

MASTER DEED
FOR
THE WINDMILL CLUB, SECTION III, A CONDOMINIUM

THIS MASTER DEED, made this 11th day of March, 1980, by 3201 CORP., a corporation of the State of New Jersey, having an office at 2029 Morris Avenue, Union, New Jersey (hereinafter referred to as "Sponsor").

WHEREAS, heretofore Suburban Savings and Loan Association was the owner, developer and sponsor of the condominium and/or condominiums known as The Windmill Club, situate in the Township of Howell, Monmouth County, New Jersey, and in connection therewith did file a certain Master Deed establishing The Windmill Club, Section 1, A Condominium, which Master Deed was recorded in the Office of the Clerk of Monmouth County in Book 3996 of Deeds for said County at Page 74; and

WHEREAS, 3201 Corp., a corporation of New Jersey, has succeeded to and acquired the right, title and interest of Suburban Savings and Loan Association to the remaining lands and premises intended to constitute The Windmill Club, including the recreational lands and premises and the facilities thereon situate on Lot 26D, Block 237, and has succeeded to the rights, duties and obligations as Sponsor of said Windmill Club; and

WHEREAS, 3201 Corp., as Sponsor, is the owner of the fee simple title to those lands and premises known and designated as Lots 26G, 26H, 26M and 26N, Block 237, in the Township of Howell, Monmouth County, New Jersey, all as shown on that certain map entitled: "Final Plat, The Windmill Club, Lot 26, Block 237, Howell Township, Monmouth County, New Jersey", dated July 20, 1976 and filed in the Monmouth County Clerk's Office on April 22, 1977 in Case 144, Sheet No. 34, attached hereto and made a part hereof as Exhibit "C" (hereinafter the "Entire Tract"); and

WHEREAS, sixty-four (64) individual condominium dwelling units together with certain roads, driveways and other improvements will be constructed upon that portion of the Entire Tract known and designated as Lots 26G, 26H, 26M and 26N, Block 237, all as more particularly shown on that certain map entitled "The Windmill Club, Section III, A Condominium" dated March, 1979 prepared by Howard M. Schoor Associates, Inc., attached hereto and made a part hereof as Exhibit "D" (hereinafter the "Property"); and

WHEREAS, it is the intention of the Sponsor to establish the form of ownership of the Property as a condominium pursuant to the provisions of R.S. 46:8B-1; and

WHEREAS, it is the further intention of the Sponsor to construct in the future additional residential condominium units on certain portions of the balance of the Entire Tract and in connection therewith to establish one or more additional condominiums by the execution and recordation of separate additional master deeds (hereinafter "Additional Condominiums"); and

WHEREAS, there has previously been constructed a clubhouse, swimming pools, deck, tennis court and other amenities upon Lot 26D, Block 237, of the Entire Tract, which facilities and lands shall be for the use and enjoyment of all residents of the Condominium and the Additional Condominiums, and to be owned by the Association hereinafter described; and

WHEREAS, there has been previously established The Windmill Club Association; a New Jersey non-profit corporation, for the administration, operation, and management of The Windmill Club, Section I, the Additional Condominiums and the recreational facilities and other improvements intended for the common use and enjoyment of the residents of the Entire Tract.

THEREFORE, WITNESSETH:

1. ESTABLISHMENT OF CONDOMINIUM. The Sponsor does hereby submit, declare and establish "The Windmill Club, Section III, A Condominium" in accordance with R.S. 46:8B-1 to 30 for that parcel of land known and designated as Lots 26G, 26H, 26M and 26N, Block 237, as shown on Exhibit "C" aforesaid and as more particularly shown on Exhibit "D" aforesaid.

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) "Condominium" shall mean (i) all the lands described in Exhibit "D" aforesaid; (ii) all improvements now or hereinafter constructed in, upon, over or through such lands, whether or not shown on any exhibit hereto; and (iii) all rights, roads, waters, privileges and appurtenances thereto belonging or appertaining; and (iv) the entire entity created by the execution and recording of this Master Deed.
- (b) "Unit" shall mean a part of the Condominium designated and intended for independent use as a residential dwelling, and shall not be deemed to mean any part of the general or Limited Common Elements situated within or appurtenant to a Unit.
- (c) "General Common Elements" shall have the same meaning as "common elements" pursuant to R.S. 46:8B-3(d), except as same may be modified by the provisions of paragraph 5(a) hereof.
- (d) "Common Expenses" shall, subject to the provisions of paragraph 6 hereof, mean all those expenses anticipated by R.S. 46:8B-3, in addition to all expenses incurred by the Association, or their respective directors, officers, agents or employees, in the lawful performance of their respective duties.
- (e) "Association". shall mean The Windmill Club Association, a New Jersey non-profit corporation, formed to administrate, manage and operate the common affairs of the Unit Owners of the Condominium and the Unit Owners of the Additional Condominiums, to maintain, repair and replace the common property of the Condominium and the Additional Condominiums, and to administrate, manage, operate, repair and replace the Recreation Area.

(f) “Building” shall mean any building containing a Unit(s) and/or any other enclosed structure constructed or hereafter constructed upon the land described in Exhibit “D”.

(g) “Property” shall mean the Buildings, the land described in Exhibit “D” and all improvements now or hereinafter constructed in, upon, over or through such lands.

(h) “Recreation Area” shall mean those lands and premises contained within Lot 26D, Block 237 as shown on Exhibit “C” aforesaid and the improvements presently or hereinafter located thereon, including, but not limited to, the Clubhouse, parking areas, walkways, lake, swimming pools and tennis court.

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

3. GENERAL DESCRIPTION OF CONDOMINIUM. The Condominium contains sixty-four (64) Units, all of which are situated upon four (4) cul-de-sacs, all as shown on Exhibit “D”, and includes all rights, roads and appurtenances thereto belonging or appertaining. Each of said units is designated by a specific number all as shown on Exhibits attached hereto.

4. DESCRIPTION OF UNITS. The dimensions, area and location of the Buildings and all of the aforesaid units within the Condominium are as shown graphically on Exhibits attached hereto, as same may be amended from time to time as herein provided.

SEMI-ATTACHED UNITS

Each semi-attached Unit is intended to contain all space within the area bounded by the imaginary plane extending from the bottom to the top of the Unit along and coincident to the sides, floor and ceiling of each such Unit.

BOTTOM: The bottom of each semi-attached Unit is an imaginary horizontal plane through the lowest point of the lowest foundation footing of the Building in which such Unit is located and extends in every direction to the point where it closes with the sides of the Unit.

TOP: The top of each semi-attached Unit is along and coincident with an imaginary plane along the innermost surface of the roof rafters over each Unit.

SIDES: The sides of each semi-attached Unit are, as graphically shown on Exhibits attached hereto, according to the type of Unit described and includes each of the exterior walls in its entirety. With respect to the party wall between adjacent Units, the side of each Unit is along and coincident with an imaginary vertical plane along, the centerline of said wall.

Each Unit, regardless of type, also includes all built-in appliances, fixtures, doors, windows, interior walls and partitions, gypsum board and/or other facing material on the walls and ceilings thereof, the inner decorated and/or finished surface of the floors (including all flooring tile, ceramic tile, finished flooring, carpeting and padding) and all other improvements located within such Unit which are exclusive to such Unit.

In addition, all semi-attached units shall include the following individual appurtenances which are exclusive thereto, although all or part thereof may not be located within the Unit:

- a. Complete heating system and any air conditioning system (including compressors);
- b. Hot water heater;
- c. Complete plumbing system;
- d. All utility meters not owned by the public utility agency supplying service.

5. DESCRIPTION OF GENERAL AND LIMITED COMMON ELEMENTS.

(a) GENERAL COMMON ELEMENTS. All appurtenances and facilities and other items which are not part of the Units hereinbefore described in paragraph 4 or part of the Limited Common Elements hereinafter described in paragraph 5(b) shall comprise the General Common Elements as graphically shown on Exhibits attached hereto. The General Common Elements shall also include by way of description but not by way of limitation:

(i) All lands shown on Exhibit "D" aforesaid whether improved or unimproved, or any structure not included within any Unit nor constituting a Limited Common Element.

(ii) All private streets, curbs and sidewalks subject to the easements and provisions set forth in paragraph 7 hereof.

(iii) Lawn areas, shrubbery, conduits, utility lines, underground sprinkler system and waterways, subject to the easements and provisions set forth in paragraphs 5(b) and 7 hereof.

(iv) The electrical, gas, water, sewer and telephone distribution and collection networks throughout the Condominium not included in the Unit pursuant to paragraph 4 and not owned by the public utilities providing such services, subject, however, to the property, regulatory and all other rights of governmental entities having an interest therein or jurisdiction thereover.

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

(vi) The foundations, columns, girders, beams, exterior or interior bearing or main walls (including chimneys or flues therein).

(vii) Exterior lighting and other facilities necessary to the upkeep and safety of the units and grounds.

(viii) Any easement or other right which may now or hereafter be granted for the benefit of the Unit Owner(s) or others for access to or use of any recreational facility or common elements not included within the Condominium or for any other purpose.

(ix) All other elements of any improvement necessary or convenient to the existence, management, operation, maintenance and safety of the Condominium or normally in common use.

(b) LIMITED COMMON ELEMENTS.

(i) Any terrace, patio or courtyard which is substantially enclosed by fencing to which there is a direct access from the interior of a Unit or from the walkway leading to such Unit shall constitute a Limited Common Element for the exclusive use of the owner of such Unit. The Unit-Owner shall be responsible for the repair and maintenance of the aforesaid Limited Common Elements appurtenant to his Unit, including, but not limited to, snow and ice removal and mowing of grass.

(ii) The driveway of, and paved or stone walkway leading to, the Unit to which it is appurtenant shall constitute Limited Common Elements for the exclusive use of the owner of such Unit. With respect to the common driveways of the Units, each owner in such Unit shall have the exclusive use of that half of the driveway which leads from the street to the garage door of his Unit. The Unit Owner shall be responsible for the removal of snow and ice from the driveway and paved walkways appurtenant to his Unit.

(iii) The owner of a Unit to which a Limited Common Element is appurtenant shall be responsible for the repair and maintenance thereof, except that the Association shall be responsible for the repair of all driveways; provided, however, that the owner of a Unit shall be responsible for the repair of any Limited Common Element which would otherwise be the responsibility of the Association if such repair is necessitated by said Unit Owner's negligence, misuse or neglect.

(iv) All rights in and to the Limited Common Elements are subject to the applicable easements set forth in paragraph 7hereof.

6. INTEREST IN GENERAL COMMON ELEMENTS; COMMON EXPENSES AND SURPLUS; VOTING.

(a) The owners of a Unit shall have such an estate therein as may be acquired by grant, by purchase or by operation of law, including an estate in fee simple, and every Unit Owner shall acquire as an appurtenance to his Unit, an undivided interest in the General Common Elements of the Condominium as set forth in Exhibit "A" attached hereto and made a part hereof, subject to any amendments as herein provided. The said appurtenant undivided

interest in the General Common Elements shall not be divisible from the Unit to which it appertains. Said percentage is expressed as a finite number to avoid an interminable series of digits. The fourth digit has been adjusted to that value which is most nearly correct. The percentages shall remain fixed.

Said percentages are based upon the initial relative sales prices of the Units and shall be used to allocate distribution of any proceeds of any eminent domain proceedings, or resulting from any casualty loss in or to the Condominium.

(b) Common Expenses may be divided into two (2) classifications: (1) Community; and (2) Condominium. Community Expenses shall be those expenses which are applicable to and benefit the Condominium and the Entire Tract, such as road maintenance and snow removal, the cost of a professional manager, operation, maintenance and repair of the Recreation Area and other community-wide expenses. Condominium expenses shall be those expenses which are applicable to and primarily benefit the Condominium, such as exterior painting of all Units located within the Condominium.

Community and Condominium Expenses shall all be deemed Common Expenses and classification of a particular expense into either of the foregoing categories shall be effected by the Board of Directors of the Association in their sole and absolute discretion.

Each Unit Owner shall be responsible for payment of the following fractional proportions of the Common Expenses:

(i) 1/384 of the Community Expenses (the denominator of which fraction may be adjusted upward or downward in order to reflect the ultimate number of Units contained within the Entire Tract upon completion thereof);

(ii) 1/64 of the Condominium Expenses; and

(iii) Notwithstanding the uniformity of the foregoing fractional proportions, it is expressly understood that the services provided by the Association with respect to the various types of units contained within the Condominium may differ, and such services may differ from those provided to Units contained within the Additional Condominiums.

(c) Anything to the contrary herein notwithstanding, neither the undivided percentage ownership interest nor the fractional proportions for Common Expenses shall be utilized for the determination of voting rights of the Unit Owners in the Association, which shall be based upon one vote for each Unit owned.

7. EASEMENTS. Sponsor, for itself, its successors, and assigns hereby declares that the Property shall be subject to the following easements:

(a) Every Unit Owner in the Condominium and in the Additional Condominiums shall have a perpetual and non-exclusive easement in, over and through the General Common Elements of the Condominium and to use the roads, walks and other common facilities within the Property subject to the right of the Association, to: (a) promulgate reasonable rules and regulations for the use thereof and the use of the Recreation Area; or (b) suspend

voting rights and the right to use any recreational facilities within the Entire Tract for any infraction of the published rules and regulations or for failure to pay any assessment for Common Expenses when due. When any Unit within the Entire Tract, is not owner occupied, such easement shall be solely for the benefit of the permanent occupants of the Unit and their guests, and not the owner or his invitees.

(b) Every Unit Owner, his successors and assigns, shall have a perpetual easement for the following purposes, subject to all applicable rules and regulations promulgated by the Association:

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

(ii) An exclusive easement for the existence and continuance of any encroachment by his Unit upon any adjoining Unit or upon any General 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 stands.

(iii) A non-exclusive easement for ingress and egress to his Unit in, upon, under, over, across and through the Limited Common Elements within the parking areas or the General Common Elements.

(iv) An easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other General 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 owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other General or Limited Common Elements serving such other Unit and located in such 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 General or Limited 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.

(v) A blanket and non-exclusive easement in, upon, over, under, across and through the General and Limited Common Elements for the purpose of installation, maintenance, repair and replacement of all sewer, water, power and telephone, pipes, lines, mains, conduits, waters, poles, transformers, master television antennas or cable television facilities and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility 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

of Directors of the Association shall have the right to grant such easement provided that it does not impair the rights of any Unit Owner.

(c) The Sponsor, its successors and assigns shall have and enjoy the following easements:

(i) A blanket and non-exclusive easement in, upon, over, under, through and across the General Common Elements for as long as the said Sponsor, its successors and assigns, shall be engaged in the construction development and sale of Units upon the Entire Tract, which easement shall be for the purpose of construction, installation, maintenance and repair of existing and future units and appurtenances thereto, whether located upon the Property or the Entire Tract, for ingress and egress to all Units and all General and Limited Common Elements, and for the use of all roadways, parking areas, existing and future model Units for sales promotion and exhibition. In addition, Sponsor hereby reserves the irrevocable right to enter into, upon, over or under any Unit for a period of one (1) year after the date of delivery of the Unit Deed for such purposes as may be reasonably necessary for the Sponsor or its agents to complete the Condominium or service any Unit therein, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owners. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

(ii) An exclusive and perpetual easement in, upon, over, under, through and across the Property for the maintenance, repair, construction, reconstruction, installation, relocation, operation, inspection and removal of the sewerage facilities located therein, provided, however, that said easement does not adversely affect the use and enjoyment of any Unit within the Condominium.

(d) The Township of Howell, Monmouth County, New Jersey, its officers, agents and 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, police and fire protection of the citizens of said Township, including the residents of the Condominium.

(e) The Association, its officers, agents and employees and all policemen, firemen and ambulance personnel shall have a blanket, perpetual and non-exclusive easement to enter the Property 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 General and 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.

(f) The Association shall have a perpetual exclusive easement for the existence, continuance, and maintenance of any improvements which presently or may hereafter encroach upon a Unit or a Limited Common Element.

(g) 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.

(h) Any bank, mortgage banker or other institutional lender who is the owner of a mortgage which encumbers any Unit, its officers, agents, and employees, shall have a blanket, perpetual and non-exclusive easement to enter the Condominium or any part thereof to inspect the condition and repair of the General and Limited Common Elements. This right shall be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to and with the permission of the Association.

(i) Any utility company or entity furnishing utility service to the Condominium, its agents and employees shall have a blanket, perpetual and non-exclusive easement to enter the Condominium, 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 Condominium and Units.

(j) The Sponsor; Unit Owners, their successors and assigns shall have a blanket easement in common in, upon, over, under, across and through the General and Limited Common Elements for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon the Property. No individual Unit Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Condominium.

8. BY-LAWS AND ADMINISTRATION; CHANGES IN DOCUMENTS; POWER OF ATTORNEY. The administration of the General and Limited Common Elements of the Condominium, the Recreation Area and other common facilities shall be by the Association in accordance with the provisions of the Condominium Act, this Master Deed, the Articles of Incorporation of the Association and the By-Laws of the Association, and any other documents, amendments or supplements to the foregoing which may subsequently be required by a bank, mortgage banker or other institutional lender, or by any governmental agency having regulatory jurisdiction over the Condominium or by any title insurance company selected by Sponsor to insure title to any Unit(s). Sponsor hereby reserves for itself, its successors and assigns, for a period of five (5) years from the date the first Unit is conveyed to an individual purchaser, the right to execute on behalf of all contract purchasers, Unit Owners, mortgagees, other lienholders or parties claiming a legal or equitable interest in the Condominium, any such agreements, documents, amendments or supplements to the above described documents which may be so required; provided, however, that no such agreement, document, amendment or supplement shall effect a material physical modification of a Unit, without the prior written consent of the Unit Owner and his mortgagee or adversely affect the priority or validity of a purchase money lien on a Unit sold hereunder, without the prior written consent of the mortgagee.

By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Condominium, each and every contract purchaser, Unit Owner or occupant, or holder of any mortgage or other liens, does automatically and irrevocably name, constitute, appoint and confirm (i) Sponsor, its successors and assigns, as attorney-in-fact for the

purpose of executing such amended Master Deed(s) and other instrument(s) necessary to effect the foregoing (provided that such power of attorney may not be used to adversely affect the priority or validity of any lien on or the value of any Unit) and (ii) the Association as attorney-in-fact to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise, dispose of any such Units so acquired or to sublease any Units so leased by the Association.

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

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

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

(b) There shall be no obstruction of the General or Limited Common Elements. The use of storage areas, if any, shall be in accordance with rules and regulations promulgated by the Association.

(c) No Unit Owner or occupant shall build, plant, or maintain any matter or thing upon, in, over or under the General Common Elements without the prior written consent of the Association, except that a Unit Owner may (i) plant flowers, trees, shrubbery and gardens within the courtyard Limited Common Elements appurtenant to his Unit; and (ii) plant and maintain flowers and shrubbery in the beds immediately adjacent to his Unit. No person shall place trash, garbage, excess materials of any kind on or about the General Common Elements except in designated receptacles, nor burn, chop, or cut anything on, over or above the General Common Elements. Unit Owners shall not have any right to paint or otherwise decorate or change the appearance of any portion of the exterior of any unit or fences. It is the Unit Owner's responsibility to promptly report to the Board of Directors of the Association or management any defect or need for repairs for which the Association is responsible.

(d) Each Unit Owner shall promptly furnish, perform and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own Unit, provided, however, that the Association, its agents and employees may effect emergency or other necessary repairs which the Unit Owner has failed to perform. Except as hereinbefore provided, maintenance, repairs and replacements of the plumbing fixtures and systems, heating and air conditioning systems, windows, doors, electrical systems and receptacles, breaker boxes, kitchen appliances and equipment and lighting fixtures within the Unit (including the lighting fixtures attached to the exterior of Buildings containing semi-attached units) shall be at the owner's sole

cost and expense. Maintenance, repairs and replacements of the General Common Elements and certain maintenance, repairs and replacements of certain Limited Common Elements (as described in paragraph 5(b) hereof) shall be furnished by the Association, classified as a Community or Condominium Expense and appropriately charged. The sole obligations of the Association with respect to the repair and maintenance of the Units are as follows:

- (i) exterior painting for semi-attached units;
- (ii) such other items as may from time to time be deemed appropriate by the Association.

The Association may also provide, by its rules and regulations, for ordinary maintenance and minor repairs and replacements to be furnished to Units by Association personnel or representatives and charged as a Common Expense.

If, due to the negligent act or omission of or misuse by a Unit Owner, or a member of his family or household pet or of a Unit Owner's guest, occupant or visitor (whether authorized or unauthorized by the Unit Owner), damage shall be caused to the Recreation Area, General or Limited Common Elements or to a Unit(s) owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage and be liable for any damages, liability, costs, and expenses, including attorneys' fees, caused by or arising out of such circumstances, and such maintenance, repairs and replacements to the Recreation Area, General and Limited Common Elements or the Units shall be subject to the By-Laws and the rules and regulations of the Association.

To the extent that equipment, facilities and fixtures; within any Unit(s) shall be connected to similar equipment, facilities or fixtures affecting or serving other Unit(s) or the General or Limited 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 or Board of Directors, or of the manager or managing agent for the Association shall be entitled to reasonable access to the individual Unit(s) as may be required in connection with maintenance, repairs or replacements of or to the General or Limited Common Elements or any equipment, facilities or fixtures affecting or serving other Unit(s) or such Common Elements.

(e) Nothing shall be done or kept in any Unit or in or upon the General or Limited Common Elements which will increase the rates of insurance thereon or the contents thereof beyond the rates applicable for 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 General or Limited Common Elements which will result in the cancellation of insurance on any of the Buildings or the contents thereof, or which will be in violation of any law.

(f) No clothes, sheets, blankets, laundry of any kind or any other articles shall be hung out or exposed on any part of the General or Limited Common Elements nor shall anything be hung, painted or displayed on the outside of the windows or placed on the outside walls or outside surfaces of doors of any of the Units and no signs, awnings, canopies, shutters or radio or television antennas (except for those heretofore or hereinafter installed by Sponsor) shall

be affixed or placed upon the exterior walls or roofs or any part thereof, nor relocated or extended, without the prior written consent of the Association. Notwithstanding the foregoing, the Sponsor shall have the right to display signs for promotional, sales, exhibit, and administrative purposes upon any portion of the Recreation Area, the General or Limited Common Elements or within any Unit owned by it until the last Unit within the Condominium is sold and conveyed. Unit Owners shall not cause or permit any signs to be displayed on the Property advertising the sale or lease of their Units.

(g) No animals, dogs, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in any Unit or in the General or Limited Common Elements except as may be permitted by the rules and regulations of the Association.

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

(i) Nothing shall be done to any Unit or on or in the Recreation Area, the General or Limited Common Elements which will impair the structural integrity of any Building or which will structurally change a Building. No Unit Owner (other than the Sponsor) may make any structural additions, alterations or improvements in or to his Unit or in or to the General or Limited Common Elements, without the prior written approval of the Association or impair any easement without the prior written consent of the Association. The Board of Directors of the Association shall have the obligation to answer any written request received by it from a Unit Owner for approval of a proposed structural addition, alteration or improvement 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 proposed structural addition, alteration or improvement. Any application to any municipal authority for a permit to make an addition, alteration or improvement in or to any Unit must be approved by the Association and, if approved, shall be executed by the Board of Directors of the Association and may then be submitted by the Unit Owner. Such approval, however, shall not incur any liability on the part of the Association to any contractor, subcontractor, or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The Unit Owners shall furnish the Association with a copy of any such permit which he has procured. 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) No industry, business, trade, occupation or profession of any kind, be it commercial, religious, educational or otherwise, may be conducted, maintained or permitted on any part of the Property. No commercial vehicles of a size larger than a panel truck, boats, trailers, campers or mobile homes may be parked on any part of the Property except (i) on areas specifically designated for such purpose by the Association; and (ii) for those vehicles temporarily on the Property for purposes of servicing the Property itself or one of the Units. No trucks shall use the driveway of a semi-attached unit for any purpose whatsoever. No activity, use or practice shall be permitted on the Property which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents. All

valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(k) Draperies, blinds, curtains or other window coverings must be installed by each Unit Owner on all windows of his Unit except garage windows and must be maintained in said windows at all times. These provisions shall not apply to the Sponsor.

(l) The General 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.

(m) No Unit shall be rented by the Owners thereof (except a lender in possession of such Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure) or otherwise utilized for transient or hotel purposes, which shall be defined as “(i) rental for any period less than ninety (90) days; or (ii) any rental if the occupants of the Unit are provided customary hotel services, such as room service for food and beverages, maid service, furnishing laundry and linen, and bellboy service”, provided, however, that any Unit Owner including Sponsor, may rent a Unit for a period of less than ninety (90) days to a contract purchaser. No Unit Owner may lease less than an entire Unit. Other than the foregoing obligations, the Unit Owners shall have the right to lease same provided that said lease is in writing and made subject to all provisions of this Master Deed, including, but not limited to, paragraph 15 hereof, the By-Laws of the Association and other documents referred to herein, including the right of amendment reserved to Sponsor herein, and provided further that any failure of the lessee to fully comply with the terms and conditions of such documents shall constitute a default under the lease.

In the event a tenant of a Unit defaults under his lease by failure 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). Such action shall not be compromised or settled without the prior consent of the Association. 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 charges. 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 as his attorney-in-fact for the purposes described in this subparagraph (m).

(n) Each Unit Owner shall furnish and be responsible for, at his own cost and expense, the repair, maintenance and decoration of his own Unit, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, appliances,

plumbing, electrical, heating and air conditioning systems. The display or use of items visible on the exterior of the Building, from the interior of any Unit, shall be subject to the rules and regulations of the Association.

(o) 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 promulgated by it. The Association shall further have the right to levy fines for violation of such regulations, provided that the fine for a single violation may not, under any circumstances exceed \$10.00. 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 common 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 charges. 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, then the defendant Unit Owner shall be responsible for payment of reasonable attorneys' fees of the Association plus interest and costs of suit.

(p) Each Unit Owner shall have the right to mortgage or encumber his Unit, provided that such mortgage or encumbrance is made to a bank, mortgage banker, trust company, insurance company, savings and loan association, pension fund or other institutional lender or is a purchase money mortgage made to the Sponsor or to the seller of a Unit.

(q) 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 New Jersey Condominium Act. In the event that for any year such taxes are not separately taxed to each Unit, but are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his proportionate undivided percentage interest in the General Common Elements.

(r) Each Unit Owner shall pay for his own telephone, 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.

(s) Each Unit Owner shall be responsible for the repair, replacement and maintenance of the Limited Common Elements appurtenant to his Unit which is not the responsibility of the Association.

(t) Each owner of a unit, shall be responsible for trash removal and collection from his Unit at his own cost and expense. All trash shall be placed in enclosed receptacles made of metal or other material of similar durability which shall be stored, except on collection days, in such a manner so as to not be visible from neighboring Units or the street.

(u) No garbage disposal unit or mechanism shall be installed or used in any Unit.

(v) Sponsor, for itself, its successors and assigns, shall and does hereby reserve the right to use, without charge, a portion of the clubhouse located in the Recreation Area for its sales efforts in marketing and selling dwelling units located or to be located within the Entire Tract. Such rights shall continue until all such dwelling units have been conveyed by the Sponsor to individual purchasers or until expiration of seven (7) years from the date of filing of this Master Deed, whichever event first occurs.

10. OBLIGATIONS OF SPONSOR. The Sponsor covenants and agrees for itself, its successors and assigns that for so long as it owns one or more of the Units, and subject to the exceptions expressly indicated, the Sponsor, its successors and assigns shall be governed by the provisions of and entitled to all rights and benefits reserved to Sponsor pursuant to this Master Deed and of all Exhibits attached hereto.

11. NO PARTITION. Subject to the provisions of the Master Deed and By-Laws and the Condominium Act, the General and Limited Common Elements shall remain undivided and no Unit Owner(s) shall bring any action for partition or division thereof. In addition, the undivided percentage interest in the General and Limited Common Elements shall not be separated from the Unit to which it appertains 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.

12. COMPLIANCE BY OWNERS; MEMBERSHIP IN THE ASSOCIATION. 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 as described in paragraph 8 hereof. Failure to comply with any such provisions, rules and regulations shall be grounds for injunctive relief by the Sponsor, the Association, and any Unit Owner, and for penalties and other available remedies at law or in equity.

Upon acceptance of a Deed to a Unit each Unit Owner shall automatically become a member of the Association and shall be a member for so long as he shall hold legal title to his Unit subject to all provisions of this Master Deed, the Condominium Act, the Articles of Incorporation of the Association, and the By-Laws and rules and regulations which may now or hereafter be established for or by the Association.

13. DAMAGE, DESTRUCTION OR CONDEMNATION. If any unit improvement or General or Limited Common Element or any part thereof is damaged or destroyed by fire, casualty or eminent domain, the repair, restoration or ultimate disposition of any funds or proceeds thereby created shall be in accordance with R.S. 46:8B-24 and 25, respectively. In the event the Association determines not to repair or restore the damaged property in accordance with R.S. 46:8B-24, any insurance proceeds payable to a Unit Owner as a result of damage or destruction to his Unit and/or share of the Common Elements are thereby assigned and shall be paid to the institutional holder of a first mortgage lien on said Unit for application to the sums secured by said mortgage with the excess, if any, paid to the Unit Owners. Any bank, mortgage banker or other institutional lender of which is the holder of a first mortgage on a Unit shall receive from the Association timely written notice of any fire, casualty, eminent domain

proceeding or proposed acquisition by an entity possessing the power of condemnation which affects the Property secured by such mortgage. Such mortgagee's priority and lien shall attach to any funds or proceeds which may come into existence under the circumstances described herein.

14. INSURANCE. The Association shall obtain and continue in effect blanket property insurance on the Recreation Area, General and Limited Common Elements in an amount equaling replacement value, and in form satisfactory to any bank, mortgage banker or other institutional lender holding first mortgages on a majority of the Units but without prejudice to the right of the owner of any such Unit to obtain individual Unit insurance at his own cost. In addition, the Association shall obtain and continue such other amounts of liability insurance as may be required by the provisions of the By-Laws. Premiums for all such insurance coverage except for individual Unit coverage shall be a Common Expense to be included in the monthly assessment for Common Expenses.

15. 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 or any Limited Common Element appurtenant thereto to the manager and/or the managing agent and/or any 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 appurtenance 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 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 the Unit Owner is present at the time or not.

16. AMENDMENT OF MASTER DEED. This Master Deed may be amended by a majority of votes so long as the Sponsor is the owner of one or more Units. At such time as the Sponsor is no longer the owner of one or more Units, it is specifically provided that this Master Deed may only be amended by the vote of the owners of at least 75% of all Units within the Condominium cast in person at a meeting duly held in accordance with the provisions of the By-Laws of the Association provided, however, that any such material amendment shall have been approved in writing by each bank, mortgage banker or other institutional lender of a first mortgage lien on any Unit, which approval shall not be unreasonably withheld. No amendment shall be effective until recorded in the Office of the Clerk of Monmouth County, New Jersey. This paragraph is in supplement to and not in derogation of the powers of amendment reserved to Sponsor pursuant to paragraph 8 hereof and in case of any conflict between them, the least restrictive provision shall apply.

17. 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 effect the remainder of this Master Deed or said By-Laws and in such event all of the other provisions of this Master Deed and said By-Laws shall continue in full force and as if such invalid provision had never been included herein.

18. 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.

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

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

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

22. RIGHTS RESERVED TO SPONSOR. Anything to the contrary herein or in the Articles of Incorporation or By-Laws of the Association notwithstanding, Sponsor hereby reserves for itself, its successors and assigns, for so long as it owns five (5) or more Units or dwellings within the Entire Tract, or for a period of seven (7) years from the date hereof, whichever is later, the right to sell, lease, mortgage or sublease any unsold Units within the Condominium.

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

EXHIBIT "A": List of units and their percentage of Ownership interest in the general and limited common elements of The Windmill Club, Section III.

EXHIBIT "B": By-Laws of THE WINDMILL CLUB ASSOCIATION.

EXHIBIT "C": Map entitled: "Final Plat, The Windmill Club, Howell Township, Monmouth County, New Jersey" filed in the Office of the Clerk of Monmouth County on April 22, 1977 in Case 144, Sheet 34.

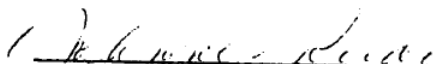
EXHIBIT "D": Map entitled: "Condominium Plat, The Windmill Club, Section III, A Condominium" (4 sheets).

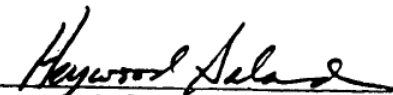
EXHIBIT "E": Unit floor plans for the various model types at The Windmill Club, Section III.

IN WITNESS WHEREOF, the Sponsor, 3201 Corp., a New Jersey Corporation, hath caused its Corporate Seal to be hereto affixed and attested by its Assistant Secretary and these presents to be signed by its Vice-President the day and year first above written.

3201 CORP.

ATTEST:


Jo-Anne Rudy, Assistant Secretary

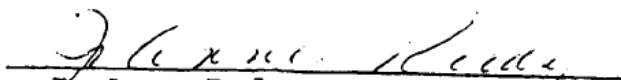
By: 
Heywood Saland, Vice President

STATE OF NEW JERSEY:

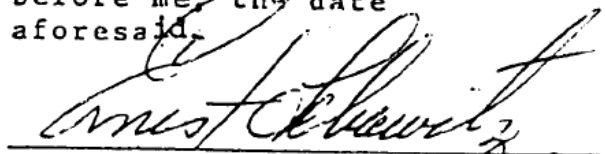
: ss.:

COUNTY OF UNION :

BE IT REMEMBERED, that on this 11th day of March 1980, before me, the subscriber, An Attorney at Law of New Jersey, personally appeared Jo-Anne Rudy, who, being by me duly sworn upon her oath, deposes and makes proof to my satisfaction that she is the Assistant Secretary of 3201 Corp., the corporation named in the within Instrument; that Heywood Saland is the Vice-President of said Corporation; that the execution as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said Corporation; that deponent well knows the corporate seal of the said Corporation; and that the seal affixed to said Instrument is the proper corporate seal and was thereto affixed and said Instrument signed and delivered by said Vice-President as and for the voluntary act and deed of said Corporation, in the presence of deponent, who thereupon subscribed her name thereto as attesting witness.


Jo-Anne Rudy

Sworn to and subscribed
before me, the date
aforesaid.


Ernest Lebowitz
An Attorney at Law of New Jersey

Prepared by: Ernest Lebowitz, Esq.

EXHIBIT "A"

TO MASTER DEED FOR THE WINDMILL CLUB, SECTION III, A CONDOMINIUM

PERCENTAGE OF OWNERSHIP INTEREST IN THE GENERAL
AND LIMITED COMMON ELEMENTS

PHEASANT PLACE		FLAMINGO DRIVE	
UNIT	PERCENTAGE	UNIT	PERCENTAGE
1	1.57187	1	1.57187
2	1.53375	2	1.53375
3	1.53375	3	1.53375
4	1.57187	4	1.57187
5	1.61063	5	1.61063
6	1.53375	6	1.53375
7	1.53375	7	1.53375
8	1.61063	8	1.61063
9	1.57187	9	1.57187
10	1.53375	10	1.53375
11	1.53375	11	1.53375
12	1.57187	12	1.57187
13	1.61063	13	1.61063
14	1.53375	14	1.53375
15	1.53375	15	1.53375
16	1.61063	16	1.61063

EXHIBIT "A"
(CONTINUED)

TO MASTER DEED FOR THE WINDMILL CLUB, SECTION III, A CONDOMINIUM

PERCENTAGE OF OWNERSHIP INTEREST IN THE GENERAL
AND LIMITED COMMON ELEMENTS

CARDINAL LANE		SWAN ROAD	
UNIT	PERCENTAGE	UNIT	PERCENTAGE
1	1.57187	1	1.61063
2	1.53375	2	1.53375
3	1.53375	3	1.53375
4	1.57187	4	1.61063
5	1.61063	5	1.57187
6	1.53375	6	1.53375
7	1.53375	7	1.53375
8	1.61063	8	1.57187
9	1.61063	9	1.61063
10*	1.53375	10	1.53375
11	1.53375	11	1.53375
12	1.61063	12	1.61063
13	1.57187	13	1.57187
14	1.53375	14	1.53375
15	1.53375	15	1.53375
16	1.57187	16	1.57187

EXHIBIT "B"

BY-LAWS

OF

THE WINDMILL CLUB ASSOCIATION

ARTICLE I - NATURE OF BY-LAWS

These By-Laws are intended to govern the administration of The Windmill Club Association hereinafter referred to as "Association", a non-profit membership corporation organized under Title 15 of the Revised Statutes of New Jersey, together with the operation, administration and maintenance of all the common property, facilities and improvements within each separate Condominium and the appurtenant Recreation Area, within or otherwise a part of, that certain condominium community known as The Windmill Club, located in the Township of Howell, County of Monmouth and State of New Jersey, as described in Exhibit C to the Master Deed. Unless the context clearly indicates otherwise, all definitions set forth in said Master Deed or in R.S. 46:8B-3 are incorporated herein by reference.

ARTICLE II - MEMBERSHIP

The record owner of every Unit in the Condominium or the Additional Condominiums (hereinafter collectively referred to as the "Constituent Condominiums") shall be a member of the Association and subject to the provisions of the Articles of Incorporation and By-Laws of the Association, the Master Deed creating the Condominium in which the member is a Unit Owner and any rules and regulations promulgated by the Board of Directors of the Association (hereinafter the "Board"). Sponsor, its successors and assigns shall also be deemed a member of the Association.

ARTICLE III - BOARD OF DIRECTORS

SECTION 1. General Powers. The property, affairs and business of the Association and Constituent Condominiums shall be managed by the Board, which shall have all those powers granted to it by law or by the Articles of Incorporation of the Association. In addition, it shall have the following powers herein granted or necessarily implied which it shall exercise in its sole discretion.

(a) Cause the General Common Elements of the Constituent Condominiums, together with those Limited Common Elements for which it is responsible, to be maintained and repaired according to accepted standards, including but not limited to, cleaning, painting and decorating, plumbing, steam cleaning, carpentry, and such other normal maintenance and repair work as may be necessary;

(b) Unless a prior written waiver is obtained from all holders of at least ten (10) or more first mortgage liens encumbering Units within the Constituent Condominiums, to employ, by contract or otherwise, a professional manager, managing agent or an independent contractor, to oversee, supervise and carry out the responsibilities of the Board, which manager

may be the 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 or term as the Board deems necessary and proper provided however that (i) the term of any such contract may not exceed one (1) year, renewable by agreement of the parties for successive one-year periods; and (ii) such contract shall be terminable by the Association with or without cause upon thirty (30) days' written notice thereof. The Board may delegate to such manager, managing agent or independent contractor such powers as may be necessary to carry out the functions of the Board;

(c) Employ any person, firm or corporation to repair, maintain, and renovate the Recreation Area and all General Common Elements and Limited Common Elements for which it is responsible, to seed, sod, plant, transplant, prune, fertilize; water, cut, destroy, pull plants up or out, spray substances, put pesticides or other chemical or biological agents in, under or above the water or grounds, grass, trees, streams, waterways, and the right to dam or alter the flow thereof on the Constituent Condominium lands; build, erect, repair, maintain, and renovate recreation facilities; build, erect, repair, maintain and renovate roads, walks or paths; lay pipes, culverts; bury utilities; put up lights or poles, erect signs and traffic and safety controls of various sorts and maintain bulkheading;

(d) Make repairs, additions and improvements to or alterations and restoration of the Entire Tract and improvements now or hereafter located thereon in accordance with other provisions of these By-Laws after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

(e) Adopt and amend rules and regulations covering the details of the operation and use of the Recreation Area, other common property of the Association and the Constituent Condominiums;

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

(g) Employ or contract for water and sewer and supply and resell or lease the same; electricity, gas, or other forms of utilities; snow plowing or removal; painting, building, repairing, renovating, remodeling;

(h) Employ all managerial personnel necessary or enter into a management contract for the efficient discharge of the duties of the Board hereunder. Those employees who handle or are responsible for the handling of monies shall be bonded by a fidelity bond;

(i) Investigate, hire, pay, supervise, and discharge the personnel necessary to be employed in order to properly maintain and operate the Association property or otherwise discharge its duties hereunder. Compensation for services of such employees (as evidenced by certified payroll) shall be considered a Common Expense;

(j) Purchase or lease or otherwise acquire in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners within the Entire Tract, Units offered for sale or lease or surrendered by their owners to the Board;

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

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

(m) Coordinate the plans of owners and occupants of Units for moving their personal effects into the Unit or out of it, with a view towards scheduling such movements so that there shall be a minimum of inconvenience to others;

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

(o) Cause the Recreation Area or any other common property of the Association to be maintained according to accepted standards, including but not limited to, interior and exterior cleaning, painting and decorating, plumbing, steam cleaning, carpentry, and such other normal maintenance, repair work and replacement as may be necessary;

(p) Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises maintained by the Association placed thereon by any federal, state, county or municipal authority having jurisdiction thereover and by order of the Board of Fire Underwriters or other similar bodies;

(q) Arrange for maintenance of roads, walkways and parking areas, storm sewers and underground sprinkler system;

(r) Arrange for the removal of refuse from Building 24, the Recreation Area and all other common property of the Association and for sewage treatment and collection through the execution of leasehold agreements or otherwise;

(s) Arrange for security protection as necessary;

(t) Place and keep in force all of the following insurance coverages (to the extent obtainable and without prejudice to the right of each Unit Owner to insure his own Unit for his own benefit) and act as insurance trustee for all of the Unit Owners:

(1) Broad form insurance against loss by fire and against loss by lightning, windstorm and other risks normally included within extended coverage, insuring all structural portions of the Constituent Condominiums and the Recreation Area, together with all service machinery contained therein and covering the interest of the Constituent Condominium Unit Owners, the Association, the Board and their mortgagees as their interests may appear, in an amount equal to the full replacement value of the Buildings and other facilities, without deduction for depreciation; each of said policies shall contain a standard mortgagee clause in

favor of each mortgagee of a Unit, if any, which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear;

(2) To the extent obtainable, public liability insurance with such terms and policy limits as the Board may, from time to time, determine, covering each member of the Board, the managing agent, the manager and each member. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board shall review such limits once a year. Until the first meeting of the Board following the first annual meeting of the members, such public liability insurance shall be in amounts of not less than \$1,000,000 single limit for claims for bodily injury and property damage and in no event shall such coverage be reduced without approval by at least 66 2/3 percent of the Unit Owners insured thereunder;

(3) Automobile collision and liability insurance for all vehicles owned by the Association. Said collision insurance may be written with deductible coverage in an amount determined by the Board and said liability insurance shall be in an amount not less than that provided under the public liability policy aforesaid;

(4) Workmen's compensation insurance; and

(5) Such other insurance as the Board may determine.

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

All policies of physical damage insurance shall, to the extent obtainable, contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insured, including all mortgagees of Units. Duplicate originals of all policies of insurance and of all renewals thereof, together with proof of payment of premiums shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board shall obtain and be entitled to rely upon a qualified appraisal of the full replacement value of the Buildings, including all of the Units, the Recreation Area or any other common property of the Association without deduction for depreciation, for the purposes of determining the amount of fire insurance to be effected pursuant to this section.

Members shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any such member;

(u) Afford each Unit Owner, or such other persons, firms or corporations as may be entitled to same, and the holders of all first mortgages held by any bank, mortgage banker or other institutional lender encumbering any Unit within the Constituent Condominiums the right to examine the books and records of the Association during normal business hours or at such other time as may be deemed reasonable by the Board and to submit upon request and within ninety (90) days following the end of any fiscal year of the Association, an annual report of the Association and, within a reasonable time, any such other financial data which may be

reasonably requested by any such mortgage holders. All books and records of the Association shall be kept in the Sponsor's office until such time as control of the Association vests in the Unit Owners;

(v) Afford at least ten (10) days prior written notification of all regular and special meetings of the Association to the holders of all first mortgages held by any bank, mortgage banker or other institution, lender encumbering any Unit within the Constituent Condominiums who have requested same in writing and to permit any such mortgage holder to designate a representative to attend all such meetings;

(w) Afford (i) prompt written notification to the holder of any first mortgage held by any bank, mortgage banker or other lending institution encumbering any Unit in the Constituent Condominiums of any default in the Unit Owner's obligations under the applicable Master Deed and By-Laws which has not been cured within thirty (30) days of the date of default or of any condemnation proceedings involving any Condominium Property, and (ii) at least thirty (30) days prior written notification to the holder of any such mortgage which has requested same in writing of any change in the applicable Master Deed, Articles of Incorporation or By-Laws of the Association or any change in the management of the Condominium;

(x) Borrow and repay monies giving notes, mortgages or other security upon such term or terms as it deems necessary;

(y) Invest and reinvest monies, sue and be sued; collect interest, dividends, capital gains, exercise rights; pay taxes; make and enter into contracts; insure, enter into leases or concessions and to 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, including, but not limited to, title to real estate, 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;

(z) The powers granted to the Board herein to borrow money on a real estate mortgage, pass title to real estate, or purchase real estate shall only be exercised by the Board with the assent of seventy-five (75%) percent of the membership votes entitled to be cast at a meeting of the Association at which a quorum is present;

(aa) Set minimum standards for floor coverings installed by all Unit Owners in multi-family buildings with the exception of Sponsor;

(bb) Enforce obligations of the Unit Owners and to do anything and everything else necessary and proper for the sound management of the Constituent Condominiums and Recreation Area, 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 Constituent Condominiums or Unit Owners;

(cc) Establish and enforce rules and regulations for parking by and the assignment of parking spaces to Unit Owners, subject to the provisions of the Master Deed, Articles of Incorporation and these By-Laws; and

(dd) The powers herein granted or necessarily implied shall be construed to favor the broadest discretion of the Board except that the Board shall have the duty to exercise all of such powers as required by law and by subparagraphs (a), (d), (o), (p), (q), (t), (u), (v), (w), and (bb) of this Section 1 of Article III, and shall be governed by the following with respect to its fiscal duties and responsibilities.

(1) Common Receipts. The Board shall have the duty to collect as a “common receipt” assessed against each member of the Association, including Sponsor, its, his, her or their heirs, administrators, successors and assigns, a proportionate share of the cost of maintaining, operating, replacing, repairing or improving the roads in the Entire Tract, the Recreation Area, other Association property and for such other community-wide expenses, which expenses shall be known as “Community Expenses”. Said share shall be deemed a Common Expense of each Unit Owner and shall not exceed 1/384 per Unit Owner (the denominator of which fraction may be adjusted upward or downward in order to reflect the ultimate number of Units contained within the Entire Tract upon completion thereof), and shall include and shall take into account such amounts as may be deemed by the Board to be necessary to fund any reserves which the Board may establish for the future maintenance, replacement, repair and improvement of the Recreation Area, other Association property or for other community-wide expenses. Common receipts may also include assessments against Unit Owners of a particular Constituent Condominium for expenses which are applicable to and primarily benefit said Condominium, which expenses shall be known as “Condominium Expenses”. Such Unit Owner’s proportionate share of the Condominium Expense (which shall also be deemed a Common Expense) shall also include and take into account such amounts as may be deemed necessary by the Board to fund reserves for future Condominium Expenses. The Board shall have the power to estimate Community Expenses and Condominium Expenses in advance on an annual basis and to give notice thereof to the individual Unit Owners in the manner herein provided, and the same shall be a lien against the applicable Unit. However, anything to the contrary herein or in the Master Deed notwithstanding, the Board may vary the manner in which it determines Condominium Expenses for each Constituent Condominium based upon the services performed, the type, size or value of the Units, or upon such other factors as the Board may deem appropriate or as may be prescribed by the Master Deed for each such Constituent Condominium.

(2) Notice. The Board shall give notice to each Unit Owner in writing and to any Unit mortgagee who requires same of the amount estimated by the Board for Common Expenses for the management and operation of the Association for the next ensuing period, directed to the Unit Owner at his last known address by ordinary mail or by hand delivery. Said notice shall be conclusively presumed to have been delivered five (5) days after deposit in the United States mails. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior year’s assessment, and monthly installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board, provided, that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency which cannot be met by reserve funds earmarked for such contingency.

(3) Acceleration of Assessment Installment Upon Default. If a member shall be in default in the payment of an installment upon an assessment, the Board may accelerate the remaining installments of the assessment upon notice to the member, and the then unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the member, or not less than ten (10) days after the mailing of such notice to him at his last known address, whichever shall first occur. If such default shall continue for a period of thirty (30) days then the Board shall be obligated to (i) accelerate the remaining installments of the assessment; (ii) file a lien for such accelerated assessment as permitted by the Condominium Act; and (iii) notify the mortgagee of the Unit affected by such default. If said default continues for a period of 180 days then the Board shall have the duty to foreclose the foregoing lien pursuant to law and/or to commence a suit against the appropriate parties to collect said assessment. If a mortgagee of a first mortgage of record held by a bank, mortgage banker or other institutional lender or other purchaser of a Unit obtains title to such Unit as a result of foreclosure of such first mortgage or if such mortgagee obtained title to such Unit by a deed in lieu of foreclosure of such first mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of Common Expenses or other assessments by the Association pertaining to such Unit or chargeable to the former Unit Owner which became due prior to acquisition of title. Such unpaid share of Common Expenses and other assessments for that period prior to such acquisition of title, shall be deemed to be Common Expenses collectible from all of the appropriate remaining Unit Owners including such acquirer, his successors and assigns. The term "assessment" as used herein shall mean special assessments and assessments for Common Expenses.

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

(5) Power of Attorney to Mortgagee. In the event the Board shall not cause the enforcement procedures provided in subparagraphs (2) and (3) above to be implemented within the time provided, the first mortgagee of any Unit as to which there shall be such unpaid assessments is hereby irrevocably granted with a power of attorney to commence such actions and to do such things, all in the name of the Association. The said power of attorney is expressly stipulated to be coupled with an interest in the subject matter. The Association shall pay to such mortgagee all reasonable expenses which may be incurred by such mortgagee in furtherance of the exercise of the powers herein granted to such mortgagee as above provided.

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

(7) Expenditure of Funds. The amount of monies for Common Expenses deemed necessary by the Board, the classification of same as Community or Common Expenses, and the manner of expenditure thereof, including but not limited to, the allocation thereof shall be a matter for the sole discretion of the Board.

(8) Disbursement. The Board shall take and hold the funds as collected and shall disburse the same for the purposes and in the manner set forth herein and as required by law.

(9) Reserves. The Board shall not be obligated to expend all of the revenues collected in any accounting period, but may maintain various separate and distinct reserves for, among other things, the future maintenance, replacement, repair and improvement of the Association property, or Constituent Condominium property, and for emergencies, contingencies of bad weather or uncollected accounts. Notwithstanding anything to the contrary herein contained, the Board, in its determination of the Common Expenses and the preparation of a budget, shall specifically designate and identify what portion of the Common Expenses to be assessed against the Unit Owners is allocable to reserves for each separate item of repair and improvement of and to said property; and upon receipt of the Common Expenses, the amounts thus assessed and collected for any such separate item of repair and improvement shall either be deposited in a separate and identifiable interest-bearing savings account, or transferred to a separate and identifiable trust established pursuant to a written trust agreement between the Association, as Grantor, and the Treasurer and at least one other officer of the Association, as Trustees, the beneficiaries of which trust shall be the appropriate members of the Association from time to time. The express purpose of each such separate and identifiable savings account or trust shall be to hold the separate and accumulated portions of the annual assessment against the members as a reserve in order to fund each separate item of repair and improvement, provided, however, that no such savings account or trust agreement shall hold, permit, contemplate or provide for reserves for more than one specific item of repair or improvement, or the commingling or common investment of any monies assessed and collected for more than one such specific item of repair and improvement. Any reserves held pursuant to such trust agreements may be invested in either interest-bearing savings accounts or interest-bearing securities, either short or long term.

In lieu of the foregoing, the aforesaid reserves may be held in any manner consistent with applicable law so as to avoid or minimize the imposition of any income tax thereon.

(10) Annual Audit. The Board shall submit the books, records and memoranda to an annual audit by a disinterested certified public accountant who shall audit the same and render a report thereon in writing to the Board and in summary form to the members and such other persons, firms or corporations as may be entitled to same.

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

(i) Current Expenses, which shall include all receipts and expenditures within the year for which the budget is made, including a reasonable allowance for contingencies and working capital funds, except expenditures chargeable to reserves, to additional improvements or to operations. The balance of this current expense at the end of each year shall be applied to first repay all advances on account of working capital and thereafter to reduce the assessments for current expenses for the succeeding year, or for distribution to the membership, or to fund reserves hereinbefore described, as the directors shall determine;

(ii) Reserves for (a) deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually; and (b) replacement, which shall include funds for repair or replacement of General or Limited Common Elements, the Recreation Area or other facilities of the Association required because of damage, depreciation or obsolescence. Such reserves shall be funded by the regular monthly Common Expense payments rather than by extraordinary special assessments, and in no event shall any bank, mortgage banker or other institutional lender who holds title to any Unit be required to pay any sum for any reserves, whether by way of regular or special assessment or otherwise;

(iii) Capital expenditures, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the Recreation Area, other facilities of the Association or the General Common Elements of a Constituent Condominium;

(iv) Operations, which shall include the gross revenues from the use of the Recreation Area, other common facilities and from other sources. Only the additional direct expense required by any revenue-producing operation will be charged to this account, and any surplus from any operation shall be used to reduce the assessments for current expenses for the year during which the surplus is realized, or, at the discretion of the Board of Directors, in the year following the year in which the surplus is realized, losses from the operations shall be met by special assessments against members, which assessments may be made in advance in order to provide a working fund.

SECTION 2. Number and Qualifications. The affairs of the Association shall be governed by the Board. Until the first annual meeting of the Association and thereafter until their successors shall have been elected, the Board shall consist of three persons designated by the Sponsor, none of whom need be residents of the Constituent Condominiums. At such first annual meeting, the initial directors appointed by the Sponsor shall resign. Thereafter, the Board shall be composed of five (5) persons, elected by the Unit Owners and the Sponsor, all of whom shall either be owners or spouses of owners of Units within the Constituent Condominiums or officers, agents or employees of the Sponsor, its successors and assigns (who need not be Unit Owners). In the case of partnership owners, directors shall be members or employees of such partnership, or in the case of corporate owners (including the Sponsor, during such time as Sponsor shall be the owner of any Units) they shall be officers, stockholders, employees or duly appointed agents of such corporation, or in the case of fiduciary owners, they shall be fiduciaries or officers or employees of such fiduciaries provided that at least one of the members of the Board shall be a resident of the State of New Jersey.

SECTION 3. Election and Term of Office. At the first annual meeting of the membership, five members of the Board shall be elected. Three (3) members shall be elected for a one-year term and two members shall be elected for a two-year term. The members of the Board shall hold office until their respective successors have been elected. The Board appointed by the Sponsor shall act until the election has been completed at said first annual meeting. At any vote for membership on the Board, each Unit Owner, including the Sponsor, shall vote in accordance with the provisions of Section 8 of Article VI following for each position to be filled. If at any meeting for election of membership to the Board more than twice the number of candidates to be elected at such meeting are nominated, then and in such event there shall be two ballots for membership. At the end of the first ballot, the field of nominees shall be reduced so that there are no more than twice as many candidates running as there are positions to be filled, with those candidates receiving the least number of votes being eliminated. A second ballot shall be held, and on the second ballot those candidates receiving the most votes will be elected. If there are not more than twice the number of nominees for the number of positions to be filled, then there shall be one ballot, with those candidates receiving the most votes being elected to membership on the Board. If the candidates are being elected for varying periods of years, the candidates polling the highest votes will be considered elected for the longest period of years. After the first annual meeting of the Unit Owners, succeeding annual meetings shall be held during the same month of each succeeding year. At each annual meeting, members of the Board shall be elected by ballot in accordance with these By-Laws. Notwithstanding any other provisions of these By-Laws to the contrary, however, so long as the Sponsor shall own or have the right to construct five (5) or more Units within the Entire Tract, the Sponsor shall be entitled to elect at least one member of the Board for a one-year term. At such time as the Sponsor no longer owns five (5) or more Units, nor has the foregoing right to construct same, the member of the Board elected by the Sponsor shall vacate the Board, and the place vacated by the Sponsor's representative shall be filled by the remaining members of the Board as herein provided for the unexpired portion of the term.

SECTION 4. Regular Meetings. Regular meetings of the Board may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each director, personally, by mail, telephone or telegraph, at least five (5) days prior to the date named for such meeting.

SECTION 5. Special Meetings. Special meetings of the Board may be called by the President on three (3) days notice to each director, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) directors.

SECTION 6. Waiver of Notice. Before or at any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 7. Quorum. At all meetings of the Board, a majority of the Board members shall constitute a quorum for the transaction of business, and the acts of the majority of the Board members present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority, of the Board members present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

SECTION 8. Removal of Directors. At any regular or special meeting of the members of the Association duly called, any one or more of the directors, except the appointed directors and the directors who are the officers, agents or employees of the Sponsor, its successors and assigns, may be removed with or without cause by a two-thirds majority of all those votes entitled to be cast including those votes which are not present in person or by proxy and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

SECTION 9. Vacancies. Except in the case of directors appointed by the Sponsor, vacancies in the Board caused by any reason shall be filled by a vote of a majority of the remaining members of the Board at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. With respect to directors appointed by Sponsor, vacancies in the Board shall be filled by the appointment by Sponsor. Each person so elected or appointed shall be a member of the Board for the remainder of the term of the member whose term he is filling and until his successors shall be elected.

SECTION 10. Compensation. No member of the Board shall receive any compensation for acting as a director. However, directors may be reimbursed for out-of-pocket expenses and may be compensated for services rendered to or for the Association in any other capacity.

SECTION 11. Rules and Regulations. Without limiting the generality of the foregoing, the Board shall have the right to make reasonable rules and regulations as to the conduct of the owners or occupants of Units or other dwellings in the Entire Tract governing Association property and the Common Elements of all Constituent Condominiums; to preserve, protect and enhance the same, to prevent waste, erosion, depletion, to protect plantings, to protect seeded areas, trees, shrubs, grass, bushes, wildlife, water, banks, streams, dams, bridges, fish, birds, to destroy pests and pursuant to such authority to temporarily prohibit the Unit Owners or occupants from the enjoyment of access to or over such Association property and Common Elements for such reasonable periods as the Board in its sole discretion shall deem necessary from time to time. Such rules and regulations shall prohibit the use of the pond located in the Recreation Area for swimming, bathing, wading, sailing, fishing and other such recreational uses.

The Board shall have the further right, upon the same terms and conditions as set forth in this paragraph to make and enforce reasonable rules for the use of the Recreation Area and other common facilities and the conduct, dress, manner and deportment of the members, including the scheduling of use and such other rules and regulations as may be necessary for the health, safety and welfare of the users thereof. This power shall be deemed to

include the power to bar, limit or charge fees for the use of the Recreation Area or other facilities and to limit the number of users, time, use or user's deportment upon the facilities. Action by the manager shall be deemed to be action by the Board.

The Board shall have the power to levy fines against the Unit Owners or occupants of the Units for violations of any rules and regulations governing any Constituent Condominium(s) or the conduct of the Unit Owners and other persons. No fine may be levied for more than \$10.00 for any one violation; but for each day a violation continues after notice, it shall be considered a separate violation, and may not be imposed without at least ten (10) days prior notice to the Unit Owner of said violation and the opportunity for said Unit Owner to be heard by the Board prior to the imposition of any fine. A Unit Owner shall be jointly and severally liable with his tenant for payment of any fines levied upon the latter. Collection of the fines may be enforced against the Unit Owner(s) involved as if the fine were a Common Expense owed by the particular Unit Owner(s).

SECTION 12. Aesthetics. Without limiting any other term, condition or paragraph herein, the Board shall be deemed to be the final judge of all aesthetic matters within the entire community and the Constituent Condominiums and shall act in its sole discretion, without liability to any owner or occupant of any Unit or other dwelling within the Entire Tract.

SECTION 13. Non-Waiver. All the rights, duties and privileges of the Board shall be deemed to be continuing and shall not be exhausted by any single act or series of acts. To the same extent, the failure to use or employ any remedy or right hereunder or hereafter granted shall not preclude its exercise in the future nor shall any custom bind the Board.

ARTICLE IV - OFFICERS

SECTION 1. Designation. The principal officers of the Association shall be a President, a Vice-President, both of which shall be a member of the Board, and a Secretary and a Treasurer. The Board may also appoint such other Assistant Treasurers and Assistant Secretaries as in their judgment may be necessary. Any two offices, except that of President and Vice-President may be held by one person.

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

SECTION 3. Removal of Officers. Upon an affirmative vote of a two-thirds majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

SECTION 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

SECTION 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the members of the Association; he shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of the Secretary.

SECTION 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the same, and to the credit of the Association in such depositories as may from time to time be designated by the Board.

SECTION 8. Other Duties and Powers. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board.

SECTION 9. Fidelity Bonds. All officers and members of the Association and any other person or entity (including employees of any professional managers) having the responsibility for handling funds of the Association are to be bonded by a fidelity bond satisfactory in form and substance to the Board.

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

SECTION 11. Eligibility of Directors. Nothing herein contained shall prohibit a director from being an officer, but no director shall be eligible to serve as an auditor for the Association for any fiscal period which wholly or partially coincides with his term of office,

ARTICLE V - FISCAL YEAR

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

ARTICLE VI - MEETINGS OF THE UNIT OWNERS AND VOTING

SECTION 1. Time of Meeting. All meetings of the Association shall be held on the second Wednesday in November in each year, except that such first annual or special meeting shall not be held until the second Wednesday in November of the year following that year in which fifty-six (56) of the Units in “The Windmill Club, Section I” have been sold and conveyed to individual owners or three (3) years after the conveyance of the first Unit to an individual purchaser, whichever shall first occur. If the election of directors shall not be held on the day designated herein for any annual meeting or at any adjournment of such meeting, the Board of Directors shall cause the election to be held at a special meeting as soon thereafter as may be

convenient. At such special meeting, the members may elect the directors and transact other business with the same force and effect as at an annual meeting duly called and held.

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

SECTION 3. Special Meetings. After the first annual or special meeting, special meetings of members may be called by the President whenever he deems such a meeting advisable, and shall be called by the Secretary when so ordered by the Board of Directors or upon the written request of members entitled to not less than twenty-five (25%) percent of all the votes entitled to be cast at such meeting. Such request shall state the purpose or purposes of such meeting and the matter proposed to be acted on thereat. The Secretary shall give notice stating the purpose or purposes of the meeting to all members entitled to vote at such meeting. No special meeting need be called upon the request of members entitled to cast less than fifty (50%) percent of all votes entitled to be cast at such meeting to consider any matter which is substantially the same as a matter voted upon at any meeting of the members held during the preceding twelve months.

SECTION 4. Notice of Meeting. Except as otherwise provided by law, notice of each meeting of the Association, whether annual or special, shall be given not less than ten (10) days, nor more than sixty (60) days before the day on which the meeting is to be held, to each Unit Owner at the address of his Unit, by delivering a written or printed notice thereof to him personally by depositing same in his Unit mailbox, or by mailing such notice, postage prepaid. Except where expressly required by law, no publication of any notice of a meeting of the Association shall be required. Every such notice shall state the time and place of the meeting and shall state briefly the purposes thereof. Notice of any meeting of the Association shall not be required to be given to any members who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the members shall not be required to be given, except when expressly required by law.

SECTION 5. Quorum. At each meeting of the members, representation of a majority of the votes entitled to be cast, in person or represented by proxy, shall constitute a quorum for the transaction of business except where otherwise provided by law. In the absence of a quorum, such members present in person or represented by proxy and entitled to vote, by majority vote, may adjourn the meeting from time to time, until a quorum shall be present or represented. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting originally called.

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

SECTION 7. Conduct of the Meeting. The order of business at the annual meeting of the Association or any special meeting as far as practicable shall be:

- (a) Calling of the roll and certifying the proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Receiving reports of officers.
- (e) Receiving reports of committees.
- (f) Appointment of Judges of election, if appropriate.
- (g) Election of Directors, if appropriate.
- (h) Old Business.
- (i) New Business.
- (j) Adjournment.

Section 8. Voting Rights. The Association shall have two (2) classes of voting membership and two (2) types of votes.

(a) Class A: Class A members shall be all those owners as defined in Article II hereof with the exception of the Sponsor, its successors and assigns. Class A members shall be entitled to one (1) vote for each Unit to which they hold title, and in no event shall more than one (1) vote be cast with respect to any one (1) Unit notwithstanding that more than one (1) person may hold an interest or interests in such Unit. Votes cast on behalf of Class A members shall be "Class A votes".

Class B: The Sponsor, its successors and assigns shall be the Class B members. The Class B members shall be entitled to 5,760 "Class B votes". Upon each conveyance of title of an individual Unit within the Constituent Condominiums by the Sponsor to a purchaser who intends to reside in said Unit, such purchaser shall become a Class A member entitled to the votes prescribed aforesaid, and the number of Class B votes of the Sponsor shall be reduced by fifteen (15) times the number of Class A votes to which such purchaser has become entitled. In the event the Sponsor conveys in bulk any Units or the lands upon which the same are to be constructed to any person or entity, such person or entity shall succeed to the Class B membership rights of the Sponsor to the extent of fifteen (15) Class B votes per Unit so conveyed.

Notwithstanding the foregoing, Class B membership shall cease and become converted to Class A membership upon the occurrence of either of the following events, whichever occurs first:

(1) When certificates of occupancy for 360 Units within the Entire Tract have been issued by the appropriate municipal authority and such Units are subsequently conveyed to individual purchasers.

(2) November 1, 1983.

Upon and after the occurrence of these events, whichever first occurs, the Class B member shall thereupon be entitled to one (1) Class A vote for each Unit or planned Unit which it has not then conveyed to an individual purchaser.

Class B membership votes shall be cast by the persons appointed by the Sponsor to represent its interest.

It is the Sponsor's intention, in creating the two (2) classes of membership and votes above described, that during the early and mid-development stages of the Entire Tract, the Sponsor shall have control over each and every transaction of the Association.

(b) Weight of Votes. At meetings of the Association, no regard shall be given in counting votes on any question as to whether a particular vote cast is a Class A vote or a Class B vote; both types of votes are to be counted and weighted equally so as to aggregate a total number of votes for both memberships.

(c) No voting rights may be exercised by the Board with respect to Units owned by the Association.

(d) A quorum being present, a majority of all votes present in person or by proxy shall be sufficient on those matters which are to be voted on by the members. All proxies shall be in writing, signed by all individual owners of each such Unit or by his or their duly authorized representatives or by the Sponsor with respect to Class B votes, and delivered to the Secretary of the meeting, but no proxy shall be voted on after eleven (11) months from its date unless said proxy provided for a longer period. The election of directors shall be by ballot. Unless demanded by a majority of the holders of votes present in person or by proxy and voting at such meeting or determined by the Chairman of the meeting to be advisable, the vote on any other question need not be by ballot.

(e) There shall be no fractionalization of votes, and in the event the holders of any one vote are unable to agree on how to cast such vote, the same shall be counted and treated as an abstention.

SECTION 9. Judges. If at any meeting of the members a vote by ballot shall be taken on any question, the Chairman of such meeting shall appoint two judges to act thereat with respect to such vote. Each judge so appointed shall first subscribe an oath faithfully to execute the duties of a judge at such meeting with strict impartiality and according to the best of his ability. Such judges shall decide upon the qualifications of voters and shall report the number of votes represented at the meeting and entitled to vote on such question, shall conduct and accept the votes, and, when the voting is completed, shall ascertain and report the number of votes voted respectively for and against the question. Reports of judges shall be in writing and subscribed and delivered by them to the Secretary of the meeting. The judges need not be members of the Association, and any officer of the Association may be a judge on any question other than a vote for or against his election to any position with the Association or any other question in which he may be directly interested.

ARTICLE VII - TITLE TO UNITS

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

ARTICLE VIII - ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE ASSOCIATION

Whenever, in the judgment of the Board, General Common Elements or Association property shall require additions, alterations or improvements costing in excess of \$5,000, said alterations and improvements shall not be made unless they have been approved by a majority of the votes present in person or by proxy at a meeting of the Association called for such purpose at which a quorum is present. When said approval has been obtained, all Unit Owners shall be assessed for the cost thereof as a common charge as otherwise herein provided. In the event of any emergency which could cause damage to any Building or part(s) thereof, the Board may expend sums in excess of \$5,000 to protect said Building or part(s) and the judgment of the Board shall be final.

ARTICLE IX - ELECTRICITY, GAS, WATER AND HEATING

The utility charges for electricity, water, gas, sewage and trash removal from the Recreation Area and other Association property shall be paid by the Board as a Common Expense.

ARTICLE X - COMMON EXPENSES PAID BY SPONSOR

Until the conveyance of title to the first Unit in the Condominium, the Sponsor shall be solely responsible for all Common Expenses. Following the first conveyance, the Unit Owners to whom title shall have been conveyed by Sponsor shall be responsible for their then proportionate share of Common Expenses and until November 1, 1983, the Sponsor shall have the option to pay in lieu of its proportionate share, any deficit in the Common Expenses based upon the budget currently in effect which has been approved in writing by Sponsor. Thereafter, and in lieu of such deficit, the Sponsor shall pay only the Common Expenses levied against each unsold Unit in the Condominium to which it holds title and for which a Certificate of Occupancy has been issued by all governmental agencies having jurisdiction.

ARTICLE XI - MISCELLANEOUS

SECTION 1. Notices. All notices hereunder to any Unit Owner shall be delivered personally (which shall include placement in the Unit Owner's mailbox) or sent by ordinary mail to the address of his Unit, his last known address or to such other address as may have been designated by him from time to time in writing to the Board. All notices shall be deemed to have been given when delivered or mailed except notices of change of address which shall be deemed to have been given when received.

SECTION 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the enforceability or effect the balance thereof.

SECTION 3. Waiver. No restriction, condition, obligation or covenant contained in these By-Laws shall be deemed to have been abrogated or waived by reason of the failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XII - AMENDMENTS

These By-Laws, or any of them, may be altered or repealed or new By-Laws may be made, at any meeting of the Association duly constituted for such purpose, a quorum being present by an affirmative vote of fifty-one (51%) percent of the votes entitled to be cast in person or by proxy, except that (i) the first annual meeting may not be advanced; (ii) the first Board of Directors (including replacements in case of vacancies) may not be removed by reason of any such amendment or repeal; (iii) no provision for the assessment or collection of any reserve funds from Sponsor may be established without the affirmative vote of seventy-five (75%) percent of all of the votes entitled to be cast at such meeting.

ARTICLE XIII - ENFORCEMENT

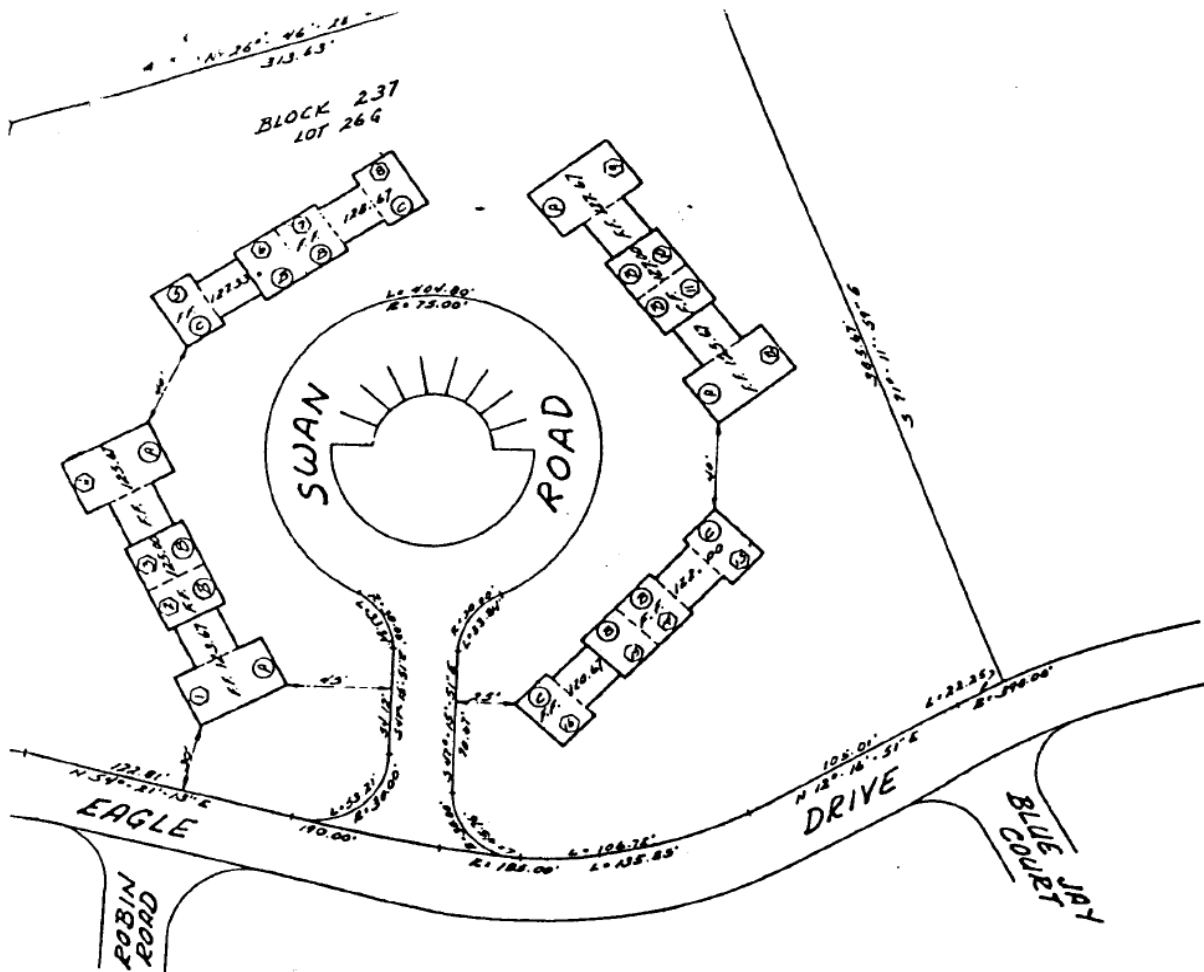
The Association shall have the power, at its sole option, to enforce the terms of this instrument or any rule or regulation promulgated pursuant thereto, by any or all of the following: self-help; by sending notice to the offending party to cause certain things to be done or undone; by restoring the Association to its original position and charging the breaching party with the entire cost or any part thereof; by suspending privileges to use and enjoy recreational facilities; by taking any other action before any court, summary or otherwise, as may be provided by law; by complaint to the duly constituted authorities. The foregoing shall be construed to be in addition to any other powers granted herein and by the New Jersey Condominium Act, not in limitation thereof.

ARTICLE XIV - EXCULPABILITY OF BOARD OF DIRECTORS

Neither the Board as a body nor any member thereof nor any officer or authorized agents of the Association, including the Board of Directors, officers and authorized agents of the Association, shall be personally liable to any Unit Owner in any respect to any action or lack of action arising out of the execution of his office. Each Unit Owner shall be bound by the good faith actions of the Board and the officers or authorized agents of the Association in the execution of their duties. Except for willful misconduct or bad faith, no Director, officer, or agent of the Association shall be liable to any Unit Owner or other person for misfeasance, malfeasance, negligence or otherwise. The owners of all Units in the Constituent Condominiums severally indemnify the Board, officers and authorized agents of the Association against any liability or claims except for those arising out of the bad faith or willful misconduct of the members of the Board or of said officers or agents. The liability of any such Unit Owner on account of any such indemnification shall be limited to such proportionate share thereof as the percentage of interest of such Unit in the Common Elements bears to the aggregate percentage interest of all Unit Owners in the General Common Elements. Members of the Board, and the officers and authorized agents of the Condominium Association shall not be required to be bonded except as expressly required pursuant to Section 9 of Article IV hereof.

ARTICLE XV - CONFLICT

Anything to the contrary herein notwithstanding, if any provision of this instrument is in conflict with or contradicts the Master Deed for the particular Constituent Condominium, the New Jersey Condominium Act or any other applicable law, such Master Deed, Act or other law shall be deemed controlling.



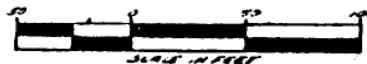
IN THE WORDING OF THE MASTER DEED
 REPRESENTATION OF THE IMPROVEMENTS
 BE DETERMINED THEREFROM THE
 SHOWN AND SIZE OF EACH UNIT WITHIN THE
 GENERAL AND LIMITED ELEMENTS

NOTES:

ALL DIMENSIONS & ELEVATIONS ARE
 PROPOSED AND ARE SUBJECT TO
 MINOR CHANGES DURING CONSTRUCTION

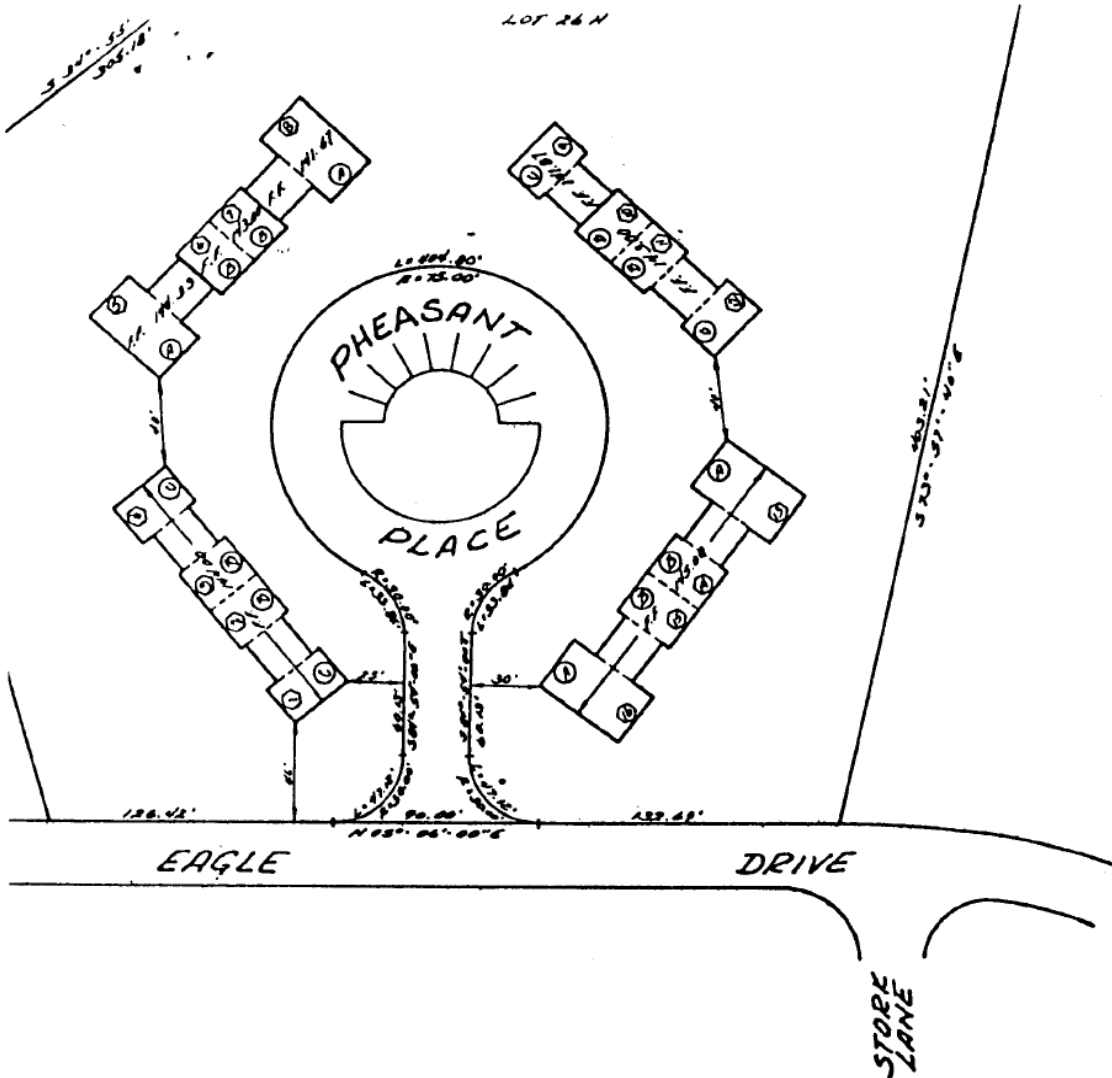
OF March 1990

L.S.
 4551



REVISION	HOWARD M. SCHOOR, P.E.-L.S. LIC. NO. 14551		DATE
	schoor engineering inc.		TOWNSHIP OF HOWELL MONMOUTH COUNTY, NEW JERSEY
	CONSULTING & MUNICIPAL ENGINEERS • 12011 566 0100 350 MAIN STREET • ROUTE 704 • MATAMoras, NEW JERSEY 07747		CONDOMINIUM PLAT THE WINDMILL CLUB SECTION III, A CONDOMINIUM SWAN ROAD BLOCK 237 LOT 264
SCALE	DATE	DRAWN BY	CHECKED BY
1" = 50'	MARCH, 1979	RFK	JLG
		FILE NO.	FIELD NO.
		77-20	

SHEET NO. — OF —



WITH THE WORDING OF THE MASTER DEED
 REPRESENTATION OF THE IMPROVEMENTS
 CAN BE DETERMINED THEREFROM THE
 EXTENSION AND SIZE OF EACH UNIT WITHIN THE
 GENERAL AND LIMITED ELEMENTS

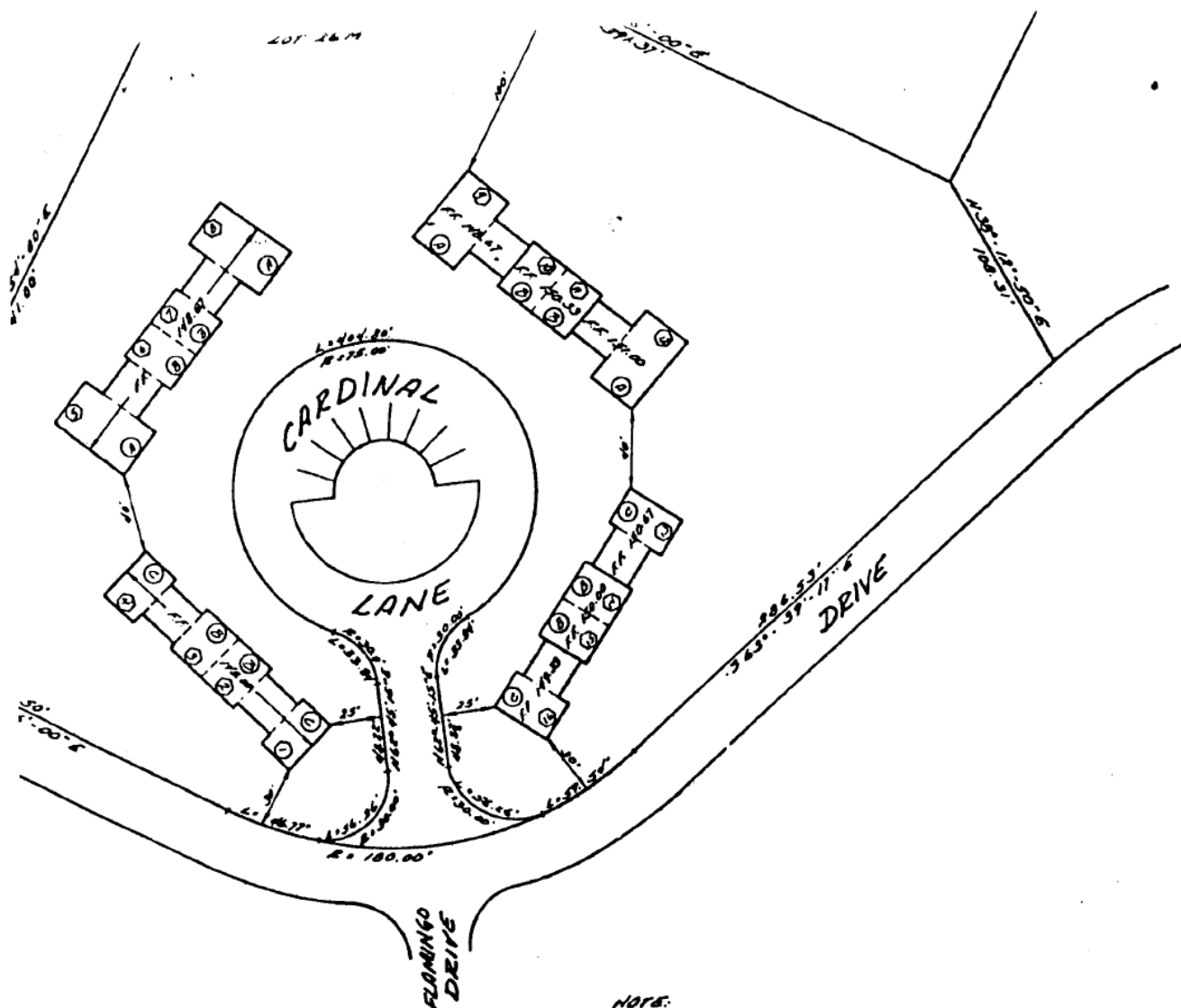
NOTE:
 ALL DIMENSIONS & ELEVATIONS ARE
 PROPOSED AND ARE SUBJECT TO
 MINOR CHANGES DURING CONSTRUCTION

day of MARCH 1980

W.D. L.S.
 18 MARCH



REVISION	HOWARD M. SCHOOR, P.E.-L.S. LIC. NO. 14551		DATE
	schoor engineering inc.		TOWNSHIP OF HOWELL MONMOUTH COUNTY, NEW JERSEY
	CONSULTING & MUNICIPAL ENGINEERS • 12011 566 0100 356 MAIN STREET (ROUTE 78) • MATAWAN, NEW JERSEY 07747		CONDOMINIUM PLAT THE WINDMILL CLUB SECTION II, A CONDOMINIUM PHEASANT PLACE BLOCK 237 LOT 26 N
SCALE	DATE	DRAWN BY	CHECKED BY
1" = 50'	MARCH, 1979	E.D.	J.L.A.
		FILE NO.	FIELD NO.
		77-20	-



WITH THE WORDING OF THE MASTER DEED
PRESENTATION OF THE IMPROVEMENTS
ON BE DETERMINED THEREFROM THE
VISION, AND SIZE OF EACH UNIT WITHIN THE
GENERAL AND LIMITED ELEMENTS

NOTE:

ALL DIMENSIONS & ELEVATIONS ARE
PROPOSED AND ARE SUBJECT TO
MINOR CHANGES DURING CONSTRUCTION

BY OF MARCH 1980

10 2.5
14557



REVISION	HOWARD M. SCHOOR, P.E.-L.S. LIC. NO. 14551		DATE
	schoor engineering inc. CONSULTING & MUNICIPAL ENGINEERS • 12011 566 0100 358 MAIN STREET (ROUTE 78) • MATAWAN, NEW JERSEY 07747		TOWNSHIP OF HOWELL MONMOUTH COUNTY, NEW JERSEY CONDOMINIUM PLAT THE WINDMILL CLUB SECTION III, A CONDOMINIUM CARDINAL LANE BLOCK 237 LOT 26 M
SCALE	DATE	DRAWN BY	CHECKED BY
1" = 30'	MARCH, 1980	C.F.F.	J.L.L.
		FILE NO.	FIELD NO.
		7750	

SHEET NO. — OF —

UNIT TYPES

RRY MODEL - RANCH TYPE
MODEL - 2 STORY TOWNHOUSE
MODEL - 2 STORY TOWNHOUSE

LEGEND

② UNIT TYPE

① UNIT NO

