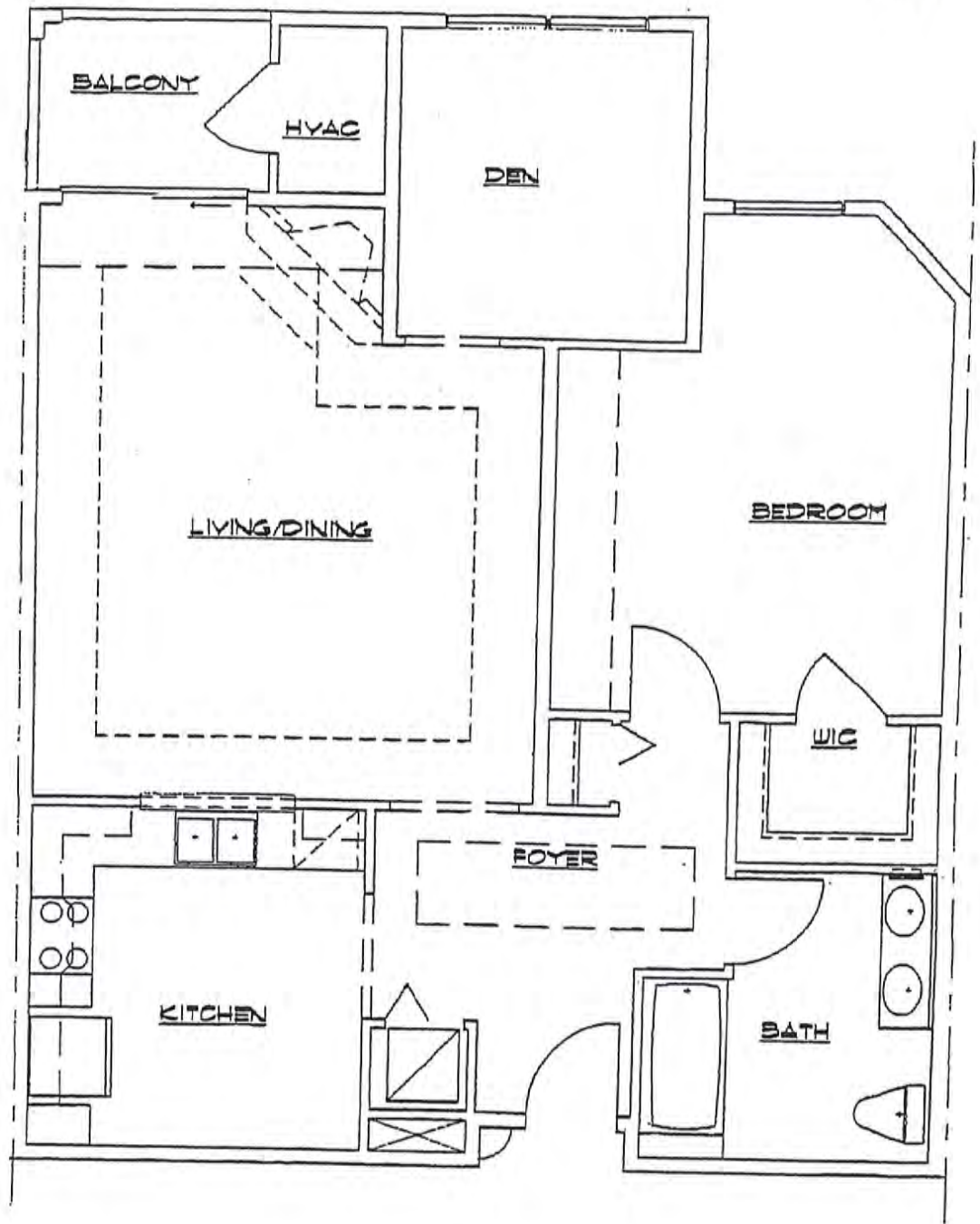


Unit # 104  
1,048 sq ft

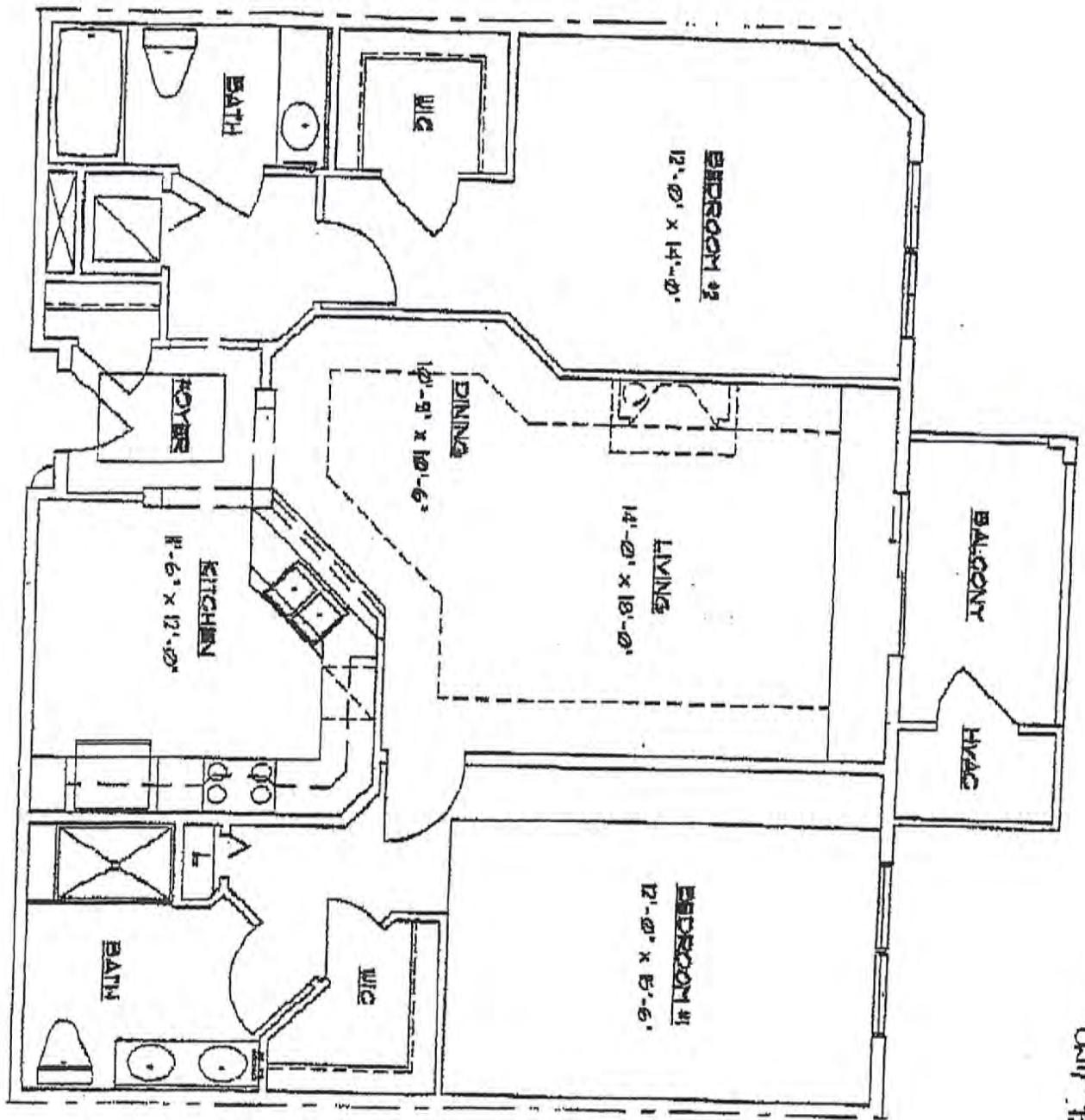




Unit A3  
995#





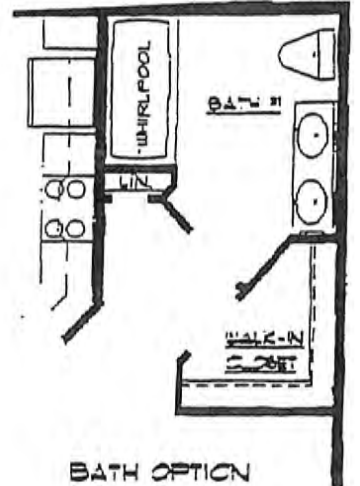
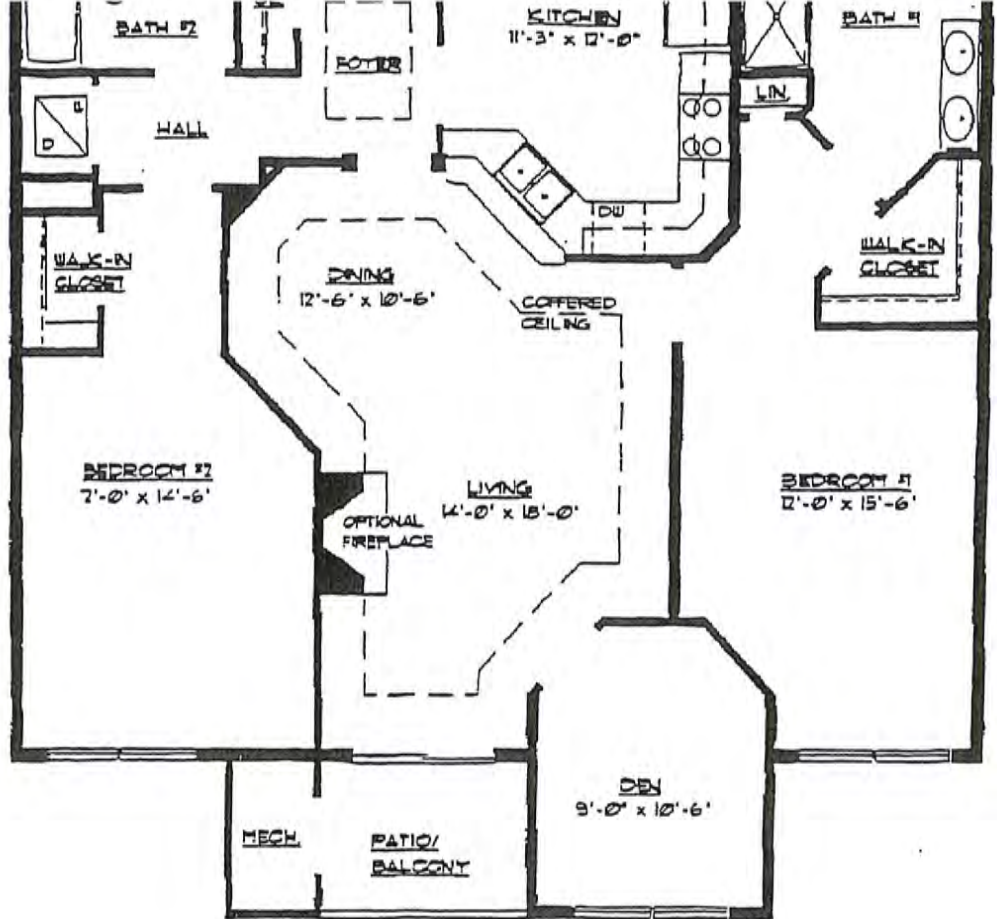


UNIT 131





C





Unit  
15

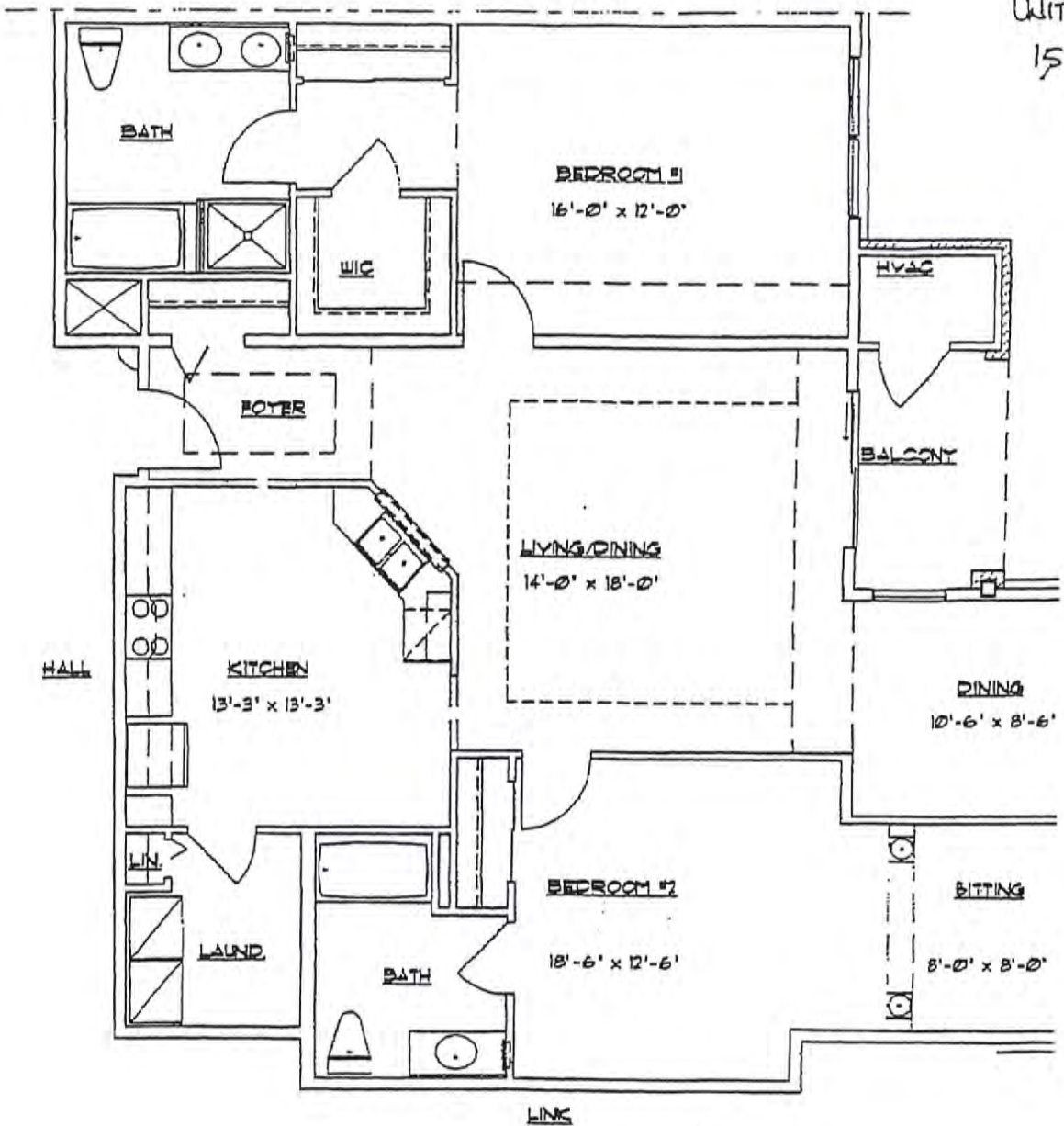




EXHIBIT E TO MASTER DEED

CERTIFICATE OF INCORPORATION OF THE WASHINGTON GRAND CONDOMINIUM  
ASSOCIATION, INC.



CERTIFICATE OF AMENDMENT TO THE  
CERTIFICATE OF INCORPORATION OF  
THE WASHINGTON GRAND CONDOMINIUM ASSOCIATION, INC.

**FILED**  
MAY 30 2000  
State Treasurer  
Roland Machold

TO: The Secretary of State  
State of New Jersey

Pursuant to the provisions of Section 15A:9-4 of the New Jersey Nonprofit Corporation Act, the undersigned corporation, THE WASHINGTON GRAND CONDOMINIUM ASSOCIATION, INC., a corporation duly organized and validly existing under the laws of the State of New Jersey (the "Corporation"), hereby executes the following Certificate of Amendment to its Certificate of Incorporation:

1. The name of the Corporation is:

THE WASHINGTON GRAND CONDOMINIUM ASSOCIATION, INC.

2. The Corporation's number is 0100804500.

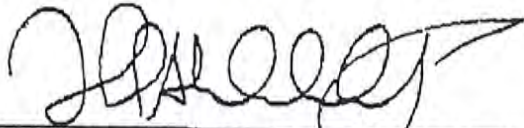
3. The following amendment to the Corporation's Certificate of Incorporation was approved by the unanimous written consent of the Corporation's trustees on the 19<sup>th</sup> day of May, 2000.

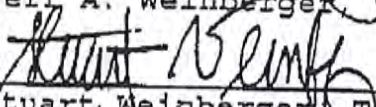
ARTICLE VI of the Certificate of Incorporation is hereby amended to remove Rhonda Weinberger as a Trustee and add the following person as a trustee:

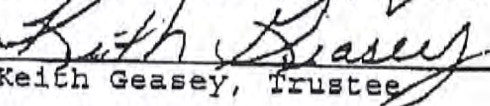
NAME	ADDRESS
Keith Geasey	29 Third Street New City, NY 10956

4. This Certificate of Amendment to the Certificate of Incorporation of THE WASHINGTON GRAND CONDOMINIUM ASSOCIATION, INC. shall be effective upon its filing by the Secretary of State of New Jersey.

Dated this 19<sup>th</sup> day of May, 2000.

  
 Jeff A. Weinberger, Trustee

  
 Stuart Weinberger, Trustee

  
 Keith Geasey, Trustee

0100804500

CERTIFICATE OF INCORPORATION

**FILED**

OF

JAN 13 2000

THE WASHINGTON GRAND CONDOMINIUM ASSOCIATION, INC.

State Treasurer

This instrument is to certify that the undersigned, Wendy M. Berger, whose address is c/o Cole, Schotz, Bernstein, Meisel & Forman, P.A., Court Plaza North, 25 Main Street, P.O. Box 800, Hackensack, New Jersey 07602-0800, being of full age, does hereby form a corporation not for pecuniary profit, under and by virtue of the provisions of an Act of the Legislature of the State of New Jersey, entitled: "The New Jersey Nonprofit Corporation Act" (Title 15A of the Revised Statutes of 1937, N.J.S.A. 15A:1-1 et seq.) and the amendments thereof and supplements thereto, and does further certify that:

ARTICLE I

The name of the corporation is: The Washington Grand Condominium Association, Inc., hereinafter called the "Association".

ARTICLE II

The principal office of the Association is located at c/o Cole, Schotz, Meisel, Forman & Leonard, 25 Main Street, P.O. Box 800, Hackensack, New Jersey 07602.

ARTICLE III

The initial registered office of the Association shall be at c/o Cole, Schotz, Meisel, Forman & Leonard, 25 Main Street, P.O. Box 800, Hackensack, New Jersey 07602, and the name of the Association's initial registered agent at that address is Wendy M. Berger.

ARTICLE IV

The Association does not contemplate pecuniary gain or profit to the members thereof and the specific purpose for which it is formed are for maintaining, operating and managing the condominium property known as The Washington Grand, a Condominium Block 2506, Lots 7 & 8, located in the Township of Washington, County of Bergen and State of New Jersey, and the common and limited elements thereof as more particularly described in the

131516  
1319489

0100804500



The membership of each Unit Owner shall automatically terminate when such person or entity ceases to be a Unit Owner, and upon the conveyance, transfer or other disposition of a Unit Owner's ownership interest in the Property, said Unit Owner's membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest. Upon the conveyance or transfer or other disposition of a portion of a Unit Owner's ownership interest, the transferring Unit Owner and the transferee thereof shall each be members of the Association.

#### ARTICLE VI

The affairs of this Association shall be managed by a Board of Trustees. The initial Board of Trustees shall be composed of three (3) persons who need not be members of the Association. The method of appointing trustees shall be as set forth in the by-Laws of the Association. The number of trustees may be changed pursuant to the By-Laws of the Association, but the number of trustees may not be less than three (3). The names and addresses of the persons who are to act in the capacity of trustees until the selection of their successors are:

<u>Name</u>	<u>Address</u>
Jeff A. Weinberger	7 Renwood Road Chestnut Ridge, NY 10977
Stuart Weinberger	391 S.R. 304 Bardonia, NY 10954
Rhonda Weinberger	8 Culver Drive New City, NY 10956

#### ARTICLE VII

The Association shall exist perpetually.

#### ARTICLE VIII

Additional properties may be annexed to the property more particularly described in the Master Deed, subject to the terms and conditions of the Master Deed, By-Laws of this Association, and rules and regulations promulgated thereunder, and all such additional properties shall be governed thereby.

Master Deed establishing said condominium which will be filed with the Clerk of Bergen County, and to promote the health, safety and welfare of the residents within the above described property and for these additional 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 that certain Master Deed, and By-Laws of the Association as same are applicable to the property described therein, and as that certain Master Deed and By-Laws may be amended from time to time 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 Nonprofit Corporation Act of the State of New Jersey by law may now or hereafter have or exercise.

#### ARTICLE V

Every person or entity who is a record Unit Owner of a fee 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, including the payment of the fee for membership as provided in said 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 any obligation. Ownership of a Unit and performance of the obligations of a Unit Owner shall be the sole qualifications for membership.

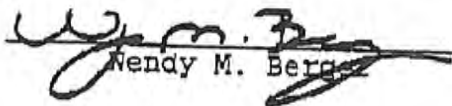
ARTICLE IX

The assets of the Association shall, upon dissolution of the Association, be distributed as provided in the By-Laws of the Association and the Master Deed.

ARTICLE X

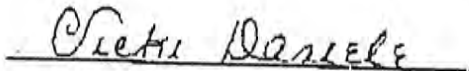
Amendment of this Certificate shall be pursuant to N.J.S.A. 15A:9-2.

IN WITNESS WHEREOF, for the purpose of forming this nonprofit corporation under the laws of the State of New Jersey, the undersigned, being the incorporator of this Association has executed this Certificate of Incorporation this 12<sup>th</sup> day of January, 2000.

  
Wendy M. Berger

STATE OF NEW JERSEY )  
  )  ;  SS.  
COUNTY OF BERGEN   )

BE IT REMEMBERED, that on this 12<sup>th</sup> day of January, 2000, before me, the subscriber, a notary public of the State of New Jersey, personally appeared Wendy M. Berger, who, I am satisfied, is the person named in and who executed the within instrument, and thereupon she acknowledged that she signed, sealed and delivered the same as her act and deed, for the uses and purposes therein expressed.

  
Vicki Daniele

VICKI DANIELE  
NOTARY PUBLIC OF NEW JERSEY  
Commission Expires 4/17/2003



EXHIBIT F TO MASTER DEED

BY-LAWS OF THE WASHINGTON GRAND CONDOMINIUM ASSOCIATION, INC.



ARTICLE I.

NATURE OF BY-LAWS

Section 1. PURPOSE: These By-Laws are intended to govern the administration of The Washington Grand Condominium Association, Inc. (hereinafter the "Association"), a nonprofit corporation organized under Title 15A of the Revised Statutes of New Jersey, to manage the affairs of the Association together with the operation, administration, management, maintenance and repair of the Common Elements and Limited Common Elements described in the Master Deed for Washington Grand Condominium Association, a Condominium (hereinafter the "Master Deed").

Section 2. DEFINITIONS: Unless the context clearly indicates otherwise, all definitions set forth in the Master Deed or the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., (hereinafter the "Act") are incorporated herein by reference.

ARTICLE II.

UNIT OWNERS

Section 1. MEMBERSHIP: The record owner of every Unit in the Condominium shall automatically become a Member of the Association upon closing of the title to a Unit and shall be subject to the provisions of the Certificate of Incorporation, these By-Laws, the Master Deed and any Rules and Regulations promulgated by the Board of Trustees of the Association (herein-

after the "Board"). The Sponsor is considered a separate member of the Association for each Unit that has not been conveyed to an individual purchaser.

Section 2. APPLICATION:

(a) All present and future Unit Owners (hereinafter "Unit Owners") and their mortgagees, and all Occupants of Units, and their agents, servants and employees, and other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Rules and Regulations of the Association the Master Deed, and any amendments and additions thereto.

(b) The acceptance of a deed to or interest in a Unit or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations of the Association and the provisions of the Master Deed, as they may be amended from time to time, are accepted, ratified and will be complied with.

Section 3. SUCCESSION: The membership of each Unit Owner in the Association shall automatically terminate when he ceases to be a Unit Owner. Upon the conveyance, transfer or other disposition of a Unit Owner's ownership interest in the Property, said Unit Owner's membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest.



ARTICLE III.

MEETINGS OF UNIT OWNERS

Section 1. ANNUAL MEETINGS:

(a) The Unit Owners shall hold a regular annual meeting. The first annual meeting of the Unit Owners shall be held at noon on the first Monday of the twelfth month following the recording of the Master Deed. Thereafter, all annual meetings of the Unit Owners shall be held on the first Monday of June or in the event that day is a legal holiday, on the first day thereafter which is not a legal holiday in each succeeding year. At the annual meeting, the Unit Owners may elect the Board of Trustees and may transact such other business as may properly come before the meeting. In the event no annual meeting is held, the required actions which would have been taken at such meeting shall be taken by written consent of the Unit Owners.

Section 2. SPECIAL MEETINGS: Special meetings may be called by the President, Secretary, or a majority of the Board, and must be called by such officers upon receipt of a written request of members owning more than a fifty (50%) percent interest in the Common Elements. Such written request shall state the purpose or purposes of the proposed meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

Section 3. OPEN MEETING OF ASSOCIATION:

(a) 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.

(b) RESTRICTIONS ON OPEN MEETINGS: Despite (a) above, the Board may exclude or restrict attendance at those meetings or portion of meetings dealing with the following:

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

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

(iii) 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

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

(c) MINUTES AT OPEN MEETING: 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.

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

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

(d) PLACE OF MEETING: All meetings will be held at a designated meeting room at the Condominium Property or at such other suitable and convenient place as may be permitted by law and from time-to-time fixed by the Board and designated in the notice of such meeting.

Section 4. NOTICE REQUIREMENTS FOR OPEN MEETINGS:

(a) NOTICE: Adequate notice of any open meeting shall be given to all Unit Owners.

(b) 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:

(i) Prominently posted in at least one place within the condominium property reserved for such or similar announcements.

(ii) Mailed, telephoned, telegraphed, faxed, or hand delivered to at least two newspapers designated by the association governing board.

(c) ANNUAL POSTING OF OPEN MEETINGS: At least once each year within seven (7) days following the annual meeting of the Association, the governing body shall post and maintain posted throughout the year, notice of meetings in those locations set forth above.

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

Section 5. RECORD DATE: For the purpose of determining the Unit Owners entitled to notice of any meetings of the Association, or any adjournment thereof, the Board may fix in advance a

date, as the record date, for such determination. If no record date is fixed, the record date shall be the close of business on the day next preceding the day on which notice is given, or, if no notice is given, the day next preceding the day on which the meeting is held.

Section 6. NOTICE OF MEETING: It shall be the duty of the Secretary to have mailed to each Unit Owner of record a written notice of regular or special meetings stating the purpose thereof as well as the date, time and place where it is to be held. Notice of the meetings other than the annual meeting shall indicate and state that it is being issued by or at the direction of the person or persons calling the meeting. Such notice shall be mailed or delivered not less than ten (10) nor more than thirty (30) days prior to the date of the meeting. The mailing of a notice in the manner provided in these By-laws shall be considered notice served.

Section 7. WAIVER OF NOTICE: Notice of a meeting need not be given to any Unit Owner who signs a waiver of notice either in person or by proxy, whether before or after the meeting. The attendance by any Unit Owner at a meeting in person or by proxy, shall constitute a waiver of notice of meeting by the Unit Owner.

Section 8. QUORUM: The presence in person or by proxy of Unit Owners owning in the aggregate at least a fifty-one (51%)

percent interest in the Common Elements (as defined in the Master Deed) shall constitute a quorum at a meeting of the Unit Owners.

Section 9. MAJORITY VOTE: Except as otherwise provided in the Master Deed or these By-Laws, a vote by majority in interest of those Unit Owners present, in person or by proxy, at a meeting at which there is a quorum shall be binding upon the Association and all Unit Owners.

Section 10. VOTING RIGHTS:

Except as otherwise provided in these by-laws, the Master Deed, or the Planned Real Estate Full Disclosure or Condominium Acts, passage of all decisions shall require the affirmative vote of at least a majority of Unit Owners in good standing and entitled to vote in attendance at a meeting.

Section 11. VOTING:

(a) Every Unit Owner in the Condominium shall be entitled to vote in accordance with its percentage interest in the Common Elements of the Condominium as set forth in the Master Deed. If any Unit Owner consists of more than one person, the voting rights of such Unit Owner shall not be divided but shall be exercised as if the Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. If a Unit is owned by two or more persons as tenants in common, joint tenants or tenants by

the entirety, the persons owning such Unit shall reach agreement as to the matter to be voted upon and cast a joint vote for their Unit. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. The vote of any Unit shall not be divided except as provided in the Master Deed in the case of a subdivision of the Unit. If no decision can be reached, the vote will be counted as an abstention.

(b) At any meeting of the Unit Owners, each Unit Owner deemed to be in "good standing" shall have the right to vote in person or by proxy. The designation of a proxy shall be made in writing and filed with the Secretary of the Association before the appointed time of the meeting. A proxy is valid only for the particular meeting or subsequent adjourned meeting thereof. A proxy may be revoked by the Unit Owner by appearance in person at the meeting, and filing with the Secretary notice of the revocation. A notation of all proxies shall be made in the minutes of the meeting.

(c) QUORUM: Except as otherwise provided in these by-laws, the presence (in person or by proxy) of 51% of the authorized votes shall constitute a quorum for the transaction of business at the meeting.

Section 12. GOOD STANDING: As used in these By-Laws, a Unit Owner shall be deemed in "good standing" and shall therefore

be entitled to vote as herein provided at any meeting of Unit Owners, provided that said Unit Owner shall have fully paid all then due assessments, liens, penalties, interest, attorneys' fees and other charges as permitted by these By-Laws or by the Master Deed levied against his Unit at least one (1) day prior to the date fixed for a particular meeting or shall be in the process of validly contesting the imposition of such assessments or charges.

Section 13. ADJOURNMENT OF MEETINGS: If any meeting of Unit Owners cannot be held because a quorum has not been achieved, the Owners present shall adjourn the meeting to a time, not less than forty-eight (48) hours from the time the original meeting was scheduled.

Section 14. ORDER OF BUSINESS:

(a) The order of business at the annual meeting of the Unit Owners shall be as follows:

- (i) Roll Call and Certifying the Proxies
- (ii) Proof of Notice of Meeting or Certificates as to Waivers
- (iii) Reading of Minutes of Preceding Meeting
- (iv) Reports of Officers
- (v) Report of Board of Trustees
- (vi) Reports of Committees (if any)
- (vii) Appointment of Inspectors of Election, if appropriate



- (viii) Election of the Board of Trustees, if appropriate
- (ix) Old Business
- (x) New Business
- (xi) Adjournment

(b) The order of business at all other meetings of the Unit Owners shall, conform, as far as is practical, to the above order of business, insofar as the special purpose or purposes of the meeting will permit.

#### ARTICLE IV.

##### BOARD OF TRUSTEES

###### Section 1. NUMBER, ELECTION AND TERM OF OFFICE:

(a) The affairs of the Association shall be governed by the Board. The Board shall constitute the governing body provided for in the Act and all rights, titles, powers, privileges and obligations vested in or imposed upon the governing body in said Act or in the Master Deed may be held or performed for the Association by the Board. The Board shall initially consist of three (3) persons (hereinafter referred to as "Trustees"). Upon the initial conveyance of twenty-five (25%) percent of the Units, the Board shall be expanded to five (5) Trustees. Trustees shall be elected at the regular annual meeting of Unit Owners by the vote of Unit Owners, except that the initial Trustees

listed in the Certificate of Incorporation of the Association have been appointed by Sponsor. Those candidates receiving the largest percentage of votes cast either in person or by proxy at the meeting shall be so elected. Each Unit Owner shall be entitled to a vote equal to its undivided percentage interest in the Common Elements. Every Trustee shall hold office for the term of two (2) years except as hereinafter provided. Trustees may succeed themselves in office.

(b) Within thirty (30) days of the Sponsor's conveyance of twenty-five (25%) percent or more of the Units, the Association shall call, upon not less than twenty (20) nor more than thirty (30) days notice, a meeting of the Unit Owners for the specific purpose of expanding the Board to five (5) Trustees and electing by Unit Owners other than Sponsor two (2) Trustees representing not less than twenty five (25%) percent of the Board. Within thirty (30) days of the Sponsor's conveyance of seventy-five (75%) percent or more of the Units, the Association shall call, upon not less than twenty (20) nor more than thirty (30) days notice, a special meeting of the Unit Owners for the specific purpose of electing by Unit Owners other than Sponsor the entire Board of Trustees and those Sponsor-appointed Trustees who are not reelected by the Unit Owners shall resign their positions on the Board. Sponsor may surrender control of the

Board prior to the time specified provided the majority of the Unit Owners agree.

(c) Despite the provisions of these By-Laws, the Sponsor shall be entitled to appoint at least one Trustee for as long as the Sponsor, or an affiliate holds one or more Units for sale in the ordinary course of business.

Section 2. SPONSOR PROTECTIVE PROVISIONS: Neither the Association, the Unit Owners nor the Board 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, marketing, or rental of Units including the right, in its sole discretion, to place "For Rent" and/or "For Sale" signs on the Property. For as long as the Sponsor shall own at least one Unit in the Condominium neither the Association, the Board, nor the Unit Owners will take any action, other than with Sponsor's consent to amend the age restriction required for the occupancy of a Unit. The Association shall be prohibited from assessing the Sponsor as a "Unit Owner" for capital improvements.

The Association shall continue the same level of maintenance, operation and services as provided immediately prior to the assumption of control by the Association. The Association

must water and maintain the Condominiums landscaping and plantings and replace same as necessary. In furtherance of the foregoing provisions, the Sponsor shall have the right to veto any and all actions of the Association or the Board which may have any direct or indirect detrimental impact upon the sale of Units by the Sponsor as may be determined in the sole reasonable discretion of the Sponsor. Such veto right must be exercised within ten (10) days after receipt of notice that a resolution or other action is proposed or has been taken by the Association or the Board. In such event, the Sponsor shall notify the Secretary of the Association of its exercise of its veto right and any such proposal or action shall be deemed null and void and of no further force or effect.

Section 3. POWERS AND DUTIES: The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things except which, by law, the Master Deed or these By-Laws, may not be delegated to the Board by Unit Owners. Such powers and duties of the Board shall include, but shall not be limited to, the following:

(a) Cause the Common Elements and Limited Common Elements to be maintained and repaired according to accepted standards;

(b) Employ, engage by contract, or otherwise secure, a professional manager, managing agent or an independent contractor to oversee, supervise and carry out the responsibilities of the Board, which manager may be Sponsor, an affiliate of Sponsor and/or a qualified property management consultant engaged solely for the purpose of providing regular advice to the Board. Said manager, managing agent or independent contractor shall be compensated upon such terms as the Board deems necessary and proper; provided, however, that any such contract shall be terminable by the Association upon the vote or consent of Unit Owners owning not less than a fifty-one (51%) percentage interest in the Common Elements of the Condominium, with or without cause, upon ninety (90) days' written notice thereof;

(c) Employ any person, firm or corporation to repair, maintain, supervise and renovate the Common Elements;

(d) Arrange for repairs, restorations, additions, improvements to maintenance of or alterations to the Common Elements and Limited Common Elements in accordance with the provisions of these By-Laws after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings. When, in the opinion of the Board, any of the Common Elements or Limited Common Elements requires protection, renewal, maintenance or repair or when enforcement of any

of the Association's Rules and Regulations so require or when the abatement of any nuisance is required or in any emergency situation, the Board will have the right to enter any Unit for such purpose. Such entry shall, however, be done with as little inconvenience to the Unit Owner or occupants thereof as is reasonably possible. Each Unit Owner expressly and irrevocably grants the aforesaid right of entry upon recording of the deed to the Unit;

(e) Adopt and amend rules and regulations covering the details of the operation and use of the Common Elements and Limited Common Element;

(f) Employ and obtain advice from persons, firms or corporations, such as but not limited to, architects, planners, lawyers, accountants and engineers;

(g) Contract for water and sewer services, electricity, gas, or other forms of utilities, snow plowing, trash removal, pool maintenance, landscape maintenance, painting, building, repairing, renovating and remodeling as and if required;

(h) Investigate, hire, pay, supervise, and discharge the personnel necessary to be employed in order to properly maintain and operate the Property or otherwise discharge the Association's duties hereunder. Such persons may include, but are not limited to, a resident superintendent, a life guard, a

conciierge, social director, maintenance personnel and a building manager. If the Board chooses to hire a resident superintendent and/or resident manager, such employment may include the personal occupancy of a designated apartment in the Condominium. Such occupancy may be part of the compensation package. The resident superintendent or resident manager does not have to comply with the "Age Restrictions" for occupancy of a Unit, and may occupy the designated apartment with spouse and children.;

(i) Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the Common Elements imposed by any governmental authority having jurisdiction thereover and by order of the Board of Fire Underwriters or other similar bodies;

(j) Arrange for maintenance of the Common Elements;

(k) Arrange for security protection, if necessary;

(l) To make, levy and assess Common Expense Assessments (including the establishment of reasonable reserves, if required, for depreciation, retirement and renewals) upon the Unit Owners for the purposes set forth in these By-laws, the Master Deed and/or rules and regulations.

The Board shall, prior to the beginning of each fiscal year of the Association, prepare a budget to be used to determine the estimated amount of Common Expenses payable by each Unit to meet

the Common Expenses of the Association, including the aforesaid reserves, and to make up for any deficit in the Common Expenses for any prior year. The Board shall allocate and assess such Common Expenses among the Unit Owners according to their percentage interest in the Common Elements as set forth in Exhibit G to the Master Deed. Unit Owners shall be advised of the amount of Common Expenses payable by each of them and these charges shall be paid to the Association in such installments and at such location as the Board may establish. Unless determined otherwise by the Board, Common Expenses shall be paid in equal monthly installments on the first day of the month in advance. A late charge shall be established which will automatically be imposed on any Common Expense Installment not received by the Association by the tenth (10<sup>th</sup>) of the month, or for any other assessment not paid within ten (10) days after its due date. Any such late charge must be paid with the following month's Common Expense Installment. A statement of the aforesaid charges shall be mailed to each Unit Owner prior to the due date thereof. The initial fiscal year of the Association shall be the calendar year;

(m) Collect Assessments from the Unit Owners together with late fees, interest, attorneys fees, costs and expenses of collection thereof;



(n) Maintain detailed books of account of the receipts and expenditures of the Association. The aforesaid books of account when requested by the Board, may be audited by a certified public accountant and a statement reflecting the financial condition and transactions of the Association shall be furnished to each Unit Owner. The books of account and any supporting vouchers shall be made available for examination by Unit Owners at convenient hours on weekdays. The exact hours and days shall be established by the Board. While the Sponsor maintains a majority of representation on 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. The cost of said audit shall be included in the annual operating budget.

(o) Employ and dismiss the personnel necessary for the maintenance and operation of the Common Elements;

(p) Maintain fidelity bonds for Association officers, agents and employees handling Association funds and records, at such times and in such amounts as the Board may deem necessary. The premiums for such coverages shall be paid by the Association and shall constitute a Common Expense;

(q) Pay all taxes, assessments, utility charges and the like assessed against any property of the Association or assessed against any Common Element, exclusive of any taxes or assessments levied against any Unit Owner;

(r) Adjust or increase the amount of any installment payment of Common Expenses and levy and collect from Unit Owners assessments in such amounts and payable in such manner as the Board may deem necessary to defray and meet increased operating costs, capital expenses or to resolve emergency situations; provided, however, that all such assessments shall be levied against the Unit Owners in proportion to their respective percentage interest in the Common Elements unless otherwise agreed to by the majority of Unit Owners;

(s) Appoint committees of the Board and delegate to such committees authority to carry out some of the duties of the Board;

(t) Exercise all other powers and duties of the Board or Unit Owners as a group referred to in the Act and all powers and duties of the Board referred to in the Master Deed or these By-Laws;

(u) Invest and reinvest monies, sue and be sued; collect interest, dividends and capital gains; exercise rights; pay taxes; make and enter into contracts; insure, enter into

leases or concessions and pass good and marketable title without the necessity of any third party seeing to the application of the funds; make and execute any and all proper affidavits for various purposes; compromise any action without leave of court; insure its own liability for claims against it or for damage to the Association, including moral claims; and all other powers contained herein and those necessary and incidental thereto;

(v) 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 lawsuits to enforce the terms, conditions and restrictions contained in the Master Deed, these By-Laws and any rules and regulations governing the Units or Unit Owners;

(w) Establish and enforce rules and regulations subject to the provisions of the Master Deed, the Certificate of Incorporation and/or these By-Laws;

(x) Promulgate rules and regulations to govern the operation of the Condominium and the relationships between and among the Board, the Unit Owners and the Association. The powers herein granted or necessarily implied shall be construed to favor the broadest discretion of the Board;

(y) Open bank accounts on behalf of the Association and to designate the signatories to such bank accounts;

(z) Adopt procedures for Unit Owners and/or tenants moving into and out of a Unit. All moves into and out of a Unit must be scheduled with the Condominium manager or a designated representative at times and dates so that there will be a minimum of inconvenience to others. The Association requires that a Unit Owner prior to moving into or out of a Unit execute an Agreement and post monies to be drawn against in the event any Common Elements or Limited Common Elements are damaged during the move whether by the Unit Owner, its tenant, agent, servant or employee.

(aa) Do any and all things which prudent operation of the Association would require.

(ab) 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.

(ac) To establish and enforce Rules and Regulations for parking by, and the assignment of parking spaces to, Unit Owners, employees and visitors, subject to the provisions of the Master Deed, Certificate of Incorporation and these By-Laws;

(ad) Adopt procedures to assure that occupancy of all Units in the Condominium, other than the Superintendent/Manager apartment, is restricted to the following individuals:

(i) Fifty-five (55) years of age or older, who are designated as "Qualified Occupants";

(ii) A spouse of a "Qualified Occupant" residing in the same Unit as the Qualified Occupant, even in the same unit as the Qualified Occupant, even if the Spouse is under the age of fifty-five (55) years.

(iii) A child or children of a Qualified Occupant residing in the same Unit as the Qualified Occupant provided that the child or children are at least eighteen (18) years of age or older;

(iv) An individual at least eighteen (18) years of age or older residing with and providing physical support and caretaking.

(ae) To establish Rules and Regulations for use of the Common Facilities. Such Rules and Regulations may limit hours and days of use, and whether such facilities may be used by guests and invitees of Unit Owners and/or tenants, for a fee or otherwise.

(af) Establish Rules and Regulations with regard to a Unit Owners ability to keep pets in a Unit and the use of the Common Elements by such pet.

Section 4. REMOVAL OF TRUSTEES. At any annual or special meeting of Unit Owners any one or more of the Trustees may be removed with or without cause by a vote of Unit Owners owning, in the aggregate, at least a fifty-one (51%) percent interest in the Common Elements, provided that the notice of the meeting expressly included this item. A successor may then be elected to fill the vacancy thus created. Any Trustee whose removal has been proposed by the Unit Owners shall have an opportunity to be heard at the meeting called for such purpose.

Section 5. VACANCIES: Vacancies in the Board caused by any reason other than removal of a Trustee as set forth in Section 4 shall be filled by the majority decision of the remaining Trustees at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy. Each person so selected shall serve as Trustee for the balance of the term of the vacating Trustee. When a Trustee who has been elected by Unit Owners other than Sponsor is removed or resigns that vacancy shall be filled by Unit Owners other than Sponsor.

Section 6. ORGANIZATIONAL MEETING: The first meeting of the newly elected Board shall follow the first annual meeting of the Unit Owners wherein they were elected, provided a quorum shall then be present or as soon thereafter as may be practicable. No notice shall be necessary to the newly elected Trustees

to constitute such meeting, provided that the whole Board shall be present thereat.

Section 7. REGULAR MEETINGS: Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the majority of the Trustees, but at least one such meeting shall be held during each fiscal year of the Association. Notice of regular meetings of the Board shall be given to each Trustee personally, by mail, or telefax at least five (5) business days prior to the day designated for such meeting. Such notice shall state the date, time and place of such meeting.

Section 8. SPECIAL MEETINGS: Special meetings of the Board may be called by the President of the Association on three (3) business days notice to each Trustee, personally, or by mail, or telefax which notice shall state the date, 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 one (1) Trustee.

Section 9. WAIVER OF NOTICE: Any Trustee may at any time waive notice of any meeting in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Trustee at a meeting shall constitute a waiver of notice of said meeting. If all the Trustees are present at any meeting of the

Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. QUORUM OF BOARD OF TRUSTEES: At a meeting of the Board, a majority of the Trustees shall constitute a quorum for the transaction of business and the vote of a majority of the Trustees present, in person or by proxy, at a meeting at which a quorum is present shall constitute the decision of the Board. If at any meeting of the Board there shall be less than a quorum present, those present may adjourn the meeting without notice other than the announcement at the meeting of the date, time and place of the adjourned meeting. At any meeting subsequent to the adjourned meeting any business which might have been transacted at the meeting originally called may be transacted without further notice as long as a quorum, as hereinabove defined, is present.

Section 11. FIDELITY BOND: The Board may obtain fidelity bonds for all Trustees, Officers and employees of the Association handling or responsible for Association funds. The premiums on such bonds shall constitute a Common Expense. Such bonds may be in an amount equal to the Association's budget, including reserves for replacements, and shall provide that same may not be canceled without ten (10) days written notice to the Association. While the Sponsor maintains a majority of representation on the



Board, he shall post a fidelity bond or other guarantee acceptable to the New Jersey Department of Community Affairs, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves.

Section 12. COMPENSATION: No Trustee shall receive any compensation from the Association for acting as such; provided, however, that this shall not preclude any managing agent who is also a Trustee from receiving compensation under a separate management agreement. The Trustees shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

Section 13. LIABILITY OF THE BOARD: The Trustees shall not be liable to the Unit Owners or to any third party for any mistake of judgment, negligence or by reason of any act or omission or otherwise, except for any acts of omissions found by a court to constitute willful misconduct, gross negligence, or fraud. The Unit Owners shall indemnify and hold harmless each of the Trustees against any claim, demand, loss, damage or expense (including reasonable attorneys' fees) incurred by each Trustee by reason of any act or omission, including but not limited to, all contractual liability to others arising out of contracts made by the Board on behalf of the Association unless such contracts,

acts or omissions result from willful misconduct, gross negligence or fraud. This indemnification provision is in addition to, and is in no way intended to limit, the provisions of Article V and IX hereof.

It is intended that the Trustees shall have no personal liability with respect to any contract made on behalf of the Association. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the Trustees shall be limited to such proportion of the total liability thereunder as the Unit Owner's interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements. Every agreement made by the Board on behalf of the Association shall provide that the Trustees are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements, or as provided by the Act. Nothing contained herein to the contrary shall serve to exculpate Trustees appointed by the Sponsor from their fiduciary responsibilities.

ARTICLE V.

OFFICERS

Section 1. DESIGNATION: The principal officers of the Association shall be the President, the Secretary and Treasurer, all of whom shall be appointed by the Board. A principal officer(s) of the Association may also serve as a Trustee(s) of the Association.

Section 2. APPOINTMENT OF OFFICERS: The officers of the Association shall be appointed annually at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. REMOVAL OF OFFICERS: Upon the affirmative vote of a majority of the Trustees, any officer may be removed with or without cause at any time, and his successor may be appointed at any meeting of the Board.

Section 4. PRESIDENT: The President shall be the Chief Executive Officer of the Association. He shall preside at all meetings of the Unit Owners. He shall have all of the general powers and duties which are incident to the office of President of a nonprofit corporation organized under New Jersey law, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may in his discre-

tion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. SECRETARY: The Secretary shall keep the minutes of all meetings and shall record all votes of Unit Owners and of the Board; he shall have charge of such books and papers as the Board may direct; he shall give or cause to be given notice of all meetings of the Board and Unit Owners and he shall perform all the duties incident to the office of Secretary of a nonprofit corporation organized under New Jersey law. The Secretary shall also perform the duties aforesaid for any committees as the Board or the President may direct.

Section 6. TREASURER: The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records, books of account showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board and he shall generally perform all duties incident to the office of Treasurer of a nonprofit corporation under New Jersey law. He shall render to the President and to the Board at its regular meetings, a full

accounting of his transactions as Treasurer and the financial condition of the Association.

Section 7. COMPENSATION OF OFFICERS: No Officer shall receive compensation from the Association for acting as such; provided, however, that this shall not preclude a managing agent who is also an officer from receiving compensation under a separate management agreement. The Officers shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

Section 8. LIABILITY OF OFFICERS: The Officers of the Association shall not be liable to the Unit Owners or to any third party for any mistake of judgment, negligence or by reason of any act or omission or otherwise, except for any acts or omissions found by a Court to constitute willful misconduct, gross negligence, or fraud. The Unit Owners, in proportion to their ownership interest in the Common Elements, shall indemnify and hold harmless each of the Officers of the Association against any loss, damage or expense (including reasonable attorneys' fees) incurred by each Officer by reason of any act or omission, including but not limited to, all contractual liability to others arising out of contracts made by the Officers on behalf of the Association unless such contracts, acts or omissions result from willful misconduct, gross negligence or fraud. This indemnifica-

tion provision is in addition to, and is in no way intended to limit, the provisions of Article IV and IX hereof.

ARTICLE VI.

OPERATION OF THE PROPERTY

Section 1. DETERMINATION AND ESTABLISHMENT OF COMMON EXPENSES: The Board shall, for each fiscal year of the Association, prepare an annual budget estimating the amount of Common Expenses payable by the Unit Owners and shall allocate and assess the Common Expenses among the Unit Owners according to their respective percentage interest in the Common Elements. The Board shall give written notice to each Unit Owner of the amount estimated by the Board for the forthcoming budget year. This notice shall be directed to the Unit Owner at his last known address by ordinary mail or hand delivery.

A final determination of Common Expenses shall be made at the end of each fiscal year and at that time each Unit Owner will be billed by the Association for any additional monies owed. The Board shall have the right to revise the budget as deemed required during the course of the fiscal year. Thereafter, the amount of Common Expenses payable by a Unit Owner shall be based upon the revised budget.

Despite anything to the contrary, the Board shall not impose any assessments which would increase any annual Common Expense

Assessment payments by more than Five (5%) percent in any fiscal year or impose any special, or emergency assessment without the consent of Sponsor for as long as Sponsor owns one (1) or more Units in the Condominium.

At each Unit Closing, each Unit Owner, other than Sponsor, shall pay the following:

(a) One (1) month's Common Expense Assessment. Said sum shall be non-refundable to the Unit Owner on resale and shall be used to establish a capital reserve fund. The capital reserve fund is to be used for capital improvements, and for repair or replacement as required as a result of damage, depreciation or obsolescence. Each subsequent Unit Owner is required to make a non-refundable payment of one (1) month's common expenses assessment to the capital reserve fund;

(b) One (1) month's common expense assessment said sum shall be used to establish a working capital fund for the Association. Said sum is non-refundable to the Unit Owner on resale; and

(c) One (1) month's common expense assessment. Said sum shall be used to establish a security account which may be drawn against by the Association in the event a Unit Owner defaults in the payment of a monthly common expense assessment. Said security (if not previously used due to a default by a Unit

Owner) shall be refunded to a Unit Owner upon the sale of a Unit and the posting by the new Unit Owner of sum equal to one (1) month's common expense assessment.

Section 2. PAYMENT OF COMMON EXPENSES:

(a) All Unit Owners shall be obligated to pay their proportionate share of the Common Expenses assessed by the Board pursuant to the provisions of Section I of Article VI of these By-Laws, which payment shall be made from time to time as established by the Board at the principal office of the Association or at such other place as may be designated by the Board. Despite the foregoing, Sponsor shall have the option of paying Common Expense Assessments for all fully constructed units with certificates of occupancy or the difference between the amount collected from all other Unit Owners and the then actual monthly expenses. Sponsor shall have no obligation to pay monthly assessments on unconstructed or partially constructed units, or units without a Certificate of Occupancy.

(b) The pro-rata contribution to the Common Expenses, Special Assessments, Emergency Assessments and Capital Reserve Fund, if any, which each Unit Owner shall be obligated to pay shall be based upon the Unit Owner's percentage interest in the Common Elements.



Section 3. PAYMENT OF SPECIAL ASSESSMENTS: Special Assessments, when levied by the Board pursuant to these By-Laws, shall be paid by the Unit Owner in such manner as may be determined by the Board; provided, however, that the pro-rata contribution of each Unit Owner for such Special Assessment shall be in accordance with Section 2 of this Article.

Section 4. TAX ASSESSMENT: Despite any other provision herein contained, until such time as the Township of Washington shall separately assess each Unit for real property tax purposes, the Association shall pay the real property taxes assessed against the Condominium as a whole and shall levy a supplemental assessment in the amount of the assessed taxes on each Unit in direct proportion to that Unit's percentage interest in the Common Elements. Such assessment shall neither require a vote of the Unit Owners, nor approval of the Sponsor. At closing of title to a Unit, if a separate tax bill has not been issued for the Unit, each Unit Owner shall pay to the Association its proportionate share of taxes from the date of closing until a separate tax bill has been issued for the Unit.

Section 5. LIEN:

(a) It shall be the duty of every Unit Owner, unless otherwise set forth herein, to pay his proportionate share of the

Common Expenses, and other monetary obligations, as provided in the Master Deed and as assessed in the manner herein provided.

(b) If any Unit Owner shall fail or refuse to make any such payment of the Common Expenses or other monetary obligations, when due, the amount thereof, together with interest thereon at the rate of two (2%) percent per annum above the prime rate as then set by the Wall Street Journal from and after the date said Common Expenses become due and payable, shall constitute a lien, as provided in the Act, enforceable by the Board, on the ownership interest of such Owner in its Unit, provided, however, that such lien shall be subordinate to the lien of any prior recorded First Mortgage held by any existing mortgagee of the Unit, its successors and assigns, except for the amount of the proportionate share of Common Expenses which become due and payable from and after the date on which such mortgage holder either takes possession of the Unit, accepts a conveyance of any interest therein or files suit to foreclose its mortgage and causes a receiver to be appointed.

(c) Despite anything to the contrary, a holder of a Permitted First Mortgage, his successors and assigns who comes into possession by virtue of a foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free and clear of any lien or claim for unpaid assessments or expenses against the Unit

accruing prior to acquisition of title, but shall be liable for a pro-rata share of such assessment or charges resulting from a reallocation of such assessments or charges to all Unit Owners, including the acquirer of the mortgaged Unit.

(d) The Association, the Board or its agents, shall have the right to maintain a suit to foreclose and collect any such lien, and there shall be added to the amount due, together with interest, reasonable attorneys' fees and costs of suit.

Furthermore, if any Unit Owner shall fail to pay his Common Expense Assessment or any other monetary obligation due after demand in writing setting forth the amount claimed, the Association shall have the right to take any or all of the following actions: accelerate the remaining yearly installments of the assessment, institute suit to recover a money judgment for all unpaid assessments, impose a late charge, impose an interest charge, impose penalties and attorney's fees (a suit to recover a money judgment for unpaid assessments may be maintained without waiving the lien securing the same); file a lien against the Unit; notify any mortgagee of the amount of assessments or other charges remaining unpaid; and any other remedies provided by law.

The Board and the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Act, the Master Deed or these By-Laws, or as are

otherwise provided or permitted at law or in equity, for the collection of all unpaid assessments. The Board may impose a fee for preparing and executing a "Discharge of Lien", a "Warrant to Satisfy Judgment", or a "Statement of Account."

Section 6. RECORDS AND STATEMENT OF ACCOUNT:

(a) The Board shall cause to be kept detailed and accurate records of the receipts and expenditures of the Association. The records and vouchers authorizing payment shall be available for examination by a Unit Owner or his representative at times and days as set by the Board.

(b) The Board shall furnish to any Unit Owner, upon receipt of a written request to it and upon payment of a reasonable fee, a statement of his account setting forth the amount of any Assessments, Common Expenses, or other charges due and owing from such Unit Owner.

Section 7. DISCHARGE OF LIENS: The Board may cause the Association to discharge any mechanic's lien or other encumbrance which, in the opinion of the Board, may constitute a lien against the Property or the Common Elements, rather than a lien against only a particular Unit and may do so if same is not discharged by the party responsible for the encumbrance thirty (30) days after notice to such responsible party from the Board. When less than all the Unit Owners are responsible for the existence of any such

lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs, expenses, interest and attorneys' fees, incurred by reason of such lien.

Section 8. HOLDING OF FUNDS:

(a) All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such supplemental assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all Unit Owners in the percentages set forth in Exhibit F to the Master Deed.

(b) SURPLUS FUNDS: Any surplus of common expense funds remaining after payment of the common expenses may be used by the Association for any lawful purpose. The unused portion shall be proportionately divided among Unit Owners, based on their interests in the common elements. This surplus shall be credited to the Unit Owners forthcoming years annual common expense assessment.

Section 9. INSURANCE:

(a) The Board shall be required to obtain and maintain, to the extent obtainable, insurance upon the Common Ele-

ments and Limited Common Elements and upon equipment and personal property owned by the Association. The policies so obtained shall be for the benefit and protection of the Association, the Board, the Unit Owners and their respective mortgagees, as their interests may appear. If agreeable to the insurer, such policies shall include provisions that they be without contribution, that improvements to Units made by Unit Owners shall not affect the valuation of the Property for the purposes of insurance and that the insurer waives its rights of subrogation as to any claims against Unit Owners, the Association and their respective employees, servants, agents and guests. The coverages shall be against the hereinafter enumerated perils and contingencies:

(i) CASUALTY: Broad form fire and casualty insurance with extended coverage, vandalism and malicious mischief endorsements and other risks normally included within all risk extended coverage insurance insuring the Common Elements, Limited Common Elements, all Association improvements upon the land and all personal property of the Association included therein, except such personal property as may be owned by the Unit Owners or Occupants, together with all heating, plumbing, air conditioning, electrical and/or other service machinery contained in or on the Property, unless owned by a Unit Owner or Occupant, in an amount equal to the maximum insurable replacement

value thereof (exclusive of excavation, foundations and other construction components customarily excluded) as determined periodically by the insurance company affording such coverage. Such coverage shall afford protection against:

(A) Loss or damage on an "all-risk" blanket basis; and

(B) Such other risks as from time to time are customarily covered with respect to similar Property including but not limited to vandalism, malicious mischief, windstorm and water damage.

(ii) COMPREHENSIVE PUBLIC LIABILITY AND PROPERTY DAMAGE: In such amount and in such forms as shall be required by the Board or the Master Deed, including but not limited to water damage, legal liability and public liability insurance for personal injury and death from accidents occurring within the Common Elements, 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.

(iii) WORKER'S COMPENSATION: Coverage to meet the requirements of law.

(iv) FIDELITY INSURANCE: May be obtained, covering all Trustees, and Officers of the Association against liabil-

ity for errors and omissions occurring in connection with the performance of their duties.

(v) OTHER INSURANCE: Such other insurance as the Board may determine to be appropriate.

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

(c) All insurance policies maintained by the Association shall be for the benefit of the Association, the Unit Owners and their mortgagees, as their respective interests may appear, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association or a designated representative.

(d) The Board is hereby irrevocably appointed agent for each Unit Owner to adjust all claims arising under the Association's insurance policies and to execute and deliver releases upon payment of claims.

(e) Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in a Unit which will increase the rates of insurance on that Unit, on any other Unit or on the Common Elements.

(f) All insurance policies shall provide (to the extent available), that coverage may not be canceled or substan-



tially modified (including cancellation for nonpayment of premium), without at least ten (10) days written notice to the Association and the named insureds.

(g) All policies shall show the named insured as: "The Washington Grand Condominium Association, Inc., for the use and benefit of the individual Unit Owners and their mortgagees." The "loss payable" clause must show the Board of the Association as the trustee for each Unit Owner, mortgage holder or other loss payee.

(h) Any insurance maintained by the Association may provide for such deductible amounts as the Board, in its sole discretion, may determine.

(i) 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 Association shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

(j) Every Occupant and Unit Owner shall fully and promptly comply with and conform the use and condition of their Unit to all legal requirements and environmental regulations, whether now existing or hereafter enacted. The Association may promulgate rules and regulations to govern and facilitate compli-

ance by the Unit Owners with environmental regulations and legal requirements affecting the Condominium. The failure to promptly comply with such legal requirements and/or environmental regulations shall be grounds for injunctive relief by the Association, or other available remedies at law or in equity. Any Unit Owner failing to comply with any environmental regulations or legal requirements hereby agrees to indemnify the Association for all costs and expenses arising out of or in connection with such failure of compliance, including but not limited to reasonable attorneys' fees and costs incurred in enforcing this indemnification provision.

(k) The premiums for any and all insurance coverage maintained by the Association shall be a common expense of the Association. At closing of title to a Unit, each Unit Owner shall pay to the Association its proportionate share of the yearly cost of insurance coverage.

Section 10. MAINTENANCE AND REPAIR:

(a) Maintenance of, repairs and replacements to the Common Elements and Limited Common Elements, whether located inside or outside of the Units (unless otherwise set forth herein or necessitated by the negligence, misuse, or neglect of a Unit Owner, his Occupants, agents, guests, licensees, clients or servants, in which case such expense shall be charged to such

Unit Owner), and regardless of whether there is special benefit thereby to particular Unit Owners, shall be made by the Association and be charged to all members as a Common Expense subject to the By-Laws and Rules and Regulations of the Association.

Exceptions to the foregoing are:

(i) Each Unit Owner shall be responsible for snow clearing, washing, sweeping, and cleaning of any patio/terrace, associated with its Unit;

(ii) Each Unit Owner shall be responsible for weather stripping and routine cleaning of the interior of all windows. The exterior painting and washing of the windows will be an Association responsibility;

(iii) Each Unit Owner shall be responsible for maintenance and repair of weather stripping, and cleaning of all exterior doors including door frames, trim, hardware, locks and hinges. The Association will be responsible for the painting of all exterior surfaces of doors and frames of a Unit;

(iv) Each Unit Owner shall be responsible for the repair, replacement and maintenance of all plumbing and related systems and components thereof, including hot water heaters, air conditioning systems, heating systems, fixtures and appliances attached thereto which are located within a Unit's boundaries;

(v) Each Unit Owner shall be responsible for the repair, replacement and maintenance of all electrical and related systems and components thereof, including appliances, fixtures, flooring and lights, contained within a Unit's boundaries;

(vi) Each Unit Owner shall be responsible for the repair, replacement and maintenance of all heating, ventilating and cooling systems and components thereof, including appliances and fixtures, contained within a Unit's boundaries; and

(vii) Each Unit Owner shall be responsible for the repair, replacement, and maintenance of all items, including cabinets, interior doors, tile and flooring, within a Unit's boundaries.

(b) All maintenance or repairs to such portion of any Unit which does not comprise a part of the Common Elements or any part or parts thereof belonging in whole or in part to other Unit Owners, shall be made promptly and carefully by the Unit Owner owning such Unit at his own risk, cost and expense. Each Unit Owner shall be liable for any damages, liabilities, costs or expenses, including attorneys' fees, caused by or arising out of his failure to promptly and/or carefully perform any such maintenance and repair work.

(c) To the extent that equipment, facilities and fixtures within any Unit shall be connected to similar equipment,

facilities or fixtures affecting or serving other Units or the Common Elements, then the use thereof by the individual Unit owners shall be subject to the By-Laws and the Rules and Regulations of the Association. The authorized representatives of the Association, the Board, or the Managing Agent, shall be entitled to reasonable access to the individual Units as may be 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 Units or the Common Elements.

#### ARTICLE VII.

##### CONTRACTUAL POWERS

No contract or other transaction between the Association and one or more of its Trustees and/or Officers or between the Association and any corporation, firm or Association in which one or more of the Trustees and/or Officers are financially interested, is void or voidable because such Trustee(s) and/or Officers are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because such interested Trustee is counted in determining the presence of a quorum at a meeting of the Board or a committee thereof, if the circumstances specified in any of the following subparagraphs exists:

(a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee; and

(b) the contract or transaction is just and reasonable to the Association at the time it is authorized or approved; and

(c) The vote of such interested Trustee or Officer is not counted as part of the vote approving the contract or transaction.

#### ARTICLE VIII.

##### ENFORCEMENT

The Association shall have the power to enforce the terms of this instrument or any rule or regulation promulgated pursuant thereto by any or all means set forth in these By-Laws, the Master Deed, the Rules and Regulations or by the Act.

#### ARTICLE IX.

##### INDEMNIFICATION OF OFFICERS AND TRUSTEES

A Trustee, Officer of the Association or member of any committee appointed pursuant to these By-laws shall be indemnified against all expenses and liabilities (including attorneys' fees) in connection with any action, suit or proceeding or any claim, issue or matter; unless it has been determined by a court of competent jurisdiction that his act or omission constituted willful misconduct, gross negligence or fraud or in the case of any criminal proceeding, he knew the conduct was unlawful. It is

the intention of these By-laws to provide to the Trustees, Officers and committee members the broadest indemnification permitted under the New Jersey Nonprofit Corporation Act. This provision for indemnification includes indemnification for reasonable attorneys' fees, costs and expenses incurred in connection with enforcing this right of indemnification. The indemnified party shall have the right to separate counsel of his own choosing. Expenses incurred in defending a civil or criminal action, suit or proceeding, including reasonable attorneys' fees and disbursements, shall be paid by the Association from time to time in advance of the final disposition of such action, suit or proceeding, upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment, provided, however, that said undertaking shall expressly state, that in the event it shall ultimately be determined that such person or entity is not entitled to be indemnified by the Association as authorized in this Article IX, then said person shall be obligated to make immediate repayment to the Association of all monies expended on its behalf.

#### ARTICLE X.

##### ADDITIONAL POWERS

In addition to, and in furtherance of, the powers referred to in these By-Laws, the Association shall: (a) have all the

powers permitted to be exercised by a nonprofit corporation under the New Jersey Nonprofit Corporation Act, as amended from time to time; (b) exercise all powers necessary to effect any or all of the purposes for which the Association is organized; and (c) do all other acts not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Master Deed, these By-Laws or the Act.

#### ARTICLE XI.

#### DISSOLUTION

Section 1. PROCEDURE: The provisions of the Master Deed and the then applicable laws of the State of New Jersey, including the provisions of the Act, shall be followed should it be deemed advisable that the Association be dissolved, subject to the rights of any mortgagee or lienor with respect thereto.

Section 2. OWNERSHIP UPON DISSOLUTION: In the event of dissolution, the Property shall thereupon be owned by all of the Unit Owners as tenants in common, each having an undivided percentage interest therein equal to his percentage interest in the Common Elements owned prior to termination. Each Unit Owner shall be required to execute a deed and any other document or instrument which may be reasonably required to effect the transfer of the Property following a decision to dissolve the Association.



ARTICLE XII.

COMPLIANCE WITH BY-LAWS AND MASTER DEED

These By-Laws, the Rules and Regulations adopted pursuant hereto, the covenants and restrictions in the Master Deed and all future amendments thereof shall be strictly complied with by each Unit Owner. Failure to comply with any of the same shall entitle the Association to levy a fine, late fee, interest charge, bring suit to recover monies due or for damages, file a lien, seek injunctive relief, and/or any other remedy provided by law. The Association may seek any or all of the above remedies against the offending Unit Owner. If suit has been instituted by the Association and the Unit Owner has been found by the Court to have committed the violation complained of, the Unit Owner shall reimburse the Association for interest, reasonable attorneys' fees and such other penalties, expenses and costs as shall be permitted by the Court. Nothing herein shall be deemed to preclude any Unit Owner from bringing an action for relief against another Unit Owner(s) for a violation which affects such aggrieved Unit Owner's occupancy.

ARTICLE XIII.

MISCELLANEOUS

Section 1. NOTICES: All notices herein shall be sent by registered or certified mail to the Association, in care of the

Secretary, at the office of the Association, or to such other address as the Board may hereafter designate from time to time in writing to all Unit Owners. All notices to any Unit Owner shall be sent by registered or certified mail to the address designated for his Unit, or to such other address as may have been designated by such Unit Owner from time to time in writing to the Association. All notices shall be deemed to have been given upon mailing except notices of change of address which shall be deemed to have been given when received and such other instances wherein specific time periods have been provided.

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

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

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

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

Section 6. LITIGATION. Any controversy or claims arising out of, or relating to, these By-Laws or the enforceability or breach thereof, shall be settled by a court of competent jurisdiction in Bergen County, New Jersey.

#### ARTICLE XIV.

##### AMENDMENTS TO BY-LAWS

These By-Laws may be altered, amended or repealed at any Association meeting upon which previous notice to amend, alter or repeal has been given to Unit Owners. These By-Laws may be amended with an affirmative vote in person or by proxy or a majority of the Unit Owners in good standing. These By-Laws shall not be modified without the affirmative vote of the Sponsor or its assigns for as long as Sponsor owns at least twenty (20%) percent of the Units. No amendment of these by-laws shall be effective until recorded in the Office of the Bergen County Clerk.

ARTICLE XV.

CONFLICTS

In the event any provisions of these By-Laws conflict with the provisions of the Master Deed or the Act, the provisions of the Master Deed or the Act, as the case may be, shall control.

EXHIBIT G TO MASTER DEED  
SCHEDULE OF UNITS AND PERCENTAGE INTEREST IN COMMON ELEMENTS



EXHIBIT G  
 SCHEDULE OF UNITS AND PERCENTAGE INTEREST IN  
 COMMON ELEMENTS

Unit Type	Percentage of interest in Common Elements	Number of Units in Project	
A	.832%	10	
A1	.786%	1	
A2	.868%	1	
A3	.831%	4	
B	1.012%	14	
B1	1.008%	5	
C	1.053%	33	
D1	1.186%	1	
D2	1.294%	13	
D3	1.281%	6	
E	1.222%	2	
Garage Spaces	0.139%	33	
Total	100%	123	90 Apartments/33 Parking Spaces

