Council on Affordable Housing (COAH)
Alternative Living Arrangement Survey

Municipality: BLOOMFIELD County: ESSEX

Sponsor: _____ Developer: _____

Block: 287 Lot: 9 Street Address: 121 LIBERTY ST.

Facility Name: PROJECT LIVE INC.

Type of Facility:

- ☐ Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- ☑ Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS))
- ☐ Transitional facility for the homeless
- ☐ Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- ☐ Congregate living arrangement
- ☐ Other – Please Specify: _____

For proposed new construction projects only:

Sources of funding committed to the project (check all that apply):
- ☐ Capital funding from State – Amount $_____
- ☐ Balanced Housing – Amount $_____
- ☐ HUD – Amount $_____
- ☐ Federal Home Loan Bank – Amount $_____
- ☐ Farmers Home Administration – Amount $_____
- ☐ Development fees – Amount $_____
- ☐ Bank financing – Amount $_____
- ☐ Other – Please specify: _____

Are funding sources sufficient to complete project?
___ Yes ___ No

# of bedrooms occupied by low-income residents 5

# of bedrooms occupied by moderate-income residents 0

Residents qualify as low or moderate income?
✓ Yes ___ No

Separate bedrooms? ___Yes ✓ No 1 shared

Affordability Controls? ___Yes ✓ No

Length of Controls: N/A years

Effective Date of Controls: N/A

Expiration Date of Controls: N/A

Average Length of Stay: N/A months (transitional facilities only)

☐ CO Date 5/24/06

Indicate licensing agency:
☐ DDD ☑ DMHS ☐ DHSS ☐ DCA

Initial License Date: 7/1/97

Current License Date: 5/24/06

The following verification is attached:

- ☐ Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- ☑ Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- ☐ Award letter/financing commitment (proposed new construction projects only)

Residents 18 yrs or older? ✓ Yes ___ No

Age-restricted? ✓ Yes ___ No

Population Served (describe) _____

Accessible (in accordance with NJ Barrier Free Subcode)? ___Yes ___No N/A

Affirmative Marketing Strategy (check all that apply):

- ☑ DDD/DMHS/DHSS/DCA waiting list
- ☐ Other (please specify): _____

CERTIFICATIONS

I certify that the information provided is true and correct to the best of my knowledge and belief

Certified by: Sylvia Porter _____ 7/25/06
Project Administrator Date

Certified by. _____ _____
Municipal Housing Liaison Date

License Number: 30219 C45-10-40

State of New Jersey
Department of Human Services

License

Project Live, Inc.
408 Bloomfield Avenue
Newark, NJ 07107

In accordance with Department of Human Services regulations N.J.A.C. 10:37 A, is hereby licensed to operate

Adult Group Home
for 5 Residents
at
121 Liberty Street
Bloomfield, NJ 07003

This license is effective from May 24, 2006 to May 23, 2007.

Kevin Ryan

Kevin M. Ryan, Comissioner

A6-1

PURCHASE MONEY MORTGAGE
(G89-01-01)

MORTGAGE made this 4th date of April, 2003 between the Mortgagor, Project Live, Inc., 408 Bloomfield Avenue, Newark, NJ 07107, and the Mortgagee, the State of New Jersey, Department of Human Services, Capital Place One, CN 700, Trenton, New Jersey 08625.

WHEREAS the Mortgagor is indebted to the Mortgagee in the sum of Two Hundred Sixty-Two Thousand Five Hundred Ninety-Nine dollars ($262,599), which indebtedness is evidenced by a Promissory Note dated April 4, 2003, and by a certain Agreement dated September 12, 2001, and amended on November 21, 2001, and April 4, 2003.

THEREFORE to secure the indebtedness of $ 262,599 lawful money of the United States, to be paid in accordance with the aforesaid Agreement, the Mortgagor does hereby mortgage the following described property located in the Township of Bloomfield, County of Essex, State of New Jersey, and more particularly described in Exhibit A annexed hereto and made a part hereof, the aforesaid property being designated as Block 287, Lot 9, on the tax map of said Township of Bloomfield, and having a street address of 121 Liberty Street

Upon default by the Mortgagor in the performance of any term, provision or requirement of the aforesaid Agreement of September 12, 2001, and as amended, or upon no-fault termination of said Agreement pursuant to Section 8.01 thereof, the entire amount of this mortgage shall, at the option of the Mortgagee, immediately become due and payable. Alternatively, upon Mortgagor default or upon no-fault termination of the

Agreement of September 12, 2001, and as amended, the Mortgagee may exercise other options as set forth in Section 5.02 of said Agreement.

The Mortgagor agrees that if default shall be made in any term, provision or requirement of the Agreement of September 12, 2001, and as amended, the Mortgagee shall have the right forthwith, after any such default, to enter upon and take possession of the said mortgaged premises and to operate same in accordance with the aforesaid Agreement.

The Mortgagor shall keep the building or buildings and improvements now on said premises, or that may hereafter be erected thereon, in good and substantial repair, and, upon failure to do so, the whole indebtedness secured and represented by this mortgage and the note accompanying same shall, at the option of the Mortgagee become immediately due and payable; and also the Mortgagee may enter upon the premises and repair and keep in repair the same, and the expense thereof shall be added to the sum secured hereby.

In the event that the aforesaid property is condemned, the proceeds of any award for damages, direct as well as consequential, or the proceeds of any conveyance in lieu of condemnation, are hereby assigned and shall be paid to the Mortgagee.

A6-3

IN WITNESS HEREOF, the Mortgagor has hereto set its hand and seal the day and year first written above.

Project Live Inc.
Agency Name (Mortgagor)

BY: _____ L.S.
Rev. Robert Cornier
President

ATTEST:

_____ L.S.
Secretary – Allen Lambly

State of New Jersey, County of Essex ss.: Be it Remembered, that on April 4, 2023, before me, the subscriber, personally appeared Rev Robert Cornier + Allen Lambly who, being by me duly sworn on his/her oath, deposes and makes proof to my satisfaction, that he is the Secretary of Project Live Inc, the agency named in the within Instrument; that Rev Robert Cornier is the chief executive officer of said agency; that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the governing body of the said agency; that deponent well knows the seal of said agency; and that the seal affixed to said Instrument is the proper seal and was thereto affixed and said Instrument signed and delivered by said chief executive officer as and for the voluntary act and deed of said agency, in the presence of deponent, who thereupon subscribed his/her name thereto as attesting witness.

Sworn to and subscribed before me,
the date aforesaid.

_____ Carmel Maccria
CARMEL MACCRIA
A Notary Public Of New Jersey
My Commission Expires 7/2/2007

Prepared by: Jeffrey R Kuschner
An Attorney at Law
of the State of NJ.

Council on Affordable Housing (COAH)
Alternative Living Arrangement Survey

Municipality: Bloomfield County: ESSEX

Sponsor: ARC Developer: (Same)

Block: 461 Lot: 7 Street Address 24 CLARENDON PLACE

Facility Name: ARC/Essex Co., Inc

Type of Facility:

- [x] Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- [ ] Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS))
- [ ] Transitional facility for the homeless
- [ ] Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- [ ] Congregate living arrangement
- [ ] Other – Please Specify: _____

# of bedrooms occupied by low-income residents 6

# of bedrooms occupied by moderate-income residents 0

Separate bedrooms? ✓ Yes ___ No

Affordability Controls? ___ Yes

Length of Controls: ____ years

Effective Date of Controls: __/__/__

Expiration Date of Controls: __/__/__

Average Length of Stay: ____ months (transitional facilities only)

For proposed new construction projects only:

Sources of funding committed to the project (check all that apply):

- [ ] Capital funding from State – Amount $_____
- [ ] Balanced Housing – Amount $_____
- [ ] HUD – Amount $_____
- [ ] Federal Home Loan Bank – Amount $_____
- [ ] Farmer's Home Administration – Amount $_____
- [ ] Development fees – Amount $_____
- [ ] Bank financing – Amount $_____
- [ ] Other – Please specify: _____

Are funding sources sufficient to complete project?
___ Yes ___ No

Residents qualify as low or moderate income?
X Yes ___ No

- [ ] CO Date: __

Indicate licensing agency:
✓ DDD [ ] DMHS [ ] DHSS [ ] DCA

Initial License Date: 8-28-81

Current License Date: 9-30-08

The following verification is attached:

- [ ] Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- [ ] Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- [ ] Award letter/financing commitment (proposed new construction projects only)

Residents 18 yrs or older? ✓ Yes ___ No

Age-restricted? Yes ✓ No

Population Served (Describe) Developmentally disabled Adults

Accessible (in accordance with NJ Barrier Free Subcode)? ___ Yes No

Affirmative Marketing Strategy (check all that apply):

- [x] DDD/DMHS/DHSS/DCA waiting list
- [ ] Other (please specify): _____

CERTIFICATIONS

I certify that the information provided is true and correct to the best of my knowledge and belief.

Certified by: Barbara Calderon 12/3/05
Project Administrator Date

Certified by: _____ _____
Municipal Housing Liaison Date

NOTICE TO BE SERVED ON OWNERS OF PROPERTY AFFECTED BY PROPOSED VARIANCE FROM ZONING ORDINANCE OF THE TOWN OF BLOOMFIELD

PLEASE TAKE NOTICE

That an appeal has been made to the Board of Adjustment of the Town of Bloomfield, New Jersey, to grant a variance from certain provisions of the Zoning Ordinance of the Town of Bloomfield, New Jersey.

Said appeal being made for premises to (circle whichever applies) erect, alter, move, convert, use

for the purpose of Increasing the residential capacity of developmentally disabled adults from six (6) to eight (8) persons.

contrary to the provisions of Section See Building Inspector's letter dated 11/18/80

of the said Ordinance, upon the premises known and designated as Lot No. 7

Block No. 461 on Tax Map of the Town of Bloomfield, and

known as 24 Clarendon Place (Street) (Avenue).

This notice is sent you as required by Section 40:55-44 of the Revised Statutes of New Jersey. A public hearing on this appeal has been ordered by said Board to be held on 11th day of December, 19~~X~~80 at 8:00 P.M., in the Council Chambers, Municipal Building, Bloomfield, N. J., at which time you may appear, either in person or by agent, or by attorney, and present any objection you may have relative to the granting of this appeal.

All plans and related papers are on file in the office of the Planning Coordinator (Room ~~#205~~ 214) Municipal Building, Bloomfield, N. J., and may be inspected by interested persons during regular office hours Monday through Friday.

This notice is served upon you by order of the Board of Adjustment.

Dated: November 24, 1980

Essex Unit, New Jersey Association for Retarded Citizens
Applicant

62 North Walnut St. East Orange, NJ
Address

Joseph L. Dimino, Executive Director
Agent

Council on Affordable Housing (COAH)
Alternative Living Arrangement Survey

Municipality: Bloomfield County: ESSEX

Sponsor: ARC Developer: _____

Block: 219 Lot: 13.02 Street Address 5 LINDEN AVE

Facility Name: ARC/Essex

Type of Facility:

- [X] Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- [ ] Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS))
- [ ] Transitional facility for the homeless
- [ ] Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- [ ] Congregate living arrangement
- [ ] Other – Please Specify: _____

# of bedrooms occupied by low-income residents 6

# of bedrooms occupied by moderate-income residents 6

Separate bedrooms? ___ Yes ___ No

Affordability Controls? ___ Yes

Length of Controls: ____ years

Effective Date of Controls: __/__/__

Expiration Date of Controls: __/__/__

Average Length of Stay: ____ months (transitional facilities only)

For proposed new construction projects only:

Sources of funding committed to the project (check all that apply):

- [ ] Capital funding from State – Amount $_____
- [ ] Balanced Housing – Amount $_____
- [ ] HUD – Amount $_____
- [ ] Federal Home Loan Bank – Amount $_____
- [ ] Farmers Home Administration – Amount $_____
- [ ] Development fees – Amount $_____
- [ ] Bank financing – Amount $_____
- [ ] Other – Please specify: _____

Are funding sources sufficient to complete project?
___ Yes ___ No

Residents qualify as low or moderate income?
___ Yes ___ No

[✓] CO Date: 1-2-92 Attached

Indicate licensing agency:

[✓] DDD [ ] DMHS [ ] DHSS [ ] DCA

Initial License Date: 12-91

Current License Date: 9-30-08

The following verification is attached:

- [ ] Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- [ ] Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- [ ] Award letter/financing commitment (proposed new construction projects only).

Residents 18 yrs or older? X Yes ___ No

Age-restricted? X Yes ___ No

Population Served (disabled) developmentally disabled Adults

Accessible (in accordance with NJ Barrier Free Subcode)? ___ Yes X No

Affirmative Marketing Strategy (check all that apply):

- [x] DDD/DMHS/DHSS/DCA waiting list
- [ ] Other (please specify): _____

CERTIFICATIONS

I certify that the information provided is true and correct to the best of my knowledge and belief.

Certified by: Barbara Calder 12/3/08
Project Administrator Date

Certified by: _____ _____
Municipal Housing Liaison Date

DEPT. OF COMMUNITY DEVELOP. & INSPECT.
Municipal Building
Bloomfield, N.J. 07003
201-680-4053
FRANK R. DOMENICK
Director

CERTIFICATE OF CONTINUED OCCUPANCY FOR A TRANSFER OF TITLE

Block 219 Lot 13.02
Subdivision

IDENTIFICATION

Owner Glenden Associates
Address 256 Broad St
Bloomfield, NJ
Tel. ( )

Agent
Address
Tel. ( )
Lic. No.
Federal Emp. No.

PAYMENTS

5 Linden Avenue
Certificate of Continued Occupancy (C. of C.O.) Address

R-2B
Zone Designation of C. of C.O. Address

Two Family Dwelling
Present Use of Building or Structure

After an inspection of the premises and an investigation of the available municipal records it has been determined that the present use of the existing building or structure does lawfully exist.

This Certificate shall evidence ONLY that a general inspection of the visible parts of the building has been made.

The transfer property is in satisfactory condition.

This Certificate is valid for a period of six (6) months from the date issued to the owner listed above.

This Certificate shall become null and void concurrent with the transfer of title.

Inspector's Remarks:

ARTHUR L. DRURY
C. of C.O. Inspector

Inspector's Signature

Yellow - Office Copy White - Applicant Copy

Council on Affordable Housing (COAH)
Alternative Living Arrangement Survey

Municipality: BLOOMFIELD County: ESSEX

Sponsor: _____ Developer: _____

Block: 481 Lot: 516 Street Address 2-10 MONTGOMERY ST. APT 7A

Facility Name: EASTER SEAL SOCIETY OF NJ

Type of Facility:

- ☐ Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- ☑ Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS))
- ☐ Transitional facility for the homeless
- ☐ Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- ☐ Congregate living arrangement
- ☐ Other – Please Specify: _____

# of bedrooms occupied by low-income residents 3

# of bedrooms occupied by moderate-income residents ___

Separate bedrooms? ✓ Yes ___ No

Affordability Controls? ___ Yes ✓ No

Length of Controls: ____ years

Effective Date of Controls: __/__/__

Expiration Date of Controls: __/__/__

Average Length of Stay: ____ months (transitional facilities only)

For proposed new construction projects only:

Sources of funding committed to the project (check all that apply):

- ☐ Capital funding from State – Amount $_____
- ☐ Balanced Housing – Amount $_____
- ☐ HUD – Amount $_____
- ☐ Federal Home Loan Bank – Amount $_____
- ☐ Farmers Home Administration – Amount $_____
- ☐ Development fees – Amount $_____
- ☐ Bank financing – Amount $_____
- ☐ Other – Please specify: _____

Are funding sources sufficient to complete project?
___ Yes ___ No

Residents qualify as low or moderate income?

✓ Yes ___ No

☐ CO Date: __/__/__

Indicate licensing agency:

☐ DDD ☐ DMHS ☐ DHSS ☐ DCA

Initial License Date: __/__/__

Current License Date: __/__/__

The following verification is attached:

- ☐ Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- ☐ Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- ☐ Award letter/financing commitment (proposed new construction projects only)

Residents 18 yrs or older? ✓ Yes ___ No

Age-restricted? ✓ Yes ___ No

Population Served (describe): Severly and persistently Mentally Ill

Accessible (in accordance with NJ Barrier Free Subcode)? ___ Yes ✓ No

Affirmative Marketing Strategy (check all that apply):

- ☐ DDD/DMHS/DHSS/DCA waiting list
- ☐ Other (please specify): _____

CERTIFICATIONS

I certify that the information provided is true and correct to the best of my knowledge and belief.

Certified by: William Hodgdon 8/10/06
Project Administrator Date

Certified by: _____ _____
Municipal Housing Liaison Date

Council on Affordable Housing (COAH)
Alternative Living Arrangement Survey

Municipality: Bloomfield County: Essex

Sponsor: Developer:

Block: Lot: Street Address 694 East Passaic Ave

Facility Name: The Center for Family Support.

Type of Facility:

- [x] Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- [ ] Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS))
- [ ] Transitional facility for the homeless
- [ ] Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- [ ] Congregate living arrangement
- [ ] Other – Please Specify:

# of bedrooms occupied by low-income residents 5

# of bedrooms occupied by moderate-income residents ___

Separate bedrooms? ✓ Yes ___ No

Affordability Controls? ___ Yes ✓ No

Length of Controls: ___ years

Effective Date of Controls: __/__/__

Expiration Date of Controls: __/__/__

Average Length of Stay: ___ months (transitional facilities only)

For proposed new construction projects only:

Sources of funding committed to the project (check all that apply):

- [ ] Capital funding from State – Amount $
- [ ] Balanced Housing – Amount $
- [ ] HUD – Amount $
- [ ] Federal Home Loan Bank – Amount $
- [ ] Farmers Home Administration – Amount $
- [ ] Development fees – Amount $
- [ ] Bank financing – Amount $
- [ ] Other – Please specify:

Are funding sources sufficient to complete project?
___ Yes ___ No

Residents qualify as low or moderate income?
✓ Yes ___ No

- [ ] CO Date: 6/1/02

Indicate licensing agency:

[x] DDD [ ] DMHS [ ] DHSS [ ] DCA

Initial License Date: 7/25/02

Current License Date: 12/31/06

The following verification is attached:

- [ ] Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- [ ] Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- [ ] Award letter/financing commitment (proposed new construction projects only)

Residents 18 yrs or older? ✓ Yes ___ No

Age-restricted? ✓ Yes ___ No

Population Served (describe): Mentally retarded adult men

Accessible (in accordance with NJ Barrier Free Subcode)? ___ Yes ✓ No

Affirmative Marketing Strategy (check all that apply):

- ■ DDD/DMHS/DHSS/DCA waiting list
- ☐ Other (please specify): _____

CERTIFICATIONS

I certify that the information provided is true and correct to the best of my knowledge and belief.

Certified by: Barbara Geale
Project Administrator — Date: 7/27/06

Certified by: _____
Municipal Housing Liaison — Date: _____

RECORDING INFORMATION SHEET

ESSEX COUNTY REGISTER'S OFFICE
HALL OF RECORDS , ROOM 130
465 MARTIN LUTHER KING Jr. Blvd
NEWARK NJ 07102

INSTRUMENT NUMBER:	DOCUMENT TYPE :
9092381	**DEED**

Official Use Only

CAROLE A. GRAVES, REGISTER
ESSEX COUNTY, NJ

INSTRUMENT NUMBER
9092381
RECORDED ON
October 28, 2009 10:30 am
BOOK:12224 PAGE:2525

LJ

Return Address *(for recorded documents)*

NEW JERSEY HOUS & MTG FIN AGCY

637 S. CLINTON AVENUE

P.O. BOX 18550

TRENTON NJ 08650-2085

No. Of Pages *(excluding Summary Sheet)*	23
Recording Fee *(excluding Transfer Tax)*	$250.00
Realty Transfer Tax	$0.00
Amount Charged **(Check # 3907)**	$250.00

Municipality	BLOOMFIELD
Parcel Information	**Block** 2 **Lot** 9
First Party Name	NEW JERSEY HOUS & MTG FIN AGCY
Second Party Name	MENTAL HEALTH ASSOCIATION

CONSIDERATION (R) $0.00

MAIL COPY _____
NO COPY _____
ENVELOPE _____

Additional Information (Official Use Only)

ADDITIONAL STAMPINGS _____

********** *DO NOT REMOVE THIS PAGE.* **********
COVER SHEET (DOCUMENT SUMMARY FORM) IS PART OF ESSEX COUNTY FILING RECORD
********** *RETAIN THIS PAGE FOR FUTURE REFERENCE.* **********

Record & Return to:
Yadira Garcia, Paralegal
New Jersey Housing and Mortgage
Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085

Project 99
HMFA # 2374
SNHTF # 147
DMHS # 24

FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT

Between

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

And

MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.

Prepared by:

Jennifer H. Linett
Deputy Attorney General

Special Needs Programs
Permanent Financing

THIS FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT (this "Agreement"), made and entered into as of this 26th day of October, 2009, by and between the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** (the "Agency" or "Lender"), a body politic and corporate and an instrumentality exercising public and essential governmental functions of the State of New Jersey (the "State") and **MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.**, ("Owner" or "Borrower"), a corporation organized and existing pursuant to the laws of the State of New Jersey and duly authorized to transact business in the State of New Jersey.

W I T N E S S E T H

In consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Agency and the Owner hereby agree as follows:

Section 1. Definitions and Interpretation. The following terms shall have the respective meanings set forth below:

"Act" means the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended from time to time, P.L. 1983, c. 530, N.J.S.A. 55:14K-1 et seq. , and the regulations promulgated thereunder.

"Assignment of Leases" means the Assignment of Leases by and between the Owner and Lender of even date herewith.

"DMHS" means the New Jersey Department of Human Services, Division of Mental Health Services, or its successors or assigns.

"Event of Default" means any of the events set forth in Section 31 of this Agreement.

"HUD" means the United States Department of Housing and Urban Development.

"Improvements" means the building together with all fixtures and utility improvements, easements and rights of way that are owned by the Owner and located on the Land.

"Land" means the real property described in Exhibit A attached hereto, on which the Project is located.

"Loan Documents" means and includes this Agreement, the Mortgage Note, the Mortgage and Security Agreement, the UCC-1 Financing Agreement, and Assignment of Leases.

"Loan" means the Mortgage Loan.

"Low Income" means a gross annual household income equal to 50% or less of the median gross annual household income for the same size within the relevant housing region.

"Mortgage" or "Mortgage and Security Agreement" means the mortgage of even date herewith that constitutes a first lien on a fee simple interest in the Project and Land, given by the Owner to the Agency to secure a Mortgage Loan.

"Mortgage Loan" means the loan made to the Owner by the Agency to finance a portion of the cost of the development and/or rehabilitation of the Project that will be located on the real property described in Exhibit A attached hereto, as evidenced by the Mortgage Note and secured by the Mortgage.

"Mortgage Note" or "Note" means the interest bearing non-recourse promissory note that contains the promise of the Owner to pay the sum of money stated therein at the times stated therein and that evidences the obligation of the Owner to repay the Mortgage Loan.

"Permitted Encumbrances" means the Mortgage, together with any encumbrances permitted thereunder or hereunder.

"Program" means the Shared Living Residence Rental Program under the DMHS component of the New Jersey Community Housing Demonstration Programs.

"Project" means the Improvements located on the Land described in Exhibit A attached hereto, to be financed, in part, with the proceeds of the Loan together with the Land.

"Regulations" means the regulations promulgated or proposed by the United States Department of Housing and Urban Development.

"State" means the State of New Jersey.

"UCC-1" means the UCC-1 Financing Agreement(s) of even date herewith.

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice-versa, when appropriate. This Agreement and all the terms and provisions thereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. <u>Background and Purpose</u>. The Owner proposes to acquire the Land, construct the Project and operate a Project to be located on the Land. The Project will carry a permanent loan of One Hundred Ten Thousand Dollars ($110,000) with zero percent (0%) interest rate, per annum, during the permanent mortgage term of thirty (30) years. The Lender will hold a first mortgage lien on the Project during the term of the Mortgage Loan. Financing for the Project shall be derived in part from the Lender's Program and more specifically further as follows:

(a) The Owner has requested from the Lender a Mortgage Loan, up to the principal amount of $418,377 pursuant to the provisions of the Act. The Mortgage is evidenced by the Owner's nonrecourse Mortgage Note of even date herewith and is secured by the Mortgage on the Project;

In connection with the Mortgage, the Owner and the Agency have entered into this Agreement.

In connection with its application for the Loan, the Owner has furnished to the Agency various details as to the Project, including the description of Land on which it is to be situated, plans and specifications for the construction/rehabilitation of the Project, the tenant population that shall be housed in the Project, the number of units of each type to be included therein, the estimated costs of providing the Project, details as to the Project income and expenses of the Project once constructed and/or rehabilitated and placed in operation and arrangements for any tax abatement for the Project.

Section 3. <u>Residential Rental Property</u>. The Owner hereby represents, covenants, warrants and agrees that:

(a) The project is located in the City of Nutley, in the County of Essex. This project will provide service-enriched affordable housing to three (3) individuals with mental illness, when complete. The proposed project consists of the acquisition and rehabilitation of a 1,683 s/f single-family home in Bloomfield. The two-story home was built in 1926. The first floor includes a den, kitchen, living room, dining room and one half bathroom. The second floor includes three bedrooms and one full bathroom. The house also includes a finished basement. The property has a three-car driveway and one-car garage. The property will be landscaped and will have outdoor community space in the rear of the home. The Sponsor intends to change the existing layout. The first floor will include a den, living/dining room, large kitchen with a closet for the washer and dryer, handicap accessible bedroom and handicap accessible full bathroom. The second floor will include two bedrooms, a study and one full bathroom. The finished basement will contain a full bathroom. The Sponsor will also be replacing existing windows, roof tile and repairing a crack in foundation. The 3,500 s/f (35x100) property is in close proximity to a variety of amenities. Retail, public transportation, and many other services including a park for recreation are all within walking distance of the property. The project is in a Smart Growth Area.

(b) The Project is to be utilized at all times in accordance with the types of use as permitted by the Act and the Program and as may be approved by the Agency. The Project shall be subject to use and occupancy and/or lease agreements between the Owner and the residents.

Section 4. <u>Low Income Tenants</u>. The Owner hereby represents, warrants and covenants that all of the bedrooms shall be occupied or available for occupancy by Low Income Tenants for a period of thirty (30) years from the date hereof.

Section 5. Additional Representations, Covenants and Warranties of the Owner. The Owner represents, warrants and covenants that:

(a) The Owner (i) is a corporation, duly organized, validly existing and in good standing under the laws of the State and duly authorized to transact business in the State; (ii) has filed with the Agency a true and complete copy of its Certificate of Incorporation with all amendments, if any, thereto; (iii) has the power and authority to own or lease its properties and assets, including the Project and the Land, and to carry on its business as now being conducted (and as now contemplated), and to borrow the proceeds of the Loans; and (iii) has the power to execute and perform all the undertakings of this Agreement and the other Loan Documents.

(b) All necessary legal action has been taken to authorize the execution, delivery and performance of the Loan Documents by the Owner.

(c) The Loan Documents have been duly executed and delivered by the Owner and constitute the valid and legally binding obligations of the Owner, enforceable against the Owner in accordance with their respective terms.

(d) To the best of the Owner's knowledge after due and diligent inquiry, the execution and performance of this Agreement, the Loan Documents and other instruments required pursuant to this Agreement by the Owner, (i) will not violate or, as applicable, have not violated, any provision of law, rule or regulations, any order of any court or other agency or government or any provision of any document to which the Owner is a party; and (ii) will not violate or, as applicable, have not violated, any provision of any indenture, agreement or other instrument to which the Owner is a party, or result in the creation or imposition of any lien, charge or encumbrance of any nature other than the Permitted Encumbrances.

(e) The Owner will, at the time of execution of this Agreement or at the time of the closing of the Loan and subject only to such exceptions as have been disclosed in writing to the Agency and which will not materially interfere with or impact the beneficial use of the Project and Land for purposes of the Project; have good and marketable title to fee simple interest in the premises constituting the Land and the Project free and clear of any lien or encumbrance (subject to Permitted Encumbrances and encumbrances created or contemplated pursuant to this Agreement).

(f) There is, after due and diligent inquiry, no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.

(g) To the best of the Owner's knowledge after due and diligent inquiry, the operation of the Project in the manner presently contemplated and as described in this Agreement will not conflict with any zoning, water or air pollution or other ordinance, order, law or regulation applicable thereto. The Owner has caused the Project to be designed in accordance with all applicable federal,

state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality and will proceed with due diligence to rehabilitate the Project pursuant to the Architectural Contract.

Further, the Owner has received or shall obtain all necessary governmental approvals and building permits for construction, rehabilitation and operation of the Project in accordance with the plans and specifications and the Architectural Contract, and shall obtain in a timely manner any and all required extensions of governmental approvals, including, but not limited to, site plan approval.

(h) The Owner has filed, caused to be filed by it, or shall file all federal, state and local tax returns which are required to be filed by it, if any, and has paid or caused to be paid all taxes as shown on said return or on any assessment received by it, to the extent that such taxes have become due.

(i) To the best of the Owner's knowledge, after due and diligent inquiry, the Owner is not in material default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party that may materially affect this Project.

(j) The information contained in the Project description provided in the applications for the Loan is accurate in all material respects and does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(k) Except for Leases contemplated by the Project and Section 17 of this Agreement, the Owner shall not during the term of this Agreement sell, transfer or exchange, the Project or the Land (or any part thereof or any interest therein) at any time except in accordance with the terms of the Mortgage, this Agreement, the Act and the regulations promulgated pursuant to the Act, and unless such sale, transfer or exchange shall have been approved by the Agency. The Owner shall notify in writing and obtain the agreement in writing of any buyer or successor or other person acquiring the Project or Land or any interest therein, in a form acceptable to the Agency that such acquisition is subject to the requirements of this Agreement. This provision shall not act to waive any other restriction on such sale, transfer or exchange.

(l) The Owner has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof and the Mortgage, and in any event, the requirements of this Agreement and the Mortgage are paramount and controlling as to the rights and obligations herein and in the Mortgage and such requirements shall supersede any other requirements in conflict herewith and therewith.

(m) All statements contained in all applications, correspondence or other materials delivered to the Agency by the Owner in connection with its consideration of the Loan to the Owner or relating to the Project are materially true and correct.

(n) The representations, covenants and warranties of the Owner contained in this Agreement on the date of its execution are true and shall continue to be true at all times during the term of this Agreement.

(o) No event has occurred and no condition exists which constitutes an Event of Default under this Agreement or the Mortgage or which, but for a requirement of notice or lapse of time, or both, would constitute such an Event of Default.

(p) As of the date of this Agreement, the Architectural Contract is in full force and effect and no default has occurred thereunder, and a true copy of the entire Architectural Contract with all modifications and addenda to date has been filed with the Agency.

Section 6. Covenants to Run With the Land. The covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and, except as provided in Section 7 hereof, shall pass to and be binding upon the Owner's assigns and successors in title to the Land or the Project; provided, however, that upon the termination of this Agreement in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Land or Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project and Land.

Section 7. Term. This Agreement shall remain in full force and effect until all indebtedness from the Owner to the Agency in respect to the Project shall have been paid in full in accordance with the provisions of this Agreement and the other Loan Documents.

Section 8. Reserved.

Section 9. Reserved.

Section 10. Insurance; Condemnation. The Owner shall cause the buildings on the premises and the fixtures and articles of personal property covered by the Mortgage to be insured against loss by fire and against loss by such other hazards as may be required by the Agency for the benefit of the Agency, including, but not by way of limitation flood insurance if any part of the Project is located in an area designated by or on behalf of the federal government as having specific flood hazard. Such insurance shall be written by such companies, in an amount not less than the full insurable value of the Project exclusive of excavations and foundations and in such forms as are satisfactory to the Agency. The Owner shall assign and deliver the policies to the Agency, and the Agency shall be loss payee under such policies. Such policies shall provide that the insurer may not cancel the policy and will not refuse to renew the policy except after thirty (30) calendar days written notice to the Agency. If the Agency shall not receive evidence satisfactory to it of the existence of effective insurance coverage as required by the Agency, the Agency may (but shall not be required

to) obtain such coverage and the Owner shall reimburse the Agency on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed the amount of such premiums shall be added to the principal amount of the Mortgage and shall bear interest at the then current rate being paid by the Agency on its borrowing as determined in good faith by the Agency. Valid participation by the Owner in a blanket insurance program offered by or through the Agency or approved by the Agency shall be satisfactory evidence of the required insurance for each type or class of coverage.

In the event of substantial damage to the Project by the occurrence of an insured casualty or the taking of a substantial portion of the Project by condemnation, if, in the sole judgment of the Agency (which judgment shall be conclusive): (a) the Project can be replaced or restored in whole or in part, and (b) the Project as so replaced will produce sufficient income to meet the obligations of the Owner under the Loan Documents, the proceeds of insurance or condemnation, together with any other money available for such purpose, if sufficient, shall be made available to the Owner, subject to the approval of the Agency. To the extent the Project is not replaced or restored, the balance of such proceeds shall be applied to the indebtedness secured thereby. Nothing in this Section shall affect the lien of this Agreement and the obligation of the Owner under the Loan Documents to pay the entire balance of the Loan.

The Owner shall maintain continuously in effect such other insurance coverage of the types and in the amounts specified by the Agency, including workers' compensation insurance and other insurance required by law with respect to employees of the Owner, and liability insurance, protecting the Owner and the Agency against any loss or liability or damage for personal injury or property damage with respect to the Project. Owner shall also maintain use and occupancy insurance covering loss of revenues derived from the Project by reason of interruption, total or partial, of the use of the Project resulting from loss or physical damage thereto in an amount not less than one year's gross rental income. The Owner shall carry fidelity bond insurance covering all employees of the Owner authorized to handle the revenues derived from the Project in an amount equal to one-half times the maximum monthly rent roll.

Section 11. <u>Taxes or Payments in Lieu of Taxes</u>. Unless the Owner has received a full tax exemption for the taxes on the Project at the time the Owner takes title to the Project, the Owner covenants and agrees to pay any valid municipal taxes, charges, assessments, water charges and/or sewer charges, and in default thereof the Agency may pay the same. Any such sum or sums so paid by the Agency shall be added to the principal sum secured by the Mortgage, as determined by the Agency, and shall bear interest at the then current rate being received by the Agency on its investment as determined in good faith by the Agency.

Section 12. <u>Liens</u>. The Owner covenants and agrees to maintain its right, title and interest in the Project and Land and all items enumerated in Section 7 of the Mortgage free and clear of all liens and security interests, except Permitted Encumbrances, those exceptions identified and set forth in title insurance commitments and title insurance commitment number ST-22581 issued by Select Title Agency dated August 13, 2009. Except with the written consent of the Agency, the Owner will

not install any item of tangible personal property as part of the fixtures or furnishings of the Project, which is subject to a purchase money lien or security interest.

The Agency may, at its sole option, pay the amount necessary to discharge any such lien, and the Owner shall promptly reimburse the Agency for any amounts so paid. Until reimbursement of the Agency of any amounts so paid, such amount shall be added to the Principal Sum as defined in and secured by the Mortgage, as determined by the Agency, and shall bear interest at the then current rate being received by the Agency on its investments as determined in good faith by the Agency.

Section 13. Encumbrances - Sale of Project. The Owner covenants and agrees not to sell, lease or otherwise encumber the Project or the Land, or any part thereof, or the rents or revenues thereof without prior written consent of the Agency, except by leasing to eligible residential tenants as provided by the Mortgage and this Agreement.

Section 14. Maintenance, Repair and Replacement. The Owner covenants and agrees to maintain the Project and the appurtenant equipment and grounds in good repair and condition so as to provide decent, safe and sanitary housing accommodations.

Following completion of rehabilitation, the Owner will not make any substantial alteration in the Project without the consent of the Agency, nor will the Owner permit the removal of any fixtures or articles of personal property except in connection with the replacement thereof with appropriate property of at least equal value and free of all liens or claims.

The Owner will not permit any waste with respect to the Project or any of its real or personal property without the consent of the Agency, or make any alteration which will increase the hazard of fire or other casualty.

Section 15. Advance Amortization Payments. The Note is pre-payable at any time without a prepayment penalty.

Section 16. Compliance with the Program, the Act, Agency's Regulations and Any Federal or State Subsidy Source. The Owner covenants and agrees to comply with the Program, the Act and any regulations promulgated pursuant thereto, and with any amendments or supplements to the Program, the Act or regulations. Throughout the term of this Agreement, the Owner further covenants and agrees to comply with any and all requirements imposed upon it as a condition of any federal or state grant, subsidy or loan.

Section 17. Use of Project - Leasing. Except as otherwise expressly provided in Section 3 and 4 of this Agreement or as otherwise agreed to in writing by the Agency, and except for facilities approved by the Agency as normally appurtenant to residential projects for non-transients (such as laundry facilities), the Project shall be used solely (or as otherwise may be approved by the Agency) to provide handicapped accessible, affordable housing units under the Agency's Program.

Section 18. Consideration for Lease. The Owner covenants and agrees not to require as a condition of the occupancy or leasing of any dwelling unit in the Project and not to accept or allow any employee or agent to accept any consideration other than the prepayment of the first month's rent, plus a security deposit not in excess of one (1) month's rent to guarantee the performance of the covenants of the rent agreement or lease.

Section 19. Security Deposit The Owner covenants and agrees to deposit all moneys paid to the Owner by any resident, if any, as a security deposit for the payment of rent or other allowable charges under any use and occupancy agreement and/or lease in a separate interest bearing bank account held and maintained in accordance with applicable law.

Section 20. Account for Project Revenues/Operating Account. The Owner covenants and agrees to establish an account for Project Revenues specific to the Project. "Project Revenues" shall mean all rents and other revenues of any type whatsoever received in respect of the Project or the Owner, except for Loan disbursements. Project Revenues shall be deposited in such account and all operating expenses should be paid from this account.

Section 21. Reserve and Escrow Payments

On the date of the execution of this Agreement, the Owner will deposit with the Agency the following amounts which will serve as a reserve against late payments and be available to pay expenses when due:

(a) one monthly installment of debt service on the First Mortgage Note, including principal and interest;

(b) an amount equal to one-half (1/2) of the estimated annual insurance payments; and

Commencing with the Amortization Date, as defined in the First Mortgage Note, and on the first day of each month thereafter, the Owner will pay to the Agency, along with the monthly principal and interest payment, the following:

(c) one-twelfth (1/12) of the estimated annual amounts necessary to pay insurance premiums, if applicable.

(d) an amount as agreed upon between the Borrower and the Agency and as reflected in the Form 10 budget for the Project as a reserve for repairs and replacement.

All reserve and escrow payments required pursuant to this Section shall be held in accounts under the sole control of the Agency and shall be paid out for the benefit of the Project as needed on request of the Owner or on the Agency's own initiative. Any interest which may be earned on such reserves shall remain in the escrow accounts and shall be used for similar purposes unless the Owner and Agency mutually agree to apply the funds to some other Project purpose.

If the Agency determines that the payments specified herein are insufficient to insure prompt payment of taxes, payments in lieu of taxes, insurance premiums, or to properly fund painting, decorating, repair and replacement needs with respect to the Project, then the Agency may require increases in the required payments necessary to assure proper funding.

Section 22. Inspection of Premises. The Owner covenants and agrees to permit the Agency, its agents or representatives, to inspect the Project at any and all reasonable times with or without notice, pursuant to the provisions of the Act.

Section 23. Books and Records. The Owner covenants and agrees to maintain adequate books and records of its transactions with respect to the Project in the Owner's standard form. Such books and records shall be available for inspection and audit by the Agency or its agents at any time during business hours, with notice, pursuant to the provisions of the Act. The Owner further covenants and agrees to cause the financial affairs with respect to the Project to be audited by independent certified public accountants and shall furnish the Agency with its audit report of such accountants as may from time to time be required by the Agency.

The Owner shall furnish to the Agency such other information and reports respecting the Project as may from time to time be required by the Agency.

Section 24. Management Contract. The Owner may, and if the Agency so elects, shall contract for the services of a firm experienced in real estate management to act as the managing agent for the Project. The selection of any such managing agent, the scope of the agent's duties and the basis of the agent's compensation shall be the subject of a consultation between the Agency and the Owner and any contract for the employment of any managing agent shall provide that such contract may be terminated by the Agency at any time by notice of such determination by the Agency given to the Owner and managing agent.

Section 25. Prohibited Actions. Except with the express approval of the Agency, which approval shall not be unreasonably withheld, the Owner shall not with Project Revenues (as defined in Section 20 hereof), Loan disbursements or grant advances:

1. incur any liabilities, except in connection with the acquisition, rehabilitation and rental of the Project and its operation and maintenance;

2. engage in any business activity except the ownership and operation of the Project;

3. enter into contracts for managers, attorneys, accountants or other services without the prior written approval of the Agency;

4. pay more than fair market value thereof for goods or services; and

5. pay compensation to any officer, director or partner in such capacity or make any cash distribution to any of the foregoing.

Section 26. Transfers of Ownership Interests. The Owner shall not transfer or sell any interest in the Project, except in accordance with the Agency's regulations governing such transfers.

Section 27. Statutory Powers and Restrictions. The Mortgage shall be subject to the restrictions in the Act, and in connection therewith, the Agency shall have the powers set forth in the Act and the regulations now or hereafter promulgated pursuant to the Act and the Owner hereby consents to such restrictions and agrees to be bound thereby. Such powers and restrictions shall be in addition to and not in limitation of the rights of the Agency expressly set forth in this Agreement.

Section 28. Accounting in Event of Default; Estoppel. Upon the occurrence of an Event of Default and within ten (10) business days of demand therefore by the Agency, and otherwise within ten (10) business days of written demand by the Agency, the Owner will furnish to the Agency in writing a statement of the principal amount remaining due on the Loan, together with a statement of any known defenses which may exist as to any liability of the Owner on the Notes or otherwise thereunder.

Section 29. Financing Statements. The Owner hereby irrevocably authorizes the Agency to execute on its behalf one or more financing statements or renewals thereof in respect to any of the security interests granted by the Mortgage.

Section 30. Assignment by Agency. The Owner hereby consents to any assignment of any Loan Document by the Agency.

Section 31. Defaults. Each of the following shall be an Event of Default:

(a) failure by the Owner to pay more than thirty (30) calendar days after the due date any installment of principal or interest on the Loan or any other payment required by the Owner to the Agency or any other person pursuant to the terms of this Agreement, the Mortgage or the other Loan Documents; provided, however, that interest shall accrue on any payment made beyond its due date;

(b) commission by the Owner of any act prohibited by the terms of this Agreement, the Mortgage or any other Loan Document, failure by the Owner to perform or observe in a timely fashion any action or covenant required by any of the terms of this Agreement, the Mortgage or any other Loan Document, or failure by the Owner to produce satisfactory evidence of compliance therewith;

(c) the filing by the Owner under any federal or state bankruptcy or insolvency law or other similar law of any petition in bankruptcy or for reorganization or composition with creditors or the making of an assignment for the benefit of creditors;

(d) the filing against the Owner of a petition seeking its adjudication as a bankrupt or the appointment of a receiver for the benefit of its creditors which shall not have been dismissed within sixty (60) calendar days of the filing thereof, or the adjudication of the Owner as a bankrupt or the

appointment of a receiver for the benefit of its creditors: or the appointment by court order of a custodian (such as a receiver, liquidator or trustee) of the Owner or of any of its property or the taking of possession of the Owner or any of its property for the benefit of its creditors and such order remains in effect or such possession continues for more than sixty (60) calendar days;

(e) the occurrence of substantial destruction of the Project by an uninsured casualty or the inability to replace or restore the Project in accordance with Section 10;

(f) any representation in conjunction with the Loan and the Project by or on behalf of the Owner that is knowingly false or misleading in any respect or warranty of the Owner that is breached;

(g) any breach by the Owner of its obligations or any failure to observe its covenants under this Agreement, and the other Loan Documents; and

(h) failure to complete the Project.

(i) failure or refusal to acquire, rehabilitate, operate and/or maintain the Project in accordance with the Program.

The events set forth in the subsections (b) and (g) of this Section shall not constitute Events of Default until the prohibited acts, failure to perform or observe, or breaches shall remain uncured for a period of thirty (30) calendar days after the Agency's written notice to the Owner, specifying such prohibited act, failure or breach and requesting that it be remedied, unless the Agency shall agree in writing to an extension of such time prior to its expiration; provided, however, that after the Rehabilitation Period only, if the prohibited act, failure, or breach stated in each notice is correctable, but cannot be corrected within the 30-day period, the Agency may not unreasonably withhold its consent to an extension of up to 120 calendar days from the delivery of the written notice referred to herein if corrective action is instituted by the Owner, within the initial 30-day period and diligently pursued.

The failure of the Owner to comply with any of the provisions of Section 25 or 31 of this Agreement shall not be deemed an Event of Default hereunder unless such failure has not been corrected within a period of 60 calendar days, have actual or constructive knowledge of such failure or after the Agency's written notice to the owner, whichever is earlier.

Section 32. Remedies. Upon the occurrence of any Event of Default, the Agency may at its option take any one or more of the following actions or remedies and no failure to exercise any remedy or take any action enumerated shall constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:

(a) declare the entire principal sum of the Mortgage together with all other liabilities of the Owner under the Note to be immediately due and payable;

(b) cease making disbursements to the Owner of any funds under the Loan or from reserves held by the Agency;

(c) apply any reserves held by the Agency or the balance in the accounts for Project disbursements and revenues, or any combination of these monies, to the payment of the Owner's liabilities hereunder;

(d) foreclose the lien of the Mortgage on the Project and Land or a portion thereof, including without limitation all Improvements existing or hereafter placed in or on the Project and Land. In any action to foreclose, the Agency shall be entitled to the appointment of a receiver of the rents and profits of the Project as a matter of right and without notice, with power to collect the rents, uses and profits of said Project, due and becoming due during the pendency of such foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by the Mortgage without regard to the value of the Project or the solvency of any person or persons liable for payment of the mortgaged indebtedness. The Owner for itself and any such subsequent owner hereby waives any and all defenses to the application for a receiver as above and hereby specifically consents to such appointment without notice, but nothing herein contained is to be construed to deprive the holder of the Mortgage of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provisions for the appointment of a receiver of the rents and profits and the assignment of such rents and profits, is made an express condition upon which the Loan hereby secured are made. Upon such foreclosure the Agency shall have the right to have a receiver appointed for the Project and the rent from the Project;

(e) pursuant to its rights under the Act, remove the Project Manager(s) after consultation with the Owner, or, if the Agency, after consultation with the Owner, decides, it is in the best interest of the Project and Clients, hereinafter defined, the Owner shall deed the Project and Land to the Agency;

(f) take possession of the Project and Land or a portion thereof;

(g) without judicial process, collect all rents and other revenue including federal and State subsidies as the agent of the Owner (which upon the occurrence of any Event of Default the Agency is deemed to have been irrevocably appointed by the Owner), and apply the same at the Agency's option either to the operation and maintenance of the Project or to the liabilities of the Owner under the Mortgage;

(h) act as landlord of the Project and rent or lease the same on any terms approved by it, or dispossess by summary proceedings or other available means any tenant defaulting under the terms of the lease of a dwelling unit;

(i) take possession of equipment, appliances or other tangible personal property in which a security interest has been granted by this Agreement or the Mortgage and dispose of the same in any commercially reasonable manner. The Agency shall have the option to dispose of any such

equipment and personal property either separately from the Project and Land or in conjunction with a sale of the Project and Land, and the Owner agrees that either method of disposition shall be commercially reasonable;

(j) make effective an assignment of the Architectural Contract by the Owner to the Agency, in which event the Agency is specifically empowered by the Owner to exercise any and all rights of the Owner under the Architectural Contract, and at the option of the Agency to proceed with the rehabilitation of the Project, in which event all payments by the Owner made with respect to the Architectural Contract shall be treated as disbursements on the Loan;

(k) subject to Section 40 hereof, sue the Owner for a mandatory injunction or other equitable relief requiring performance by the Owner of any of its obligations under this Agreement or the Mortgage or the other Loan Documents. The Owner agrees with the Agency that the Agency's remedy at law for the violation or nonperformance of the Owner's obligations under the Mortgage or this Agreement or the other Loan Documents is not adequate by reason, among other things, of the Agency's public purpose to provide adequate, safe and sanitary dwelling units;

(l) after consultation with the Owner, sue under the Architectural Contract or on a warranty to recover any amount payable to the Owner pursuant to the Architectural Contract or payable to the Owner pursuant to any such warranty and to settle any such claim or liability and release the same and apply the proceeds of any such suit, settlement or release to the liabilities of the Owner under this Agreement or the Mortgage;

(m) notwithstanding the above enumeration of remedies, the Agency shall have available to it all other remedies provided at law or in equity or any other action permitted by law subject to the provisions of Section 40 of this Agreement;

(n) if the Owner commits a breach or threatens to commit a breach of any of the provisions of the Mortgages or other Loan Documents, the Agency shall have the right, without posting bond or other security, to seek injunctive relief or specific performance, it being acknowledged and agreed that any such breach, or threatened breach, will cause irreparable injury to the Agency and that money damages will not provide an adequate remedy; and/or

(o) to undertake reasonable maintenance and make reasonable repairs to the Project and to add the cost thereof to the principal balance of the Mortgages.

Owners' Default Under Financing Documents.

1) Upon the occurrence of an Event of Default set forth in this Agreement or in the event of a violation by the Owner of the terms of any agreement between the Agency and the Owner, or in the event of a violation of the rules and regulations of the Agency or in the event that the Agency shall reasonably and in good faith determine that the Loans are in jeopardy of not being repaid, the Agency shall have the right to manage the affairs of the Owner as such affairs relate to the Project or to name a designee to manage the same.

(2) The delegation of authority to the Agency shall terminate upon the curing, to the satisfaction of the Agency, of the event giving rise to the delegation.

(3) In the absence of fraud or bad faith, the Agency or its designees, agents, officers, or employees shall not be personally responsible for the debts, obligations or liabilities of the Owner.

(4) The admission and delegation to the Agency or its designee shall last only for a period coexistent with the duration of the event giving rise to the action hereunder or until the Agency determines in its sole discretion that such an event or one of similar nature will not reoccur.

(5) The Agency or its designee shall serve without compensation, but shall be entitled to be reimbursed for all necessary expenses incurred in discharge of its duties as determined by the Agency.

(6) The primary function of the Agency or its designee is to protect the interest of the Agency's Loan and the tenants of the Project and, in the absence of fraud or bad faith, the Agency or its designee shall not be liable for damages to the Owner or any stockholder thereof.

(7) This Agreement and the admission of and delegation to the Agency shall not be construed as to cause a merger between any of the Loan Documents and the title to the Project.

(8) The rights and remedies granted to the Agency under this Agreement are not intended to limit in any way its rights and powers under Section 7 (b)(6) of the Act.

Section 33. Expenses Due to Default. All expenses (including reasonable attorneys' fees and costs and allowances) incurred in connection with an action to foreclose the Mortgage or in exercising any other remedy provided by the Mortgage or this Agreement or the other Loan Documents, including the curing of any Event of Default, shall be paid by the Owner, together with interest at the then current rate being received by the Agency on its investments as determined in good faith by the Agency. Any such sum or sums and the interest thereon shall be a further lien on the Project, Land and Improvements, and shall be secured by this Agreement and the Mortgage.

Section 34. Burden and Benefit. The Agency and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Owner's legal interest in the Land and the Project is rendered less valuable thereby. The Agency and the Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Land and part of the Project as housing for persons with developmental disabilities.

Section 35. Uniformity; Common Plan. The covenants. reservations and restrictions hereof shall apply uniformly to the entire Project and Land.

Section 36. Remedies; Enforceability. The provisions hereof are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Owner or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair. damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time or times.

Section 37. Amendments; Notices; Waivers. This Agreement and the Mortgage may be amended only by an instrument in writing executed and acknowledged on behalf of the Agency and the Owner in such manner that the instrument may be recorded.

No waiver by the Agency in any particular instance of any Event of Default or required performance by the Owner and no course of conduct of the parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Owner under this Agreement, the Mortgage, or under the other Loan Documents at any time shall preclude enforcement of any of the terms of this Agreement, the Mortgage, the Note, or the other Loan documents thereafter.

Any provisions of this Agreement, the Mortgage or other Loan Documents requiring the consent or approval of the Agency for the taking of any action or the omission of any action requires such consent by the Agency in writing signed by a duly authorized officer of the Agency. Any such consent or approval. unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.

Notice provided for under this Agreement shall be given in writing signed by a duly authorized officer and any notice required to be given hereunder shall be given by recognized private carrier with acknowledgment of delivery or by confirmed facsimile, with a hard copy sent by certified mail, return receipt requested, or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto.

Agency: **Executive Director**
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue, CN 18550
Trenton, NJ 08650-2085

Owner: **Executive Director**
Mental Health Association of Essex County, Inc.
33 South Fullerton Avenue
Montclair, New Jersey 07042

All notices shall be deemed given when received.

Section 38. Severability. The invalidity of any part or provision hereof shall not affect the validity, legality and enforceability of the remaining portions hereof, and to this end the provisions of this Agreement shall be severable.

Section 39. Successors and Assigns. This Agreement and all rights, duties, obligations and interests arising hereunder shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

Section 40. Personal Liability. Notwithstanding any other provision contained in this Agreement, the other loan documents or any other document or instrument executed by the owner in connection herewith or therewith, the Agency agrees, on behalf of itself and any future holder of the Note, that the liability of the Owner and its respective heirs, representatives, successors and assigns, for the payment of its obligations hereunder and under the other loan documents, including, without limitation, the payment of principal, interest and other charges due hereunder and thereunder, shall be limited to the collateral pledged under the mortgage and the other loan documents, and that the Agency shall have no right to seek a personal judgment against the Owner, its respective heirs, representatives, successors and assigns, individually, except to the extent necessary to subject the collateral (including the Project and Land) pledged under the Mortgage and the other loan documents to the satisfaction of the Mortgage debt, and provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under the Mortgage, this Agreement and the other loan documents, including without limitation the right to sue for injunctive or other equitable relief. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or other unlawful acts and shall not apply to such amounts due to the Lender pursuant to Sections 10, 11, 12, 13, 14 and 32 of this Agreement

Section 41. Counterparts. This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 42. Disclaimer of Warranties, Liability; Indemnification/Defense.

A. The Owner acknowledges and agrees that (i) the Agency has not heretofore and does not make any warranty or representation, either express or implied, as to the value, condition, or fitness for particular purposes of the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Agency or its agents or employees be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Agreement or any of the other Loan Documents or the development of the Project or the existence, functioning or use of the Project or any items or services provided for in this Agreement or the other Loan Documents; and (iii) during the term of this Agreement and the other Loan Documents and to the fullest extent permitted by law, the Owner shall indemnify, defend and hold the Agency harmless against, damage, claims, judgments or expenses of any and all kinds or

nature and however arising, imposed by law, which the Owner and the Agency including reasonable attorneys' fees and costs, may sustain, be subject to, or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contract entered into by the Owner, or arising out of the Owner's ownership of the Project or out of the construction, rehabilitation, operation or management of the Project.

B. It is mutually agreed by the Owner and the Agency that the Agency and its directors, officers, agents, servants and employees shall not be liable for any action performed under this Agreement, and that the Owner shall hold them harmless from any claim or suit of whatever nature.

C. Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. While this statute may not be applicable by its terms to claims arising under contracts with the Agency, the Owner agrees that it shall be applicable to any claims arising under the Loan Documents. It is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq.

Section 43. Recording. This Agreement shall be duly recorded in the Office of the Clerk for the county in which the Land is located within ten (10) days following its execution.

Section 44 . Governing Law. This Agreement shall be governed by the laws of the State of New Jersey. The parties agree that any cause of action that may arise under this Agreement or the Loan Documents shall have jurisdiction and venue only in the Courts of the State of New Jersey in and for the County of Mercer.

Section 45. Equal Opportunity and Non-Discrimination. The Owner covenants and agrees that it will comply with the Agency guidelines with respect to equal opportunity and non-discrimination in its purchase of goods and services for the operation and maintenance of the Project throughout the term of this Agreement.

THIS SPACE INTENTIONALLY LEFT BLANK

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

WITNESS/ATTEST

OWNER:
MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.

By: _____
Robert N. Davison, Executive Director

WITNESS/ATTEST

_____
Darryl D. Applegate, Assistant Secretary

LENDER:
NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: _____
Leslie S. Lefkowitz, Chief of Legal and Regulatory Affairs

This Agreement is approved as to form:

ATTORNEY GENERAL OF NEW JERSEY

By: _____
Jennifer H. Linett
Deputy Attorney General

CORPORATE ACKNOWLEDGMENT

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

BE IT REMEMBERED, that on this 26th day of October, 2009, before me, the subscriber, a Notary Public of New Jersey, personally appeared, Robert N. Davison, who, being by me duly sworn on his oath, acknowledges and makes proof to my satisfaction that Mental Health Association of Essex County, Inc., is the entity named in the within Instrument; that Robert N. Davison is the Executive Director of said corporation; that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the members of the said corporation, and that the seal affixed to said Instrument is the proper seal and was thereto affixed and said Instrument signed and delivered by said members of the corporation as and for the voluntary act and deed of said corporation, in the presence of deponent, who there upon subscribed his name thereto as attesting witness.

Sworn to and subscribed before me
on the date aforesaid.

Attorney at Law of New Jersey

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

BE IT REMEMBERED, that on this 26th day of October, 2009, before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared Darryl D. Applegate who, being by me duly sworn on his oath, acknowledges and makes proof to my satisfaction that he is an Assistant Secretary of the NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (the "Agency"), named as the Lender in the within Instrument, that Leslie S. Lefkowitz is the Chief of Legal and Regulatory Affairs of said Agency, that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the members of the said Agency, that deponent well knows the corporate seal of said Agency, and that the seal and said Instrument signed and delivered by said Leslie S. Lefkowitz as and for the voluntary act and deed of said Agency, in the presence of deponent, who there upon subscribed his name thereto as attesting witness.

Sworn to and subscribed before me
on the date aforesaid.

Yadira Garcia-Santiago
Notary Public of New Jersey
My Commission Expires November 21, 2012

Schedule A
Legal Description

TITLE INSURANCE COMMITMENT
Issued by **Select Title Agency, Inc.**
AGENT FOR OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

AMENDMENT
Dated: August 13, 2009

Commitment Number: ST-22581

LEGAL DESCRIPTION

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Municipality of Township of Bloomfield, in the County of Essex, State of NJ:

BEGINNING at a point in the northwesterly sideline of North 16th Street, said point being distant 166.67 feet southwesterly from the intersection of the said northwesterly sideline of North 16th Street and the southwesterly sideline of First Avenue, and from said point of beginning running thence

(1) North 68 degrees 24 minutes 25 seconds West 100.00 feet to a point; thence

(2) South 21 degrees 35 minutes 35 seconds West 35.00 feet to a point; thence

(3) South 68 degrees 24 minutes 25 seconds East 100.00 feet to a point in said northwesterly sideline of North 16th Street; thence

(4) Along the said northwesterly sideline of North 16th Street on a course of North 21 degrees 35 minutes 35 seconds East 35.00 feet to the point and place of BEGINNING.

BEING in accordance with a survey prepared by EKA Associates, P.A., L.S., dated August 9, 2009.

FOR INFORMATION PURPOSES ONLY: BEING known as 99 North Sixteenth Street, Tax Lot 9, Tax Block 2 on the Official Tax Map of Township of Bloomfield, NJ.

RECORDING INFORMATION SHEET

ESSEX COUNTY REGISTER'S OFFICE
HALL OF RECORDS , ROOM 130
465 MARTIN LUTHER KING Jr. Blvd
NEWARK NJ 07102

INSTRUMENT NUMBER:	DOCUMENT TYPE :
9020958	**DEED**

Official Use Only

CAROLE A. GRAVES, REGISTER
ESSEX COUNTY, NJ

INSTRUMENT NUMBER
9020958
RECORDED ON
March 24, 2009 09:25 am
BOOK:12184 PAGE:8421

RB

Return Address *(for recorded documents)*

JEFFREY R KUSCHNER, ESQ.

180 GLENRIDGE AVE

MONTCLAIR NJ 07042

No. Of Pages *(excluding Summary Sheet)*		5
Recording Fee *(excluding Transfer Tax)*		$80.00
Realty Transfer Tax		$0.00
Amount Charged	**(Check #** 3371)	$80.00
Municipality	BLOOMFIELD	
Parcel Information	**Block** 2 **Lot** 9	
First Party Name	MENTAL HEALTH ASSOCIATION	
Second Party Name	MENTAL HEALTH ASSOCIATION	

CONSIDERATION (E) $1.00

MAIL COPY _____
NO COPY _____
ENVELOPE _____

ADDITIONAL STAMPINGS _____

Additional Information (Official Use Only)

********** *DO NOT REMOVE THIS PAGE.* **********
COVER SHEET (DOCUMENT SUMMARY FORM) IS PART OF ESSEX COUNTY FILING RECORD
********** *RETAIN THIS PAGE FOR FUTURE REFERENCE.* **********

Deed

This Deed is made on 3/10/2009
BETWEEN
MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.

a corporation of the state of **New Jersey**
having its principal office at
33 South Fullerton Avenue
Montclair, New Jersey 07042

referred to as the Grantor,
AND
MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.

whose post office address is
33 South Fullerton Avenue
Montclair, New Jersey 07042

referred to as the Grantee.
The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

1. **Transfer of Ownership.** The Grantor grants and conveys (transfers ownership of) the property (called the "Property") described below to the Grantee. This transfer is made for the sum of **$1.00**
One Dollars and No Cents
The Grantor acknowledges receipt of this money.

2. **Tax Map Reference.** (N.J.S.A. 46:15-1.1) Municipality of **Bloomfield**
Block No. **2** Lot No. **9** Qualifier No. Account No.
☐ No property tax identification number is available on the date of this Deed. (Check Box if Applicable.)

3. **Property.** The Property consists of the land and all the buildings and structures on the land in the **Township** of **Bloomfield**, County of **Essex** and State of New Jersey. The legal description is:

☒ Please see attached Legal Description annexed hereto and made a part hereof. (Check Box if Applicable.)

Being the same premises conveyed to the grantor herein by deed from Amado Romero and Diane Fortunate, husband and wife to Amilca Rosa, single dated July 29, 2005 and recorded August 11, 2005 in the Essex County Register's Office in Deed Book 6219, Page 404. *

The within conveyance is subject to zoning ordinances, easements and restrictions of record, if any, and such state of facts as an accurate survey would disclose.

"The grantee hereunder does acknowledge that the cost of acquisition and rehabilitation of the property has been satisfied out of part of the proceeds of a certain loan from the County of Essex under the Federal HOME program and that the premises to be rehabilitated shall be subject to the affordability requirements contained in 24 Code of Federal Regulation, Part 92. The provisions thereof may be enforced by the County of Essex by an action for specific performance filed in a Court having jurisdiction. The premises to be rehabilitated shall be subject to the specific provisions for affordability contained in 24 CFR 92.504 for a period of twenty years from the date of completion of the project as evidenced by the issuance of a Certificate of Occupancy for the use of the premises."

This is a corrective deed which corrects the original deed by including deed restriction language required by the County of Essex under the Federal HOME program.

*Also being the same premises conveyed to the Grantor herein by deed from AMILCA ROSA, single, dated May 24, 2007 and recorded June 5, 2007 in Deed Book 12060 Page 7166.

Prepared by: (*print signer's name below signature*)	(For Recorder's Use Only)
Jeffrey R. Kuschner, Esquire	

File No. ST-21004M

SCHEDULE C

LEGAL DESCRIPTION

All that certain lot, piece or parcel of land with the buildings and improvements thereon erected, situate, lying and being in the Township of Bloomfield and the City of East Orange, County of Essex and State of New Jersey:

BEGINNING at a point in the northwesterly sideline of North 16th Street, said point being distant 166.67 feet southwesterly from the intersection of the said northwesterly sideline of North 16th Street and the southwesterly sideline of First Avenue, and from said point of beginning running thence

(1) North 68 degrees 24 minutes 25 seconds West 100.00 feet to a point; thence

(2) South 21 degrees 35 minutes 35 seconds West 35.00 feet to a point; thence

(3) South 68 degrees 24 minutes 25 seconds East 100.00 feet to a point in said northwesterly sideline of North 16th Street; thence

(4) Along the said northwesterly sideline of North 16th Street on a course of North 21 degrees 35 minutes 35 seconds East 35.00 feet to the point and place of BEGINNING.

BEING in accordance with a survey prepared by EKA Associates, P.A., L.S., dated April 3, 2007.

For Informational Purposes only: ALSO known as Lot 9 in Block 2 on the Township of Bloomfield Tax Map and Lot 6.01 in Block 103 on the City of East Orange Tax Map.

The street address of the Property is:
99 North 16th Street
Bloomfield, NJ 07003

4. Signatures. This Deed is signed and attested to by the Grantor's proper corporate officers as of the date at the top of the first page. Its corporate seal is affixed. (Print name below each signature.)

Witnessed or Attested by:

Jeffrey R. Kuschner, Esquire

By: **Robert Davison**

STATE OF NEW JERSEY, COUNTY OF **ESSEX** SS:
I CERTIFY that on
Robert Davison

personally came before me and stated to my satisfaction that this person (or if more than one, each person):
(a) was the maker of the attached Deed;
(b) was authorized to and did execute this Deed as **Executive Director**
of **MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.** the entity named in this Deed;
(c) made this Deed for $ **1.00** as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5); and
(d) executed this Deed as the act of the entity.

RECORD AND RETURN TO:
Jeffrey R. Kuschner, Esquire
180 Glenridge Avenue
Montclair, New Jersey 07042

Jeffrey R. Kuschner
An Attorney at Law of the State of New Jersey
Print name and title below signature

State of New Jersey

Seller's Residency Certification/Exemption

(C.55, P.L. 2004)

(Please Print or Type)

SELLER(S) INFORMATION (see Instructions, page 2):

Name(s) **Mental Health Association of Essex County, Inc.**

Current Resident Address **33 South Fullerton Avenue**

City, Town, Post Office **Montclair** State **NJ** Zip Code **07042**

PROPERTY INFORMATION (Brief Property Description):

Block(s) **2** Lot(s) **9** Qualifier

Street Address **99 North 16th Street**

City, Town, Post Office **Bloomfield** State **NJ** Zip Code **07042**

Seller's Percentage of Ownership **100%** Consideration **$1.00** Closing Date

SELLER'S ASSURANCES (Check the Appropriate Box) (Boxes 2 through 8 apply to NON-residents):

1. ☐ I am a resident taxpayer (individual, estate or trust) of the State of New Jersey pursuant to N.J.S.A. 54A:1-1 et seq. and will file a resident gross income tax return and pay any applicable taxes on any gain or income from the disposition of this property.
2. ☐ The real property being sold or transferred is used exclusively as my principal residence within the meaning of section 121 of the federal Internal Revenue Code of 1986, 26 U.S.C. s. 121.
3. ☐ I am a mortgagor conveying the mortgaged property to a mortgagee in foreclosure or in a transfer in lieu of foreclosure with no additional consideration.
4. ☐ Seller, transferor or transferee is an agency or authority of the United States of America, an agency or authority of the State of New Jersey, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.
5. ☒ Seller is not an individual, estate or trust and as such not required to make an estimated payment pursuant to N.J.S.A.54A:5-1-1 et seq.
6. ☐ The total consideration for the property is $1,000 or less and as such, the seller is not required to make an estimated payment pursuant to N.J.S.A. 54A:5-1-1 et seq.
7. ☐ The gain from the sale will not be recognized for Federal income tax purposes under I.R.C. Section 721, 1031, 1033 or is a cemetery plot. (CIRCLE THE APPLICABLE SECTION.) If such section does not ultimately apply to this transaction, the seller acknowledges the obligation to file a New Jersey income tax return for the year of the sale (see instructions).

   ☐ No non-like kind property received.
8. ☐ Transfer by an executor or administrator of a decedent to a devisee or heir to effect distribution of the decedent's estate in accordance with the provisions of the decedent's will or the intestate laws of this state.

SELLER(S) DECLARATION:

The undersigned understands that this declaration and its contents may be disclosed or provided to the New Jersey Division of Taxation and that any false statement contained herein could be punished by fine, imprisonment, or both. I furthermore declare that I have examined this declaration and, to the best of my knowledge and belief, it is true, correct and complete.

3/10/09
Date

Robert Davison Signature
(Seller) Please indicate if Power of Attorney or Attorney in Fact

Date

Signature
(Seller) Please indicate if Power of Attorney or Attorney in Fact

MUST SUBMIT IN DUPLICATE
NC345 - Affidavit of Consideration
RTF-1 (Rev. 7/08) P9/08

Printed by ALL-STATE LEGAL®
www.aslegal.com 800.222.0510 Page 1

STATE OF NEW JERSEY

AFFIDAVIT OF CONSIDERATION FOR USE BY SELLER

(Chapter 49, P.L. 1968, as amended through Chapter 33, P.L. 2006) (N.J.S.A. 46:15-5 et seq.)

BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY } SS.
COUNTY OF ESSEX

County Municipal Code 0702

Municipality of Property Location: Bloomfield

FOR RECORDER'S USE ONLY
Consideration $ 1.00
RTF paid by seller $ 0 †
Date 3.24.09 By CA

† Use symbol "C" to indicate that fee is exclusively for county use.

(1) PARTY OR LEGAL REPRESENTATIVE *(See Instructions 3 and 4 attached)*
Deponent, Robert Davison (Name), being duly sworn according to law upon his/her oath deposes and says that he/she is the Exec. Director of Mental Health Association (Grantor, Grantee, Legal Representative, Corporate Officer, Officer of Title Co., Lending Institution, etc.) in a deed dated _____ transferring real property identified as Block No. 2 Lot No. 9 located at 99 North 16th Street, Bloomfield, New Jersey 07003 (Street Address, Town) and annexed thereto.

(2) CONSIDERATION: $1.00 *(See Instructions 1 and 5)*

(3) Property transferred is Class 4A 4B 4C (circle one). If Class 4A, calculation in Section 3A is required.

(3A) **REQUIRED CALCULATION OF EQUALIZED VALUATION FOR ALL CLASS 4A COMMERCIAL PROPERTY TRANSACTIONS:** *(see Instructions 5A and 7)*

Total Assessed Valuation ÷ Director's Ratio = Equalized Assessed Valuation

$ _____ ÷ _____ % = $ _____

If Director's Ratio is less than 100%, the equalized valuation will be an amount greater than the assessed value. If Director's Ratio is equal to or in excess of 100%, the assessed value will be equal to the equalized value.

(4) FULL EXEMPTION FROM FEE: *(see Instruction 8)*
Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1968, as amended through C. 66, P.L. 2004, for the following reason(s). Mere reference to the exemption symbol is insufficient. Explain in detail. Consideration is less than $100.00.

(5) PARTIAL EXEMPTION FROM FEE: *(see Instruction 9)* **NOTE:** *All boxes below apply to grantor(s)* only.
ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. *Failure to do so will void claim for partial exemption.*
Deponent claims that this deed transaction is exempt from the State's portion of the Basic Fee, Supplemental Fee and General Purpose Fee, as applicable, imposed by C. 176, P.L. 1975; C. 113, P.L. 2004 and C. 66, P.L. 2004 for the following reason(s): _____

A. **SENIOR CITIZEN** *(see Instruction 9)*
- ☐ Grantor(s) 62 years of age or over.*
- ☐ One- or two-family residential premises.
- ☐ Resident of the State of New Jersey.
- ☐ Owned and occupied by grantor(s) at time of sale.
- ☐ Owners as joint tenants must all qualify.

B. **BLIND** *(see Instruction 9)*
- ☐ Grantor(s) legally blind.*
- ☐ One- or two-family residential premises.
- ☐ Owned and occupied by grantor(s) at time of sale.
- ☐ Owners as joint tenants must all qualify.
- ☐ Resident of the State of New Jersey.

DISABLED *(see Instruction 9)*
- ☐ Grantor(s) permanently and totally disabled.*
- ☐ Receiving disability payments.*
- ☐ Not gainfully employed.*
- ☐ One- or two-family residential premises.
- ☐ Owned and occupied by grantor(s) at time of sale.
- ☐ Owners as joint tenants must all qualify.
- ☐ Resident of the State of New Jersey.

*** IN THE CASE OF HUSBAND AND WIFE, PARTNERS IN A CIVIL UNION COUPLE, ONLY ONE GRANTOR NEEDS TO QUALIFY IF OWNED AS TENANTS BY THE ENTIRETY.**

C. **LOW AND MODERATE INCOME HOUSING** *(see Instruction 9)*
- ☒ Affordable according to HUD standards.
- ☒ Meets income requirements of region.
- ☒ Reserved for occupancy.
- ☒ Subject to resale controls.

(6) NEW CONSTRUCTION *(see Instructions 2, 10 and 12)*
- ☐ Entirely new improvement.
- ☐ Not previously used for any purpose.
- ☐ Not previously occupied.
- ☐ "NEW CONSTRUCTION" printed clearly at the top of the first page of the deed.

(7) Deponent makes this Affidavit to induce the County Clerk or Register of Deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1968, as amended through Chapter 33, P.L. 2006.

Subscribed and sworn to before me this 10th day of March, 2009
Jeffrey R. Kuschner, Esquire
Notary Public

Signature of Deponent
33 South Fullerton Avenue
Montclair, NJ 07042
Deponent Address

XXX-XX-X
Last 3 digits in Grantor's Social Security No.

Robert Davison
Grantor Name
33 South Fullerton Avenue
Montclair, NJ 07042
Grantor Address at Time of Sale

Jeffrey R. Kuschner, Esquire
Name/Company of Settlement Officer

This form is prescribed by the Director, Division of Taxation in the Department of the Treasury, as required by law, and may not be altered or amended without the prior approval of the Director. For information on the Realty Transfer Fee or to print a copy of this Affidavit, visit the Division of Taxation website at www.state.nj.us/treasury/taxation/lpt/localtax.htm.

FOR OFFICIAL USE ONLY
Instrument Number 9020953 County ESSX
Deed Number _____ Book 18187 Page 3321
Deed Dated 3.10.09 Date Recorded 3.24.09

County Recording Officers shall forward one copy of each Affidavit of Consideration for Use by Seller when Section 3A is completed.
State of New Jersey – Division of Taxation, P.O. Box 251, Trenton, NJ 08695-0251, Attention: Realty Transfer Fee Unit

RECORDING INFORMATION SHEET

ESSEX COUNTY REGISTER'S OFFICE
HALL OF RECORDS , ROOM 130
465 MARTIN LUTHER KING Jr. Blvd
NEWARK NJ 07102

INSTRUMENT NUMBER:

8109883

DOCUMENT TYPE :

DEED

Official Use Only

CAROLE A. GRAVES, REGISTER
ESSEX COUNTY, NJ

INSTRUMENT NUMBER
8109883
RECORDED ON
December 15, 2008 02:30 pm
BOOK:12170 PAGE:5632

CC

Return Address *(for recorded documents)*

NEW JERSEY HOUS & MTG FIN AGCY

637 SOUTH CLINTON AVENUE

P.O. BOX 18550

TRENTON NJ 08650-2085

No. Of Pages *(excluding Summary Sheet)*	25
Recording Fee *(excluding Transfer Tax)*	$280.00
Realty Transfer Tax	$0.00
Amount Charged (Check # 3151)	$280.00
Municipality	BLOOMFIELD
Parcel Information	**Block** 691 **Lot** 35
First Party Name	NEW JERSEY HOUS & MTG FIN AGCY
Second Party Name	MENTAL HEALTH ASSOCIATION OF

CONSIDERATION (R) $0.00

MAIL COPY _____
NO COPY _____
ENVELOPE _____

ADDITIONAL STAMPINGS _____

Additional Information (Official Use Only)

Record & Return to:

Lisa DiOrio
New Jersey Housing and Mortgage
Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085

THE BAY PROJECT
HMFA # 02310
SNHTF #114

FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT

Between

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

And

MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.

Prepared by:

Jennifer H. Linett
Deputy Attorney General

Special Needs Housing Trust Fund
First Mortgage Loan
Permanent Financing

THIS FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT (this "Agreement"), made and entered into as of this 24th day of November, 2008, by and between the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** (the "Agency" or "Lender"), a body politic and corporate and an instrumentality exercising public and essential governmental functions of the State of New Jersey (the "State") and **MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.**, ("Owner" or "Borrower"), a non-profit corporation organized and existing pursuant to the laws of the State of New Jersey and duly authorized to transact business in the State of New Jersey.

WITNESSETH

In consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Agency and the Owner hereby agree as follows:

Section 1. Definitions and Interpretation. The following terms shall have the respective meanings set forth below:

"Act" means the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended from time to time, P.L. 1983, c. 530, N.J.S.A. 55:14K-1 et seq., and the regulations promulgated thereunder.

"Agency Financing" means the First Mortgage Loan

"Agency Regulations" means the regulations promulgated by the Agency pursuant to the Act and any policies, procedures or guidelines issued by the Agency with respect to the housing projects financed by the Agency under the Act, all of the foregoing as they may be amended from time to time, if applicable.

"Assignment of Leases" means the Assignment of Leases by and between the Owner and Lender of even date herewith.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Contract" means the agreement between the Owner and Seehaus and Walker Construction dated February 29, 2008, or any other agreement executed by the Owner and approved by the Agency, for the construction of the Project in accordance with the plans and specifications for the Project approved by the Agency.

"Day" or **"Days,"** whether or not the word is a capitalized term, shall mean calendar day or day(s) unless otherwise specified.

"DDD" means the New Jersey Department of Human Services, Division of Developmental Disabilities, or its successors and assigns, if applicable.

"DMHS" means the New Jersey Department of Human Services, Division of Mental Health Services, or its successors or assigns, if applicable.

"Environmental Laws" shall mean and include any federal, State, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste, substance, element, compound, mixture or material, as now or at any time hereafter in effect including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, 42 U.S.C. Sections 9601 et seq., the Federal Hazardous Materials Transportation Act, as amended 42 U.S.C. Sections 1801 et seq., the Federal Resource Conservation and Recovery Act as amended, 42 U.S.C. Sections 6901 et seq., the Superfund Amendments and Reauthorization Act, 42 U.S.C. Sections 9601 et seq., the Federal Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq., the Federal Hazardous Material Transportation Act, 49 U.S.C. Sections 1801 et seq., the Federal Clean Air Act, 42 U.S.C. Sections 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251 et seq., the Rivers and Harbors Act of 1899, 33 U.S.C. Sections 401 et seq., the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. Section 4852d, the New Jersey Environmental Cleanup Responsibility Act, as amended, N.J.S.A. 13:1K-6 et seq., the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., the Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11 et seq., the New Jersey Tank Registration Act, N.J.S.A. 58:10A-21 et seq., the New Jersey Water Pollution Control Act, as amended, N.J.S.A. 58:10A-1 et seq., and all rules and regulations adopted and publications promulgated thereto, or any other so-called "Superfund" or "Superlien" laws, or any other federal, State or local environmental law, ordinance, code, rule, or regulation, order or decree as any of the foregoing have been, or are hereafter amended.

"Environmental Report" means the Phase I Environmental Site Assessment prepared by LFR, Inc. dated June 22, 2007.

"Event of Default" means any of the events set forth in Section 29 of this Agreement.

"Hazardous Materials" shall mean and include those elements, materials, compounds, mixtures or substances that are contained in any list of hazardous substances adopted by the United States Environmental Protection Agency (the "EPA") or any list of toxic pollutants designated by Congress, the EPA, or the New Jersey Department of Environmental Protection ("NJDEP"), or that are defined as hazardous, toxic, pollutant, infectious, flammable or radioactive by any of the Environmental Laws, and, whether or not included in such lists, shall be deemed to include all products or substances containing petroleum, asbestos, lead, and polychlorinated biphenyls.

"HUD" means the United States Department of Housing and Urban Development.

"Improvements" means the building together with all fixtures and utility improvements, easements and rights of way that are owned by the Owner and located on the Land.

"IRS Regulations" means the regulations promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service pursuant to the Code, and to the extent applicable, pursuant to the Internal Revenue Code of 1954, as both may be amended from time to time, including all rules, rulings, policies, and official statements issued by the United States Department of the Treasury or the Internal Revenue Service.

"Land" means the real property described in Exhibit A attached hereto, on which the Project is located.

"Loan Documents" means and includes this Agreement, the Mortgage Note, the Mortgage and Security Agreement, the UCC-1 Financing Statement, and Assignment of Leases.

"Loan" means the Mortgage Loan.

"Low Income" means a gross annual household income equal to 30% or less of the median gross annual household income for the same size within the relevant housing region.

"Mortgage" means the mortgage of even date herewith that constitutes a first lien on a fee simple interest in the Project and Land, given by the Owner to the Agency to secure the Mortgage Loan.

"Mortgage Loan" means the loan made to the Owner by the Agency to finance a portion of the cost of the development and/or rehabilitation of the Project that will be located on the real property described in Exhibit A attached hereto, as evidenced by the Mortgage Note and secured by the Mortgage.

"Mortgage Note" or "Note" means the interest bearing non-recourse promissory note that contains the promise of the Owner to pay the sum of money stated therein at the times stated therein and that evidences the obligation of the Owner to repay the Mortgage Loan.

"Permitted Encumbrances" means any

(i) Utility, access and other easements and rights of way, restrictions and exceptions that do not, individually or in the aggregate, materially impair the utility or value of the Project or Land for the purposes for which it is intended;

(ii) Liens that are being contested in good faith and for which the Owner has provided security satisfactory to the Agency;

(iii) Liens subordinate to the Mortgage Loan arising due to any monies loaned in connection with the Project or other monies loaned to the Owner, provided such liens are disclosed to and approved by the Agency in writing; and

(iv) Any other encumbrances approved by the Agency in writing.

"Plans" means all construction, architectural and design contracts and all architectural design plans and specifications.

"Program" means the Special Needs Housing Trust Fund pursuant to the Special Needs Housing Trust Fund Act, P.L. 2005, c.163.

"Program Guidelines" means the guidelines promulgated by the Agency pursuant to the Program and any policies or procedures issued by the Agency with respect to the housing projects financed by the Agency, all of the foregoing as they may be amended from time to time.

"Project" means the Improvements located on the Land that together with the Land will be financed, in part, with the proceeds of the Loan.

"Regulations" means the regulations promulgated or proposed by the United States Department of Housing and Urban Development.

"Repair and Replacement Reserve" means the escrow account established pursuant to Section 19 of this Agreement.

"Servicing Fee", if applicable, means the servicing fee that is due from the Owner to the Agency as set forth in the First Mortgage Note.

"Special Needs Project Escrow" means the escrow account established pursuant to Section 19 of this Agreement.

"State" means the State of New Jersey.

"Tax Credits" means low income housing tax credits that the Project may receive pursuant to the Code.

"UCC-1" means the UCC-1 Financing Agreement(s) of even date herewith.

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and

vice-versa, when appropriate. This Agreement and all the terms and provisions thereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Background and Purpose. The Owner has constructed and/or rehabilitated and shall own, maintain, and operate the Project and the Land. The Project consists of one (1) unit of multifamily housing in the Township of Bloomfield, County of Essex, State of New Jersey. To obtain financing for the Project, the Owner has applied to the Agency for the Agency Financing pursuant to the provision of the Program. The Agency will hold a first mortgage lien on the Project during the term of the Mortgage Loan, which will be for 15 years pursuant to the terms of the Note. Financing for the Project is derived in part from the Agency's Program Fund, and, in addition to the First Mortgage Loan, the Owner has obtained and the Agency has approved funding for the Project as follows:

(a) The Owner has received a commitment for Essex County HOME funds in the amount of $182,000.

In connection with the Mortgage, the Owner and the Agency have entered into this Agreement.

In connection with its application for the Loan, the Owner has furnished to the Agency various details as to the Project, including the description of Land on which it is to be situated, plans and specifications for the construction/rehabilitation of the Project, the tenant population that shall be housed in the Project, the number of units of each type to be included therein, the estimated costs of providing the Project, details as to the Project income and expenses of the Project once constructed and/or rehabilitated and placed in operation and arrangements for any tax abatement for the Project.

Section 3. Residential Rental Property. The Owner hereby represents, covenants, warrants and agrees that:

(a) The project is located in the Town of Bloomfield in the County of Essex. The project involves the new construction or rehabilitation of a 1837 square foot structure that will include 3 bedrooms, 2 full bathrooms, kitchen, living room, dining room and basement.

(b) The Project is to be utilized at all times in accordance with the types of use as permitted by the Act and the Program and as may be approved by the Agency. The Project shall be subject to use and occupancy and/or lease agreements between the Owner and the residents.

Section 4. Low Income Tenants. The Owner hereby represents, warrants and covenants that the unit shall be occupied or available for occupancy by Low Income Tenants for a period of thirty (30) years from the date hereof.

Section 5. Additional Representations, Covenants and Warranties of the Owner. The Owner represents, warrants and covenants that:

(a) The Owner (i) is a non-profit corporation, duly organized, validly existing and in good standing under the laws of the State and duly authorized to transact business in the State; (ii) has filed with the Agency a true and complete copy of its Certificate of Incorporation with all amendments, if any, thereto; (iii) has the power and authority to own or lease its properties and assets, including the Project and the Land, and to carry on its business as now being conducted (and as now contemplated), and to borrow the proceeds of the Loans; and (iii) has the power to execute and perform all the undertakings of this Agreement and the other Loan Documents.

(b) All necessary legal action has been taken to authorize the execution, delivery and performance of the Loan Documents by the Owner.

(c) The Loan Documents have been duly executed and delivered by the Owner and constitute the valid and legally binding obligations of the Owner, enforceable against the Owner in accordance with their respective terms.

(d) To the best of the Owner's knowledge after due and diligent inquiry, the execution and performance of this Agreement, the Loan Documents and other instruments required pursuant to this Agreement by the Owner, (i) will not violate or, as applicable, have not violated, any provision of law, rule or regulations, any order of any court or other agency or government or any provision of any document to which the Owner is a party, and (ii) will not violate or, as applicable, have not violated, any provision of any indenture, agreement or other instrument to which the Owner is a party, or result in the creation or imposition of any lien, charge or encumbrance of any nature other than the Permitted Encumbrances.

(e) The Owner will, at the time of execution of this Agreement or at the time of the closing of the Loan and subject only to such exceptions as have been disclosed in writing to the Agency and which will not materially interfere with or impact the beneficial use of the Project and Land for purposes of the Project; have good and marketable title to fee simple interest in the premises constituting the Land and the Project free and clear of any lien or encumbrance (subject to Permitted Encumbrances and encumbrances created or contemplated pursuant to this Agreement).

(f) There is, after due and diligent inquiry, no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.

(g) To the best of the Owner's knowledge after due and diligent inquiry, the operation of the Project in the manner presently contemplated and as described in this Agreement will not conflict with any zoning, water or air pollution or other ordinance, order, law or regulation applicable thereto. The Owner has caused the Project to be designed in accordance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality.

Further, the Owner has received or shall obtain all necessary governmental approvals and building permits for construction, rehabilitation and operation of the Project. The Owner will continue to retain ownership of the Project and Land during the term of the Mortgage, subject to the terms of this Agreement and the other Loan Documents, the Act, Agency Regulations, the Program, the Program Guidelines, and, if applicable, the Code.

(h) The Owner has filed, caused to be filed by it, or shall file all federal, state and local tax returns which are required to be filed by it, if any, and has paid or caused to be paid all taxes as shown on said return or on any assessment received by it, to the extent that such taxes have become due.

(i) To the best of the Owner's knowledge, after due and diligent inquiry, the Owner is not in material default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party that may materially affect this Project.

(j) The information contained in the Project description provided in the applications for the Loan is accurate in all material respects and does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(k) Except for Leases contemplated by the Project and Section 17 of this Agreement, the Owner shall not during the term of this Agreement sell, transfer or exchange, the Project or the Land (or any part thereof or any interest therein) at any time except in accordance with the terms of the Mortgage, this Agreement, the Act and the Agency Regulations promulgated pursuant to the Act, and the Program Guidelines and unless such sale, transfer or exchange shall have been approved by the Agency. The Owner shall notify in writing and obtain the agreement in writing of any buyer or successor or other person acquiring the Project or Land or any interest therein, in a form acceptable to the Agency that such acquisition is subject to the requirements of this Agreement. This provision shall not act to waive any other restriction on such sale, transfer or exchange.

(l) The Owner has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof and the Mortgage, and in any event, the requirements of this Agreement and the Mortgage are paramount and controlling as to the rights and obligations herein and in the Mortgage and such requirements shall supersede any other requirements in conflict herewith and therewith.

(m) All statements contained in all applications, correspondence or other materials delivered to the Agency by the Owner in connection with its consideration of the Loan to the Owner or relating to the Project are materially true and correct.

(n) The representations, covenants and warranties of the Owner contained in this Agreement on the date of its execution are true and shall continue to be true at all times during the term of this Agreement.

(o) No event has occurred and no condition exists which constitutes an Event of Default under this Agreement or the Mortgage or which, but for a requirement of notice or lapse of time, or both, would constitute such an Event of Default.

Section 6. Covenants to Run With the Land. The covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and, except as provided in Section 5 hereof, shall pass to and be binding upon the Owner's assigns and successors in title to the Land or the Project; provided, however, that upon the termination of this Agreement in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Land or Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project and Land.

Section 7. Term. This Agreement shall remain in full force and effect until the later of:
(a) a period of thirty (30) years from the date hereof;

(b) until all indebtedness from the Owner to the Agency in respect to the Project shall have been paid in full in accordance with the provisions of this Agreement, the Mortgage Note and the other Loan Documents.

Section 8. Insurance; Condemnation. The Owner shall cause the buildings on the premises and the fixtures and articles of personal property covered by the Mortgage to be insured against loss by fire and against loss by such other hazards as may be required by the Agency for the benefit of the Agency, including, but not by way of limitation flood insurance if any part of the Project is located in an area designated by or on behalf of the federal government as having specific flood hazard. Such insurance shall be written by such companies, in an amount not less than the full insurable value of the Project exclusive of excavations and foundations and in such forms as are satisfactory to the Agency. The Owner shall assign and deliver the policies to the Agency, and the Agency shall be loss payee under such policies. Such policies shall provide that the insurer may not cancel the policy and will not refuse to renew the policy except after thirty (30) calendar days written notice to the Agency. If the Agency shall not receive evidence satisfactory to it of the existence of

effective insurance coverage as required by the Agency, the Agency may (but shall not be required to) obtain such coverage and the Owner shall reimburse the Agency on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed the amount of such premiums shall be added to the principal amount of the Mortgage and shall bear interest at the then current rate being paid by the Agency on its borrowing as determined in good faith by the Agency. Valid participation by the Owner in a blanket insurance program offered by or through the Agency or approved by the Agency shall be satisfactory evidence of the required insurance for each type or class of coverage.

In the event of substantial damage to the Project by the occurrence of an insured casualty or the taking of a substantial portion of the Project by condemnation, if, in the sole judgment of the Agency (which judgment shall be conclusive): (a) the Project can be replaced or restored in whole or in part, and (b) the Project as so replaced will produce sufficient income to meet the obligations of the Owner under the Loan Documents, the proceeds of insurance or condemnation, together with any other money available for such purpose, if sufficient, shall be made available to the Owner, subject to the approval of the Agency. To the extent the Project is not replaced or restored, the balance of such proceeds shall be applied to the indebtedness secured thereby. Nothing in this Section shall affect the lien of this Agreement and the obligation of the Owner under the Loan Documents to pay the entire balance of the Loan.

The Owner shall maintain continuously in effect such other insurance coverage of the types and in the amounts specified by the Agency, including workers' compensation insurance and other insurance required by law with respect to employees of the Owner, and liability insurance, protecting the Owner and the Agency against any loss or liability or damage for personal injury or property damage with respect to the Project. Owner shall also maintain use and occupancy insurance covering loss of revenues derived from the Project by reason of interruption, total or partial, of the use of the Project resulting from loss or physical damage thereto in an amount not less than one year's gross rental income. The Owner shall carry fidelity bond insurance covering all employees of the Owner authorized to handle the revenues derived from the Project in an amount equal to one-half times the maximum monthly rent roll.

Section 9. Taxes or Payments in Lieu of Taxes. Unless the Owner has received a full tax exemption for the taxes on the Project at the time the Owner takes title to the Project, the Owner covenants and agrees to pay any valid municipal taxes, payments in lieu of taxes, charges, assessments, water charges and/or sewer charges, and in default thereof the Agency may pay the same. Any such sum or sums so paid by the Agency shall be added to the principal sum secured by the Mortgage, as determined by the Agency, and shall bear interest at the then current rate being received by the Agency on its investment as determined in good faith by the Agency.

Section 10. Liens. The Owner covenants and agrees to maintain its right, title and interest in the Project and Land and all items enumerated in Section 5 of the Mortgage free and clear of all liens and security interests, except Permitted Encumbrances, and those exceptions identified and set forth in title insurance commitments and title insurance commitment number ST-21915 issued by

Select Title Agency, Inc. dated June 24, 2008 and continued to the date of this Agreement, as accepted by the Agency. Except with the written consent of the Agency, the Owner will not install any item of tangible personal property as part of the fixtures or furnishings of the Project, which is subject to a purchase money lien or security interest.

The Agency may, at its sole option, pay the amount necessary to discharge any such lien, and the Owner shall promptly reimburse the Agency for any amounts so paid. Until reimbursement of the Agency of any amounts so paid, such amount shall be added to the Principal Sum as defined in and secured by the Mortgage, as determined by the Agency, and shall bear interest at the then current rate being received by the Agency on its investments as determined in good faith by the Agency.

Section 11. Encumbrances - Sale of Project. The Owner covenants and agrees not to sell, lease or otherwise encumber the Project or the Land, or any part thereof, or the rents or revenues thereof without prior written consent of the Agency, except by leasing to eligible residential tenants as provided by the Mortgage and this Agreement.

Section 12. Maintenance, Repair and Replacement. The Owner covenants and agrees to maintain the Project and the appurtenant equipment and grounds in good repair and condition so as to provide decent, safe and sanitary housing accommodations.

The Owner will not make any substantial alteration in the Project without the consent of the Agency, nor will the Owner permit the removal of any fixtures or articles of personal property except in connection with the replacement thereof with appropriate property of at least equal value and free of all liens or claims.

The Owner will not permit any waste with respect to the Project or any of its real or personal property without the consent of the Agency, or make any alteration which will increase the hazard of fire or other casualty.

Section 13. Advance Amortization Payments. The Owner shall not make any advance principal repayment except as allowed by the Program and Program Guidelines.

Section 14. Compliance with the Program, the Act and Agency's Regulations. The Owner covenants and agrees to comply with the Program, the Program Guidelines the Act and Agency Regulations promulgated pursuant thereto, and with any amendments or supplements to the Program, the Program Guidelines the Act or Agency Regulations.

Section 15. Use of Project - Leasing. Except as otherwise expressly provided in Section 3 and 4 of this Agreement or as otherwise agreed to in writing by the Agency, and except for facilities approved by the Agency as normally appurtenant to residential projects for non-transients (such as laundry facilities), the Project shall be used solely (or as otherwise may be approved by the Agency) to provide affordable housing units to a special needs population(s) under the Agency's Program.

Section 16. Consideration for Lease. The Owner covenants and agrees not to require as a condition of the occupancy or leasing of any dwelling unit in the Project and not to accept or allow any employee or agent to accept any consideration other than the prepayment of the first month's rent, plus a security deposit not in excess of one (1) month's rent to guarantee the performance of the covenants of the rent agreement or lease.

Section 17. Security Deposit The Owner covenants and agrees to deposit all moneys paid to the Owner by any resident, if any, as a security deposit for the payment of rent or other allowable charges under any use and occupancy agreement and/or lease in a separate interest bearing bank account held and maintained in accordance with applicable law.

Section 18. Account for Project Revenues/Operating Account. The Owner covenants and agrees to establish an account for Project Revenues specific to the Project. "Project Revenues" shall mean all rents and other revenues of any type whatsoever received in respect of the Project or the Owner, except for Loan disbursements. Project Revenues shall be deposited in such account and all operating expenses should be paid from this account. .

Section 19. Reserve and Escrow Payments.

On the date of the execution of this Agreement, the Owner will deposit with the Agency the following amounts as shown on the closing budget for the Project ("Form 10") which will serve as a reserve against late payments and be available to pay expenses when due or be available to assist with project expenses. These amounts will comprise the Special Needs Project Escrow:

(a) an amount equal to twelve (12) months of the estimated annual insurance payments;

(b) an amount equal to twelve (12) months of the estimated annual tax payments; and

(c) an amount(s) as stated on the Form 10 for a project escrow.

Additionally, the Owner will deposit an amount as agreed upon between the Borrower and the Agency for the Project as a reserve for repairs and replacement of items at the Project and initial project costs, excluding social service and/or operating costs. Additionally, the repair and replacement reserve will be funded quarterly by the Borrower with an amount equal to three (3) months repair and replacement reserve as shown on the Project's Form 10. This reserve will be separate from the Special Needs Project Escrow and will be known as the Repair and Replacement Reserve.

The Owner will also deposit an amount equal to $8,814 representing 10% of the Project's hard costs for construction and/or rehabilitation as stated on the Form 10 for a reserve in lieu of payment and performance bond to be held in the Project's Repair and Replacement Reserve for a period of two (2) years from the date of issuance of the Certificate of Occupancy or Architect's Certification of Substantial Completion, whichever is later. After the period of two (2) years, any

remaining funds will continue to be held in the Repair and Replacement Reserve account to be used as outlined in the preceding paragraph.

All reserve and escrow payments required pursuant to this Section shall be held in accounts under the sole control of the Agency and shall be paid out for the benefit of the Project as needed on request of the Owner or on the Agency's own initiative. Any interest which may be earned on such reserves shall remain in the escrow account and shall be used for similar purposes unless the Owner and Agency mutually agree to apply the funds to some other Project purpose.

If the Agency determines that the payments specified herein are insufficient to ensure prompt payment of taxes, payments in lieu of taxes, insurance premiums, or to properly fund painting, decorating, repair and replacement needs with respect to the Project, then the Agency may require an increase in the minimum required escrow amounts necessary to assure proper funding.

Section 20. Inspection of Premises. The Owner covenants and agrees to permit the Agency, its agents or representatives, to inspect the Project at any and all reasonable times with or without notice, pursuant to the provisions of the Act and the Program.

Section 21. Books and Records. The Owner covenants and agrees to maintain adequate books and records of its transactions, including the social services provided to the Project's residents, with respect to the Project in the Owner's standard form. Such books and records shall be available for inspection and audit by the Agency or its agents at any time during business hours, with notice, pursuant to the provisions of the Act and the Program. The Owner further covenants and agrees to cause the financial affairs with respect to the Project to be audited by independent certified public accountants and shall furnish the Agency with its audit report of such accountants as may from time to time be required by the Agency.

The Owner shall furnish to the Agency such other information and reports respecting the Project as may from time to time be required by the Agency.

Section 22. Management Contract. The Owner may, and if the Agency so elects, shall contract for the services of a firm experienced in real estate management to act as the managing agent for the Project. The selection of any such managing agent, the scope of the agent's duties and the basis of the agent's compensation shall be the subject of a consultation between the Agency and the Owner and any contract for the employment of any managing agent shall provide that such contract may be terminated by the Agency at any time by notice of such determination by the Agency given to the Owner and managing agent.

Section 23. Prohibited Actions. Except with the express approval of the Agency, which approval shall not be unreasonably withheld, the Owner shall not with Project Revenues (as defined in Section 18 hereof), Loan disbursements or grant advances:

1. incur any liabilities, except in connection with the acquisition, rehabilitation and rental of the Project and its operation and maintenance;

2. engage in any business activity except the ownership and operation of the Project;

3 pay more than fair market value thereof for goods or services; and

4. pay compensation to any officer, director or partner in such capacity or make any cash distribution to any of the foregoing.

Section 24. Transfers of Ownership Interests. The Owner shall not transfer or sell any interest in the Project, except in accordance with the Agency's Regulations governing such transfers.

Section 25. Statutory Powers and Restrictions. The Mortgage shall be subject to the restrictions in the Act and the Program, and in connection therewith, the Agency shall have the powers set forth in the Act, the Program and the regulations now or hereafter promulgated pursuant to the Act and the Program and the Owner hereby consents to such restrictions and agrees to be bound thereby. Such powers and restrictions shall be in addition to and not in limitation of the rights of the Agency expressly set forth in this Agreement.

Section 26. Accounting in Event of Default; Estoppel. Upon the occurrence of an Event of Default and within ten (10) business days of demand therefore by the Agency, and otherwise within ten (10) business days of written demand by the Agency, the Owner will furnish to the Agency in writing a statement of the principal amount remaining due on the Loan, together with a statement of any known defenses which may exist as to any liability of the Owner on the Notes or otherwise thereunder.

Section 27. Financing Statements. The Owner hereby irrevocably authorizes the Agency to execute on its behalf one or more financing statements or renewals thereof in respect to any of the security interests granted by the Mortgage.

Section 28. Assignment by Agency. The Owner hereby consents to any assignment of any Loan Document by the Agency.

Section 29. Defaults. Each of the following shall be an Event of Default:

(a) failure by the Owner to pay more than thirty (30) calendar days after the due date any installment of principal or interest on the Loan or any other payment required by the Owner to the Agency or any other person pursuant to the terms of this Agreement, the Mortgage or the other Loan Documents; provided, however, that interest shall accrue on any payment made beyond its due date;

(b) commission by the Owner of any act prohibited by the terms of this Agreement, the Mortgage or any other Loan Document, failure by the Owner to perform or observe in a timely fashion any action or covenant required by any of the terms of this Agreement, the Mortgage or any other Loan Document, or failure by the Owner to produce satisfactory evidence of compliance therewith;

(c) the filing by the Owner under any federal or state bankruptcy or insolvency law or other similar law of any petition in bankruptcy or for reorganization or composition with creditors or the making of an assignment for the benefit of creditors;

(d) the filing against the Owner of a petition seeking its adjudication as a bankrupt or the appointment of a receiver for the benefit of its creditors which shall not have been dismissed within sixty (60) calendar days of the filing thereof, or the adjudication of the Owner as a bankrupt or the appointment of a receiver for the benefit of its creditors; or the appointment by court order of a custodian (such as a receiver, liquidator or trustee) of the Owner or of any of its property or the taking of possession of the Owner or any of its property for the benefit of its creditors and such order remains in effect or such possession continues for more than sixty (60) calendar days;

(e) the occurrence of substantial destruction of the Project by an uninsured casualty or the inability to replace or restore the Project in accordance with Section 10;

(f) any representation in conjunction with the Loan and the Project by or on behalf of the Owner that is knowingly false or misleading in any respect or warranty of the Owner that is breached;

(g) any breach by the Owner of its obligations or any failure to observe its covenants under this Agreement, and the other Loan Documents; and

(h) failure or refusal to acquire, rehabilitate, operate and/or maintain the Project in accordance with the Program and Program Guidelines, the Act and Agency Regulations.

The events set forth in the subsections (b) and (g) of this Section shall not constitute Events of Default until the prohibited acts, failure to perform or observe, or breaches shall remain uncured for a period of thirty (30) calendar days after the Agency's written notice to the Owner, specifying such prohibited act, failure or breach and requesting that it be remedied, unless the Agency shall agree in writing to an extension of such time prior to its expiration; provided, however, that after the Rehabilitation Period only, if the prohibited act, failure, or breach stated in each notice is correctable, but cannot be corrected within the 30-day period, the Agency may not unreasonably withhold its consent to an extension of up to 120 calendar days from the delivery of the written notice referred to

herein if corrective action is instituted by the Owner, within the initial 30-day period and diligently pursued.

The failure of the Owner to comply with any of the provisions of Section 25 or 31 of this Agreement shall not be deemed an Event of Default hereunder unless such failure has not been corrected within a period of 60 calendar days, have actual or constructive knowledge of such failure or after the Agency's written notice to the owner, whichever is earlier.

Section 30. Remedies. Upon the occurrence of any Event of Default, the Agency may at its option take any one or more of the following actions or remedies and no failure to exercise any remedy or take any action enumerated shall constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:

(a) declare the entire principal sum of the Mortgage together with all other liabilities of the Owner under the Note to be immediately due and payable;

(b) cease making disbursements to the Owner of any funds under the Loan or from reserves held by the Agency;

(c) apply any reserves held by the Agency or the balance in the accounts for Project disbursements and revenues, or any combination of these monies, to the payment of the Owner's liabilities hereunder;

(d) foreclose the lien of the Mortgage on the Project and Land or a portion thereof, including without limitation all Improvements existing or hereafter placed in or on the Project and Land. In any action to foreclose, the Agency shall be entitled to the appointment of a receiver of the rents and profits of the Project as a matter of right and without notice, with power to collect the rents, uses and profits of said Project, due and becoming due during the pendency of such foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by the Mortgage without regard to the value of the Project or the solvency of any person or persons liable for payment of the mortgaged indebtedness. The Owner for itself and any such subsequent owner hereby waives any and all defenses to the application for a receiver as above and hereby specifically consents to such appointment without notice, but nothing herein contained is to be construed to deprive the holder of the Mortgage of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provisions for the appointment of a receiver of the rents and profits and the assignment of such rents and profits, is made an express condition upon which the Loan hereby secured are made. Upon such foreclosure the Agency shall have the right to have a receiver appointed for the Project and the rent from the Project;

(e) pursuant to its rights under the Act and the Program, remove the Project Manager(s) after consultation with the Owner, or, if the Agency, after consultation with the Owner, decides, it is in the best interest of the Project and Clients, hereinafter defined, the Owner shall deed the Project and Land to the Agency;

(f) take possession of the Project and Land or a portion thereof;

(g) without judicial process, collect all rents and other revenue including federal and State subsidies as the agent of the Owner (which upon the occurrence of any Event of Default the Agency is deemed to have been irrevocably appointed by the Owner), and apply the same at the Agency's option either to the operation and maintenance of the Project or to the liabilities of the Owner under the Mortgage;

(h) act as landlord of the Project and rent or lease the same on any terms approved by it, or dispossess by summary proceedings or other available means any tenant defaulting under the terms of the lease of a dwelling unit;

(i) take possession of equipment, appliances or other tangible personal property in which a security interest has been granted by this Agreement or the Mortgage and dispose of the same in any commercially reasonable manner. The Agency shall have the option to dispose of any such equipment and personal property either separately from the Project and Land or in conjunction with a sale of the Project and Land, and the Owner agrees that either method of disposition shall be commercially reasonable;

(j) subject to Section 40 hereof, sue the Owner for a mandatory injunction or other equitable relief requiring performance by the Owner of any of its obligations under this Agreement or the Mortgage or the other Loan Documents. The Owner agrees with the Agency that the Agency's remedy at law for the violation or nonperformance of the Owner's obligations under the Mortgage or this Agreement or the other Loan Documents is not adequate by reason, among other things, of the Agency's public purpose to provide adequate, safe and sanitary dwelling units;

(k) after consultation with the Owner, sue under or make effective an assignment by the Owner to the Agency of any warranty for the Project or any contract for construction, rehabilitation, repair, renovation, reconstruction or improvement of the Project, to recover any amount payable to the Owner pursuant to any such warranty and to settle any such claim or liability and release the same and apply the proceeds of any such suit, settlement or release to the liabilities of the Owner under the Mortgage Note, this Agreement or the Mortgage, or the other Loan Documents;

(l) if the Owner commits a breach or threatens to commit a breach of any of the provisions of the Mortgages or other Loan Documents, the Agency shall have the right, without posting bond or other security, to seek injunctive relief or specific performance, it being acknowledged and agreed that any such breach, or threatened breach, will cause irreparable injury to the Agency and that money damages will not provide an adequate remedy; and/or

(m) to undertake reasonable maintenance and make reasonable repairs to the Project and to add the cost thereof to the principal balance of the Mortgages; and

(n) notwithstanding the above enumeration of remedies, the Agency shall have available to it all other remedies provided at law or in equity or any other action permitted by law subject to the provisions of Section 40 of this Agreement.

Section 32. Expenses Due to Default. All expenses (including reasonable attorneys' fees and costs and allowances) incurred in connection with an action to foreclose the Mortgage or in exercising any other remedy provided by the Mortgage or this Agreement or the other Loan Documents, including the curing of any Event of Default, shall be paid by the Owner, together with interest at the then current rate being received by the Agency on its investments as determined in good faith by the Agency. Any such sum or sums and the interest thereon shall be a further lien on the Project, Land and Improvements, and shall be secured by this Agreement and the Mortgage.

Section 33. Burden and Benefit. The Agency and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Owner's legal interest in the Land and the Project is rendered less valuable thereby. The Agency and the Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Land and the Project as housing for individuals with mental illness, meaning individuals with a psychiatric disability or individuals with a mental illness eligible for housing or services funded by the DMHS.

Section 34. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project and Land.

Section 35. Remedies; Enforceability. The provisions hereof are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Owner or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to

obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time or times.

Section 36. Amendments; Notices; Waivers. This Agreement and the Mortgage may be amended only by an instrument in writing executed and acknowledged on behalf of the Agency and the Owner in such manner that the instrument may be recorded.

No waiver by the Agency in any particular instance of any Event of Default or required performance by the Owner and no course of conduct of the parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Owner under this Agreement, the Mortgage, or under the other Loan Documents at any time shall preclude enforcement of any of the terms of this Agreement, the Mortgage, the Note, or the other Loan documents thereafter.

Any provisions of this Agreement, the Mortgage or other Loan Documents requiring the consent or approval of the Agency for the taking of any action or the omission of any action requires such consent by the Agency in writing signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.

Notice provided for under this Agreement shall be given in writing signed by a duly authorized officer and any notice required to be given hereunder shall be given by recognized private carrier with acknowledgment of delivery or by confirmed facsimile, with a hard copy sent by certified mail, return receipt requested, or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto.

Agency: Executive Director
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue, CN 18550
Trenton, NJ 08650-2085

Owner: Mental Health Association of Essex County, Inc.
33 South Fullerton Avenue
Montclair, New Jersey 07042

All notices shall be deemed given when received.

Section 37. Severability. The invalidity of any part or provision hereof shall not affect the validity, legality and enforceability of the remaining portions hereof, and to this end the provisions of this Agreement shall be severable.

Section 38. Successors and Assigns. This Agreement and all rights, duties, obligations and interests arising hereunder shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

Section 39. Personal Liability. Notwithstanding any other provision contained in this Agreement, the other loan documents or any other document or instrument executed by the owner in connection herewith or therewith, the Agency agrees, on behalf of itself and any future holder of the Note, that the liability of the Owner and its respective heirs, representatives, successors and assigns, for the payment of its obligations hereunder and under the other loan documents, including, without limitation, the payment of principal, interest and other charges due hereunder and thereunder, shall be limited to the collateral pledged under the mortgage and the other loan documents, and that the Agency shall have no right to seek a personal judgment against the Owner, its respective heirs, representatives, successors and assigns, individually, except to the extent necessary to subject the collateral (including the Project and Land) pledged under the Mortgage and the other loan documents to the satisfaction of the Mortgage debt, and provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under the Mortgage, this Agreement and the other loan documents, including without limitation the right to sue for injunctive or other equitable relief. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or other unlawful acts and shall not apply to such amounts due to the Lender pursuant to Sections 8,9,10, 12 and 32 of this Agreement.

Section 40. Counterparts. This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 41. Disclaimer of Warranties, Liability; Indemnification/Defense.

A. The Owner acknowledges and agrees that (i) the Agency has not heretofore and does not make any warranty or representation, either express or implied, as to the value, condition, or fitness for particular purposes of the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Agency or its agents or employees be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Agreement or any of the other Loan Documents or the development of the Project or the existence, functioning or use of the Project or any items or services provided for in this Agreement or the other Loan Documents; and (iii) during the term of this Agreement and the other Loan Documents and to the fullest extent permitted by law, the Owner shall indemnify, defend and hold the

Agency harmless against, damage, claims, judgments or expenses of any and all kinds or nature and however arising, imposed by law, which the Owner and the Agency including reasonable attorneys' fees and costs, may sustain, be subject to, or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contract entered into by the Owner, or arising out of the Owner's ownership of the Project or out of the construction, rehabilitation, operation or management of the Project.

B. It is mutually agreed by the Owner and the Agency that the Agency and its directors, officers, agents, servants and employees shall not be liable for any action performed under this Agreement, and that the Owner shall hold them harmless from any claim or suit of whatever nature.

C. Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. While this statute may not be applicable by its terms to claims arising under contracts with the Agency, the Owner agrees that it shall be applicable to any claims arising under the Loan Documents. It is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq.

Section 42. Recording. This Agreement shall be duly recorded in the Office of the Clerk for the county in which the Land is located within ten (10) days following its execution.

Section 43. Governing Law. This Agreement shall be governed by the laws of the State of New Jersey. The parties agree that any cause of action that may arise under this Agreement or the Loan Documents shall have jurisdiction and venue only in the Courts of the State of New Jersey in and for the County of Mercer.

Section 44. Equal Opportunity and Non-Discrimination. The Owner covenants and agrees that it will comply with the Agency guidelines with respect to equal opportunity and non-discrimination in its purchase of goods and services for the operation and maintenance of the Project throughout the term of this Agreement.

Section 45. Counterparts

This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original. A fax copy of a signature on this Agreement shall have the same effect as an original provided that an original is received by the other party hereto within two business days thereafter.

Section 46. Investment Funding.

The Owner agrees to make an investment in the Project and Land in an amount which is not less than 20% of the total Project cost as determined by the Agency pursuant to the Act and the

Program. In the event the principal sum set forth in the Agency Financing that is advanced to the Owner is determined by the Agency to exceed 80% of the total Project cost, the Owner shall reimburse the Agency an amount that would reduce the Agency Financing to 80% of the total Project cost.

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

WITNESS/ATTEST

Robert E. Nolan
Assistant Secretary

OWNER:

MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.

By:
Robert N. Davison
Executive Director

WITNESS/ATTEST

Darryl D. Applegate
Assistant Secretary

LENDER:
NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By:
Leslie S. Lefkowitz
Chief of Legal and Regulatory Affairs

This Agreement is approved as to form:

ATTORNEY GENERAL OF NEW JERSEY

By:
Jennifer H. Linett
Deputy Attorney General

CORPORATE ACKNOWLEDGMENT

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

BE IT REMEMBERED, that on this 24th day of November, 2008, before me, the subscriber, an Attorney at Law of New Jersey, personally appeared, Robert N. Davison, who, being by me duly sworn on his oath, acknowledges and makes proof to my satisfaction that Mental Health Association of Essex County, Inc., is the entity named in the within Instrument; that Robert N. Davison is the Executive Director of said non-profit corporation; that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the members of the said non-profit corporation, and that the seal affixed to said Instrument is the proper seal and was thereto affixed and said Instrument signed and delivered by said members of the non-profit corporation as and for the voluntary act and deed of said non-profit corporation, in the presence of deponent, who there upon subscribed his name thereto as attesting witness.

Sworn to and subscribed before me
on the date aforesaid.

Jeffrey Kuschner
Attorney at Law of the State of
New Jersey

ACKNOWLEDGEMENT CONTINUED ON NEXT PAGE

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

BE IT REMEMBERED, that on this 24th day of November, 2008 before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared , who, being by me duly sworn on her oath, acknowledges and makes proof to my satisfaction that Darryl D. Applegate is an Assistant Secretary of the NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (the "Agency"), named as the Lender in the within Instrument, that Leslie S. Lefkowitz is the Chief of Legal and Regulatory Affairs of said Agency, that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the members of the said Agency, that deponent well knows the corporate seal of said Agency, and that the seal and said Instrument signed and delivered by said Leslie S. Lefkowitz as and for the voluntary act and deed of said Agency, in the presence of deponent, who there upon subscribed her name thereto as attesting witness.

Sworn to and subscribed before me
on the date aforesaid.

Aida L. Lopez

Notary Public of New Jersey

Aida Luz Lopez
Notary Public of New Jersey
My Commission Expires: July 19, 2012

S:\LISA D\BAY PROJECT\SNHTF LOAN DOCS\SNHTF Deed Restriction-Permanent.doc

SCHEDULE A

LEGAL DESCRIPTION

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Municipality of Township of Bloomfield, in the County of Essex, State of NJ:

BEGINNING at a point in the southerly line of Bay Avenue therein distant 135.62 feet easterly from the intersection of the same with the easterly line of Essex Avenue; thence

(1) Running along Bay Avenue, South 86 degrees 52 minutes East 40.00 feet; thence

(2) South 03 degrees 08 minutes West 101.77 feet; thence

(3) North 87 degrees 49 minutes West 40.00 feet; and thence

(4) North 03 degrees 08 minutes East 102.43 feet to the southerly line of Bay Avenue and the point and place of BEGINNING.

The above description is in accordance with a survey prepared by EKA Associates, P.A., L.S., dated August 23, 2007.

FOR INFORMATION PURPOSES ONLY: BEING known as 134 Bay Avenue, Tax Lot 35, Tax Block 691 on the Official Tax Map of Township of Bloomfield, NJ.

RECORDING INFORMATION SHEET

ESSEX COUNTY REGISTER'S OFFICE
HALL OF RECORDS , ROOM 130
465 MARTIN LUTHER KING Jr. Blvd
NEWARK NJ 07102

INSTRUMENT NUMBER:	DOCUMENT TYPE :
8044934	**DEED**

Official Use Only

CAROLE A. GRAVES, REGISTER
ESSEX COUNTY, NJ

INSTRUMENT NUMBER
8044934
RECORDED ON
May 14, 2008 08:57 am
BOOK:12135 PAGE:8661

RB

Return Address *(for recorded documents)*

JEFFREY R KUSCHNER ESQ

180 GLENRIDGE AVE

MONTCLAIR NJ 07042

No. Of Pages *(excluding Summary Sheet)*	6
Recording Fee *(excluding Transfer Tax)*	$90.00
Realty Transfer Tax	$0.00
Amount Charged (Check # 1148)	$90.00
Municipality	BLOOMFIELD
Parcel Information	**Block** 691 **Lot** 35
First Party Name	MENTAL HEALTH ASSOCIATION
Second Party Name	MENTAL HEALTH ASSOC

CONSIDERATION (E) $1.00

MAIL COPY _____
NO COPY _____
ENVELOPE _____

ADDITIONAL STAMPINGS _____

Additional Information (Official Use Only)

********** *DO NOT REMOVE THIS PAGE.* **********
COVER SHEET (DOCUMENT SUMMARY FORM) IS PART OF ESSEX COUNTY FILING RECORD
********** *RETAIN THIS PAGE FOR FUTURE REFERENCE.* **********

Deed

This Deed is made on **April 29, 2008**
BETWEEN
MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.

a corporation of the state of **New Jersey**
having its principal office at
33 South Fullerton Avenue
Montclair, New Jersey 07042

referred to as the Grantor,
AND
MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.

whose post office address is
33 South Fullerton Avenue
Montclair, New Jersey 07042

referred to as the Grantee.
The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

1. **Transfer of Ownership.** The Grantor grants and conveys (transfers ownership of) the property (called the "Property") described below to the Grantee. This transfer is made for the sum of **$1.00**
One Dollars and No Cents
The Grantor acknowledges receipt of this money.

2. **Tax Map Reference.** (N.J.S.A. 46:15-1.1) Municipality of **Bloomfield**
Block No. **691** Lot No. **35** Qualifier No. Account No.
☐ No property tax identification number is available on the date of this Deed. (Check Box if Applicable.)

3. **Property.** The Property consists of the land and all the buildings and structures on the land in the **Township** of **Bloomfield**, County of **Essex** and State of New Jersey. The legal description is:

☒ Please see attached Legal Description annexed hereto and made a part hereof. (Check Box if Applicable.)

Being the same premises conveyed to the grantor herein by Deed from Moshin Awadalla, a/k/a Mohsen Awadalla, dated October 10, 2007, recorded October 16, 2007 in Deed Book 12093, Page 6748.

The within conveyance is subject to zoning ordinances, easements and restrictions of record, if any, and such state of facts as an accurate survey would disclose.

"The grantee hereunder does acknowledge that the cost of acquisition and rehabilitation of the property has been satisfied out of part of the proceeds of a certain loan from the County of Essex under the Federal HOME program and that the premises to be rehabilitated shall be subject to the affordability requirements contained in 24 Code of Federal Regulation, Part 92. The provisions thereof may be enforced by the County of Essex by an action for specific performance filed in a Court having jurisdiction. The premises to be rehabilitated shall be subject to the specific provisions for affordability contained in 24 CFR 92.504 for a period of twenty years from the date of completion of the project as evidenced by the issuance of a Certificate of Occupancy for the use of the premises."

This is a corrective deed which corrects the original deed by including deed restriction language required by the County of Essex under the Federal HOME program.

Prepared by: (*print signer's name below signature*)	(For Recorder's Use Only)
Jeffrey R. Kuschner, Esquire	

Commitment Number: ST-21726

SCHEDULE C

LEGAL DESCRIPTION

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Municipality of Township of Bloomfield, in the County of Essex, State of NJ:

BEGINNING at a point in the southerly line of Bay Avenue therein distant 135.62 feet easterly from the intersection of the same with the easterly line of Essex Avenue; thence

(1) Running along Bay Avenue, South 86 degrees 52 minutes East 40.00 feet; thence

(2) South 03 degrees 08 minutes West 101.77 feet; thence

(3) North 87 degrees 49 minutes West 40.00 feet; and thence

(4) North 03 degrees 08 minutes East 102.43 feet to the southerly line of Bay Avenue and the point and place of BEGINNING.

FOR INFORMATION PURPOSES ONLY: BEING known as 134 Bay Avenue, Tax Lot 35, Tax Block 691 on the Official Tax Map of Township of Bloomfield, NJ.

The street address of the Property is:
134 Bay Avenue
Bloomfield, NJ 07003

4. **Signatures.** This Deed is signed and attested to by the Grantor's proper corporate officers as of the date at the top of the first page. Its corporate seal is affixed. (Print name below each signature.)

Witnessed or Attested by:

Jeffrey R. Kuschner, Esquire

By: _____
Mental Health Association of Essex County, Inc.

STATE OF NEW JERSEY, COUNTY OF **ESSEX** SS:
I CERTIFY that on **April 29, 2008**
Robert Davison

personally came before me and stated to my satisfaction that this person (or if more than one, each person):
(a) was the maker of the attached Deed;
(b) was authorized to and did execute this Deed as **Executive Director**
of **MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.** the entity named in this Deed;
(c) made this Deed for **$ 1.00** as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5); and
(d) executed this Deed as the act of the entity.

RECORD AND RETURN TO:
Jeffrey R. Kuschner, Esquire
180 Glenridge Avenue
Montclair, New Jersey 07042

Jeffrey R. Kuschner
An Attorney at Law of the State of New Jersey
Print name and title below signature

MUST SUBMIT IN DUPLICATE
NC1645 - Affidavit of Consideration
RTF-1 (Rev. 8/11/2006) P10/06

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www.aslegal.com 800.222.0510 Page 1

STATE OF NEW JERSEY

AFFIDAVIT OF CONSIDERATION FOR USE BY SELLER

(Chapter 49, P.L. 1968, as amended through Chapter 33, P.L. 2006) (N.J.S.A. 46:15-5 et seq.)

BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY } SS.
COUNTY OF ESSEX

County Municipal Code 0702

Municipality of Property Location: Bloomfield

FOR RECORDER'S USE ONLY
Consideration $ 1.00
RTF paid by seller $ ✓ †
Date 5-14-08 By DC

† Use symbol "C" to indicate that fee is exclusively for county use.

(1) PARTY OR LEGAL REPRESENTATIVE *(See Instructions 3 and 4 attached)*
Deponent, Robert Davison (Name), being duly sworn according to law upon his/her oath deposes and says that he/she is the Exec. Director of Mental Health Association (State whether Grantor, Grantee, Legal Representative, Corporate Officer, Officer of Title Co., Lending Institution, etc.) in a deed dated 4/29/08 transferring real property identified as Block No. 691 Lot No. 35 located at 134 Bay Avenue, Bloomfield, New Jersey 07003 (Street Address, Town) and annexed thereto.

(2) CONSIDERATION: $ 1.00 *(See Instructions 1 and 5)*

(3) Property transferred is Class 4A 4B 4C (circle one). If Class 4A, calculation in Section 3A is required.

(3A) **REQUIRED CALCULATION OF EQUALIZED ASSESSED VALUATION FOR ALL CLASS 4A COMMERCIAL PROPERTY TRANSACTIONS:** *(See Instructions 5A and 7)*

Total Assessed Valuation ÷ Director's Ratio = Equalized Valuation

$ _____ ÷ _____ % = $ _____

If Director's Ratio is less than 100%, the equalized valuation will be an amount greater than the assessed value. If Director's Ratio is equal to or in excess of 100%, the assessed value will be equal to the equalized value.

(4) FULL EXEMPTION FROM FEE: *(See Instruction 8)*
Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1968, as amended through C. 66, P.L. 2004, for the following reason(s). Mere reference to the exemption symbol is insufficient. Explain in detail. Consideration is less than $100.00.

(5) PARTIAL EXEMPTION FROM FEE: *(See Instruction 9)* **NOTE:** *All boxes below apply to grantor(s) only.*
ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. *Failure to do so will void claim for partial exemption.*
Deponent claims that this deed transaction is exempt from the State's portion of the Basic Fee, Supplemental Fee and General Purpose Fee, as applicable, imposed by C. 176, P.L. 1975, C. 113, P.L. 2004 and C. 66, P.L. 2004 for the following reason(s): _____

A. SENIOR CITIZEN *(See Instruction 9)*
- ☐ Grantor(s) 62 years of age or over.*
- ☐ One- or two-family residential premises.
- ☐ Resident of the State of New Jersey.
- ☐ Owned and occupied by grantor(s) at time of sale.
- ☐ Owners as joint tenants must all qualify.

B. BLIND *(See Instruction 9)*
- ☐ Grantor(s) legally blind.*
- ☐ One- or two-family residential premises.
- ☐ Owned and occupied by grantor(s) at time of sale.
- ☐ Owners as joint tenants must all qualify.
- ☐ Resident of the State of New Jersey.

DISABLED *(See Instruction 9)*
- ☐ Grantor(s) permanently and totally disabled.*
- ☐ Receiving disability payments.*
- ☐ Not gainfully employed.*
- ☐ One- or two-family residential premises.
- ☐ Owned and occupied by grantor(s) at time of sale.
- ☐ Owners as joint tenants must all qualify.
- ☐ Resident of the State of New Jersey.

* IN THE CASE OF HUSBAND AND WIFE, ONLY ONE GRANTOR NEED QUALIFY IF OWNED AS TENANTS BY THE ENTIRETY.

C. LOW AND MODERATE INCOME HOUSING *(See Instruction 9)*
- ☒ Affordable according to HUD standards.
- ☒ Meets income requirements of region.
- ☒ Reserved for occupancy.
- ☒ Subject to resale controls.

(6) NEW CONSTRUCTION *(See Instructions 2, 10 and 12)*
- ☐ Entirely new improvement.
- ☐ Not previously used for any purpose.
- ☐ Not previously occupied.
- ☐ "NEW CONSTRUCTION" printed clearly at the top of the first page of the deed.

(7) Deponent makes this Affidavit to induce the County Clerk or Register of Deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1968, as amended through Chapter 33, P.L. 2006.

Subscribed and sworn to before me this Twenty-Ninth day of April, 20 08

Notary Public
Jeffrey R. Kuschner, Esquire

Signature of Deponent

33 South Fullerton Avenue
Montclair, NJ 07042
Deponent Address

Robert Davison
Grantor Name

33 South Fullerton Avenue
Montclair, NJ 07042
Grantor Address at Time of Sale

Jeffrey R. Kuschner, Esquire
Name/Company of Settlement Officer

This form is prescribed by the Director, Division of Taxation in the Department of the Treasury, as required by law, and may not be altered or amended without the prior approval of the Director. For information on the Realty Transfer Fee or to print a copy of this Affidavit, visit the Division of Taxation website at www.state.nj.us/treasury/taxation/lpt/localtax.htm.

FOR OFFICIAL USE ONLY
Instrument Number 8044924 County ESSX
Deed Number _____ Book 12135 Page 566
Deed Dated 4-29-08 Date Recorded 5-14-08

County Recording Officers shall forward one copy of each Affidavit of Consideration for Use by Seller when Section 3A is completed.
State of New Jersey – Division of Taxation, P.O. Box 251, Trenton, NJ 08695-0251, Attention: Realty Transfer Fee Unit

STATE OF NEW JERSEY
SELLER'S RESIDENCY CERTIFICATION/EXEMPTION
(c.55, P.L. 2004)

SELLER INFORMATION (If Multiple Sellers, Each Seller Must Complete a Certification)

Name(s) Mental Health Association of Essex County, Inc.

Current Resident Address: 33 South Fullerton Avenue

Montclair, New Jersey — 07042
City, Town, Post Office — Zip Code

Home Phone: (973) 509-9777

PROPERTY INFORMATION (Brief Property Description)

Block 691 Lot 35

Street Address: 134 Bay Avenue

Bloomfield, New Jersey — 07003
City, Town, Post Office — Zip Code

100% — $1.00 — 4/29/08
Seller's Percentage Ownership — Consideration — Closing Date

SELLER ASSURANCES (Check the Appropriate Box)

1. [ ] I am a resident taxpayer of the State of New Jersey pursuant to N.J.S.A. 54A:1-1 et seq. and will file a resident gross income tax return and pay any applicable taxes on any gain or income from the disposition of this property.

2. [ ] The real property being sold or transferred is used exclusively as my principal residence within the meaning of section 121 of the federal Internal Revenue Code of 1986, 26 U.S.C. s. 121.

3. [ ] I am a mortgagor conveying the mortgaged property to a mortgagee in foreclosure or in lieu of foreclosure with no additional consideration.

4. [ ] Seller, transferor or transferee is an agency or authority of the United States of America, an agency or authority of the State of New Jersey, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.

5. [X] Seller is not individual, estate or trust and as such not required to make an estimated payment pursuant to N.J.S.A. 54A:1-1 et seq.

6. [ ] The total consideration for the property is $1,000 or less and as such, the seller is not required to make an estimated payment pursuant to N.J.S.A. 54A:5-1-1 et seq

SELLER(S) DECLARATION

The undersigned understands that this declaration and its contents may be disclosed or provided to the New Jersey Division of Taxation and that any false statement contained herein could be punished by fine, imprisonment, or both. I furthermore declare that I have examined this declaration and, to the best of my knowledge and belief, it is true, correct and complete.

Date: 4/29/08

(Seller) Please indicate if Power of Attorney or Attorney in Fact

RECORDING INFORMATION SHEET

ESSEX COUNTY REGISTER'S OFFICE
HALL OF RECORDS , ROOM 130
465 MARTIN LUTHER KING Jr. Blvd
NEWARK NJ 07102

INSTRUMENT NUMBER:	DOCUMENT TYPE :
14080854	**MORTGAGE**

Official Use Only

WILLIAM NARVAEZ
DEPUTY REGISTER
ESSEX COUNTY, NJ

INSTRUMENT NUMBER
14080854
RECORDED ON
November 10, 2014 10:21 am
BOOK:12523 PAGE:7870

AC

Return Address *(for recorded documents)*
VESTED TITLE, INC.
165 PASSAIC AVENUE

SUITE 101
FAIRFIELD NJ 07004

No. Of Pages *(excluding Summary Sheet)*	13
Recording Fee *(excluding Transfer Tax)*	$150.00
Realty Transfer Tax	$0.00
Amount Charged (Check # 14009)	$150.00
Municipality	BLOOMFIELD
Parcel Information	**Block** **Lot**
First Party Name	WATSESSING DEVELOPMENT LLC
Second Party Name	NEW JERSEY HOUS & MTG FIN AGCY

MAIL COPY _____
NO COPY _____
ENVELOPE _____

ADDITIONAL STAMPINGS _____

Additional Information (Official Use Only)

******************************* ***DO NOT REMOVE THIS PAGE.*** *******************************

COVER SHEET (DOCUMENT SUMMARY FORM) IS PART OF ESSEX COUNTY FILING RECORD

********************** ***RETAIN THIS PAGE FOR FUTURE REFERENCE.*** **********************

R+R

VESTED LAND SERVICES LLC
165 PASSAIC AVE
SUITE 101
FAIRFIELD, NJ 07004

Prepared by: *Anthony Kasperek*

RECORD AND RETURN TO:
New Jersey Housing and Mortgage Finance Agency 92470/pt
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Director, Single Family Division
CHOICE Project: Watsessing Manor, CHOICE # 14-12

CONSTRUCTION MORTGAGE AND SECURITY AGREEMENT
CHOICES IN HOME OWNERSHIP INCENTIVES CREATED FOR EVERYONE

INDEX

I. PARTIES

This Construction Mortgage and Security Agreement is made **on the 5th day of November, 2014** between **Watsessing Development, LLC**, a For-Profit Limited Liability Company, having an address at 46 Church Street, The Hall Building, Montclair, New Jersey 07042 (hereinafter referred to as the "Mortgagor") and the **New Jersey Housing and Mortgage Finance Agency**, a body corporate and politic and an instrumentality exercising public and essential governmental functions of the State of New Jersey authorized pursuant to N.J.S.A. 55:14K-1 et seq., and whose address is 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085 (hereinafter referred to as the "Agency" or "Mortgagee").

II. BACKGROUND

This mortgage is being made as part of the Choices in Home Ownership Incentives Created for Everyone Program ("CHOICE"). This mortgage shares co-first mortgage status with the mortgage of a participating CHOICE Participating lender ("the Participating lender"). Also under this program, a CHOICE Subsidy has been established to provide subsidy funding for certain eligible CHOICE construction costs. If provided, CHOICE Subsidy financing will be secured by a construction mortgage and security agreement and note that will be subordinate only to this and the co-first mortgage lien of the Participating lender.

All recitations of rights, duties, protections, security, and obligations of the mortgagor contained in this mortgage for the benefit of the mortgagee, shall be understood to be benefits shared pari passu with the co-first mortgagee Participating lender. Recitations that provide exclusive benefits to the mortgagee shall be reasonably interpreted to allow the co-first mortgagee Participating lender and the mortgagee to mutually enjoy these benefits. In the event of conflict between the terms and conditions of co-first mortgages, except as would affect priority of lien or violate provisions of law, including, but not limited to, the Fair Housing Act, N.J.S.A. 52:27D-301 et seq. the Participating lender's mortgage shall prevail. The Mortgagee reserves the right to seek a waiver from the Participating lender of any of its terms and conditions in the event of such a conflict.

III. GRANT

Mortgagor has executed and delivered to Mortgagee its Construction Mortgage Note (the "Note") bearing even date herewith, wherein Mortgagor promises to pay to Mortgagee the principal sum of **Two Million Three Hundred Ninety-Three Thousand Seven Hundred Fifty-One Dollars ($2,393,751)** lawful money of the United States of America, advanced or to be advanced by Mortgagee to Mortgagor, with interest thereon, at the rate and times, in the manner and according to the terms and conditions specified in the Note, all of which is incorporated herein by reference.

NOW, THEREFORE, in consideration of the indebtedness and as security for payment to Mortgagee of the principal with interest and all other sums provided for in the Note and in this Construction Mortgage and Security Agreement (hereinafter sometimes also referred to as the "Mortgage"), according to their respective terms and conditions and for performance of the agreements, conditions, covenants, provisions and stipulations contained herein, and in an unrecorded Construction Loan Agreement between Mortgagor and the Participating lender, which the Agency reserves the right to review and approve prior to execution, and a Rider thereto between the Borrower and the Agency, bearing even date herewith (the "Loan Agreement"), Mortgagor does hereby grant, convey and mortgage unto the Mortgagee all that certain real estate described in Exhibit "A" attached hereto and made a part hereof.

TOGETHER WITH:

1. Any and all buildings and improvements erected or hereafter erected thereon;

2. Mortgagor's interest in any and all fixtures, appliances, machinery and equipment of any nature whatsoever, and other articles of personal property at any time now or hereinafter installed in, attached to or situated in or upon the above described real estate or the buildings and improvements to be erected thereon, or used or intended to be used in connection with the real estate or in the operation of the buildings and improvements, plant, business or dwelling situate thereon, whether or not the personal property is or shall be affixed thereto; and all contract rights, accounts receivable and business records used or to be used in the construction, operation and/or maintenance of the aforementioned real property and improvements.

3. Mortgagor's interest in all building materials, fixtures, building machinery and building equipment delivered on site to the real estate during the course of or in connection with construction of the buildings and improvements thereon; and

4. Any and all tenements, hereditaments and appurtenances belonging to the real estate or any part thereof hereby mortgaged or intended so to be or in any way appertaining thereto and all streets, alleys, passages, ways, water courses and all easements and covenants now existing or hereafter created for the benefit of Mortgagor or any subsequent owner or tenant of the mortgaged real estate over ground adjoining the mortgaged real estate and all rights to enforce the maintenance thereof and all other rights, liberties and privileges of whatsoever kind or character and the reversions and remainders, income, rents, issues and profits arising therefrom and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law or in equity, of Mortgagor in and to the real estate or any part thereof.

(All of the above-mentioned real estate, improvements, personal property and other property and interests are sometimes collectively referred to herein as the "Mortgaged Property").

ALSO TOGETHER WITH any and all awards hereafter made to the present and all subsequent owners of the Mortgaged Property by any governmental or other lawful authorities for taking or damaging by eminent domain the whole or any part of the Mortgaged Property to any easement therein, including any awards for any changes of grades of streets, which said awards are hereby assigned to Mortgagee, who is hereby authorized to collect and receive the proceeds of any such awards from such authorities and to give proper receipts and acquittances therefor and to apply the same (after deduction of attorney's fees and other costs of collecting the funds) toward the payment of the amount owing on account of this Mortgage and accompanying Note, notwithstanding the amount owing thereon may not then be due and payable; and Mortgagor hereby agrees, upon request, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning the aforesaid awards to Mortgagee, free, clear and discharged of any and all encumbrances of any kind or nature whatsoever. Mortgagor further agrees to give Mortgagee immediate notice of the actual or threatened commencement of any proceedings in the nature of eminent domain affecting all or any part of the Mortgaged Property and will deliver to Mortgagee copies of any papers served upon Mortgagor in connection with any such proceedings. No settlement for the damages sustained shall be made by Mortgagor without Mortgagee's prior written approval, which approval shall not be unreasonably withheld.

TO HAVE AND TO HOLD the Mortgaged Property hereby conveyed or mentioned and intended so to be, unto Mortgagee, to its own use and that of its successors and assigns forever.

PROVIDED ALWAYS, and this instrument is upon the express condition that, if Mortgagor pays to Mortgagee the principal sum mentioned in the Note, the interest thereon and all other sums payable by Mortgagor to Mortgagee as are secured hereby, in accordance with the provisions of the Note and this Mortgage, at the times and in the manner specified, without deduction, fraud or delay and Mortgagor performs and complies with all the agreements, conditions, covenants, provisions and stipulations contained herein and in the Note and in the Construction Loan Agreement, then this Mortgage and the estate hereby granted shall cease and become void.

IV. MORTGAGOR'S COVENANTS

MORTGAGOR COVENANTS with Mortgagee that until the indebtedness secured hereby is fully repaid:

1. Seisin and Warranty: Mortgagor warrants the title to the Mortgaged Property, subject only to such exceptions to title set forth in the title insurance commitment delivered at closing, or at the time of any advance under the Note, which are acceptable to the Mortgagee.

2. Payment and Performance: Mortgagor shall pay to Mortgagee, in accordance with the terms of the Note and this Mortgage, the principal and interest, and other sums therein set forth; and shall perform and comply with all the agreements, conditions, covenants, provisions and stipulations of the Note, this Mortgage and the Loan Agreement.

3. Maintenance of Mortgaged Property: Mortgagor shall abstain from and shall not permit the commission of waste in or about the Mortgaged Property; and shall not remove or demolish, or alter the structural character of, any building to be erected at any time on the Mortgaged Property, without the prior written consent of Mortgagee; shall not permit the Mortgaged Property to become deserted or unguarded; and shall maintain the Mortgaged Property in good condition and repair, reasonable wear and tear excepted.

4. **Insurance:** Mortgagor shall keep the Mortgaged Property continuously insured against loss or damage by fire, with extended coverage, and against such other hazards as Mortgagee may require (including, without limitation, loss of income) by an insurance company satisfactory to Mortgagee, and in such total amount and form as Mortgagee may require from time to time, with subrogation clauses satisfactory to Mortgagee. All such policies shall be in form satisfactory to Mortgagee, shall be maintained in full force and effect, shall be delivered to Mortgagee, with premiums prepaid, shall be endorsed with a standard non-contributory mortgagee clause in favor of Mortgagee, and shall provide for at least thirty (30) days notice of cancellation to Mortgagee. In addition, Mortgagor shall at all times be protected by comprehensive general public liability, property damage and workers compensation insurance policies, such coverage's at all times to be evidenced by current certificates of insurance issued to Mortgagee providing for thirty (30) days prior written notice of cancellation or reduction of coverage. If the insurance, or any part thereof, shall expire, or be withdrawn, or become void by Mortgagor's breach of any condition thereof or become void or unsafe by reason of the failure or impairment of the capital of any company in which the insurance may then be carried or if in Mortgagee's reasonable judgment the insurance shall be unsatisfactory to Mortgagee, Mortgagor shall place new insurance on the Mortgaged Property, satisfactory to Mortgagee upon demand. All renewal policies, with premiums paid, shall be delivered to Mortgagee at least ten (10) days before expiration (or certificates of insurance evidencing the same) of the old policies. In the event of loss, Mortgagor will give immediate notice thereof to Mortgagee and Mortgagee may make proof of loss if not made promptly by Mortgagor. Each insurance company concerned is hereby authorized and directed to make payment under such insurance, including return of unearned premiums, directly to Mortgagee instead of to Mortgagor and Mortgagee jointly, and Mortgagor appoints Mortgagee, irrevocably, as Mortgagor's attorney-in-fact to endorse any draft therefor, which appointment shall be deemed to be coupled with an interest. Mortgagee shall apply the proceeds of any such insurance to restoration or repair of the property damaged if the proceeds are sufficient, without any additional funds, for that purpose. If the insurance proceeds are not sufficient to fully restore or repair the property damaged, Mortgagee shall retain and apply the proceeds of any such insurance to reduction of the indebtedness secured hereby unless Mortgagor agrees to pay from Mortgagor's own funds, the difference between the cost of restoration or repair and the amount of the insurance proceeds. If Mortgagee becomes the owner of the Mortgaged Property or any part thereof by foreclosure or otherwise, such policies, including the right, title and interest of Mortgagor thereunder, shall become the absolute property of Mortgagee. Full power is hereby given to Mortgagee to assign all policies to any assignee of the Note or to a purchaser of the Mortgaged Property at a foreclosure sale.

5. **Taxes and Other Charges:** Mortgagor shall pay when due and payable and before interest or penalties are due thereon, all taxes, assessments, water and sewer rents and all other charges or claims which may be assessed or levied or filed at any time against Mortgagor, the Mortgaged Property or any part thereof or against the interest of Mortgagee therein, or which by any present or future law may have priority over the indebtedness secured hereby either in lien or in distribution out of the proceeds of any judicial sale; and Mortgagor shall produce to Mortgagee not later than such dates, receipts for the payment thereof; provided that if Mortgagor in good faith and by appropriate legal action shall contest the validity of any such item, or the amount thereof, and shall have established on its books or by deposit of cash with Mortgagee, or the Participating lender, as Mortgagee may elect, a reserve for the payment thereof in such amount as Mortgagee may reasonably require, then Mortgagor shall not be required to pay the item or to produce the required receipts while the reserve is maintained and so long as the contest operates to prevent collection, is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to Mortgagor. Mortgagor covenants that no owner of the Mortgaged Property shall be entitled to any credit by reason of the payment of any tax thereon.

6. **Installments for Insurance, Taxes and Other Charges:** Without limitation of anything else herein contained, Mortgagor, upon written request by Mortgagee after the nonperformance of Mortgagor as set forth herein, shall pay to Mortgagee or Participating lender monthly at the time when the monthly installment of principal and/or interest is payable, an amount equal to one-twelfth (1/12) of the annual premiums for fire and extended coverage insurance and the annual real estate taxes, water and sewer rents, any special assessments, charges or claims and any other item which at any time may be or become a lien upon the Mortgaged Property prior to the lien of this Mortgage; and on demand from time to time Mortgagor shall pay to Mortgagee any additional sums necessary to pay such taxes and other items, all as estimated by Mortgagee; the amounts so paid shall be security for payment of taxes and said other items and shall be used in payment thereof if Mortgagor is not otherwise in default hereunder. Mortgagor will produce to Mortgagee, not later than ten (10) days before the date on which any installment for insurance, taxes and other charges shall become due and owing, receipts for all such installments for insurance, taxes and other charges. No amount so paid shall be deemed to be trust funds but may be commingled with general funds of Mortgagee and no interest shall be payable thereon. If, pursuant to any provision of this Mortgage, the whole

amount of the unpaid principal debt becomes due and payable, Mortgagee shall have the right, at its election, to apply any amount so held against the entire indebtedness secured hereby. At Mortgagee's option, Mortgagee from time to time may waive the provisions of this paragraph and after any such waiver may reinstate the provisions of this paragraph requiring such monthly payments.

7. **Legally Existing Entity:** Mortgagor will preserve and keep in full force and affect the current legal status under which it was formed and exists.

8. **Compliance with Laws:** Mortgagor will promptly and faithfully comply with, conform to and obey all present and future laws, ordinances, rules and regulations related to the Mortgaged Property of every duly constituted governmental authority or agency.

9. **Performance of Other Agreements:** Mortgagor will not violate any of the terms, provisions, covenants, agreements or restrictions and will timely comply with, abide by, and perform all of the terms, agreements, obligations, covenants, restrictions and warranties expressed as binding upon it under any mortgage, lease, easement, or other agreement affecting the Mortgaged Property or any part thereof.

10. **Hold Harmless:** Mortgagor shall save the Mortgagee harmless from all costs and expenses, including reasonable attorney's fees and costs of a title search, continuation of abstract and preparation of survey, incurred by reason of any action, suit, proceeding, hearing, motion or application before any court or administrative body in and to which the Mortgagee may be or become a party by reason of this Mortgage, including but not limited to condemnation, bankruptcy and administration proceedings, as well as any other of the foregoing wherein proof of claim is by law required to be filed or in which it becomes necessary to defend or uphold the terms of this Mortgage, and all money paid or expended by the Mortgagee in that regard, together with interest thereon from day of such payment at the rate set forth in the Note, shall be so much additional indebtedness secured hereby and, except as otherwise provided herein, shall be immediately and without notice due and payable by the Mortgagor.

11. **Maintenance of Books and Records:** Mortgagor shall keep and maintain full and correct books and records showing in detail expenses and shall permit the Mortgagee or its representatives to examine such books and records and all supporting vouchers and data at any time and from time to time on request.

12. **Other Liens:** Except as permitted herein the Mortgagor will not, without the prior written consent of the Mortgagee, create or permit to be created or to remain, any mortgage, pledge, lien, lease, encumbrance or charge on, security interest in, or conditional sale or other title retention agreement, whether prior or subordinate to the liens of the security documents, with respect to the Mortgaged Property or any other part thereof or income therefrom, other than the security documents and the permitted encumbrances.

13. **Mechanic's Lien:** Mortgagor will not permit any mechanic's lien to be filed against the Mortgaged Property or any part thereof and remain unsatisfied or not bonded so as to remove same for a period of thirty (30) days after filing thereof.

14. **No Transfer of Ownership:** Mortgagor covenants and agrees that it shall not, prior to the full payment and discharge of the indebtedness, convey or transfer ownership, in whole or in part, of the Mortgaged Property except as hereinafter provided, and any such transfer or conveyance shall constitute an Event of Default.

15. **Affordable Housing Agreement/Restrictions Affecting Ownership:** Mortgagor covenants and agrees that it shall cause to be executed and recorded at the time of sale certain documents that will cause units restricted for sale to low or moderate income households, or to emerging market or middle-income households, as may have been approved by the Agency's Board for the Mortgaged Property, to be deed restricted for the time periods required by law or by the CHOICE program as the case may be. These documents are the Affordable Housing Agreement (for deed restricted low and moderate income units), Declaration of Covenants (for emerging market or middle-income units), and the Repayment Mortgage and Repayment Note.

V. EVENTS OF DEFAULT

For purposes of this section, the word "Mortgagor" shall mean the party or parties named as Mortgagor on Page 1 hereof and all its guarantors or some or any of them, jointly, severally or in the alternative. Any one or more of the following shall constitute an Event of Default hereunder:

1. Failure of Mortgagor to pay any installment of principal or interest or any other sum due under the Note or this Mortgage within ten (10) days after the same is due and written notice of a default of payment has been submitted by Mortgagee to Mortgagor.

2. Mortgagor's nonperformance of or noncompliance with any of the other agreements, conditions, covenants, provisions or stipulations contained in the Note or in this Mortgage or the Loan Agreement and Rider thereto or any other agreement or document executed or entered into in connection with this Mortgage within ten (10) business days after written notice from Mortgagee, except that if such nonperformance or noncompliance is not susceptible of cure within ten (10) business days, then said cure period may be extended by the Mortgagee so long as Mortgagor timely commences its cure and diligently prosecutes the same to completion.

3. If Mortgagor shall make a general assignment for the benefit of creditors or shall admit in writing its inability to pay its debts as they become due; or shall file or be the subject of a voluntary or involuntary petition in bankruptcy; or shall be adjudicated bankrupt or insolvent; or shall file a petition seeking any relief under any present or future statute, law or regulation relating to bankruptcy or insolvency; or shall file an answer admitting or not contesting the material allegations of a petition filed against it in any such proceedings; or shall seek or consent to or acquiesce in the appointment of any trustee, receiver, custodian, conservator, sequestrator or similar judicial representative by whatever name of Mortgagor or of any material part of its properties.

4. If, within thirty (30) days after the commencement of any proceeding against Mortgagor seeking any relief under any present or future statute, law or regulation relating to bankruptcy or insolvency, such proceeding shall not have been dismissed or if, within thirty (30) days after the appointment without the consent or acquiescence of Mortgagor of any trustee, receiver, custodian, conservator, sequestrator or similar judicial representative by whatever name of Mortgagor or of any material part of its properties, such appointment shall not have been vacated.

5. If a final judgment for the payment of money shall be rendered against Mortgagor and within thirty (30) days after the entry thereof such judgment shall not have been satisfied or discharged, or execution thereof stayed pending appeal, or if within thirty (30) days after the expiration of any such stay such judgment shall not have been discharged.

6. In the event that Mortgagor or any guarantor of any obligation secured by this Mortgage shall default on any loan made to them or to any of them by Mortgagee, whether or not said loan shall be created prior or subsequent to the within Mortgage, said default shall constitute a default under the terms of this Mortgage and afford Mortgagee the same remedy that Mortgagee would have in the event of a default under any obligation secured by this Mortgage.

7. If any certification, warranty or representation made or hereafter made by Mortgagor to Mortgagee shall prove to be untrue or misleading in any material respect.

8. If the Mortgagor shall cause or permit any transfer by sale, lease, gift, devise, operation of law, or otherwise of title to or beneficial interest in all, or any part of, the Mortgaged Property, except as hereafter expressly allowed by Article VII, or any issuance or transfer of stock of the Mortgagor, whether by sale, exchange, conveyance, merger, consolidation or otherwise.

9. If the holder of a junior, subordinated or senior mortgage, or other lien on the Mortgaged Property (without hereby implying Mortgagor's consent to any such junior, subordinated or senior mortgage, or other lien) institutes foreclosure or other proceedings for the enforcement of its remedies thereunder.

10. If the Mortgagee fails to maintain its status as a legal entity in good standing or if it commences any action that will lead to its liquidation or dissolution.

11. If the Mortgagor permits an uncured breach beyond any applicable grace period of any of the covenants contained in this Mortgage.

VI. REMEDIES

1. Upon the happening of any Event of Default, the entire unpaid balance of principal, accrued interest and all other sums secured by this Mortgage shall become immediately due and payable, at the option of the Mortgagee, immediately upon notice or demand by Mortgagee.

2. When the entire indebtedness shall become due and payable either because of maturity or because of the occurrence of any Event of Default or otherwise, then forthwith:

a. **Foreclosure:** Mortgagee may institute an action of mortgage foreclosure or take such other action at law or in equity for the enforcement of this Mortgage and realization on the Mortgage security or any other security herein or elsewhere provided for, as the law may allow, and may proceed therein to final judgment and execution for the entire unpaid balance of the principal debt, with interest at the rate(s) stipulated in the Note, together with all other sums due by Mortgagor in accordance with the provisions of the Note and this Mortgage, including all sums which may have been loaned by Mortgagee to Mortgagor after the date of this Mortgage and all sums which may have been advanced by Mortgagee for taxes, water or sewer rents, other lienable charges or claim, insurance or repairs or maintenance and all costs of suit. Mortgagor authorizes Mortgagee at its option to foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property and the failure to make any such tenants parties defendant to any such foreclosure proceedings and to foreclose their rights will not be asserted by Mortgagor as a defense to any proceedings instituted by Mortgagee to recover the indebtedness secured hereby or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property; however, nothing herein contained shall prevent Mortgagor from disputing in any proceedings the amount of the deficiency or the sufficiency of any bid at such foreclosure sale or from asserting that any such tenants adversely affect the value of the Mortgaged Property. Provided, however, that all leases executed subsequent to the recordation of this Mortgage and Security Agreement shall at all times be subject and subordinate to this Mortgage and Security Agreement and to all the terms and conditions of this Mortgage and Security Agreement and to the rights and liens of the holder of this Mortgage and Security Agreement and to all renewals, modifications, consolidations, replacements and extensions thereof.

b. **Possession:** Mortgagee may enter into possession of the Mortgaged Property, with legal action, and Mortgagee shall be entitled, as of right, to appointment of a receiver without regard to the solvency of Mortgagor or any other person liable for the debt secured hereby, and regardless of whether Mortgagee has an adequate remedy at law: either Mortgagee or said receiver, as the case may be, may rent the Mortgaged Property or any part thereof in its own name or in the name of Mortgagor for such term or terms and on such other terms and conditions as Mortgagee or such receiver may see fit, collect all rentals (which term "rentals" shall also include sums payable for use and occupation) and, after deducting all costs of collection and administration expense, apply the net rentals to the payment of taxes, water and sewer rents, other lienable charges and claims, insurance premiums and all other carrying charges and to the maintenance, repair or restoration of the Mortgaged Property, or in reduction of the principal or interest, or both, hereby secured, in such order and amounts as Mortgagee or said receiver may elect and for that purpose Mortgagor hereby assigns to Mortgagee all rentals due and to become due under any existing or future lease or leases or rights to use and occupation of the Mortgaged Property, as well as all rights and remedies provided in such lease or leases or at law or in equity for the collection of the rentals. Any lease or leases entered into by Mortgagee or said receiver pursuant to this paragraph shall survive foreclosure of the Mortgage and/or repayment of the debt, except to the extent any applicable lease may provide otherwise.

3. Mortgagee shall have the right, from time to time, to bring an appropriate action to recover any sums required to be paid by Mortgagor under the terms of this Mortgage, as they become due without regard to whether or not the principal indebtedness or any other sums secured by the Note and this Mortgage shall be due and without prejudice to the right of Mortgagee thereafter to bring an action to foreclose this Mortgage or any other action for a default by Mortgagor existing at the time the earlier action was commenced.

4. Any real estate sold to satisfy the mortgage debt may be sold in one (1) parcel as an entirety or in such lots or parcels and in such manner or order as Mortgagee, in its sole discretion, may elect.

5. Neither Mortgagor nor any other person now or hereafter obligated for payment of all or any part of the sums now or hereafter secured by this Mortgage shall be relieved of such obligation by reason of the failure of Mortgagee to comply with any request of Mortgagor or of any other person so obligated to take action to foreclose on this Mortgage or otherwise enforce any provisions of the Mortgage or the Note or by reason of the release, regardless of consideration, of all or any part of the security held for the indebtedness secured by this Mortgage, or by reason of any agreement or stipulation between any subsequent owner of the Mortgaged Property and Mortgagee extending the time of payment of modifying the terms of the Mortgage, the Loan Agreement or Note without first having obtained the consent of Mortgagor or such other person; and in the latter event Mortgagor and all such other persons shall continue to be liable to make payments according to the terms of any such extension or modification agreement, unless expressly released and discharged in writing by Mortgagee. No release of all or any part of the security as aforesaid shall in any way impair or affect the lien of the Mortgage or its priority over any subordinate lien.

6. The granting of an extension or extensions of time for payment of the Note or any sum due under this Mortgage or for the performance of any covenant or condition thereof or of the Loan Agreement, the taking of other or additional security or the waiver of by Mortgagee or failure to enforce any covenant or condition of the Note or this Mortgage or to declare any default thereunder shall not operate as a waiver of any subsequent default or affect the right of Mortgagee to exercise any right hereunder not expressly waived in writing.

7. Mortgagor specifically waives notice, demand or presentment as prerequisites to delivery and effectiveness of a declaration by the Mortgagee that the unpaid portion of the indebtedness is immediately due and payable.

VII. RELEASE

If the Mortgagor has fully and completely performed all of its obligations under the Mortgage, the Note, the Loan Agreement and if the mortgage loan is current and no event of default has occurred under this Mortgage, the Note, the Loan Agreement or any other document relating to the Mortgage Loan, Mortgagee agrees to release each individual lot (or unit and pro rata share of the common area in the case of a condominium development) from the lien of this Mortgage at the time the Participating lender's Mortgage on such lot is released upon a payment from Mortgagor in the principal amount that is equal to the principal amount that is required to release the Participating lender's co-first mortgage on the lot sought to be released plus interest as may be due on said principal amount. The release of any individual lot is contingent and conditioned upon Mortgagor's grant to Mortgagee of an easement or easements along the proposed streets or otherwise over and across the land being released, to provide access to the remaining land encumbered by Mortgagor's Mortgage because of the location of the land being released. Mortgagor shall prepare and submit to Mortgagee, at Mortgagor's sole expense, an appropriate release for such lot, in a form acceptable to Mortgagee's attorney, at least three (3) days before the date for the requested release of lot(s).

VIII. SECURITY AGREEMENT

This Mortgage constitutes a security agreement under the Uniform Commercial Code and creates a security interest in the personal property included in the Mortgaged Property. Mortgagor shall execute, deliver, file and refile any refinancing statements or other security agreements Mortgagee may require from time to time to confirm the lien of this Mortgage and the security interest created hereby with respect to such property. Without limiting the foregoing, Mortgagor hereby irrevocably appoints Mortgagee attorney-in-fact for Mortgagor to execute, deliver and file such instruments for and on behalf of Mortgagor, which appointment shall be deemed to be coupled with an interest. Upon Mortgagor's breach of any covenant or agreement contained in this Mortgage, Mortgagee shall have the remedies of a Secured Party under the Uniform Commercial Code and at Mortgagee's option may also invoke the remedies provided in this Mortgage.

IX. ASSIGNMENT OF RIGHTS

As part of the consideration for the indebtedness evidenced by the Note, Mortgagor hereby absolutely and unconditionally assigns and transfers to Mortgagee the rents and revenues of the Mortgaged Property including those now due, past due or to become due by virtue of any agreement of sale, lease or other agreement for the sale, occupancy or use of all or any part of the Mortgaged Property. The Mortgagor hereby authorizes Mortgagee or Mortgagee's agents to collect the aforesaid rents and revenues and hereby directs each purchaser or tenant of the Mortgaged Property or any part thereof to pay such rents and revenues to the Mortgagor or the Mortgagor's agents provided, however, that prior to written notice given by Mortgagee to Mortgagor of breach by Mortgagor of any covenant or agreement in this Mortgage, Mortgagor shall collect and receive all rents and revenues of the Mortgaged Property as trustee for the benefit of Mortgagee and Mortgagor, to apply the rents and revenues so collected to the sums secured by this Mortgage in the order provided herein with the balance so long as no such breach has occurred to the account of the Mortgagor. Mortgagor agrees that each purchaser and tenant of the Mortgaged Property or any part thereof shall pay such rents and revenues to Mortgagee or the Mortgagee's agents upon the Mortgagee's written demand therefor without any liability on the part of said purchaser or tenant to inquire. Mortgagor hereby covenants that, other than the Assignment of Rents and Leases executed herewith for the benefit of Mortgagor. Mortgagor has not executed any prior assignment of said agreements of sale, leases, rents and other agreements, that the Mortgagor has not performed and will not perform any acts or have not executed and will not execute any instruments which would prevent Mortgagee from exercising its rights under this Section and that at the time of execution of this Mortgage, there has been no anticipation or prepayment of any of the rents and/or revenues of the Mortgaged Property from more than two (2) months prior to the due dates of such rents and/or revenues. The Mortgagor further covenants that the Mortgagor will not hereafter collect or accept payment of any rents or revenues of the Mortgaged Property more than one month prior to the due date of such rents or revenues.

X. MISCELLANEOUS PROVISIONS

1. **Inspection**: Mortgagee and any persons authorized by Mortgagee shall have the right at any time, upon reasonable notice to Mortgagor, to enter the Mortgaged Property at a reasonable hour to inspect and photograph its condition and state of repair.

2. **Counsel Fees:** If Mortgagee becomes a party to any suit or proceeding affecting the Mortgaged Property or title thereto, the lien created by this Mortgage or Mortgagee's interest therein (including any proceeding in the nature of eminent domain) or if following the occurrence of an Event of Default, Mortgagee engages counsel to collect any of the indebtedness or to enforce performance of the agreements, conditions, covenants, provisions or stipulations of this Mortgage, the Loan Agreement, the Note or any other document executed in connection with this Mortgage, Mortgagee's costs, expenses and reasonable counsel fees, whether or not suit is instituted, shall be paid to Mortgagee by Mortgagor, on demand, with interest at the rate provided in the Note and until paid they shall be deemed to be part of the indebtedness evidenced by the Note and secured by this Mortgage. The amount of attorney's fees payable shall not exceed those permitted by applicable law.

3. **Declaration of No Set-Off:** Within fifteen (15) days after requested to do so by Mortgagee, Mortgagor shall certify to Mortgagee or to any proposed assignee of this Mortgage, in a writing duly acknowledged, the amount of principal, interest and other charges then owing on the obligation secured by this Mortgage and whether there are any set-offs or defenses against it.

4. **Right to Remedy Defaults:** In the event that Mortgagor should fail to pay taxes, assessments, water and sewer charges or other lienable claims (except in case of contest as aforesaid) or insurance premiums or fail to make necessary repairs or permit waste or otherwise fail to comply with its obligations hereunder or under the Note, the Loan Agreement or any other document executed in connection with this Mortgage, then Mortgagee, at its election and upon ten (10) days prior written notice to Mortgagor, shall have the right, but not the obligation, to make any payment or expenditure which Mortgagor should have made or which Mortgagee deems advisable to protect the security of this Mortgage or the Mortgaged Property, without prejudice to any of the Mortgagee's rights or remedies available hereunder or otherwise, at law or in equity. All such sums, as well as costs, advanced by Mortgagee pursuant to this Mortgage shall be due immediately from Mortgagor to Mortgagee, shall be secured hereby and shall bear interest at 3% per annum in excess of the rate otherwise provided in the Note from the day of payment by Mortgagee until the date of repayment.

5. **Commitment Letter:** The terms and conditions of the Commitment Letter from the Participating lender to Mortgagor and the Agency's Board approval to provide CHOICE and related funding and any amendments thereto are hereby incorporated by reference. The failure to comply with any of the terms and conditions contained in said commitment Letter or the Agency's Board approval to provide CHOICE and related funding shall constitute a default hereunder, and the entire unpaid principal indebtedness and all additions hereto and the interest thereon at the option of the lender shall become immediately due and payable thereafter.

6. **Notices:** All notices permitted or required under this Mortgage or the Note shall be in writing and shall be sent by certified mail, return receipt requested, addressed to the addressee at the address set forth in this Mortgage or in the Note.

7. **Amendment:** This Mortgage cannot be changed or amended except by agreement in writing signed by the party against whom enforcement of the change is sought.

8. **Parties Bound:** This Mortgage shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns. For purposes of this Mortgage, the neuter shall include the masculine and feminine and the singular shall include the plural and the plural the singular, as the context may require.

9. **Prepayment:** Mortgagor shall have the privilege without premium or penalty at any time and from time to time of prepaying this Mortgage and the Note secured hereby in whole or in part provided that each prepayment shall be applied first to accrued interest and then to principal. Any partial prepayments shall be applied to installments of principal last falling due and no partial prepayment shall postpone or interrupt payments of interest or the payment of the remaining principal balance, all of which shall continue to be due and payable at the time and the manner set forth above.

10. Joint and Several Liability: If the Mortgagor (or Maker of the Note) be more than one person, all agreements, conditions, covenants, provisions, stipulations, warrants of attorney, authorizations, waivers, releases, options, undertakings, rights and benefits made or given by Mortgagor shall be joint and several and shall bind and affect all persons who are defined as "Mortgagor" as fully as though all of them were specifically named herein wherever the word "Mortgagor" is used.

11. Interest Rate: Notwithstanding any provision contained in this Mortgage or in the Note secured hereby, Mortgagor's liability for interest shall not exceed the limits now imposed by the applicable usury law. If any clause in the Note or this Mortgage requires interest payments in excess of the highest rate permitted by the applicable usury law, the clause in question shall be deemed to require such payment at the highest interest rate allowed by an applicable usury law.

12. Captions: The captions preceding the text of the paragraphs or subparagraphs of this Mortgage are inserted only for convenience of reference and shall not constitute a part of this Mortgage nor shall they in any way affect its meaning, construction or effect.

13. Other Financing: Except as permitted herein, unless approved in writing in advance by Mortgagee, Mortgagor will not create or permit to exist any other lien on or security interest in any portion of the Mortgaged Property (including construction materials, furniture, fixtures, machinery, equipment or personalty used in connection therewith).

14. Conveyance: Mortgagor will abstain from and will not cause or permit any sale, exchange, transfer or conveyance of the Mortgaged Property or any part thereof or any interest therein, voluntarily or by operation of law, except upon the prior written consent of Mortgagee. Any change in the constitution or ownership of Mortgagor shall be deemed to be a transfer of the Mortgaged Property within the meaning of this paragraph.

15. Financial Statements: As long as the debt secured hereby remains unpaid in whole or in part, Mortgagor covenants to furnish to Mortgagee annual unaudited statements prepared by a certified public accountant satisfactory to Mortgagee and in such detail as Mortgagee may reasonably require, showing the annual income and expenses relating to the Mortgaged Property; each of such reports to be due on or before the first day of each April if the Mortgagor's books are kept on a calendar year basis or on or before ninety (90) days following each twelve (12) month period comprising Mortgagor's fiscal year. Mortgagor also covenants to produce at any time during the term hereof, upon fifteen (15) days' notice by Mortgagee, an interim unaudited financial statement satisfactory to Mortgagee showing the income and expenses during the interim period relating to the Mortgaged Property.
Mortgagor also covenants to produce during the term hereof on or before the 15th day of April, if Mortgagor's books are kept on a calendar year basis, or on or before ninety (90) days following the close of each fiscal year if the Mortgagor's books are kept on a fiscal year basis, a copy of all federal and state tax returns required to be filed by Mortgagor.
Further, any parties or persons guaranteeing the obligation of Mortgagor shall furnish Mortgagee personal financial statements on or before May 1st of each year while such guarantee is in effect. Such statements shall include a balance sheet and be certified as true and correct by the guarantor.
All financial statements required to be furnished under this Section shall be prepared in accordance with generally accepted accounting principles consistently applied.

16. Amounts and Obligations Secured: This Mortgage secures future obligatory advances. Further, this Mortgage and all remedies provided for herein and all agreements, conditions, covenants and promises herein contained shall stand and remain as security for the payment of any note, notes or the obligations accepted and held by Mortgagee in renewal of or in substitution for the note, notes or other obligations secured or to be secured hereby, which shall evidence the same indebtedness, or any part thereof, or which shall evidence further, additional or other present or future loans or liabilities, direct or contingent, primary or secondary, individual, joint or firm, of any nature whatsoever, owing by Mortgagor, or any of them, if more than one, to Mortgagee, while and so long as this Mortgage shall remain uncancelled of record, in any amounts up to an aggregate indebtedness secured or to be secured hereby not exceeding the largest sum recited on page one hereof, whether the parties to such renewal, substituted or additional note, notes or other obligations herein recited or not; and that all promises, covenants, conditions, agreements or provisions herein contained with reference to the note, notes or other obligations secured or to be secured hereby shall apply equally to, and shall be construed to refer in a like manner to such renewal, substituted or additional note, notes or other obligations as aforesaid.

17. **No Waiver:** Any failure by Mortgagee to insist upon the strict performance by Mortgagor of any of the terms and provisions hereof shall not be deemed to be a waiver of any of the terms and provisions hereof and Mortgagee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Mortgagor of any and all of the terms and provisions hereof to be performed by Mortgagor. Acceleration of maturity once claimed hereunder by Mortgagee may be rescinded by written acknowledgment to that effect by Mortgagee but tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity.

18. **No Obligation to Marshal Assets:** Neither the holder of any mortgage, lien or other encumbrance affecting all or a part of the Mortgaged Property which is inferior to the lien of this Mortgage nor Mortgagor shall have any right to require Mortgagee to apply any amounts received by it to the payment of any particular principal indebtedness in preference to any other principal indebtedness secured hereby and neither any such holder non Mortgagor shall have any right to require Mortgagee to marshal assets.

19. **Mortgagee Appointed Attorney-In-Fact:** Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact, in its name and stead, to make and execute all conveyances, assignments and transfers of all or any part of the Mortgaged Property sold pursuant to foreclosure or other judicial proceedings and Mortgagor shall join in the execution of any such instrument of conveyance, assignment or transfer to be valid and effective in all respects. Such appointment shall be deemed to be coupled with an interest.

20. **Severability:** In the event any clause or provision hereof is determined by final judgment of a court of competent jurisdiction or by application of any law or regulation to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining terms hereof and such remaining terms shall remain fully valid and enforceable.

IN WITNESS WHEREOF, this Mortgage has been executed by Mortgagor as of the day and year first above written and they acknowledged receipt of a true copy of this instrument.

WITNESS:

Watsessing Development, LLC, a New Jersey For-Profit Limited Liability Company

BY: _____
Paul DeBellis, Sr.

TITLE: Managing Member

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

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

BE IT REMEMBERED that on this 5TH day of November, 2014, before me, the undersigned authority, personally appeared Paul DeBellis, Sr., Managing Member of Watsessing Development, L.L.C., who I am satisfied is the individual who signed the within instrument and delivered the same as such Manager, and he acknowledged that he signed the same and that the within instrument is the voluntary act and deed of such Company, made by virtue of the direction of its Members.

_____
ATTORNEY AT LAW OR MICHAEL J. OLIVEIRA, ESQ.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires on_____

TITLE INSURANCE COMMITMENT

Issued by **Vested Land Services LLC**
AGENT FOR OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Commitment Number: 92470

SCHEDULE C

LEGAL DESCRIPTION

Parcel A & Parcel B (Combined – 2 & 4 Bland and 12 Bland)

ALL that certain lot, piece or parcel of land, situate, lying and being in the municipality of Township of Bloomfield, in the County of Essex, State of New Jersey:

BEGINNING at a point in the westerly line of Bland Court (formerly Myrtle Court) said point being distant 102.74 feet northerly from the corner formed by the intersection of the said westerly sideline of Bland Court and the northerly sideline of Myrtle Street; thence running

1. South 68 degrees 47 minutes 00 seconds West, 146.67 feet to a point; thence

2. North 24 degrees 22 minutes 00 seconds West, 27.56 feet to a point; thence

3. South 68 degrees 47 minutes 00 seconds West, 50.10 feet to a point; thence

4. North 24 degrees 22 minutes 00 seconds West, 76.29 feet to a point; thence

5. North 60 degrees 53 minutes 00 seconds East, 50.20 feet to a point; thence

6. North 58 degrees 43 minutes 00 seconds East, 123.49 feet to a point on the westerly line of Bland Court; thence

7. Along the same, South 34 degrees 29 minutes 00 seconds East, 135.80 feet to the point or place of beginning.

Being drawn in accordance with a survey made by Pronesti Surveying, Inc. dated March 13, 2014

FOR INFORMATION PURPOSES ONLY: BEING known as 2 & 4 Bland Court, Tax Lot 23 in Tax Block 126 and 12 Bland Court, Tax Lot 18, 25, 26 and 27 in Tax Block 126 on the Official Tax Map of the Township of Bloomfield, NJ.

Commitment No. 92470

Parcel C: (10 Orange St.)

ALL that certain lot, piece or parcel of land, situate, lying and being in the municipality of Township of Bloomfield, in the County of Essex, State of New Jersey:

BEGINNING at a point in the northerly line of Myrtle Street, said point being a corner formed by a fillet connecting the said northerly sideline of Myrtle Street and the westerly line of Orange Street, thence running;

1. Along the said line of Myrtle Street North 62 degrees 30 minutes West, 137.39 feet to a point; thence

2. Northerly along the lands now or formerly of John Ferguson and parallel with the westerly sideline of Old Orange Road, North 28 degrees 5 minutes East, 105.70 feet to a point; thence

3. South 62 degrees 30 minutes East, parallel with Myrtle Street, 114.98 feet to a point on the westerly sideline of Willow Street; thence

4. Southerly along the westerly sideline of Willow Street, South 3 degrees 47 minutes East, 49.68 feet to corner formed by the intersection of the said westerly sideline of Willow Street and the westerly sideline of Orange Street; thence

5. Along the same, South 27 degrees 55 minutes West, 59.24 feet to a point, said point being the corner formed by a fillet connecting the said westerly sideline of Orange Street and the aforesaid northerly sideline of Myrtle Street; thence

6. South 72 degrees 42 minutes West, 5.68 feet to the point and place of BEGINNING.

Being drawn in accordance with a survey made by Pronesti Surveying, Inc. dated November 21, 2013

FOR INFORMATION PURPOSES ONLY: BEING known as 10 Orange Street, Tax Lot 63 in Tax Block 134 on the Official Tax Map of the Township of Bloomfield, NJ.

DANA RONE
ESSEX COUNTY REGISTER OF DEEDS & MORTGAGES

Hall of Records
465 Martin Luther King Jr Blvd
Room 130
Newark, NJ 07102
(973) 621-4960

*RETURN DOCUMENT TO:
CHIESA SHAHINIAN & GIATOMASI PC
ONE BOLAND DRIVE
WEST ORANGE, NJ 07052

Instrument Number - 2017044201
Recorded On 5/23/2017 At 11:34:17 AM
* Instrument Type - DEED
Invoice Number - 131648 User ID: YN ***Total Pages - 102**
* Grantor - WATSESSING DEVELOPMENT, LLC
* Grantee - COURT MANOR OF BLOOMFIELD CONDOMINIUM
* PARCEL IDENTIFICATION NUMBER
Block: 126 Lot: 23 - BLOOMFIELD

* FEES

NJ PRESERVATION ACCOUNT	$515.00
REGISTER RECORDING FEE	$525.00
HOMELESSNESS TRUST FUND	$3.00
TOTAL PAID	$1,043.00

I hereby CERTIFY that this document is
Recorded in the Register of Deeds & Mortgages Office
of Essex County, New Jersey

Dana Rone
Register of Deeds & Mortgages

THIS IS A CERTIFICATION PAGE

Do Not Detach

THIS PAGE IS NOW PART OF THIS LEGAL DOCUMENT

* - Information denoted by an asterisk may change during the verification process and may not be reflected on this page.

002ZO9

INSTRUMENT NUMBER - 2017044201

Essex County Recording Data Page Honorable Dana Rone Essex County Register	*Official Use Only*
Official Use Only:	
Date of Document: May 23, 2017	Type of Document: Master Deed
First Party Name: Watsessing Development, LLC	Second Party Name:
Additional Parties:	

THE FOLLOWING SECTION IS REQUIRED FOR DEEDS ONLY		
Block: 126	Lot: 23	Qualifier:
Municipality: Bloomfield		
Consideration: n/a		
Mailing Address of Grantee: 46 Church Street Montclair, New Jersey 07042		

THE FOLLOWING SECTION IS FOR ORIGINAL MORTGAGE BOOKING & PAGING INFORMATION ASSIGNMENTS, RELEASES, SATISFACTIONS, DISCHARGES & OTHER ORIGINAL MORTGAGE AGREEMENTS ONLY	
Original Book:	Original Page:

ESSEX COUNTY RECORDING DATA PAGE

Please do not detach this page from the original document as it

contains important recording information and is part of the permanent record.

101

MASTER DEED

COURT MANOR OF BLOOMFIELD CONDOMINIUM

Prepared by: _____
Gemma M. Giantomasi, Esq.

Record And Return To:

CHIESA SHAHINIAN & GIANTOMASI PC
One Boland Drive
West Orange, New Jersey 07052
(973) 325-1500

COURT MANOR OF BLOOMFIELD CONDOMINIUM

MASTER DEED INDEX

TABLE OF EXHIBITS

MASTER DEED

Watsessing Development, LLC, (the "Grantor") having offices at 46 Church Street, in the Township of Montclair, County of Essex and State of New Jersey, hereinafter referred to as the Grantor, does hereby make, declare, and publish this Master Deed made this 23rd day of May, 2017.

1. SUBMISSION OF PROPERTY TO THE CONDOMINIUM ACT: The Grantor is the owner of fee simple title to the Parcels, as hereinafter defined. The Grantor hereby submits the Parcels, as hereinafter defined, to the provisions of the Condominium Act of the State of New Jersey (N.J.S.A. 46:8B-1 et seq., as amended). The Condominium property shall be known as "COURT MANOR OF BLOOMFIELD CONDOMINIUM." This Master Deed is intended to establish the condominium form of ownership for the Parcels.

2. DEFINITION OF TERMS: As used herein, the following terms shall have the meaning hereinafter set forth:

Association: Court Manor of Bloomfield Condominium Association, Inc., a New Jersey not for profit, non-stock membership corporation formed under the Corporations and Associations Not For Profit Act of the State of New Jersey, comprised exclusively of Unit Owners to effect the administration, management, maintenance, repair, and replacement of the Condominium Property pursuant to the Condominium Act, this Master Deed and the By-Laws.

Buildings: The building and improvements constructed on the Parcels as shown on the Survey. The Building consists of seventeen (17) Residential Condominium Units.

By-Laws: The By-Laws of the Association, a true copy of which is annexed hereto and made a part hereof as Exhibit B.

Common Elements: All parts of the Condominium Property other than the Condominium Units. Specifically the Common Elements include, but are not limited to, the garage doors, the driveway and driveway apron at the entrance to the Buildings, the land on which the Buildings are erected, the exterior walls and roofs of the Units, open spaces, any Units, equipment, furniture, or other property which is owned by the Association, and the Limited Common Elements and also as more specifically designated in the Condominium Act.

Common Expenses: As defined in Article 5.

Condominium Act: The Condominium Act of the State of New Jersey (N.J.S.A. 46:8-B1 et seq., as amended).

Condominium Documents: This Master Deed and its Exhibits, which the Grantor has recorded in the Office of the Essex County Clerk/Register, the Association's Certificate of Incorporation, By-Laws and Rules and Regulations.

Condominium Property: The Parcels and the Buildings which include the Condominium Units.

Limited Common Element: Those Common Elements which are for the use of one or more specified Units to the exclusion of other Units. The Limited Common Elements shall include by way of description and not by way of limitation, all of the following: (1) any exterior landing, walkway, lobby or stairway to which there is direct access from the interior of an appurtenant Unit; (2) any parking space assigned to the Unit.

Parcels: The real estate described in Exhibit A annexed hereto and made a part hereof.

Permitted Mortgagee: Any holders thereof as Permitted Mortgage as defined in Section 10 hereof.

Person: An individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.

Proportionate Part or Proportionately: For each Unit, the percentage interest of each respective Unit in the Common Elements as set forth on Exhibit D hereof.

Residential Condominium Unit: A part of the Buildings designed and intended for independent use as a private dwelling (except as otherwise permitted by this Master Deed or the By-Laws) consisting of (a) the interior walls and partitions which are contained within the private dwelling, and (b) the inner decorated and/or finished surfaces of the perimeter walls, doors, floors, ceilings, and exterior and interior surfaces of windows, including dry-wall, paint, wallpaper, etc. contained in the dwelling as shown on the Survey, but shall not mean any part of the Common Elements situated within the Residential Condominium Unit (e.g. pipes, ducts, wires, conduits, and other facilities running through any interior wall or partition for the furnishing of services to other Units or to the Common Elements and any structural elements of the Buildings).

Rules and Regulations: Those Rules and Regulations of the Association that may be promulgated by same, together with all future amendments or supplements thereto.

Survey: The plans or surveys of the Condominium Property, which are annexed hereto and make a part hereof as Exhibit C.

Unit: A Residential Condominium Unit together with such Unit Owner's proportionate undivided interest in the Common Elements.

Unit Owner: The Person or Persons whose estates or interest individually or collectively aggregate fee simple absolute ownership of a Unit. The term Unit Owner does not include the Grantor unless specifically provided in the applicable sentence. Any specified percentage of Unit Owners shall mean those owners who, in the aggregate, own such specified percentage of Units.

3. DESCRIPTION OF UNIT: The legal description of each Unit shall consist of the identifying number of such Unit as shown on the Unit Plans and the Limited Common Elements related thereto attached hereto in Exhibit C. Every deed, lease, mortgage, or other instrument may legally describe a Unit as indicated in the preceding sentence and every such description shall be deemed good and sufficient for all purposes as provided in the Condominium Act.

Each Unit generally consists of the space bounded by an imaginary plane along and coincident with the innermost surface of the ceiling joists of the Unit, an imaginary plane along and coincident with the unexposed surface of the ground floor or floor joists, and imaginary planes along and coincident with the innermost surfaces of the studding of the perimeter walls of the Unit.

4. OWNERSHIP AND USE OF COMMON ELEMENTS: The proportionate undivided interest of each Unit Owner in the Common Elements is set forth in Exhibit D annexed hereto and made a part hereof. Each Unit Owner shall have the right to use the Common Elements in common with all other Unit Owners in accordance with the reasonable purposes for which they are intended. Such rights shall extend to the Unit Owner and the members of the immediate family and guests and other authorized

occupants and visitors of the Unit Owner. The use of the Common Elements and the rights of the Unit Owners with respect thereto shall be subject to and governed by the provisions of the Condominium Act, this Master Deed, the By-Laws and rules and regulations of the Association. The Association shall have the authority to lease or grant licenses or concessions with respect to the Common Elements subject to the provisions of this Master Deed and the By-Laws.

5. COMMON EXPENSES: Until the conveyance of title to the first unit, the Grantor shall be solely responsible for all Common Expenses, including insurance and fidelity bond premiums, if applicable. Following the first conveyance, the owners of the Units to whom title has been conveyed shall be responsible for their proportionate share of all Common Expenses and the Grantor shall be responsible for payment of any operating deficit for each fiscal year after taking into account any other revenues of the Association except working capital and replacement reserve contributions made by the Unit Owners at the time of acquisition of title from the Grantor. This means that the Grantor shall pay the difference between the total amount assessed and due from the individual Unit Owners and the actual amount of operating expenses incurred during the Association's fiscal year. Any expenses incurred beyond budgeted amounts shall be borne equally by all Units, either existing or under development. Grantor shall not be responsible for operating deficits caused by delinquencies of the Unit Owners. The Grantor will also pay a proportionate share of common expenses for each Unit with a certificate of occupancy, including the amount of reserves for replacement, assessed against each unit with a certificate of occupancy if not yet conveyed to an individual Unit Owner. If multiple dwellings are located in one building and at least one certificate of occupancy has been issued, the Grantor shall be responsible for payment of replacement reserves for all unsold units in the building whether completed or under development. After the Grantorr relinquishes control of the Board of Trustees of the Association (the "Board") , the Grantor shall only be responsible for payment of its proportionate share of all budgeted common expenses for all units which have been declared of record and which have not been conveyed by the Grantor to individual Unit Owners. At the time of relinquishing the control of the Board to the Unit Owners, the Grantor shall turn over all the working capital and replacement reserve contributions collected from the Unit Owners to the Association as per the accounting by an independent accountant.

6. ASSOCIATION BOARD OF TRUSTEES: The Board of Trustees of the Association (the "Board") shall constitute the governing Board referred to in the Condominium Act.

7. VOTING: Each Unit Owner shall automatically become and be a member of the Association so long as he continues to be a Unit Owner. Upon the termination of the interest of a Unit Owner, his membership shall thereupon automatically terminate and inure to the new Unit Owner succeeding him in interest. Each Unit Owner shall vote pursuant to its percentage of ownership interest. All votes shall be decided by a majority of the total votes eligible to be cast. Whenever this Master Deed or the By-Laws confer a power on the Association (as distinguished from the Board) said power shall be exercised only by vote of the Association at a meeting of the Association.

8. INTERPRETATION AND DISPUTES: The Board shall adopt procedures for the resolution of disputes with respect to the interpretation or application of the provisions of this Master Deed or the By-Laws that shall act as an alternative to litigation.

9. PARKING FACILITIES: There are twenty-three (23) parking spaces. The twenty-three (23) parking spaces will be located at grade-level in an outdoor parking area. Each Unit shall be assigned one (1) parking space as a limited common element upon the sale of the respective Unit. The parking space will be selected by Unit owners on a first come first serve basis. There will be one (1) unassigned, handicapped parking space. There will be five (5) guest parking spaces. All guest parking spaces shall be vacant between the hours of 2:00 a.m. and 6:00 a.m.

10. MORTGAGING OF UNITS: Each Unit Owner shall have the right to mortgage or encumber his Unit provided that such mortgage or encumbrance is made to a bank, trust company, insurance company, real estate investment trust, Federal or State savings and loan

association, or a mortgage banker or broker or is a purchase money mortgage made to the Grantor or to the seller or a unit (hereinafter referred to as "Permitted Mortgages").

11. PROPERTY TAXES, ASSESSMENTS, AND CHARGES: All property taxes, special assessments, and other charges imposed by any taxing authority are to be separately assessed against and collected on each Unit as a single parcel, as provided in the Condominium Act. In the event that for any year such taxes are not separately taxed to each Unit, but are taxed on the Condominium Property as a whole, then each Unit Owner including the Grantor shall pay the Association at least fifteen (15) days prior to the due date thereof, his proportionate part of said taxes in accordance with his proportionate undivided interest in the Common Elements, as set forth in Exhibit D. The Association shall thereafter remit the entire amount to the Tax Collector as soon as is reasonably possible.

12. UTILITIES: Each Unit Owner shall pay for his own telephone and utilities, including but not limited to water, gas, and electric, which are separately metered or billed to each user by the respective utility company. Utilities, including but not limited to water, which are not separately metered or billed, shall be treated as part of the Common Expenses.

13. INSURANCE: The Board shall be required to obtain and maintain, to the extent obtainable, insurance of the types and in the amounts required by the By-Laws. In addition, each Unit Owner shall be required to obtain a Home Owner's Insurance policy covering his Unit at the Unit Owner's sole expense.

If the insurance proceeds derived from a loss amount to $50,000.00 or less, then the Board shall contract with any licensed contractor or contractors to rebuild or repair such damaged or destroyed portions of the insured improvements in conformance with the original plans and specification, or if adherence to such original plans and specifications is impracticable in the discretion of the Board of Trustees, then in conformance with revised plans and specifications provided such repairs or rebuilding shall be of a quality and kind substantially equivalent to the original construction. The Board shall accept bids only in specific amounts and shall not enter into any cost-plus or other sliding scale arrangement for compensation to the contractor.

If the insurance proceeds derived from such loss exceed $50,000.00, all such insurance proceeds shall be paid directly to an Insurance Trustee as may be designated by the Board, as Trustee for all Permitted Mortgagees and all Unit Owners as their interests may then appear. Disbursement of such funds shall be made only upon the signatures of a majority of the members of the Board in accordance with the following:

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

(b) The Board shall enter into said contract with a licensed contractor or contractors which shall have provisions for periodic disbursements of funds by the Insurance Trustee. Disbursement to the contractor shall be made subject to the prior presentation of an architect's certificate and contractor's requisition containing such provisions as may be appropriate under the circumstances and deemed suitable by the Board.

The Board shall employ a properly qualified party to supervise the repair and rebuilding to ensure that such work, services, and supplies are of proper quality and that construction is completed in a workmanlike manner and according to plans and specifications.

14. MAINTENANCE, REPAIRS, AND REPLACEMENTS: Each Unit Owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs, and

replacements within his Unit; provided, however, such maintenance, repairs, and replacements as may be required for the proper functioning of the plumbing lines and electric wire situated wholly outside the Residential Condominium Unit or, if within the interior partitions, if excluded from the definition of Residential Condominium Unit in Paragraph 2 of this Master Deed, shall be furnished by the Association as part of the Common Expenses. Maintenance, repairs, and replacements of the refrigerators, ranges, and other kitchen appliances, lighting fixtures, heating and air conditioning units, and other electrical appliances, and plumbing fixtures of any Unit Owner shall be at his sole expense. Maintenance, repairs, and replacements of the Common Elements shall be furnished by the Association as part of the Common Expenses. The Association may (but need not) provide, by its rules and regulations, ordinary maintenance and minor repairs and replacements to be furnished to Condominium Units by Building personnel and charged as a Common Expense or as a special assessment.

If, due to the negligent act or omission of a Unit Owner, member of his family, household pet, guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Association. Maintenance, repairs and replacements to the Common Elements and 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 or Units shall be connected to similar equipment, facilities, or fixtures affecting or serving other Units or the Common Elements, then the use thereof by the individual Unit Owner shall be subject to the By-Laws and the rules and regulations of the Association. The authorized representatives of the Association or Board, or of the manager or managing agent for the Buildings, shall be entitled to reasonable access to the individual Units as may be required in connection with maintenance, repairs, and replacements of or to the Common Elements or any equipment, facilities, or fixtures affecting or serving other Units or the Common Elements; with notice at reasonable hours except in cases of emergency.

All maintenance and repair of garage doors, exterior landings, balconies, walkways or stairways, as well as the maintenance, repair, snow removal, resurfacing and replacement of the driveway, driveway aprons and parking facilities, whether a Common Element, Limited Common Element or Parking Condominium Unit, shall be the responsibility of the Association. Unit Owners having the use of any balcony, terrace, patio, or deck shall be responsible for all routine cleaning and snow clearing of same, as appropriate. All other maintenance of same shall be the responsibility of the Association. Each Unit Owner's right to use a Limited Common Element may not be transferred apart from the conveyance of title to his Unit.

15. EASEMENTS:

(A) UNIT OWNER EASEMENTS. Every Unit Owner, his successors and assigns, shall have the following perpetual easements with respect to the Condominium Property, which shall be for the benefit of all owners and occupants of Units in the Condominium and their invitees:

1. A non-exclusive easement in, upon, over, under, across, and through the Common Elements to keep, maintain, use, operate, repair, and replace his Unit in its original position and in every subsequent position to which it changes by reason of the gradual forces of nature and the elements; and
2. An exclusive easement for the existence and continuance of any encroachment by his Unit upon any adjoining Unit or upon any Common Elements, now existing or which may come into existence hereafter as a result of construction, reconstruction, repair, shifting, settlement, or movement of any portion of Buildings or a Unit, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Buildings stand; and
3. A non-exclusive easement for ingress and egress to his Unit in, upon, under, over, across, and through the Common Elements; and

4. An exclusive easement to use and enjoy the surfaces of the main walls (including any skylights, doors, fireplace, and chimney if any therein), ceilings, floors, stairway and foyer of his Unit; and
5. An exclusive easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines, television systems, master antenna facilities or other Common Elements located within any of the other Units or Common Elements and serving his Unit; and
6. A perpetual and non-exclusive easement in, over, and through the Common Elements to use the common facilities and recreational amenities, if any, within the Condominium subject to the right of the Board to:
    i. Promulgate Rules and Regulations for the use and enjoyment thereof;
    ii. Suspend the enjoyment of any Unit Owner for any period during which any assessment, fine, or other charge remains unpaid, or for any period during which any infraction of its published Rules and Regulations continues, it being understood that any suspension for either non-payment of any assessment or a breach of the Rules and Regulations of the Association shall not constitute a waiver or discharge of the Unit Owner's obligation to pay the assessment; and
    iii. Designate portions of the Common Elements as Limited Common Elements.
7. A non-exclusive easement for pedestrian ingress and egress to and from the other Units over and through all common walkways and roadways located within the Common Elements, which easement shall be for the benefit of all Unit Owners and occupants in the Condominium or their invitees; and
8. A non-exclusive easement for access to or use of the Common Elements within the Condominium for any other purposes not prohibited by the Condominium Documents, which easement is for the benefit of all Owners and occupants of Units in the Condominium and their invitees; and
9. A non-exclusive easement for vehicular ingress and egress reasonably required to and from the Units over and through roadways in the Condominium, which easement shall be for the benefit of all Unit Owners and occupants of Units in the Condominium and their invitees.

(B) Grantor's Easements. The Grantor, his respective successors and assigns, shall have the following easements with respect to the Condominium Property. This Master Deed cannot be amended to modify or eliminate the easements reserved to Grantor by this or any other section without the prior written consent of Grantor, and any attempt to do so will have no force or effect.

1. A blanket and non-exclusive easement in, upon, through, under, and across the Common Elements for the purpose of (i) construction installation, maintenance and repair of any improvements to the Units or the Common Elements, (ii) ingress and egress for the use of all driveways and parking areas, (iii) the utilization of existing and future model Condominium Units for sales promotion and exhibition, and (iv) installation of identification signs deemed appropriate by the Grantor, all of which may be illuminated and located anywhere on the Common Elements at the sole cost and discretion of Grantor, until the expiration of one (1) year from the date the last Unit is sold and conveyed in the normal course of business, but in no event more than five (5) years from the date of recording of the Master Deed, the Grantor's right to use the model Units for sales promotion and exhibition will end when the last Unit is sold and conveyed in the normal course of business;
2. The irrevocable right to enter unto, upon, over, or under any Unit for such purposes as may be reasonably necessary for the Grantor or its agents to service such Unit or any part of the Buildings provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not;
3. A blanket and non-exclusive easement in, upon, over, through, under, and across the Common Elements to use all driveways and parking areas to perform any service or repair required pursuant to the Grantor's warranty

obligations, until the expiration of the Grantor's warranty obligations pursuant to law;

4. A perpetual, blanket and non-exclusive easement in, upon, over, under, across, and through the Common Elements for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon the property. No individual Unit Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Condominium;
5. A blanket and non-exclusive easement in, upon, over, under, through, and across the Condominium Property for ingress and egress, and for development, construction, installation, maintenance, and repair of any improvements to any portion of the Condominium Property;
6. A perpetual, blanket, and non-exclusive easement in, upon, over, under, through, and across the Common Elements for ingress and egress to, and for the installation, construction, use, maintenance, repair, and replacement of pipes, wires, ducts, cables, conduits, public utility lines, television systems, master antenna facilities, water and sewer systems, drainage structures, and retaining walls to serve all or any portion of the Condominium Property; and
7. A blanket and non-exclusive easement in, upon, over, through, under, and across the Common Elements and existing and future model units for sales promotion and exhibition, including the posting of signs and other forms of advertisements, and the right of access to community facilities for marketing purposes, until the last unit in the Condominium is sold and conveyed in the normal course of business, but in no event more than five (5) years from the date of recording the Master Deed.

(C) Association Easements. The Condominium Property shall also be subject to the following perpetual easements for the benefit of the Association:

1. The Association shall have a perpetual and exclusive easement for the maintenance of any Common Elements, including those which presently or may hereafter encroach upon a Unit; and
2. The Association, through its Board or any manager, or managing agent, or its respective agents or employees shall have the perpetual and non-exclusive right of access to each Unit (i) to inspect same, (ii) to remedy any violations of the provisions of the Condominium Documents of the Association, and (iii) to perform any operations required in connection with its maintenance, repairs and replacements as set forth in Article XIV hereof; 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.

(D) Permitted Mortgagee Holder Easements. Any Permitted Mortgagee, 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 Common Elements, or any Units so encumbered by a first mortgage owned by it. This right shall be exercised only during reasonable daylight hours, and then whenever practicable, only after advance notice to, and with the permission of, the Board of Trustees of the Association and the Unit Owner.

(E) Utility Easements. A blanket, perpetual, and non-exclusive easement in, upon, over, across, and through the Common Elements for the purpose of installation, maintenance, repair, service and replacement of all sewer, water, power and telephone pipes, lines, mains, conduits, waters, poles, transformers, master television antennas, 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, which easement shall be for the benefit of any governmental agency, or utility company or other entity which requires same for the purpose of finishing one or more of the foregoing services.

(F) Government Easements. The Condominium Property shall also be subject to the following easements:

1. A blanket, perpetual, and non-exclusive easement of unobstructed ingress and egress in, upon, over, across, and through the Common Elements to the Township of Bloomfield, its respective officers, agents, and employees (but not the public in general) and all police, fire, and ambulance personnel in the proper performance of their respective duties (including, but not limited to, emergency repairs to a Unit), and for repair and maintenance of the Common Elements. Except in the event of emergencies, the rights accompanying the easements provided for in this subparagraph shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to, and with permission of, the Unit Owner(s) directly affected thereby; and
2. A perpetual, blanket, and non-exclusive easement in, upon, over, under, across, and through the Common Elements to the Township of Bloomfield, its respective officers, agents, and employees (but not the general public) for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon the Condominium Property. No individual Unit Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Condominium Property.

(G) Responsibility for Damages. In the event that any easement right set forth in this Article 15 is exercised, the person or entity exercising such right shall be responsible for the repair of any damage and liable for any personal injury or property damage arising directly or indirectly from its use or maintenance of the easement area.

16. DEED RESTRICTIONS: All Units will be subject to deed restrictions, mortgages and notes. All deed restrictions and mortgages will be recorded with the Essex County Clerk's/Register's Office.

The deed restrictions, mortgages and notes related to the aforementioned Units are as follows:

1. Declaration of Covenants, Conditions and Restrictions Implementing Equity Sharing Controls for New Jersey Housing and Mortgage Finance Agency Non-Deed Restricted Emerging Market Units (5 or 15 year equity sharing controls)– A copy of said declaration is attached hereto as Exhibit F.
2. Recapture Mortgage Note for CHOICE Program Non-Deed Restricted Emerging Market Units (5 - 15 year equity sharing controls)- A copy of said note is attached hereto as Exhibit G.
3. Repayment Mortgage Securing Payment of CHOICE Program Recapture Note in Favor of the New Jersey Housing and Mortgage Finance Agency (5 - 15 year Equity Sharing Controls)- A copy of said mortgage is attached hereto as Exhibit H.

17. PETS: One pet, not exceeding twenty-two (22) pounds in weight, shall be permitted per Residential Condominium Unit, provided that they are carried in the Common Elements and are walked offsite. Certified service animals are excluded from this provision and may be kept in accordance with State and Federal law, however service animals may not interfere with the use and enjoyment of the Common Elements. Further, pets may not be kept, bred, or maintained for any commercial purpose.

18. DECORATING: Each Residential Condominium Unit Owner shall furnish and be responsible for, at his expense, all of the decorating within his own Residential Condominium Unit from time to time, including painting, wall papering, washing (including windows, inside and outside), cleaning, paneling, floor covering, draperies, window shades, curtains, lamps, and other furnishings and interior decorating. Each Residential Condominium Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors, and ceilings which constitute the exterior boundaries of the respective Residential Condominium Unit owned by him, and such owner shall maintain such interior surfaces (or drop ceiling) in good condition at his sole expense as

may be required from time to time, and each such Residential Condominium Unit Owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. The use of and the covering of the interior surfaces of such windows and the doors leading to the decks, whether by draperies, shades, or other items visible on the exterior of the Buildings, shall be subject to the rules and regulations of the Association. Decorating of the Common Elements (other than interior surfaces) within the Condominium Property to the extent made necessary by any damage to existing decorating of such Residential Condominium Unit caused by maintenance, repair, or replacement work on the Common Elements by the Association, shall be furnished by the Association as part of the Common Expenses. No Unit Owner shall have any right to replace the windows in a Unit unless said windows are replaced with a similar window that has been previously approved by the Board of Trustees.

19. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS: No Unit Owner (other than the Grantor) may make any structural additions, alterations, or improvements in his Unit or of the Common Elements without the prior written approval of the membership of the Association or impair any easement without the written consent of the membership of the Association or of the Unit Owner or Owners for whose benefit such easement exists.

While the Grantor maintains a majority of the Board, it shall make no additions, alterations, improvements or purchases not contemplated in this offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a governmental agency, title insurance company, mortgage lender, or in the event of an emergency.

20. ENCROACHMENTS: If any portion of the Common Elements shall actually encroach upon any Unit or if any Unit shall actually encroach upon any portions of the Common Elements, as the Common Elements and Units are shown on the Survey, there shall be deemed to be mutual easements in favor of the owners of the Common Elements and the respective Unit Owners involved to the extent of such encroachment so long as the same shall exist.

21. SALE OR LEASE OR OTHER DISPOSITION OF UNITS: Should the Unit Owner wish to sell or lease his Unit, he shall, before accepting any offer to sell or lease his Unit, comply with the applicable provision of the By-Laws, specifically, but not limited to, Article VII. Any attempt to sell or lease a Unit except as provided in the By-Laws, shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser or lessee.

22. REMEDIES: In the event of any default by a Unit Owner under the provisions of the Condominium Act, this Master Deed, the By-Laws or rules and regulations of the Association, the Association and the Board of Trustees shall have each and all of the rights and remedies which may be provided for in the Condominium Act (except as otherwise provided in this Master Deed or the By-Laws), this Master Deed, the By-Laws or said rules and regulations or which may be available at law or in equity, and may prosecute any action or other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien, statutory or otherwise, including but not limited to foreclosure of such lien, appointment of a receiver for the Unit, damages, an injunction, specific performance, judgment for payment of money and collection thereof, or for any combination of remedies or for any other relief. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses, all damages, liquidated or otherwise, together with interest thereon at the maximum legal rate until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective part of the Common Expenses and the Association shall have a lien for all of the same. In the event of any such default by any Unit Owner, the Association, the Board, and the manager or managing agent if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all of such rights and remedies may be exercised at the time and from time to time, cumulatively or otherwise, by the Association or the Board.

23. AMENDMENTS: The provisions of this Master Deed may be amended from time to time upon the approval of such amendment or amendments by the Association pursuant to a resolution or written consent approving such amendment or amendments adopted or given by Unit Owners owning not less than Sixty-seven (67%) percent of the total number of Units in the Condominium Property; provided, however, if the Condominium Act or this Master Deed shall require the consent or agreement of a larger percentage of Unit Owners or lien holders for any action specified in the Act or in the Master Deed, then any amendment or amendments with respect to such action shall require said larger percentage of consent or agreement as may be provided in the Condominium Act or in this Master Deed. The Grantor shall not be permitted to cast any votes held by him for unsold lots, parcels, units, or interests for the purpose of amending the Master Deed, by-laws or any other document for the purpose of changing the permitted use of a Lot, Parcel, Unit or interest, or for the purpose of reducing the Common Elements or Limited Common Elements. Each such amendment shall be effective upon the recording of an appropriate instruction setting forth the amendment and its due adoption, execution, and acknowledgment by one or more officers or the Grantor of the Board. All amendments to this Master Deed shall be recorded and shall not become effective until recorded in the same office in which the Master Deed was recorded.

24. NOTICE: All notices provided for in the Condominium Act, this Master Deed, or the By-Laws shall be in writing, and shall be addressed to the Association or to any Unit Owner at the Buildings, or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them respectively, by giving written notice of such change of address to all Unit Owners at such time. Any Unit Owner may also designate a different address or addresses for notice to him by giving written notice of his change of address to the Association. Notice addressed as above shall be deemed delivered when mailed in the United States registered or certified mail or when delivered in person with written acknowledgment of the receipt thereof, or, if addressed to a Residential Condominium Unit Owner, when deposited in his mailbox in the Building or at the door of his Residential Condominium Unit in the Building.

25. SEVERABILITY: The invalidity of any provisions of this Master Deed or of the By-Laws attached hereto shall not be deemed to impair or affect in any manner the validity, enforceability or effect the remainder of this Master Deed or the By-Laws, and in such event, all of the other provisions of this Master Deed and the By-Laws shall continue in full force and effect as if such invalid provision had never been included in either document.

26. PARTITION: No Unit Owner shall have the right to partition the Common Elements nor to do any act or take any action that would result in the destruction of condominium form of ownership as established by the Condominium Act.

27. RIGHTS AND OBLIGATIONS: The provisions of this Master Deed and the By-Laws and the rights and obligations established thereby shall be deemed to be covenants running with the land, so long as the Condominium Property remains subject to the provisions of the Condominium Act and shall inure to the benefit of and be binding upon each and all of the Unit Owners and their respective heirs, representatives, successors, assigns, purchasers, lessees, grantees, and mortgagees. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Condominium Act, the rules and regulations of the Association and the provisions of the Master Deed, as they may be amended from time to time, are accepted and ratified and will be complied with. Each purchaser of a Unit in the Condominium will, by virtue of his ownership, become a member of the Association.

28. RATIFICATION, CONFIRMATION, AND APPROVAL OF AGREEMENTS: The fact that some or all of the officers, trustees, members, or employees of the Association and the Grantor are identical, and the fact that the Grantor or its nominees, have heretofore or will 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, or the propriety and legality of said agreement or said agreements, or any other agreements authorized and permitted by the Condominium Act, this Master Deed and the By-Laws.

29. EMINENT DOMAIN: If all or any part of the Common Elements shall be taken, injured or destroyed by eminent domain, all applicable provisions of the Condominium Act shall control the respective rights of the Unit Owners, including the Grantor. Notwithstanding the aforementioned, no Unit Owner or any other party shall have priority over any rights of a first Permitted Mortgagee of a Unit to any eminent domain award for a taking of a Unit and/or the Common Elements.

30. GENDER: The use of the masculine gender in the Master Deed shall be deemed to include the feminine or neutral gender, as the circumstances may require, and the use of the singular, by way of illustration and not limitation, such as Grantor, shall be deemed to include the plural whenever the context so requires.

31. MISCELLANEOUS: Nothing herein shall be construed to prohibit the reasonable adaptation of any unit for handicapped use.

32. GRANTOR ACTIONS: While the Grantor maintains control of the Board, he will take no action which adversely affects a homeowner's rights under N.J.A.C.5:25-5.5. Claims relative to common element defects shall be processed in accordance with N.J.A.C.5:25-5.5.

33. GRANTOR RIGHTS:

(A) RATIFICATION, CONFIRMATION AND APPROVAL OF AGREEMENTS. The fact that some or all of the officers, directors, members or employees of the Association and the Grantor may be identical, and the fact that the Grantor or its nominees, have heretofore or may hereafter enter into agreements with the Association or with third parties, will not invalidate any such agreements and the Association and the Unit Owners, 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 a deed therefor by any party, shall constitute the ratification, confirmation and approval by such purchaser, its heirs, legal representatives, successors and assigns, of the propriety and legality of said agreements or said agreement, or any other agreements authorized and permitted by the Condominium Act, this Master Deed, the Certificate of Incorporation or the By-Laws.

(B) RIGHTS RESERVED TO GRANTOR. Subject to Condominium Act, this Master Deed, specifically including, but not limited to Section 23 hereof and the Bylaws, Grantor hereby reserves for itself, its successors and assigns, for so long as it owns one or more Units in the Condominium:

1. the right to sell, lease, mortgage, sublease or otherwise dispose of any unsold Units within the Condominium in the normal course of business; and

2. the right, until the date the last Unit in the Condominium is conveyed in the normal course of Grantor's business, but in no event more than five (5) years from the date this Master Deed is recorded, to use the Common Areas for on-site sales, storage, construction and service trailers for storage of construction materials and equipment; for models and administrative offices; and for any and all purposes deemed necessary by Grantor for the rental and sales promotion and exhibition of Units, provided however, that the Grantor's use of the Common Areas for the foregoing purposes does not materially hinder, impede or interfere with the use and enjoyment of the Common Areas by the Unit Owners.

(C) USE OF EASEMENTS. Grantor, its successors, agents, affiliates, employees or subcontractors shall have the right to utilize easements, roads, drainage facilities, utility lines and the like within or servicing the Condominium.

(D) Protection of Grantor. The prior written approval of Grantor will be required before any amendment that would materially impair or materially diminish the rights of Grantor to sell or lease Units; or subdivide or demolish, repair, renovate or

reconstruct Units, in accordance with this Master Deed shall become effective. Notwithstanding any other provisions of this Master Deed, until such time as Grantor no longer owns any Unit or Units in the Condominium that it intends to sell in a commercially reasonable manner, the following actions, before being undertaken by the Association, shall first be approved in writing by Grantor, which approval shall not be unreasonably withheld, conditioned or delayed:

1. Any amendment or action requiring the approval of Permitted Mortgagees pursuant to this Master Deed;

2. Any significant reduction of Association maintenance or other services;

3. Material alteration in the method of fixing and collecting Common Expense assessments or any increases in Common Expense assessments beyond the amounts permitted under this Master Deed;

4. Material reduction in the level of, or change in allocation of responsibility for maintenance of and repairs to all or any portion of the Common Elements subject to this Master Deed, or any other maintenance obligations of the Association set forth in this Master Deed;

5. The grant by the Association of an interest in all or any portion of the Common Elements;

6. Material modification of the enforcement and review procedures of the Association, or any change in the architectural and landscaping design originally installed in the Condominium;

7. Material modification to improvements in the Common Elements or to the level or frequency of maintenance of same;

8. Material alteration in the method of enforcing the provisions of this Master Deed; or

9. Any material modification of the rights reserved and granted to Grantor herein with respect to development of the Parcels.

(E) TRANSFER OF GRANTOR'S SPECIAL RIGHTS. No special rights created or reserved to the Grantor under this Master Deed (hereinafter "Special Grantor Rights") may be transferred except by an instrument evidencing the transfer recorded in the Office of the Register of Essex County, New Jersey. The instrument shall not be effective unless executed by the transferee.

1. LIABILITY OF TRANSFEROR. Upon transfer of any such Special Grantor Right, the liability of the transferor is as follows:

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

(ii) If a transferor retains any such Special Grantor Right, or if a successor to any such Special Grantor Right is an affiliate of the Grantor, the transferor is subject to liability for all obligations and liabilities imposed on Grantor by law or by the Master Deed, arising after the transfer, and is jointly and severally liable with the successor for the liabilities and obligations of the successor which relate to the Condominium.

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

(F) TRANSFER OF RIGHTS REQUESTED. Unless otherwise provided in a mortgage instrument or deed of trust, in case of foreclosure of a mortgage, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings, of any Units owned by Grantor in the Condominium, a person acquiring title to all the Units being foreclosed or sold, but only upon its request, succeeds to all such Special Grantor Rights. The judgment or instrument conveying title shall provide for transfer of only the Special Grantor Rights requested.

(G) FORECLOSURE, BANKRUPTCY, RECEIVERSHIP. Upon foreclosure, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings, of all Units in the Condominium owned by Grantor:

1. The Grantor ceases to have any such Special Grantor Rights; and

2. The period of Grantor control terminates unless the judgment or instrument conveying title provides for transfer of all such Special Grantor Rights to a successor to Grantor.

(H) LIABILITY OF SUCCESSORS. The liabilities and obligations of persons who succeed to all Special Grantor Rights are as follows:

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

2. A successor to all such Special Grantor Rights, other than a successor described in subparagraph (3) of this subsection H hereof who is not an affiliate of Grantor, is subject to all obligations and liabilities imposed upon Grantor by law or the Master Deed, but it is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Grantor or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Grantor.

3. A successor to any or all Special Grantor Rights who is not an affiliate of Grantor and who succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Units under Section 33(F) aforesaid, may declare its intention in a recorded instrument to hold those rights solely for transfer to another party. Thereafter, until transferring all such Special Grantor Rights to any person acquiring title to any Unit owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than the right to control the Board for the duration of any period of Grantor control, and any attempted exercise of those rights is void. So long as a successor Grantor may not exercise special rights under this subsection, it is not subject to any liability or obligation as a Grantor other than liability for the successor's express acts and omissions under the Master Deed. A successor under this subsection is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Grantor or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Grantor.

Nothing in this Section 33 (H) subjects any successor to a Special Grantor Right to any claims against or other obligations of a transferor other than claims and obligations directly relating to such successor's express exercise of said Special Grantor Right arising under the Master Deed.

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed the day and year first above written.

Witness

WATSESSING DEVELOPMENT, LLC

By: Robert Richardi, Member

By: Paul DeBellis, Sr., Member

STATE OF NEW JERSEY, COUNTY OF ESSEX:

I CERTIFY that on the 18th day, in the month of May 2019, Robert Richardi and Paul DeBellis, Sr., members of Watsessing Development, LLC, personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

(a) was the maker of and personally signed this document;
(b) was authorized to and did execute this document Individually as the Members of Watsessing Development, LLC, the entity named in this document;
(c) executed this document as the act of the entity named in this document.

NOTARY PUBLIC

MARIA VOGLINO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 11/9/2020

Exhibit A

PRONESTI
SURVEYING, INC.
PROFESSIONAL LAND SURVEYORS

870 POMPTON AVENUE, SUITE B1
CEDAR GROVE, NJ 07009

TEL: (973) 857-3319
FAX: (973) 857-3608

www.PRONESTI.com

Description of
2 Bland Court
Lot 23 in Block 126
On Tax Maps of
Township of Bloomfield, Essex County, New Jersey

BEGINNING at a point in the present westerly line of Bland Court, formerly Myrtle Court, said point the flowing two courses from the corner formed by the intersection of the said westerly sideline of Bland Court and the northerly sideline of Myrtle Street:

A) From said intersection, northerly along the present westerly sideline of Bland Court, North 34 degrees 29 minutes 00 seconds West, 102.74 feet to a point, thence

B) South 68 degrees 47 minutes 00 seconds West, 5.14 feet to the POINT AND PLACE OF BEGINNING; thence running

1) South 68 degrees 47 minutes 00 seconds West, 141.53 feet to a point, thence
2) North 24 degrees 22 minutes 00 seconds West, 27.56 feet to a point, thence
3) South 68 degrees 47 minutes 00 seconds West, 50.10 feet to a point, thence
4) North 24 degrees 22 minutes 00 seconds West, 76.29 feet to a point, thence
5) North 60 degrees 53 minutes 00 seconds East, 50.20 feet to a point, thence
6) North 58 degrees 43 minutes 00 seconds East, 118.48 feet to a point on the aforesaid present westerly sideline of Bland Court, thence
7) Southerly along the said westerly sideline of Bland Court, South 34 degrees 29 minutes 00 seconds East, 134.90 feet to the **POINT AND PLACE OF BEGINNING.**

The above described parcel contains 19,794 square feet or 0.454 acres of land.

The above description excludes a 5 foot strip of land dedicated to the Township of Bloomfield, to become part of Bland Court.

The above description is written in accordance with a survey prepared by ***Pronesti Surveying, Inc.*** dated April 18, 2017.

Michael Pronesti, P.L.S.
New Jersey License No. 37605

51151.doc

Exhibit B

BY LAWS

TABLE OF CONTENTS

BY-LAWS

OF

COURT MANOR OF BLOOMFIELD CONDOMINIUM ASSOCIATION, INC.
A New Jersey Not for Profit Corporation

2 Bland Court in the Township of Bloomfield, County of Essex,
State of New Jersey

ARTICLE I

NAME, OFFICE, AND PURPOSE

Section 1. Name and Principal Office. The Association is formed to serve as a means through which the owners of the Residential Condominium Units, defined herein as set forth in the Master Deed, (collectively referred to as the "Unit Owners") may take action with regard to the administration, management, maintenance, repair, and operation of the Condominium Property (hereinafter defined) known as COURT MANOR OF BLOOMFIELD CONDOMINIUM (the "Condominium"), situated in the Township of Bloomfield, Essex County, New Jersey, which has been created and established in accordance with the provisions of a Master Deed which has been recorded in the office of the Essex County Clerk, by Watsessing Development, LLC ("the Grantor"), to which these By-Laws are appended as an exhibit. The statutes relating to the Condominium in effect in the State of New Jersey pursuant to which the Condominium has been created and established and is to be governed are P.L. 1969, Ch. 257, R.S. 46:8B-1 et seq., as amended, of the laws of the State of New Jersey (the "Condominium Act"), and Court Manor of Bloomfield Condominium Association, Inc. ("the Association") is intended to be the entity responsible for the administration and management of the condominium as provided in the Condominium Act.

ARTICLE II

PLAN OF CONDOMINIUM UNIT OWNERSHIP

Section 1. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Condominium and to the use and occupancy thereof. The term "Condominium Property" as used herein shall include the land, the building ("Building") and all other improvements thereon, including the Residential Condominium Units, the Common Elements, and Limited Common Elements as defined in the Master Deed, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all as set forth in the Master Deed.

Section 2. Application. All present and future Unit Owners, mortgagees, lessees and occupants of Residential Condominium Units and their employees, and any other persons who may use the facilities of the Residential Condominium Property in any manner are subject to these By-Laws, the rules and regulations of the Association and the Master Deed. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit, defined herein as set forth in the Master Deed, shall constitute an agreement that these By-Laws, the rules and regulations of the Association and the provisions of the Master Deed, as they may be amended from time to time, are accepted and ratified and will be complied with. Each purchaser of a Unit will, by virtue of his ownership, become a member of the Association. Title to a Unit may be taken in the name of an individual or in the names of two or more persons, as tenants in common, as joint tenants, or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.

ARTICLE III

MEETING OF UNIT OWNERS

Section 1. Place of Meeting. The Unit Owners of the Condominium shall hold meetings at the Building, or at such other place as may be fixed from time to time by the Board of Trustees of the Association (the "Board of Trustees") and designated in the notice of such meeting.

Section 2. Annual Meeting. The first annual meeting of the Unit Owners shall be held at 8:00 o'clock P.M. on the first Monday of the sixth month following the end of the fiscal year of the Association, but not prior to the time at which the Board of Trustees contains one (1) Trustee elected by Unit Owners other than Grantor pursuant to Article IV Section 1 (B) of these By-Laws. Thereafter, in each succeeding year, an annual meeting of the Unit Owners shall be held on the first Monday of said month or, in the event that date is a legal holiday, on the first day thereafter which is not a legal holiday. Subject to the provisions of Section 1 of Article IV, at each annual meeting the Unit Owners shall elect Trustees of the Association and may transact such other business as may properly come before the Board of Trustees.

Section 3. Special Meetings. Special meetings may be called by the President, Vice President, Secretary or a majority of the Board of Trustees, and must be called by such officers upon receipt of written request of fifty percent (50%) or more of the Unit Owners; provided, however, that in the discretion of the Board of Trustees, no more than one special meeting need be held in any one calendar month. Such written request shall state the purpose or purposes of the proposed meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice of such special meeting.

Section 4. Record Date. For the purpose of determining the Unit Owners entitled to the notice of any meeting of the Association, or any adjournment thereof, or for the purpose of any other action, the Board of Trustees shall fix, in advance, a date as the record date for such determination. Such date shall not be more than thirty (30) nor less than ten (10) days before the date of the meeting. If no record date is fixed, then the date shall be ten (10) days before the date of the meeting.

Section 5. Notice of Meeting. Notice of meeting to the Unit Owners shall be in writing and, except in the case of the annual meeting, shall indicate and state that it is being issued by or at the direction of the person or persons calling the meeting and the purpose therefore. Such notice shall be mailed or delivered not less than ten (10) nor more than sixty (60) days prior to the date of the meeting. Notice of all meetings at which disposition is to be made of assets or granting of rights of easements in the Condominium Property must also be given to the record holders of permitted mortgages on any Unit.

Section 6. Waiver of Notice. Notice of a meeting need not be given to any Unit Owner who signs a waiver of notice either in person or by proxy, whether before or after the meeting. The attendance of any Unit Owner at a meeting in person or by proxy, without protesting prior to the conclusion of the meeting the lack of proper notice to him of such meeting, shall constitute a waiver of notice of the meeting by him.

Section 7. Quorum. The presence in person or by proxy of Unit Owners holding at least fifty-one percent (51%) or more of the ownership interest in the Common Elements shall constitute a quorum at a meeting of the Unit Owners.

Section 8. Majority Vote. The vote of a two-thirds majority of the votes cast by Unit Owners at a meeting at which a quorum shall be present, shall be binding upon the Unit Owners for all purposes other than those under which the terms of the Master Deed or these By-Laws or the provisions of New Jersey law require a higher percentage.

Section 9. Voting. Except as otherwise required by law, or specifically required by the Master Deed, each Unit Owner shall vote pursuant to its percentage of ownership in accordance with the Master Deed. A fiduciary shall be entitled to vote with respect to any Unit owned in a fiduciary capacity. If there are co-owners of record of a Unit (whether by joint tenancy, tenancy in common, tenancy by the entireties, partnership, or otherwise), all of such co-owners may attend the meetings of the Association but their votes shall be exercised unanimously by having such co-owners designate in writing one person who alone shall be entitled to exercise the entire voting rights appurtenant to such Unit, which designation shall be recorded on the voting list and shall be controlling until canceled or superseded by a written notice to the Secretary of the Board of Trustees, signed by all such co-owners and received at least one (1) day prior to the meeting or meetings to which such notice relates. If at any time the co-owners of a Unit cannot unanimously agree how to cast their votes at a meeting, then and in that event the votes appurtenant to their Unit shall not be permitted to be cast at that meeting and, for the purpose of determining a quorum, that unit owned by such co-owner shall be deemed to be zero and shall not be entitled to cast any vote at that meeting. If the co-owners of a Unit shall not be permitted to cast the votes appurtenant to their Unit for the reason specified in the immediately preceding sentence, they shall be deemed to have consented to any action taken at such a meeting which requires the unanimous consent of all Unit Owners. Despite the foregoing, if co-owners of a Unit shall have failed to designate a person to cast their votes and if only one of such co-owners is present or represented by proxy, he, or the holder of such proxy, as the case may be, shall be accepted by the Association as the agent and attorney-in-fact for the other co-owners not present and shall be permitted to cast all of the votes appurtenant to such Unit if held in a fiduciary capacity, the fiduciary and not the beneficiary shall be entitled to exercise the voting rights appurtenant to such Unit. If a Unit is held by a corporation, its governing board shall designate a person to exercise its voting rights which such designation shall be recorded on the voting list and received by the Secretary of the Board of Trustees at least one day prior to the meeting to which such designation relates.

No vote shall be cast for the election of the Board of Trustees on behalf of a Unit which has been acquired by the Association in its own name or in the name of its agent, designee, or nominee on behalf of all of the Unit Owners so long as it continues to be so held. Votes may be cast by each Unit Owner in person or by his proxy. The designation of any such proxy shall be made in writing and filed with the Secretary of the Association before the appointed time of the meeting. A proxy shall be valid only for the particular meeting designated therein and may be revoked by the Unit Owner by appearance in person at the meeting upon filing with the Secretary at the time of the notice of revocation.

When a member of the Board of Trustees who has been elected by Unit Owners other than Grantor is removed or resigns, that vacancy shall be filled by a Unit Owner other than Grantor.

The "Guidelines for Elections in Common Interest Communities," issued by the New Jersey Department of Community Affairs and attached hereto as Exhibit A, shall govern all other election and voting procedures.

Section 10. Good Standing. A Unit Owner shall be deemed "in good standing" and shall therefore be entitled to vote as herein provided at any meeting of Unit Owners subject, however, to the limitations of Section 9 of this Article, if said Unit Owner shall have paid, in full, at least five (5) days prior to the date fixed for a particular meeting, all then due assessments, charges, and any interest, penalties, costs, fees and the like which have been levied against his Condominium Unit and/or himself. The Board of Trustees shall be the sole judge of whether a Unit Owner has paid all then due assessments, charges and interest, penalties, costs, fees, and the like which have been levied against his Unit and/or himself.

Section 11. Adjournment of Meeting. If any meeting of Unit Owners cannot be held because quorum has not attended, the meeting shall be adjourned to a time not less than 48 hours from the time scheduled for the original meeting.

Section 12. Order of Business. The order of business at the annual meeting of the Unit Owner shall be as follows:

(a) Roll Call
(b) Proof of Notice of Meeting
(c) Reading of Minutes of Preceding Meeting
(d) Reports of Officers (including the Treasurer's report on the Annual Financial Statement and current budget)
(e) Report of Board of Trustees
(f) Report of Committees (if any)
(g) Appointment of Inspectors of Election
(h) Election of Members of the Board of Trustees
(i) Unfinished Business
(j) New Business
(k) Adjournment

With regard to new business as set forth in subparagraph (j) above, any matter constituting new business may only be added to the agenda by a Unit Owner for purposes of taking a vote thereon if a petition, signed by the Unit Owners requesting that such matter be added to the agenda of new business, is served upon the Secretary of the Association not less than fourteen (14) days nor more than sixty (60) days prior to the last day upon which notice of the meeting must be given pursuant to Section 5 hereof. The order of business at all other meetings of the Unit Owners shall conform to the above order of business insofar as the special purpose or purposes thereof will permit.

ARTICLE IV

BOARD OF TRUSTEES

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Trustees, consisting initially of not less than three (3) members, who shall be designated by the Grantor. Until such time as trustees are elected by Unit Owners, all trustees will be designated by the Grantor.

Within thirty (30) days after Unit Owners other than the Grantor are entitled to elect a member or members of the Board, the Association shall call a meeting of the Unit Owners to elect the new members of the Board. Notice of this meeting shall be made, not less than twenty (20) days, and not more than thirty (30) days, prior to the meeting.

The Board of Trustees will be turned over to the Unit Owners as follows:

A. Within sixty (60) days after conveyance by the Developer of twenty-five percent (25%) of the maximum number of units to be constructed at the Condominium, the Association will hold a special meeting of Unit Owners at which one (1) trustee theretofore designated by the Developer shall be replaced by a person elected by Unit Owners other than the Developer; and

B. Within sixty (60) days after conveyance by the Developer of seventy-five percent (75%) of the maximum number of units to be constructed at the Condominium, the Association will hold a special meeting at which time, the remaining two (2) trustees theretofore designated by the Developer will be replaced by persons elected by Unit Owners other than the Developer; provided, however, that so long as any Units in the Condominium remain unsold in the regular course of business, the Developer will have the right to designate one member of the trustees.

C. Within five (5) years from the date of the project offering registration, the Association will hold a special meeting, at which time the Developer will offer to yield control. However, a majority vote of Unit owners is required before control will be assumed. Should the Unit Owners vote not to accept control, the Developer will continue to control the Association until the seventy-five percent (75%) threshold is reached.

D. Notwithstanding the above, within sixty (60) days after conveyance of seventy-five percent (75%) of Units, the Developer's control of the Board shall terminate, at which time the owners shall elect the entire Board. However, at its discretion, the Developer maintains the right to retain one member of the Board, so long as there are any Units remaining unsold in the regular course of business.

Thereafter, the Board of Trustees shall consist of three (3) persons, (or such greater number as may be fixed by the Board of Trustees from time to time), each of whom (except in the case of Condominium Unit owned by the Grantor) shall be owners or spouses of owners of Units, or in the case of partnership owners shall be members of such partnership, or in the case of corporate owner shall be officers or stockholders of such corporation, or in the case of fiduciary owner shall be fiduciaries or officers of such fiduciaries provided that at all times a least one member of the Board of Trustees shall be a resident of the State of New Jersey.

Each owner of a Unit shall automatically, upon becoming an owner of a Unit, be a member of said Association until such time as his ownership ceases for any reason, at which time his membership in said Association shall automatically cease. Other than as an incident to a lawful transfer of title to a unit, membership in the Association shall be non-transferable and any attempt to transfer shall be null and void.

Prior to, or not more than sixty (60) days after, the time that Unit Owners other than the Grantor elect a majority of the members of the Board of Trustees, the Grantor shall relinquish control of the Association and the Unit Owners shall accept control. Simultaneously, the Grantor shall deliver to the Association all property of the Unit Owners and of the Association held or controlled by the Grantor including but not limited to, the items set forth in N.J.S.A. 46:8B-12.1. Which are as follows: Certified copy of the complete Master Deed and amendments, certified copy of Association Articles of Incorporation, copy of By-Laws, minutes, rules and regulations, officer resignation, association fund accounting, association funds, personal property of association, copy of plans and specifications, insurance policies, certificates of occupancy, any permits issued within one year, warranties, roster of Unit Owners, leases, employment, management contracts, and any other contracts to which to association is a party.

Section 2. Powers and Duties. The Board of Trustees shall have the powers and duties necessary for the administration and management of the affairs of the Association and may do all such acts and things, except those which by law or by Master Deed or by these By-Laws may not be delegated to the Board of Trustees, pursuant to the Condominium Act, the powers and duties of the Board of Trustees shall include, but shall not be limited to, the following:

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

(b) Determination of the Common Expenses required for the affairs and duties of the Association, including the establishment of reasonable reserves for future replacement of, and maintenance of, the Condominium Property.

(c) The Board of Trustees shall, prior to the beginning of each fiscal year of the Association, prepare a budget which shall determine the amount of common charges payable by each Unit to meet the Common Expenses of the Association, including the aforesaid reserves, and to make up any deficit in the Common Expenses of any prior year. The Board of Trustees shall allocate and assess such charges among the Unit Owners in accordance with the applicable provisions of the Master Deed.

(d) Unit Owners are permitted to attend and participate in the meeting held for the purpose of preparing the budget but said Unit Owners shall not be permitted to vote on matters pertaining thereto. Unit Owners shall be advised of the amount of Common Expenses payable by each of them and these charges shall be paid to the Association in twelve (12) equal monthly installments on the 1st day of each

month of the fiscal year, in advance, at the office of the Association. A statement of the aforesaid yearly charges along with a copy of the annual budget shall be mailed to each Unit Owner at the commencement of each fiscal year and no further billing by the Association shall be required.

(e) The fiscal year of the Association shall be a calendar year.

(f) Despite anything in these By-Laws or elsewhere to the contrary, the Board of Trustees shall not have the authority, except for the repair and/or replacement of any Common Element or such other emergency as determined by the Board of Trustees, to expend in excess of $5,000.00, on any item of expense in any year which is not specified in, or if specified, over the amount indicated for such item in, the aforesaid budget for such year without the consent of the majority of the Unit Owners.

(g) Employment and dismissal of personnel necessary for the maintenance and operation of the Condominium Property, including the Common Elements and other property which may be owned by the Association.

(h) Adoption of rules and regulations covering the operation and use of the Condominium Property.

(i) Opening of bank accounts on behalf of the Association and designation of the signatories required therefore.

(j) Purchase or arrangement for such services, machinery, tools, supplies, and the like as in the opinion of the Board of Trustees may, from time to time, be necessary for the proper operation and maintenance of the Condominium Property and Common Elements and the facilities and general business of the Association. As of the date of these By-Laws, Grantor has entered into a Management Agreement Contract for a period of one (1) year with De-Camp Realty Company, Inc., a New Jersey Corporation, which is owned by the principals of Grantor. Pursuant to N.J.A.C. 5:26-8.5, said management contract shall not be renewed for a period in excess of one year. Grantor shall post an appropriate bond while maintaining a majority of the Board of Trustees pursuant to item (o) below and N.J.A.C 5:26-8.7(d). The Board of Trustees may employ a manager for the Association at such compensation as it may deem appropriate, to perform such duties as the Board of Trustees may so designate and may lawfully delegate.

(k) Employment of legal counsel, engineers, and accountants and fixing their compensations whenever such services may be deemed necessary by the Board of Trustees.

(l) Maintenance of detailed books of accounts of receipts and expenditures of the Association. Such books of accounts shall be audited when requested by the Board of Trustees but not less than annually by a certified public accountant and a statement reflecting the financial condition and transactions of the Association shall be furnished to each Unit Owner on annual basis. The books of accounts and any supporting vouchers shall be made available for examination by a Unit Owner at convenient hours on working days that shall be established by the Board of Trustees and announced for general knowledge.

(m) While the Grantor maintains a majority of the Board of Trustees, it shall have an annual audit of Association funds prepared by an independent accountant, a copy of which shall be delivered to each Unit Owner within ninety (90) days of the expiration of the fiscal year of the Association. The audit shall cover the operation budget and reserve accounts.

(n) After the Grantor relinquishes a majority position on the Board of Trustees, the Association is responsible for the maintenance of adequate fidelity bonds for Association officers, agents, and employees handling Association funds and records, at such times and costs in such amounts as the Board of Trustees may

deem necessary. The premiums for such coverage shall be paid by the Association and shall constitute a Common Expense.

(o) While the Grantor maintains a majority of representation on the Board of Trustees, he shall post a fidelity bond or other guarantee acceptable to the Agency, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves.

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

(q) Purchase or lease or other acquisition in the name of the Association or its designee, corporate or otherwise, on behalf of all Unit Owners, offered for sale or lease or surrender by their Unit Owners to the Association or to the Board of Trustees, when so required in the discretion of the Board of Trustees. The Association shall not purchase a unit while the Grantor maintains control.

(r) Purchase of Residential Condominium Units at foreclosure of other judicial sale in the name of the Association or its designee, corporate or otherwise, on behalf of all Unit Owners, when so required in the discretion of the Board of Trustees. The Association shall not purchase a Condominium Unit while the Grantor maintains control.

(s) Adjustment or increase of the amount of any monthly installment payment of Common Expenses and levying and collecting from Unit Owners special assessments in such amounts and payable in such manner as the Board of Trustees may deem necessary to defray and meet increased operating costs, capital expenses, or to resolve emergency situations.

(t) Make repairs, additions, and improvements to, or alteration of, the Condominium Property and repairs to, and restoration of, the Condominium Property in accordance with the other provisions of these By-Laws after damages or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings. When in the opinion of the Board of Trustees any of the Common Elements requires protection, renewal, maintenance, or repair or when enforcement of any of the Association's rules and regulations so require or when the abetment of any nuisance is required or in any emergency situation, the Board of Trustees will have the right to enter any Condominium Unit for such purposes. Such entry shall, however, be done with as little inconvenience to the Condominium Unit Owners thereof as is reasonably possible. By the acceptance of a deed conveying each Unit to the Unit Owner, each Unit Owner expressly and irrevocably grants and confirms the aforesaid rights of entry; with notice at reasonable hours except in case of emergency.

(u) While the Grantor maintains a majority of the Board of Trustees, it shall make no additions, alterations, improvements, or purchases not contemplated in the Public Offering Statement which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender, or in the event of an emergency.

(v) Purchasing insurance in such amounts and kinds as may be required by these By-Laws or the Master Deed or which the Board of Trustees considers in the best interest of the Association, including by way of example and not by way of limitation, Trustees Liability Insurance or similar types of coverage.

(w) Leasing or granting licenses or concessions with respect to the Common Elements.

(x) Issuing a Certificate ("Treasurer's Certificate") showing the amount of unpaid assessments pertaining to Units upon request therefore pursuant to N.J.S.A. 46:8B-21.

(y) Assessing, levying, and collecting special assessments limited to one or more Units where authorized by the Master Deed, these By-Laws, or the Condominium Act.

(z) Notwithstanding anything in these By-Laws, the Master Deed or elsewhere to the contrary, the Board of Trustees shall not have the authority, except for with the affirmative vote of at least 67% of all Unit Owners (whether or not present) at a meeting of Unit Owners duly held for the purpose of said vote, to institute litigation.

(aa) Subject to the Master Deed, declaration of covenants and restrictions or other instruments of creation, the association may do all that is legally entitled to do under the laws applicable to its form of organization.

Section 3. Election and Term of Office. An annual meeting of the Unit Owners shall be held after the earlier of (a) the expiration of one (1) year from the date of recordation of the Master Deed or (b) the date on which title to all of the Units has been transferred by the Grantor to Unit Owners, or (c) at such earlier time as is designated by the Grantor. The Trustees shall serve a one year term, each term to expire the day following the annual meeting. The members of the Board of Trustees shall hold office until their respective successors shall have been elected by the Unit Owners. Trusteeships shall be filled by a majority vote of all Unit Owners attending the meeting and entitled to vote.

Section 4. Removal of Members of the Board of Trustees. At any annual or special meeting of the Unit Owners held after the earlier of (a) the expiration of one (1) year from the date of recordation of the Master Deed, or (b) the date on which title to all of the Units has been transferred by the Grantor to Unit Owners, or (c) at such earlier time as is designated by the Grantor, any one or more of the members of the Board of Trustees may be removed, with or without cause, by a two-thirds majority vote of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Trustees whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting called for such purpose.

Section 5. Vacancies. Vacancies on the Board of Trustees caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by a vote of a majority of the remaining Trustees at a special meeting of the Board of Trustees held for that purpose promptly after the occurrence of any such vacancy or at any regular meeting of the Board of Trustees. Each person so elected shall be a member of the Board of Trustees until a successor shall be elected at the next annual meeting of the Unit Owners and the term of the newly elected Trustee shall be for the balance of the term of the vacated trusteeship. When a member of the Board of Trustees who has been elected by Unit Owners other than Grantor is removed or resigns, that vacancy shall be filled by a Unit Owner other than Grantor.

Section 6. Organizational Meeting. The first meeting of the Board of Trustees elected at the first annual meeting of the Unit Owners held after the earlier of (a) the expiration of one (1) year from the date of recordation of the Master Deed, or (b) the date on which title to all of the Units has been transferred by the Grantor to Unit Owners, or (c) at such earlier time as is designated by the Condominium Act or Grantor, shall be held at such time and place as shall be fixed by the Unit Owners at such meeting. Thereafter, immediately following each annual meeting of Unit Owners, the newly elected Board of Trustees shall meet for the purpose of organization, election of officers, and the transaction of other business. Prior to the first organization meeting specified herein, the Board of Trustees shall have such meetings and at such times as is necessary to properly supervise the operation of the Condominium.

Section 7. Regular Meetings. Regular meetings of the Board of Trustees may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Trustees, but at least two such meetings shall be held during

each fiscal year of the Association. Notice of regular meetings of the Board of Trustees shall be given at least three (3) business days prior to the day designated for such meetings.

Section 8. Special Meetings. Special Meetings of the Board of Trustees may be called by the President of the Association on notice sent to each member of the Board of Trustees at least three (3) business days prior to the date of such meetings. Such notice shall state the time, place, and purpose of the meetings. Special meetings of the Board of Trustees shall be called by the President or Secretary in like manner and on like notice at the written request of at least two (2) members of the Board of Trustees.

Section 9. Waiver of Notice. Any member of the Board of Trustees may at any time waive notice of any meeting of the Board of Trustees in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Trustees at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof, unless such attendance is for the purpose of protesting the lack of notice and written notice of such purpose is delivered to the other members of the Board of Trustees at that time. Subject to the provisions of the preceding sentence, if all members of the Board of Trustees are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum of Board of Trustees. At a meeting of the Board of Trustees, a majority of the members thereof shall constitute a quorum for the transaction of business and the votes of a majority of the members of the Board present at a meeting at which a quorum is present shall constitute the decision of the Board of Trustees. If at any meeting of the Board of Trustees there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 11. Fidelity Bonds. While the Grantor maintains a majority of representation on the Board of Trustees, it shall post a fidelity bond or other guarantee acceptable to the Agency, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include the accumulated reserves. The premium on such bond shall constitute a Common Expense.

Section 12. Compensation. No member of the Board of Trustees shall receive any compensation from the Association for acting as such.

Section 13. Liability of the Board of Trustees. A member of the Board of Trustees shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise, except for their own individual gross negligence or willful misconduct. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Trustees against all contractual liability to others arising out of contracts made by the Board of Trustees on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board of Trustees shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Trustees or out of the aforesaid indemnity in favor of themselves or the Board of Trustees shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements. Every agreement made by the Board of Trustees on behalf of the Association shall provide that the members of the Board are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements. Nothing contained herein to the contrary shall serve to exculpate members of the Board of Trustees appointed by the Grantor from their fiduciary responsibilities.

Section 14. Managing Agent and Manager. Following expiration of the initial Management Agreement, discussed herein in Section 2 (j), the Board of Trustees may employ a managing agent and/or a manager of the Condominium at a compensation established by the Board of Trustees, to perform such duties and services as the Board of Trustees shall authorize. The Board of Trustees may delegate to the managing agent or the manager all of the powers granted to the Board of Trustees by these By-Laws but notwithstanding such delegation, the Board of Trustees shall remain responsible, in accordance with Section 13 above, to the Unit Owners for the proper performance of such duties and services.

Section 15. Open Meetings of Association.

(1) OPEN MEETINGS

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

(2) RESTRICTIONS ON OPEN MEETINGS

Despite (1) above, the Association's Board of Trustees may exclude or restrict attendance a those meetings or portions of meetings dealing with the following:

(a) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
(b) Any pending or anticipated litigation or contract negotiations;
(c) Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer; or
(d) Any matter involving the employment, promotion, discipline, or dismissal of a specific employee of the Association.

(3) MINUTES AT OPEN MEETINGS

(a) At each meeting required to be open to all Unit Owners, minutes of the proceedings shall be taken, and copies of those minutes shall be made available to all Unit Owners before the next open meeting.

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

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

Section 16. Notice Requirements for Open Meetings.

(1) NOTICE

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

(2) ADEQUATE NOTICE

Adequate notice means written advance notice of at least 48 hours, giving the date, time, location, and, to the extent known, the agenda of any regular, special, or rescheduled meeting. Such notice shall accurately state whether formal action may or may not be taken. This notice shall be:

(a) Prominently posted in at least one place within the Condominium properly reserved for such or similar announcements.
(b) Mailed, telephoned, emailed, faxed, or hand delivered to at least two newspapers designated by the Association governing board.
(c) Filed within the Association secretary or administrative officer responsible for administering the Association business office.

(3) ANNUAL POSTING OF OPEN MEETINGS

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

Section 17. Emergency Meetings. In the event that the Association's Board of Trustees meeting is required to deal with such matters of urgency and importance that delay, for the purpose of providing 48 hours advance notice, would result in substantial harm to the interests of the Association, the notice shall be deemed adequate if it is provided as soon as possible following the calling of the meeting.

Section 18. Voting Rights. Except as otherwise provided in these By-Laws, the Master Deed, or the Planned Real Estate Full Disclosure or Condominium Acts, passage of all decisions shall require the affirmative vote of a least a majority of Unit Owners members in good standing and entitled to vote in attendance at a meeting.

(1) GOOD STANDING

Only Unit Owners who hold memberships in good standing at least ten (10) days before the meeting shall be entitled to vote on decisions. Each Unit Owner shall be entitled to the assigned vote for each unit to which he holds title with respect to all decisions to be voted upon by the Association membership.

(2) QUORUM

Except as otherwise provided in these By-Laws, the presence (in person or by proxy) of 51% of the authorized votes shall constitute a quorum for the transaction of business at the meeting. If any Association meeting cannot be organized because a quorum had not been achieved, the members present or by proxy shall adjourn the meeting for at least 48 hours from the time the original meeting was scheduled.

Section 19. Waiver of Notice of Meetings (Option). Any action which may be taken at a meeting of members may be taken without a meeting if authorized by a writing signed by the required percentage of members entitled to vote for that particular matter (see Section 18 (1)).

Section 20. Common Expenses.

(1) NOTICE OF COLLECTION

The Board of Trustees shall give written notice to each Unit Owner of the amount estimated by the board for the forth coming budget year. This notice shall be directed to the Unit Owner at his last known address by ordinary mail or hand delivery. In the event common expenses are not paid by the Unit Owner as required, the board may assess fines, liens, delinquency assessments, costs of collection, and interest at 8% per annum.

(2) SURPLUS FUNDS

Any surplus of common expense funds remaining after payment of the common expenses may be used by the Association for any lawful purpose. The unused portion shall be proportionately divided among Unit Owners, based on their interests in the

common elements. This surplus shall be credited to the Unit Owners' forthcoming year annual common expense assessment.

Section 21. Amendments to By-Laws. These By-Laws may be amended, altered, or repealed at any Association meeting upon which previous notice to amend, alter, or repeal has been given to Unit Owners. These By-Laws may be amended in accordance with Article XI, Section 1 of these By-Laws.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Association shall be President, Vice President, Secretary, and Treasurer, all of who shall be elected by the Board of Trustees. The Board of Trustees may appoint an Assistant Treasurer and Assistant Secretary and such other officers as in its judgment may be necessary.

Section 2. Election of Officers. The officers of the Association shall be elected by the Board of Trustees at the organizational meeting of each new Board and shall hold office at the pleasure of the Board of Trustees.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Trustees, any officer may be removed with or without cause and his successor may be elected at any regular meeting of the Board of Trustees 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 Unit Owners and of the Board of Trustees. He shall have all of the general powers and duties which are incident to the office of President of a corporation organized under New Jersey law, including, but not limited to, the power to appoint committees from among the Unit Owners from time to time as he may, in his discretion, deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. Secretary. The Secretary shall (a) keep the minutes of all meetings of Unit Owners and of the Board of Trustees, (b) have charge of such books and papers as the Board of Trustees may direct and, (c) in general, perform all the duties incident to the office of Secretary of a corporation organized under New Jersey law. The Secretary shall also perform such duties for any committees as the Board of Trustees or the President may so direct.

Section 6. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of accounts showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may, from time to time, be designated by the Board of Trustees, and he shall generally perform all duties incident to the office of Treasurer of a corporation under New Jersey law. He shall render to the President and the Board of Trustees full account of the financial condition of the Association at the regular meetings of the Board of Trustees and whenever either the President or the Board of Trustees shall so require.

Section 7. Compensation of Officers. No officers shall receive any compensation from the Association for acting as such except that they shall be entitled to reimbursements of all expenses reasonably incurred in the discharge of duties.

Section 8. Agreements, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by any two officers of the Association or by such other person or persons as may be designated in writing by the Board of Trustees.

Section 9. Indemnification of Officers. Each Officer, his heirs, administrators, and executors shall be indemnified and held harmless by the Association against any losses, expenses, and counsel fees reasonably incurred in connection with any action or proceeding in which said officer, his heirs, administrators, and executors are made a party by reason of such office; provided, however, that should such officer be adjudged in such action to have been guilty of gross negligence or willful misconduct, the aforesaid indemnity shall not apply. In the event of a settlement, such officer shall be indemnified only as to such matters covered by the settlement which the Association is advised by its counsel is not the result of such gross negligence or willful misconduct of such officer and only if and to the extent such settlement is approved by the Board of Trustees. Such indemnification is intended to encompass acts of the officers as such to the extent herein provided and is not intended to be operative with respect to any duties, obligation or liabilities assumed by such officer as Unit Owners or Association members.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1. Determination and Establishment of Common Expenses. The Board of Trustees shall from time to time, and at least annually, prepare a budget from the Condominium, determining the amount of Common Expenses payable by the Unit Owners, and allocate and assess such Common Expenses among the Unit Owners or, in the case of surplus, distribute said common surplus among the Unit Owners in accordance with their respective interests in the Common Elements or apply the common surplus against the Common Expenses for the year following the year in which the common surplus was created. The Common Expenses shall include, among other things, the cost of insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Trustees pursuant to the provisions of Section 2 of this Article VI. The Common Expenses shall also include such amounts as the Board of Trustees may deem proper for the operation and maintenance of the Condominium Property, including, but not limited to, an amount for working capital of the Association, for a general operating reserve, and to make up any deficit in the Common Expenses for any prior year. Despite the above, the Board of Trustees, with the approval of the Association, may provide for an annual contribution to the reserve in any single year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Association or its designee, on behalf of all Unit Owners, of any Condominium Unit, or of any Condominium Unit which is to be sold at a foreclosure or other judicial sale. The Board of Trustees shall advise all Unit Owners promptly, in writing, of the amount of Common Expenses payable by each of them respectively, as determined by the Board, and shall furnish to all Unit Owners copies of each budget on which such Common Expenses are based. Despite anything in these By-Laws to the contrary, the Board of Trustees shall not have the authority to incur any liability or to expend any funds on behalf of the Unit Owners or the Association in respect of capital improvements proposed to be made (whether or not so designated on the books of the Association) in excess of $5,000.00 in any fiscal year of the Association, without, in each instance, the prior authorization of the Unit Owners by the affirmative vote of 67% of the votes cast on the question at a meeting of the Unit Owners at which a quorum shall be present.

Section 2. Insurance.

A. The Board of Trustees shall be required to obtain and maintain, to the extent obtainable, the following insurance upon the Condominium Property and the equipment and personal property owned by the Association. The policies so obtained shall be for the benefit and protection of the Association and the owners of the Units and their respective mortgagees as their interest may appear. All policies shall be written with a company licensed to do business in the State of New Jersey and holding a rating of "AAA" or better by Best's Insurance Reports or by an equivalent rating bureau should include provisions that they be without contribution, that improvements to Residential Condominium Units made by Unit Owners shall not affect the valuation of the Condominium Property for the purposes of insurance and that the insurer waives its rights of subrogation as to any claims against Unit Owners, the Association and their

respective families, employees, servants, agents, and guests. The Insurance maintained shall cover the following perils and contingencies.

(1) CASUALTY: The Building and all improvements upon the Condominium Property and all personal property included therein, except such personal property as may be owned by the Unit Owners in their respective Units, shall be insured in an amount equal to the maximum insurable replacement value thereof, exclusive of excavation, foundations and other construction components customarily excluded as determined periodically by the insurance company affording such coverage. Such coverage shall afford protection against:

(a) Loss or damage by fire or other hazards covered by the standard extended coverage endorsements; and

(b) such other risks as from time to time shall customarily be covered with respect to buildings similar in construction, location, and use as the building, including, but not limited to vandalism, malicious mischief, windstorm, and water damage.

(2) COMPREHENSIVE PUBLIC LIABILITY AND PROPERTY DAMAGE: In such amount and in such forms, as shall be required by the Association, including, but not limited to, water damage, legal liability, hired automobiles, non-owned automobiles, and off premises employee coverage.

(3) WORKERS' COMPENSATION: Coverage to meet the requirements of law.

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

Each Unit Owner shall have the right to obtain insurance, at his own expense, affording coverage upon his personal property and for his personal liability and as may be required by law, and shall obtain insurance, at his own expense, affording coverage upon the betterments and improvements owned by said Unit Owner, but all such insurance shall contain the same waiver of subrogation as that referred to hereinabove if same is available, and must be obtained from the insurance company from which the Association obtains coverage against the same risk, liability or peril if the Association has such coverage and if available from such company. However, a Unit Owner shall not be obligated to purchase such insurance through the broker or agent used by the Association.

B. All insurance policies maintained by the Association shall be for the benefit of the Association and the Unit Owners, and their Permitted Mortgagees, as their respective interests may appear, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association. All betterments and improvement insurance policies maintained by Unit Owners shall provide that all proceeds payable as a result of casualty losses shall be paid to Association for the benefit of the Unit Owners and the Association shall hold such proceeds for the benefit of the Association, the Unit Owners, and their respective Permitted Mortgagees in the following manner:

(1) COMMON ELEMENTS: Proceeds on account of damages to Common Elements shall be held by the Association to be used for repairs, reconstruction, or distribution as hereinafter set forth.

(2) UNITS: Proceeds on account of casualty to the betterments and improvements of a Unit shall be held by the Association in the following undivided shares:

(a) In the case of partial destruction if the Building is to be restored or in the case of total destruction when a determination is made hereafter provided to restore the Building, for the owners of damaged Units is proportion to the costs of repairing the damage suffered by each damaged Unit.

(b) In the case of total destruction of the Building, if the Building is not to be restored, or in the case of partial destruction, when a determination is made as hereinafter provided not to restore the Building for all Unit Owners in the same proportion, that the insurance proceeds paid to the Association on account of his betterments and improvements policies of all Unit Owners.

(3) In the event a Permitted Mortgage has been given on a Unit, the share of the Unit Owner shall be held for the Permitted Mortgagee, but this shall not be construed to give any Permitted Mortgagee the right to determine or participate in the determination of reconstruction or repair.

(4) Proceeds of insurance policies received by the Association shall be distributed to, or for the benefit of, the Unit Owners having an interest herein, after paying or making provisions for payment of the expenses of the Association in obtaining the proceeds, in the following manner:

(a) RECONSTRUCTION OR REPAIR: If the damaged property for which the proceeds were paid is to be repaired or reconstructed, the proceeds from policies maintained by the Association shall be paid to defray the cost thereof and shall be applied first to the costs of repairing the Common Elements and the balance, plus any proceeds from policies maintained by Unit Owners, to the restoration of the Units sustaining damage, in proportion to the insured damage sustained by each. Any proceeds remaining after defraying all such costs shall be distributed by the Association to the particular Unit Owners whose Units sustained insured damage. All remittances to such Unit Owners shall be made payable to such Owners and their respective mortgagees, if any, jointly. Notwithstanding the aforementioned, no Unit Owner or any other party shall have priority over any rights of a first Permitted Mortgagee of a Unit to any insurance proceeds for losses to a Unit and/or the Common Elements.

(b) FAILURE TO RECONSTRUCT OR REPAIR: If it is determined, in the manner provided in Section 3 of this Article, that the damage for which the proceeds are paid shall not be reconstructed or repaired, then the Master Deed shall be terminated by recording a deed of revocation, in accordance with the provisions of the Condominium Act, and the proceeds thereupon from policies maintained by the Association shall be distributed to all of the Unit Owners according to their respective interest in the Common Elements and the proceeds from each of the policies maintained by Unit Owner shall be distributed to the respective Unit Owner maintaining such policy, such remittance being payable by the Association to the Unit Owners and their respective mortgagees, if any, jointly. Notwithstanding the aforementioned, no Unit Owner or any other party shall have priority over any rights of a first Permitted Mortgagee of a Unit to any insurance proceeds for losses to a Unit and/or the Common Elements.

Section 3. Damage by Fire or Other Casualty-Reconstruction. If all or any part of the Condominium Property or the Common Elements shall be damaged or destroyed by casualty, the same shall be reconstructed or repaired by the Association using the insurance proceeds, unless (a) the proceeds of insurance shall be inadequate by a substantial amount to cover the estimated cost of restoration of any essential improvement or Common Elements; or (b) such damage or destruction shall constitute substantially total destruction of the Building or Buildings; or (c) if at a meeting of the members of the Association called prior to the commencement of such reconstruction or repair, 75% or more of the Unit Owners directly affected by such damage or destruction vote against such reconstruction or repair. If the Unit Owners shall determine not to repair or restore the Condominium Property, the Association shall proceed to realize

upon the salvage value of the Condominium Property so damaged or destroyed either by sale or such other insurance means as to the Association may deem advisable and shall collect the proceeds of any insurance proceeds which shall be distributed in accordance with Section 2 of this Article. Thereupon the net proceeds of such sale shall be considered as one fund to be divided among the Unit Owners in proportion to their respective undivided percentage interest of the Common Elements, after provision for liabilities of the Association and the Board of Trustees arising out of the performance of their duties hereunder. In such event, the Master Deed shall be terminated by recording a deed of revocation in accordance with the provisions of the Condominium Act. Any liens or encumbrances on any affected Unit shall be relegated to the interest in the fund of the Unit Owners of such Unit.

Despite destruction of any Unit and the resulting inability to occupy such Unit, the owner of that Unit will remain liable for assessments for Common Expenses until such time as the Master Deed may be terminated as aforesaid, and in the event of the reconstruction of his Condominium Unit, liability for Assessments shall continue.

If the damage is only to those parts of a Unit for which the responsibilities of maintenance and repair are those of the Unit Owner, the Unit Owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association, which shall obtain estimates of the costs and repair and shall, to the extent that the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair by the Association, assess all the Unit Owners in accordance with such additional funds as may be required to complete the reconstruction and repair. The Association shall not be required to restore or make available funds to restore improvements to or within a Condominium Unit made by the Unit Owner and not covered by insurance carried or required to be carried by the Association.

The funds for payment of costs of reconstruction and repair after casualty which shall consist of proceeds of insurance held by the Association and funds collected by the Association from assessments against Unit Owners shall constitute an account to be known as "Reconstruction and Repair Account," which shall be disbursed in payment of such costs in the following manner:

(a) To Unit Owner:

The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the Unit Owner shall be paid to such contractors, suppliers, and personnel performing the work or supplying materials and services required for such reconstruction or repair in such amounts and at such times as the Unit Owner shall direct, or if there is a mortgage endorsement, then to such payee as the Unit Owner and the mortgagee jointly shall direct. This shall not be construed to limit or modify the responsibility of the Unit Owner to make such reconstruction or repair.

(b) In the Event of Lesser Damage:

If the amount of the estimated costs of reconstruction and repair is less than the total of the annual assessments for Common Expenses made during the year in which the casualty occurs, then the Reconstruction and Repair Account shall be disbursed in payment of such costs upon the order to the Board of Trustees, provided, however, that upon request of a mortgagee who is a beneficiary of an insurance policy, the proceeds of which are included in the Reconstruction and Repair Account, such Account shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(c) In the Event of Major Damage:

If the amount of the estimated costs of reconstruction and repair of the Building or other improvements are more than the total of the annual assessments for Common Expenses made during the year in which the casualty occurs, then the Reconstruction and Repair Account shall be disbursed in payment of such costs in the manner required by the

Board of Trustees of the Association, but only upon approval of any architect qualified to practice in the State of New Jersey and employed by the Association to supervise the work.

(d) Distribution of Surplus:

It shall be presumed that the first monies disbursed in payment for costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in the Reconstruction and Repair Account after payment of all costs of reconstruction and repair for which the Account is established, and after distribution of any remaining insurance proceeds as to affected Unit Owners as provided for above, such balance shall be distributed to all of the Unit Owners whose interests are reflected in such Account by reason of their having made payments of assessments thereto, in proportion to their contributions.

Section 4. Payment of Common Expenses.

A. All Unit Owners (including the Grantor as limited by Section 5 of the Master Deed) shall be obligated to pay the Common Expenses assessed by the Board of Trustees pursuant to the provisions of Section 1 of ARTICLE VI of these By-Laws. Payments shall be made to the Association monthly, in advance, on the first day of each month at the principal office of the Association or at such other place as may be designated for such purposes by the Board of Trustees or pursuant to the provisions of these By-Laws. In the due event a Unit Owner shall fail to make payments on his part of the Common Expenses when due, said Common Expenses shall bear interest at a maximum legal rate permitted under law from the due date set by the Board of Trustees until payment is made in full of the Common Expenses due.

B. No abandonment of the Unit owned by a Unit Owner or a waiver of the use and enjoyment of any of the Common Elements shall exempt or excuse any Unit Owner from his contribution toward such expenses.

Section 5. Payment of Special Assessments. Special Assessments, when levied by the Board of Trustees pursuant to these By-Laws, shall be paid by the Unit Owners in such manner as may be determined by the Board of Trustees; provided, however, that, other than those special assessments levied pursuant to paragraph (s) of Section 2 of Article IV of these By-Laws, the contribution of each member for such special assessment shall be apportioned in the same manner as the Common Expense pursuant to Section 1 of this Article.

Section 6. Default in Payment of Common Expenses and Assessments. All Common Expenses and assessments chargeable to and payable by a Unit Owner for his Unit shall constitute a lien against said Condominium Unit in favor of the Association without the necessity of filing any such lien or notice of lien with the office of any State, County or Municipal official. The aforesaid lien shall be prior to all other liens except:

(a) any similar liens by the Association for prior charges and assessments;
(b) assessments, liens and charges for unpaid taxes due on said Unit;
(c) permitted mortgages of record upon such Unit.

The Association may file a claim of lien in the Clerk's Office of the County of Essex in appropriate form upon the expiration of forty-five days after the unpaid Common Expense or assessment shall be due and payable. The lien aforesaid may be foreclosed in the same manner as real estate mortgages, and in the event of such foreclosure the Association shall, in addition to the amount due, be entitled to recover interest at the maximum legal rate on such sum or sums due, together with the reasonable expenses of such action, including costs and attorney's fees. A suit by the Association against the delinquent member to recover a money judgment for the unpaid Common Expenses and assessments shall be maintainable without foreclosing or waiving the lien securing the same. Both the foregoing actions shall be maintained upon the expiration of fifteen (15) days after any Common Expense or assessment shall be due and payable, and, except under extenuating circumstances, a foreclosure action must be commenced by the

Association not later than one hundred eighty (180) days after the Common Expenses or assessment shall be due and payable. Failure to pay any installment of any of the Common Expenses and assessments when due, shall, at the option of the Board of Trustees, render the entire annual amount due and payable, as if no installment payment provisions were operative. The failure of the Association or Board of Trustees to take any action permitted or required to be taken by the Association or Board of Trustees shall not constitute a waiver of their right to do so in the future.

Section 7. Maintenance and Repair.

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

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

C. In the event the Association or Unit Owner makes a necessary repair or replacement and it is subsequently determined that the same was the obligation of the other, then the party who shall have been responsible for the repair or replacement shall indemnify the party who has made such repair or replacement for the cost of the same or shall make payment directly to the person entitled thereto.

D. All maintenance and repair of garage doors, exterior landings, balconies, walkways or stairways, as well as the maintenance, repair, snow removal, resurfacing and replacement of the driveway, driveway aprons and parking facilities, whether a Common Element or Limited Common Element, shall be the responsibility of the Association. Unit Owners having the use of any balcony, terrace, patio, or deck shall be responsible for all routine cleaning and snow clearing of same, as appropriate. All other maintenance of same shall be the responsibility of the Association.

Section 8. Restriction on Use of Units. In order to provide for congenial occupancy of the Condominium Property and for the protection of the values of the Units, the use of the Condominium Property shall be restricted to and shall be in accordance with the following provisions:

A. No part of the Condominium Property shall be used for any purpose other than single family residential dwellings and purposes appurtenant thereto.

B. Nothing shall be done or kept in any Unit or Common Elements which will increase the rate of insurance of any other buildings or contents thereof applicable for residential use without the prior written consent of the Board of Trustees of the condominium association

C. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on any of the Buildings or contents thereof or which would be in violation of any law.

D. No waste will be committed in any of the Common Elements.

E. Unit Owners shall not cause or permit anything to be hung or displaced or placed on the outside walls or doors of the Building without consent of the Board of Trustees.

F. No animals, livestock, or poultry of any kind shall be raised, bred, or kept in any Unit or in the common elements, except as set forth in Section G herein below.

G. One pet, not exceeding twenty two (22) pounds in weight, shall be permitted per household, provided that pets are carried in the Common Elements and are walked offsite. Certified service animals are excluded from this provision and may be kept in accordance with State and Federal law, however service animals may not interfere with the use and enjoyment of the Common Elements. Further, pets may not be kept, bred, or maintained for any commercial purpose.

H. No outside dog pens or yards shall be permitted.

I. No noxious or offensive activity shall be carried on in any Unit, or in any of the Common Elements, nor shall anything be done therein, either willfully or negligently, which will be or become an annoyance or nuisance to the Unit Owners or other occupants, or interfere with the right, comfort or conveniences of other Unit Owners.

J. No Unit Owner shall contract for, or perform any maintenance, repair, replacement, alteration, or modification of the Common Elements or any additions thereto.

K. No Unit Owner shall take or cause to be taken any action within his Unit which would jeopardize the soundness or safety of any part of the Condominium Property or impair the easements or rights appurtenant thereto or affect the Common Elements.

L. No signs shall be permitted on or about the Common Elements, including, but not limited to the exterior of any Building or Unit. Unit Owners shall not be permitted to place for sale signs on the interior or exterior of windows. However, the Grantor shall have the right to place "For Sale" signs on unsold or unoccupied Units.

M. No trailers, boats, or inoperable vehicles shall be placed on the Common Elements by any owner.

N. No laundry or other clothes may be hung or displayed outside the Unit.

O. The sidewalks, entrances, and passages must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the Unit.

P. No exterior loud speakers other than that as contained in portable radios or television sets shall be permitted.

Q. No unshielded flood lights shall be installed in any exterior area of the Unit.

R. No business, trade, or profession shall be conducted in any Unit without appropriate municipal authorization which must be obtained by Unit Owner.

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

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

U. Unit Owners shall not have any right to paint or otherwise decorate or change or alter the appearance of any portion of the exterior of any Building.

V. No Unit Owner shall have any right to replace the windows in a Unit unless said windows are replaced with a similar window that has been previously approved by the Board of Trustees.

W. No portion of the Common Elements or other portion of the property thereof shall be used or maintained for the dumping of rubbish or debris.

X. Trash, garbage, or other waste shall be kept in sanitary containers on the property for collection as provided.

Y. No unlawful use shall be made of any Unit; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, rules, orders, regulations, or requirements of any governmental agency having jurisdiction thereof shall be cured and complied with, by and at the sole expense of the Unit Owners or the Association, whichever shall be the responsibility therefore.

Z. The Common Elements as well as the property and facilities of the Association shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the private residential use and occupancy of Units and to the use of parking spaces accessory to such private residential use.

AA. In order to provide an orderly procedure in case of title transfer, and to assist in the maintenance of a current, up to date roster of Unit Owners, the owner of a Unit to be sold shall give to the Secretary of the Association a timely notice of his intent to list his Unit for sale and upon closing of title shall forthwith notify such Secretary of the names and home addresses of the purchaser.

BB. 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 rental for any period less than thirty (30) days. No Unit owner may lease less than an entire Unit. Other than the foregoing obligations, the Unit owner shall have the right to lease same provided that said lease is in writing and made subject to all provisions of the Master Deed, the By-laws of the Association, and other documents referred to therein, and provided further that any failure of the tenant to fully comply with the terms and conditions of such documents shall constitute a default under the lease.

CC. The Residential Condominium Units shall be used as single family, private residences only, provided, however, subject to sub-paragraph (R) of Section 8 of this Article VI, the Board of Trustees, upon request by a Unit Owner or purchaser of a Condominium Unit, may authorize the use of the Condominium Unit for professional uses. Any such authorization shall be pursuant to such limitations as the Board of Trustees may perceive and in any event shall be personal to the Unit Owner or purchase of a Unit making application therefore and shall not be transferable either with or without the Unit. The Board of Trustees shall establish appropriate rules and procedures relating to the making of a request for authorization under this sub-paragraph (CC) as the Board of Trustees may in its sole discretion determine.

DD. No parking space may be used for any commercial purpose of for the storage of noxious, toxic or flammable substances. Parking spaces shall only be used for parking and storage of automobiles and other vehicles. No vehicle within a parking space may protrude therefrom at any time. No parking space shall be converted for occupancy to a residence or part of a residence. All guest parking spaces shall be vacant between the hours of 2:00 a.m. and 6:00 a.m.

Section 9. Additions, Alterations, or Modifications. No member shall make or cause to permit to be made any structural additions, alterations, or improvements in or to his Condominium Unit (or elsewhere on the Condominium Property) without the prior written consent of the Board of Trustees or of the Unit Owner(s) for whose benefit such easement exists. For purposes of this Section, (by way of example and not by way of

limitation) any change in location of interior walls, door location, common wiring, piping and duct work, and similar alterations shall constitute a structural alteration requiring the consent of the Board of Trustees. The provisions of this Section shall not apply to Residential Condominium Units owned by the Grantor until such Residential Condominium Units shall have been initially sold by the Grantor and title transferred to the Unit Owner. Nothing herein shall be construed to prohibit the reasonable adaptation of any unit for handicapped use.

While the Grantor maintains a majority of the Board of Trustees, it shall make no additions, alterations, improvements, or purchase not contemplated in this offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender, or in the event of an emergency.

Section 10. Use of Common Elements and Facilities.

A. A Unit Owner shall not place or cause to be placed in the Common Elements, other than in the areas designated as storage areas, if any, any furniture, packages, or objects of any kind. The stairways shall be used for no purpose other than for normal transit.

B. Unit Owners shall require their tradesman to utilize exclusively the areas designated by the Association for transporting or delivering packages, merchandise or any other objects which may affect the comfort or well being of Unit Owners, residents and guest.

Section 11. Right of Access. A Unit Owner shall grant a right of access to his Condominium Unit to the Association or any person authorized by the Association for the purpose of making inspections or correcting any condition originating in his Condominium Unit and threatening any Unit or Common Element, or for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Condominium Property, or to correct any condition which violates the provisions of any mortgage covering another Unit; provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not. To perfect such rights or entry as hereinabove set forth, each Unit Owner shall be required to deposit a set of keys to said Unit with the Manager or such other party designated by the Board of Trustees.

Section 12. Additions, Alterations, or Improvements by Association. The Association shall have the right to make or cause to be made alterations and improvements to the Common Elements (which do not adversely prejudice the right of any Unit Owner unless his written consent thereto had been obtained) provided the making of such alterations and improvements is first authorized by the Board of Trustees of the Association and approved by not less than a majority of the Unit Owners. Notwithstanding the above, redecorating and minor alterations shall not require the approval of the Association. The costs of such alterations and improvements shall be assessed as Common Expenses, unless in the unanimous judgment of the Board of Trustees, the same are exclusively or substantially for the benefit of the Unit Owners requesting the same, in which case such requesting Owners shall be assessed therefore in such proportion as they approve jointly, and, failing such approval, in such proportions as may be determined by the Board of Trustees.

Section 13. Rules of Conduct. Subject to the right of a majority of Unit Owners to change any such rules as provided in N.J.S.A. 46:8B-14(c), rules and regulations concerning the use of Units and the Common Elements may be promulgated and amended by the Board of Trustees. Copies of such rules and regulations shall be furnished by the Association to each Unit Owner and shall be binding upon all Unit Owners, occupants of Residential Condominium Units, and other users of the premises.

ARTICLE VII

SALES, LEASES, AND MORTGAGES OF UNITS

Section 1. Sale or Lease or Other Disposition of Units

A. No lease arrangement shall be for a term of less than thirty (30) days.

B. In the event of any transfer of a Unit to a corporation or partnership, the full name and contact information for all present or future occupants thereof shall be provided to the Association.

C. The foregoing provisions have been established in order to maintain a community of congenial residents in the Building and to assure the ability and responsibility of each Unit Owner to pay those obligations required to be paid by the said Unit Owner. Under no circumstances may the provisions hereof be used to foster discrimination or to deny the purchase or lease of any Unit on account of a person's race, color, religion, creed, religious principles, ancestry, affectional or sexual orientation, sex, marital status, place of national origin, or any other basis prohibited by the Law Against Discrimination (N.J.S.A. 10:5-1 et seq.).

Section 2. Foreclosure. In the event of foreclosure proceedings against a Unit Owner, the Association, on behalf of one or more Unit Owners, shall have the right to satisfy the lien for the amount due thereon in return for an assignment of said lien, or to purchase such Condominium Unit at the foreclosure sale. In the event that the Association has so acted on behalf of all Unit Owners, it shall have the right to assess all Unit Owners for the costs thereof, in proportion to their interest in the Common Elements.

Section 3. Units Acquired or Leased by the Association. All Units acquired or leased by or on behalf of the Association shall be held by the Association on behalf of all Unit Owners in proportion to their respective interests in the Common Elements, provided, however, that the votes appurtenant to the Units so acquired shall not be voted by the Board of Trustees or their designee at meetings of the Association and their vote of such Residential Condominium Units shall be disregarded for all purposes. Each Unit Owner may be required to execute a power of attorney on behalf of the Board of Trustees and their successors for the purposes of carrying out the intention of the foregoing.

Section 4. Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell, or lease his Unit unless and until he shall have paid in full to the Association all unpaid Common Expenses theretofore assessed by the Association against his Unit, as well as any special assessments for the damage or otherwise any deficiency in the escrow account and until he shall have satisfied all unpaid liens against such Unit. The transferee of a Unit shall be liable for payment of any such charges to the Association, without prejudice, to the right to the transferee to have recourse against the transferor for the amount so paid by him. In the event of a foreclosure a holder of a first mortgage on a Unit, or such acquirer of title and his or its successors or assigns shall not be liable for more than six (6) months of Common Expenses assessed against the Unit, and, in the event said Common Expenses have not been satisfied at the foreclosure sale, thereafter, the Unit shall not be subject to a lien for the balance of the Common Expenses. The unpaid balance shall be charged to all Unit Owners as a Common Expense, including such acquirer of title and his successors or assigns.

Section 5. Waiver of Right of Partition with Respect to Units Acquired by the Association. In the event that a Unit shall be acquired by the Association or its designee on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 6. Mortgages of Unit. Each Unit Owner is entitled to mortgage his Unit, provided that any such mortgage is made to a bank, trust company, insurance company, Real Estate Investment Trust, savings and loan association pension fund or other institutional leader, or a purchase money mortgage made to the Grantor (or seller) of a Unit. All mortgages made in accordance with the preceding sentence are referred to a herein and in the Master Deed as Permitted Mortgages and the holders thereof as Permitted Mortgagees. A Permitted Mortgagee of a Unit and the guarantor of any Permitted Mortgage shall be provided written notice of (a) any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its Permitted Mortgage; (b) any sixty (60) day delinquency in the payment of Common Expenses or other charges owed by the Unit Owner of any Unit on which the Permitted Mortgagee holds the mortgage; (c) a lapse, cancellation, or material modification of any insurance policy maintained by the Association; and (d) any proposed action requiring the consent of a specified percentage of Permitted Mortgagees.

ARTICLE VIII

RECORDS

Section 1. Records and Audit. The Board of Trustees shall keep detailed records of its actions, minutes of the meetings of the Board of Trustees minutes of the meetings of Unit Owners and financial records and books of account of the Association, including a chronological listing of receipts and expenditures as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Expenses against such Condominium Unit, the date when due, the amounts paid there on, the balance remaining unpaid, and the amount of any interest in common surplus. An annual report of the receipts and expenditures of the Association certified by an independent certified public accountant shall be rendered by the Board of Trustees to all Unit Owners and to all mortgagees of Residential Condominium Units who have requested the same, promptly after the end of each fiscal year. The accounting records of the Association shall be maintained in accordance with generally accepted accounting principles and shall be open to inspection at reasonable times to all Unit Owners and holders of Permitted Mortgages. While the Grantor maintains a majority of the Board of Trustees, it shall have an annual audit of association funds prepared by an independent accountant, a copy of which shall be delivered to each Unit Owner within 90 days of the expiration of the fiscal year of the Association. The audit shall cover the operating budget and reserve accounts. The cost of all such reports shall constitute a Common Expense.

ARTICLE IX

DISSOLUTION

Section 1. Procedure. The provisions of the then applicable laws of the State of New Jersey, including the provisions of the Condominium Act, shall be followed should it be deemed advisable that the Association be dissolved. Notwithstanding the aforementioned, any dissolution shall be approved by a vote of at least fifty-one (51%) percent of Permitted Mortgagees.

Section 2. Ownership Upon Dissolution. In the event of dissolution, the Condominium Property shall thereupon be owned by all of the Unit Owners as tenants in common, each having an undivided percentage interest therein equal to his proportionate part of the Common Elements owed prior to termination. Each Unit Owner may be required to execute such deed and any other document or instrument which may be reasonably required to affect the sale of the Condominium Property by the Association following a decision to dissolve the Association.

ARTICLE X

MISCELLANEOUS

Section 1. Notice. All notices herein shall be sent via registered or certified mail to the Association, to the attention of the Secretary, at the office of the Association, or to such other address as the Board of Trustees may hereafter designate from time to time in writing to all Unit Owners and, when required by the Master Deed, these By-Laws or the Condominium Act, to all holders of recorded mortgages of Residential Condominium Units. All notices to any Unit Owner shall be sent by registered or certified mail to the address designated for his Unit, or to such other address as may have been designated by such Unit Owner from time to time in writing to the Association. All notices to holders of recorded mortgages on Units shall be sent by registered or certified mail to their respective addresses or designated by them from time to time in writing to the Association. All notices shall be deemed to have been given when received.

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

Section 3. Captions. The captions herein and the table of contents are inserted only as a matter of convenience of reference and in no way define, limit of describe the scope of the By-Laws or the intent of any provisions hereof.

Section 4. Gender. The use of masculine gender in these By-Laws shall be deemed to include the feminine or neuter gender, as the circumstances may require, and the use of the singular shall be seemed to include the plural whenever the context so requires.

Section 5. Waiver. The failure of the Board of Trustees or Managing Agent to insist, in any one or more instances, upon the strict performances of any of the terms, covenants, conditions or restriction of the Master Deed, these By-Laws, or the Rules and Regulations, or to exercise any right or option herein or therein contained or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future of such term, covenant, restriction, option or right, but such term, covenant, restriction, option, or right shall remain in full force and effect. The receipt by the Board of Trustees or Managing Agent or any payment of assessments from any Unit Owner, with knowledge of the breach of any covenant hereof or thereof, shall not be deemed a waiver of such breach.

Section 6. Miscellaneous

(A) Subject to the Master Deed, or other instrument of creation, the Association may do all that is legally entitled to do under the laws applicable to its form of organization.

(B) The Association shall discharge its powers in a manner that protects and furthers the health, safety, and general welfare of the residents of the unit Owners.

(C) The Association shall provide a fair and efficient procedure for the resolution of housing related disputes between individual Unit Owners and the Association, and between different Unit Owners, that shall be readily available as an alternative to litigation. The Board may establish an Alternate Dispute Resolution Committee ("ADR Committee"), consisting of a chairman and two (2) or more members, none of whom may be a member of the Board or an employee of the Association. The ADR Committee shall serve indefinitely at the pleasure of the Board. The ADR Committee shall have power to appoint a subcommittee from among its members and may delegate to any such subcommittee any of its powers, duties and functions. It shall be the duty of the ADR Committee to attempt to resolve complaints from members of the Association on any matter involving alleged violations of any restrictions, rules, or resolutions set forth in

the Condominium Documents. Its authority does not extend to collection matters or the governance of the Association, except to the extent that the Board may delegate such authority. All costs of said dispute resolution shall be a Common Expense.

ARTICLE XI

AMENDMENTS TO BY-LAWS

Section 1. Amendments to By-Laws. Except as hereinafter otherwise provided, these By-Laws may be modified or amended by the affirmative vote of at least 67% of all Unit Owners (whether or not present) at a meeting of Unit Owners duly held for the purpose; provided, however, if the Condominium Act or this Master Deed shall require the consent or agreement of a larger percentage of Unit Owners or lien holders for any action specified in the Act or in the Master Deed, then any amendment or amendments with respect to such action shall require said larger percentage of consent or agreement as may be provided in the Condominium Act or in this Master Deed and further provided that if such amendment shall make any change which would have a material effect upon any of the rights, privileges, powers and options of Grantor, or its successor, (including by way of illustration and not limitation the ability of Grantor, or its successor, to market any Units then owned by Grantor, or its successor, at a commercially reasonable price), such amendment shall not be effective without the joinder of Grantor, and further provided that if such amendment would in the opinion of the Board of Trustees, have an adverse effect upon the holder of any Permitted Mortgage, such amendment shall not be made without the written approval of the holders of all Permitted Mortgages so affected which approval shall not be unreasonably withheld or delayed. Implied approval by a holder of a Permitted Mortgage will be assumed when a holder of a Permitted Mortgage fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice, pursuant to Article X, Section 1 of these By-Laws, of the proposal. The Grantor shall not be permitted to cast any votes held by him for unsold lots, parcels, units, or interests for the purpose of amending the master deed, by-laws, or any other document for the purpose of changing the permitted use of a lot, parcel, unit or interest, and for the purpose of reducing the common elements or facilities. Each such amendment shall be effective upon the recording of an appropriate instrument setting forth the amendment and its due adoption, execution, and acknowledgement by one or more officers of the Grantor or the Board of Trustees. All amendments these By-Laws shall be recorded and shall not become effective until recorded in the same office in which the Master Deed was recorded.

ARTICLE XII

CONFLICTS

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

ADOPTED:

Exhibit A

Guidelines for Elections in Common Interest Communities

These guidelines are intended for use in the drafting or amendment of common interest communities' by-laws. They may be adopted in full or otherwise modified to best serve the interests of the particular community.

I. Eligibility to Participate in Elections

a. Who May Vote and Run for Office

i. Unless the governing documents expressly state otherwise, only owners of record in good standing and residents holding valid proxies or powers of attorney of such owners of record may vote and run for office.

ii. An owner of record at the time of an election who has fully paid all assessments charged by an association shall be deemed to be in good standing and be eligible to vote, be elected to, and serve on the governing board, including an owner who is in full compliance with a settlement agreement or has a pending, unresolved dispute concerning the charges assessed which has been brought in good faith to the attention of the association by way of initiating an ADR proceeding or pertinent court action.

iii. No rule violation other than failure to pay a valid and undisputed assessment shall be grounds for preventing an otherwise eligible person from voting or seeking election.

II. Election Supervision

a. The board shall select an impartial panel of owners or other impartial persons (*not* including property management personnel or agents) to supervise the opening and counting of ballots. The association members shall be promptly notified of the selection of such persons at least 30 days prior to the election.

III. Notice of Elections

a. At least 60, but not more than 90 days before any election, the association shall make known the address to which eligible voters and candidates may send correspondence to the association regarding elections, including statements requesting placement on the ballot in the upcoming election to the board.

b. The association shall provide each member specific notice of the date, time and place of any election at least 60 days prior to the election (except special elections, which shall require 90 days' notice) and a second notice between 10 and 15 days before the election.

c. These notice requirements (and all election notice requirements, except as otherwise provided herein) may be met by hand-delivery, regular mail, email or by inclusion in any association newsletter, provided that all such notices shall be delivered in such manner that they are likely to be received by all members of the association within the times set forth herein.

d. The second notice (including the 'ballot package') shall include the ballots, candidate information statements, inner and outer envelopes, and instructions as described below. In the event that such notices have been sent via electronic means, each voter shall also be provided paper versions of the 'ballot package' by mail or hand-delivery at least 10 days prior to the election.

IV. Running for Office.

a. A unit owner or other eligible person desiring to be a candidate for the board of the association shall give written notice to the association not less than 40 days before a scheduled election.

i. Written notice may be on a form provided by the association which shall only request: candidate's name, mailing and electronic address (if any), unit or lot owned, or in which the candidate resides (if a tenant).

ii. If a candidate is running for an executive board position (*e.g.* President, Trustee, etc.) the form or notice shall state the position(s) sought.

iii. Within 10 days, the association shall provide written receipt of the candidate's notice, including confirmation that the candidate's name will be placed on the ballot.

b. Any candidate may include a 'candidate information sheet' setting forth any desired pertinent information (not to exceed one 8&1/2 x 11" sheet). This sheet shall be included in the 'ballot package' and shall not be edited, altered or modified by anyone other than the submitting candidate, except to delete words not routinely published by mainstream newspapers of general distribution.

c. The association, the existing board, the property manager, their agents or employees shall not prohibit a candidate from independently sending further information to association voters. All eligible candidates shall be entitled to the current voter list, including addresses, but not additional information.

V. Ballots Format & Substance

a. After the period for candidate submissions has ended, the association shall prepare a written ballot. The ballot shall list every eligible candidate for each office of the governing board in alphabetical order by last name and provide appropriate boxes in which voter preferences may be clearly indicated. The failure of the written ballot to indicate the name of each eligible candidate who has not withdrawn shall require the association to prepare and deliver new, corrected ballots at least 7 calendar days prior to the election.

b. Ballots shall be designed to ensure each voter's anonymity and shall be uniform in color and appearance.

VI. Voting Process

a. Elections shall be held at the time and place at which the annual meeting is scheduled to occur, or as otherwise permitted or required (and on proper notice) by the governing documents. A quorum is not required, unless required by the association's governing documents.

b. The association shall mail or deliver to each eligible voter at the address listed in the official records a 'ballot package' which shall include the ballot, an instruction sheet, any candidate information sheets and the inner and outer envelopes described below. The ballot package, the ballot itself and the accompanying documents shall not contain any communication by the board, the association or property manager that endorses, disapproves, or otherwise comments on any candidate.

c. Balloting shall be accomplished in the manner in which New Jersey absentee ballots are cast; that is to say, that the ballot package shall contain outer and inner

envelopes provided by the association, as well as an instruction sheet. The instruction sheet shall instruct the voter to place the completed ballot in the inner envelope, place no markings or writings on it, seal it, and insert it into the outer pre-addressed one, which the voter shall seal. The outer envelope shall be addressed to the election supervisors (but if preferred, the unit owner may address it to the association). The exterior of the outer envelope shall indicate the name of the voter, the unit or unit numbers being voted, and shall contain a signature space for the voter. The inner envelope shall have no marks identifying the voter. The voter shall sign the exterior of the outer envelope in the space provided. The completed ballot(s) contained in both the inner and outer envelopes shall either be mailed or hand-delivered to the association or election supervisors. After its receipt by the association or election supervisors, no ballot may be rescinded or changed. Any ballot that does not substantially conform to the instructions shall be disregarded by the election supervisors.

d. Completed ballots received by the association shall be immediately placed in the control of the election supervisors, who shall retain and collect all ballots, and shall not open them except in the manner set forth below.

e. The ballot described above may be used as an absentee ballot by any eligible voter and no special form is required. The association shall not require in-person voting, but shall always allow the submission of ballots by mail or by other delivery to the association.

VII. Tallying Votes.

a. The election supervisors shall hold unopened all envelopes containing ballots and transport them to the election site.

b. The election supervisors shall verify each voter's identity and eligibility in accordance with these rules and shall check the names against the list of those who have been recorded as having previously cast a ballot in the same election. At the election, the association shall announce that any eligible voter in attendance and whose eligibility has been verified and who has not cast a ballot may do so, and shall allow a reasonable period for that purpose. The association shall have blank ballots available for use by eligible voters. Such in-person voters shall be instructed to cast their ballots in the manner provided above. After any newly cast ballots have been verified, received and placed with the existing ballots, no more votes shall be accepted.

c. Immediately following in-person voting at the meeting, the election supervisors shall open all the outer envelopes and place the inner envelopes into a suitable receptacle. The election supervisors shall immediately open the inner envelopes,

remove the ballots and count the votes in the presence of the unit owners then in attendance.

d. Any inner envelope containing more than one ballot shall be marked "Disregarded", or with words of similar import, and any ballots contained therein shall not be counted.

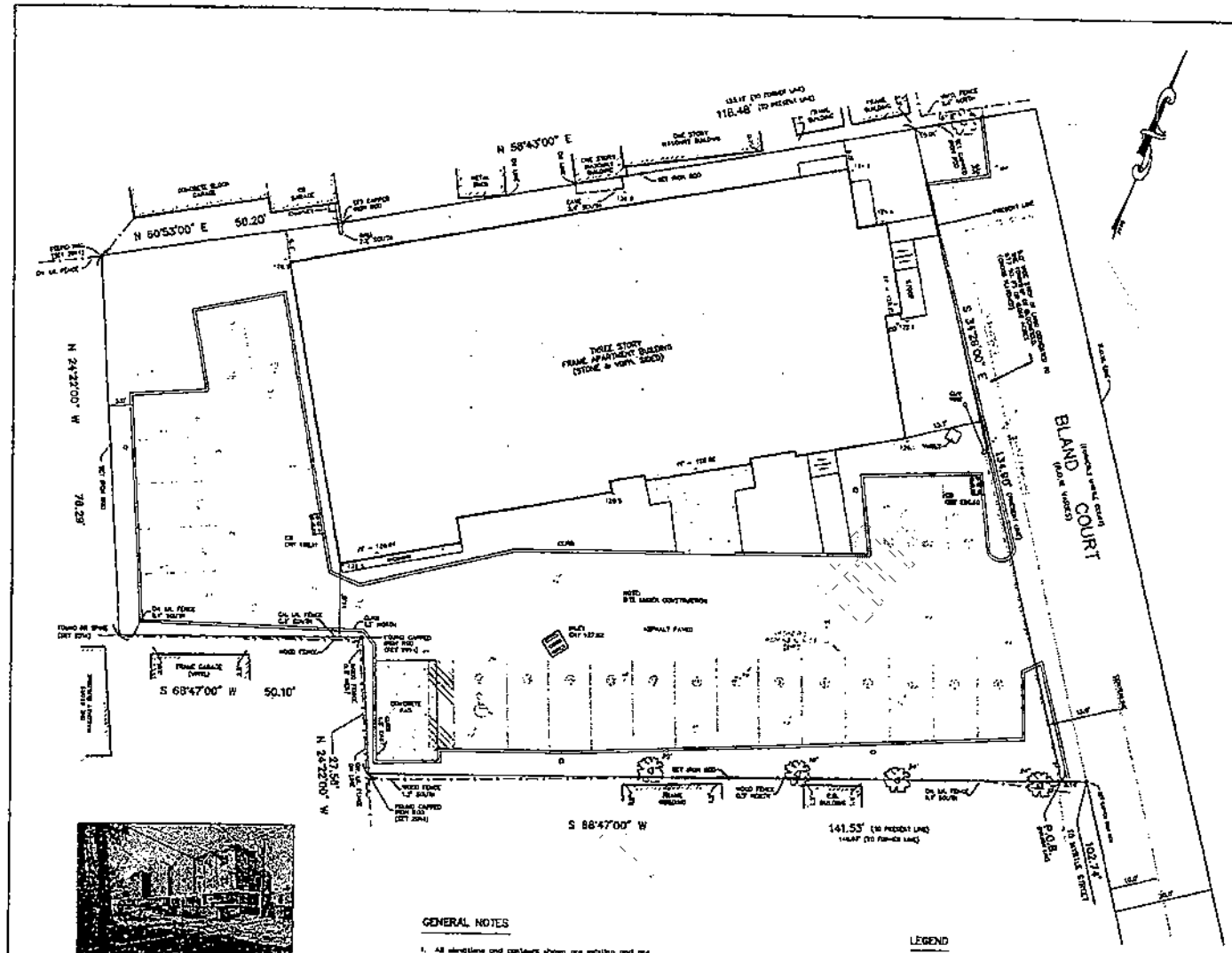
VIII. Post-election.

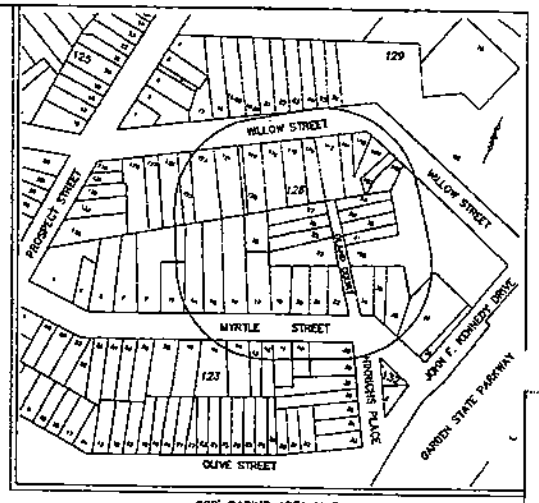
The results of the election, including the vote tallies for each candidate and office shall be publicly announced at the election meeting and included in the minutes. If the outcome of the election for any particular office shall have resulted in a tie-vote, the announcement of the result shall include notice of the requirement for a new election for that office, to be noticed and held in the same manner as the previous election.

IX. Preservation of Records

Notices of election, notices of candidacy for election, information sheets, voting envelopes, ballots (including those disregarded), sign-in sheets, and all other papers relating to voting shall be maintained as part of the official records of the association for a period of two years.

Exhibit C





200' RADIUS AREA MAP
NOT TO SCALE
(TORNOW LOT CONFIGURATION)

SITE PHOTO

GRAPHIC SCALE

(IN FEET)
1 inch = 10 ft.

GENERAL NOTES

1. All elevations and contours shown are existing and are based on NAVD 88, derived from Global Positioning Systems (GPS). Sold elevations based on the "Continuously Operating Reference Station" (CORS), positioned at N.A.E.
2. Lot area in present line = 19,794 sq. ft. or 0.454 acres. Lot area to further line = 20,471 sq. ft. or 0.470 acres.
3. This survey is subject to the facts and findings of a complete title search.
4. This survey is not valid unless signed and sealed by the licensed surveyor.
5. Per the National Flood Insurance Program site No. 340136 0112F with an effective date of June 4, 2007 the property shown here on lots in Zone X and does not fall in a Special Flood Hazard Area.

LEGEND

	PROJECT BOUNDARY LINE		CLEAN OUT
	OVERHEAD WIRES		FIRE HYDRANT
	CURB LINE		SIGN POST
	DROP CURB		LIGHT POLE
	CATCH BASIN		UTILITY POLE
	INLET		CONCRETE
	FENCE		ASPHALT
	WATER VALVE		DECIDUOUS TREE (TRUNK DIAMETER)

DESCRIPTIONS

NO.	DATE	DESCRIPTION	BY

BOUNDARY SURVEY
OF
2 BLAND COURT
LOT 23 IN BLOCK 128 ON TAX MAPS OF
PORMERLY LOTS 16, 23, 24, 26 & 27 IN BLOCK 128
TOWNSHIP OF BLOOMFIELD ESSEX COUNTY NEW JERSEY

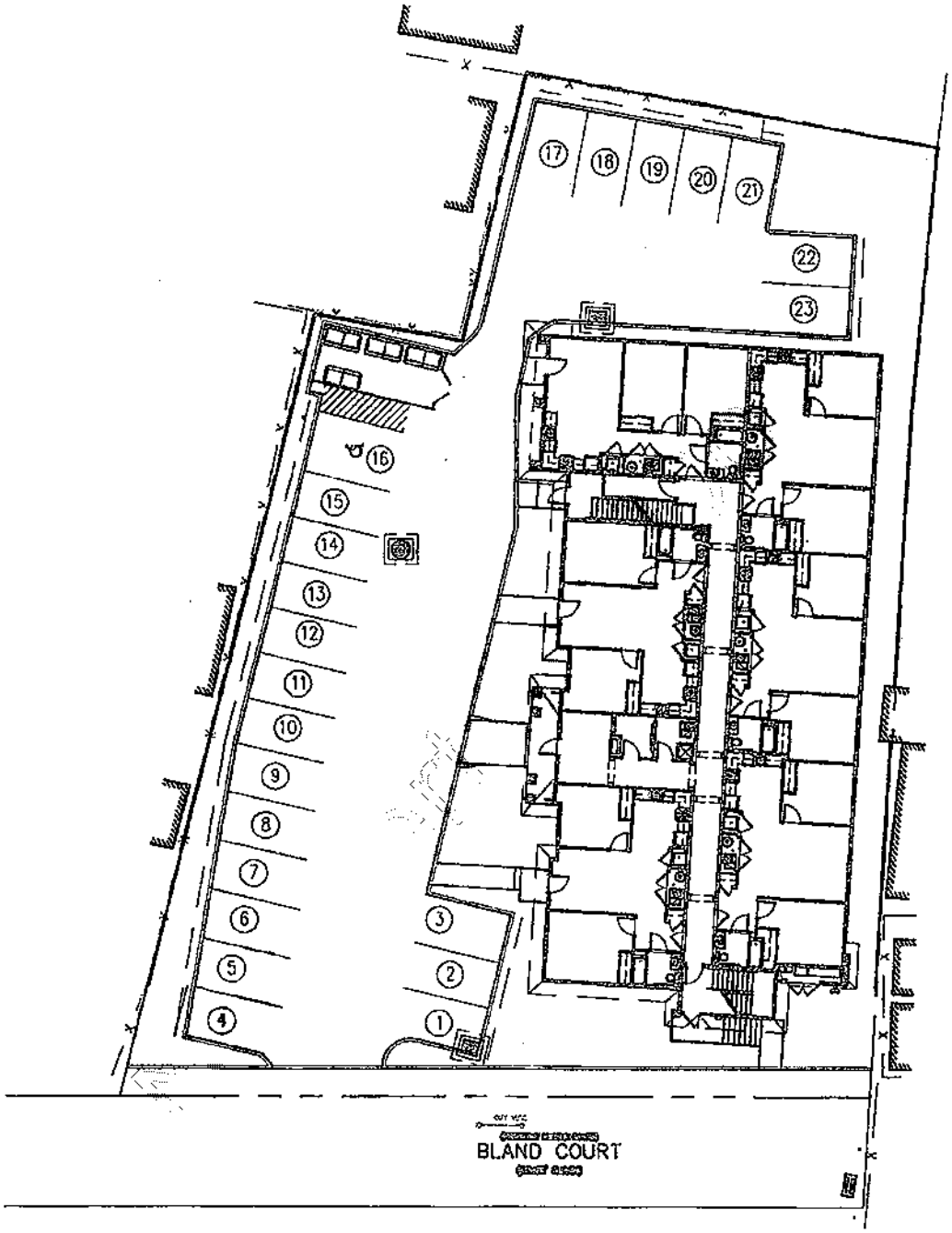
PREPARED FOR
WATSESSING DEVELOPMENT LLC

PRONESTI SURVEYING, INC.
PROFESSIONAL LAND SURVEYOR

PREPARED BY
MICHAEL PRONESTI, P.L.S.
PROFESSIONAL LAND SURVEYOR

DRAWN BY: K. DORAN	DATE: 4-16-2007
CHECKED BY: M. PRONESTI	SCALE: 1"=10'
JOB No. 07-51	SHEET 1 OF 1

© PRONESTI SURVEYING INC.



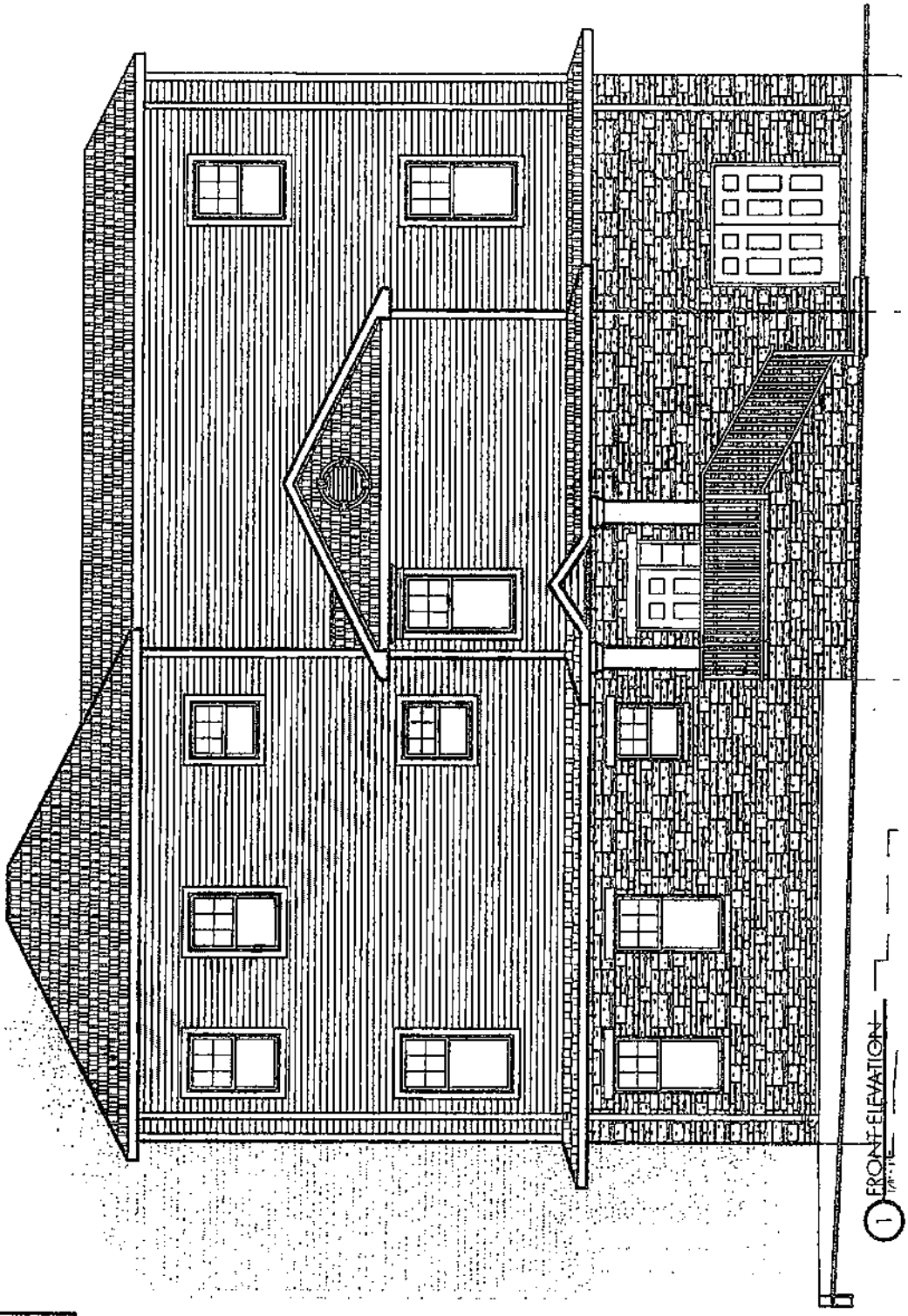
1 PARKING PLAN

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

TOWER ARCHITECTURAL GROUP L.L.C.

ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT

COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	PARKING PLAN	DATE: 04 /15/17 EXHIBIT A1	



PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

TOWER
ARCHITECTURAL GROUP L.L.C.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
26 CENTRAL STREET, MONTCLAIR, NEW JERSEY 07042
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ROBERT A. CHIAPPA, AIA, PP
NJ LICENSE #12771

COURT MANOR OF BLOOMFIELD CONDOMINIUMS

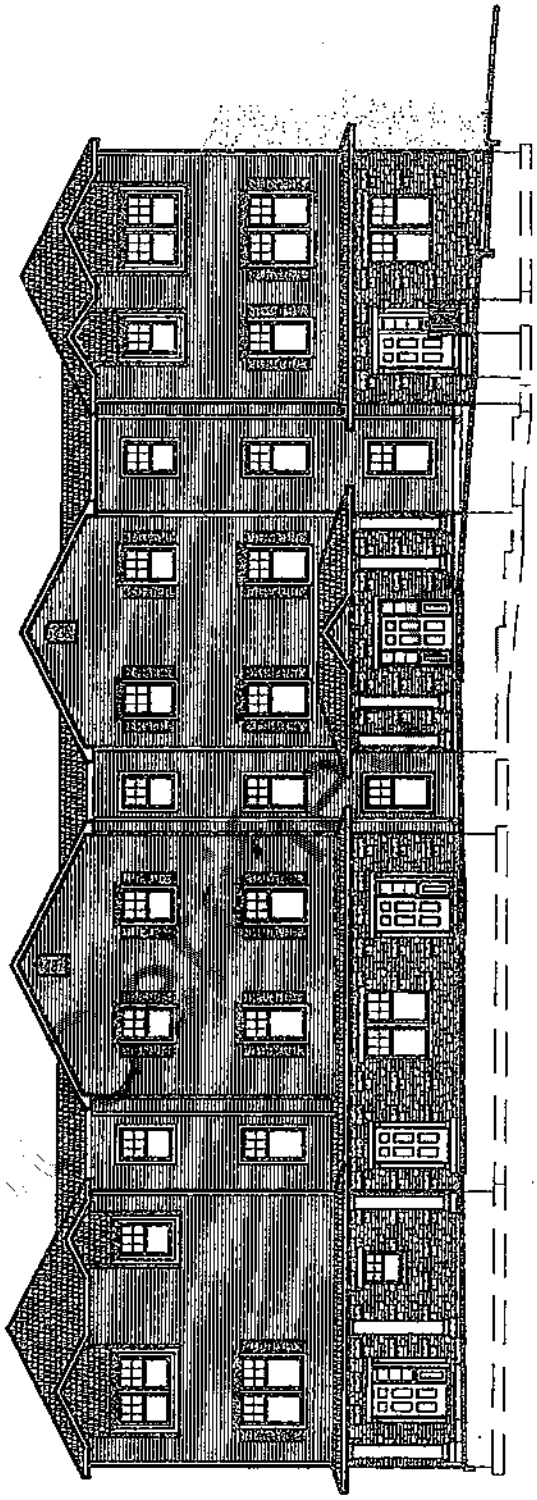
2 BLAND COURT, BLOOMFIELD, NJ

FRONT ELEVATION

DATE: 04/15/17

EXHIBIT

B1



1 LEFT ELEVATION
1/16" = 1'-0"

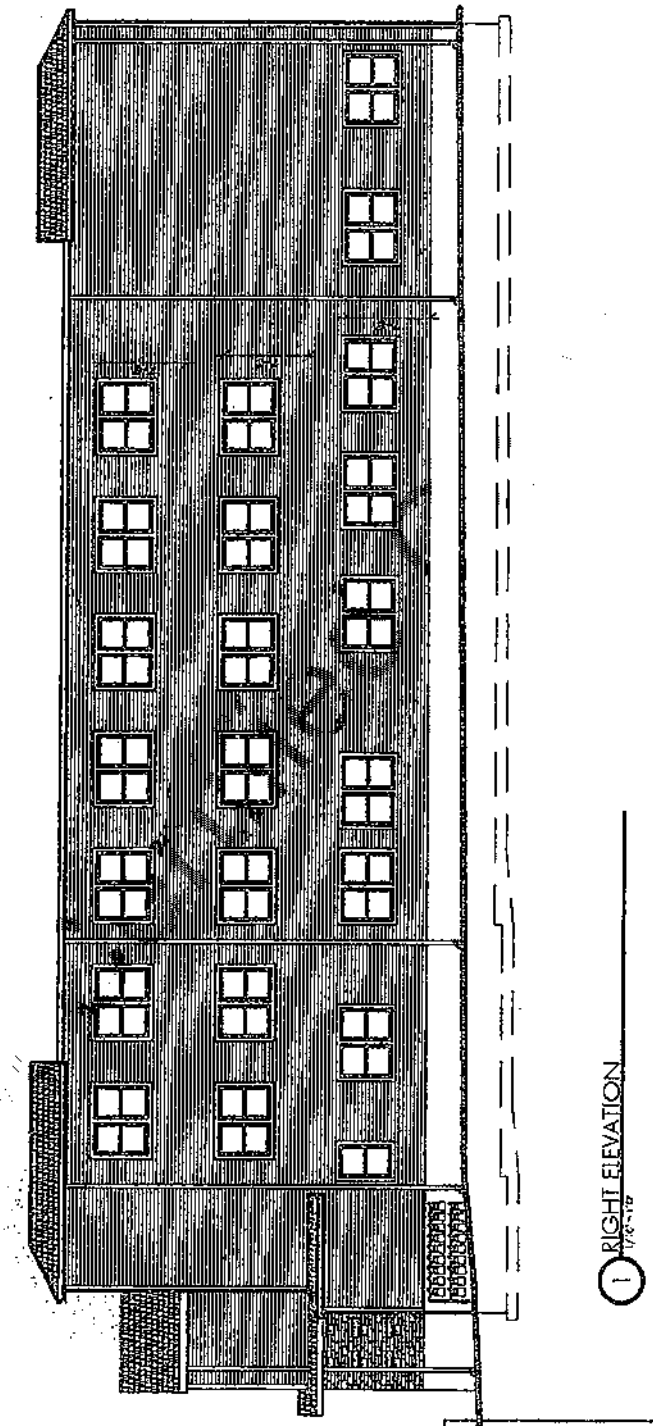
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

TOWER ARCHITECTURAL GROUP L.L.C.

ARCHITECTURAL / PLANNING / CONSTRUCTION MANAGEMENT
[illegible]

[illegible] AIA, PP
NJ LICENSE [illegible]

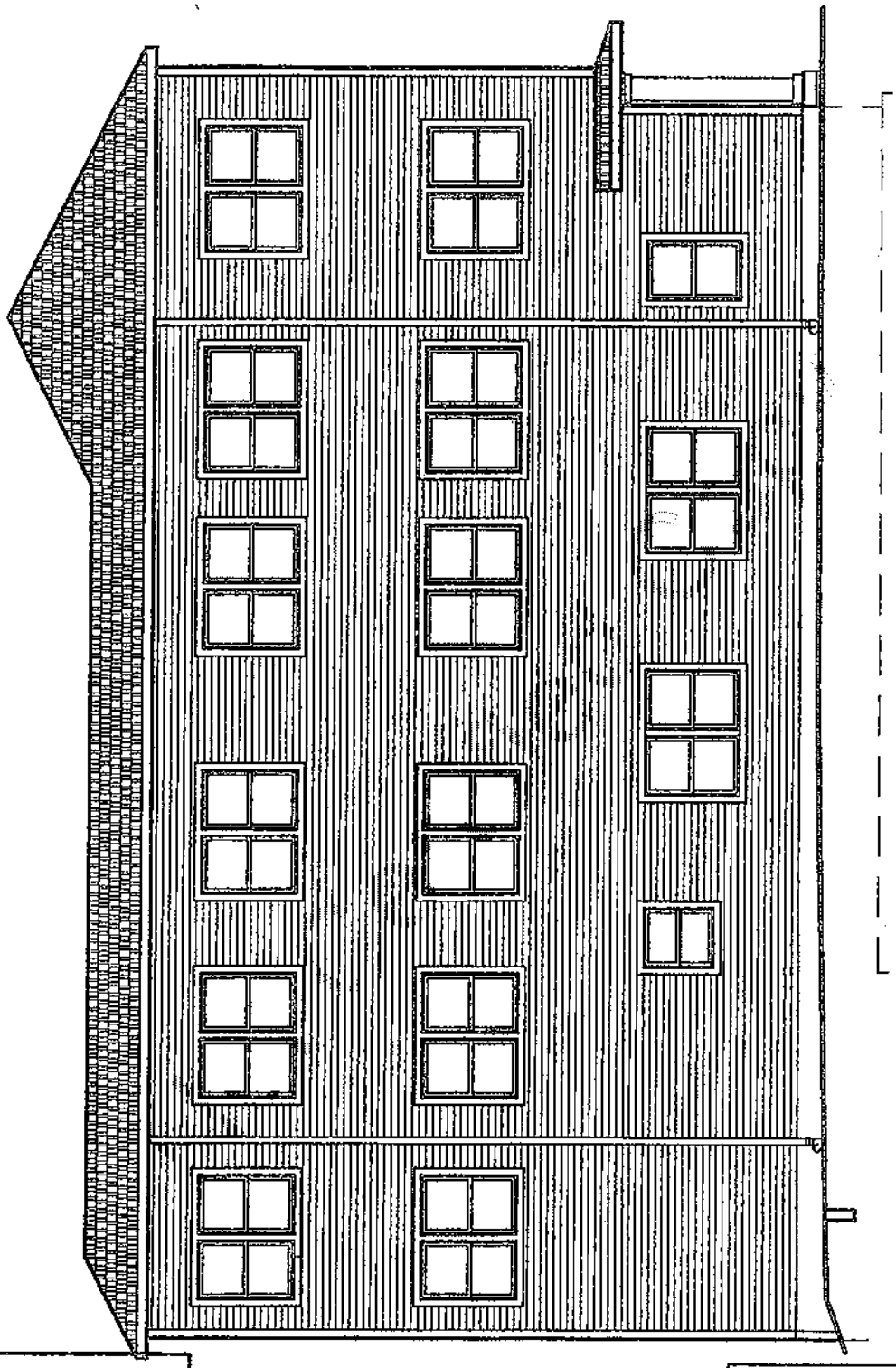
COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	LEFT ELEVATION	DATE: 04/15/17 EXHIBIT B2



PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

TOWER ARCHITECTURAL GROUP L.L.C.

COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	RIGHT ELEVATION	DATE: 04/15/17 EXHIBIT B3



1 REAR ELEVATION

TOWER ARCHITECTURAL GROUP L.L.C.

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

COURT MANOR OF BLOOMFIELD CONDOMINIUMS

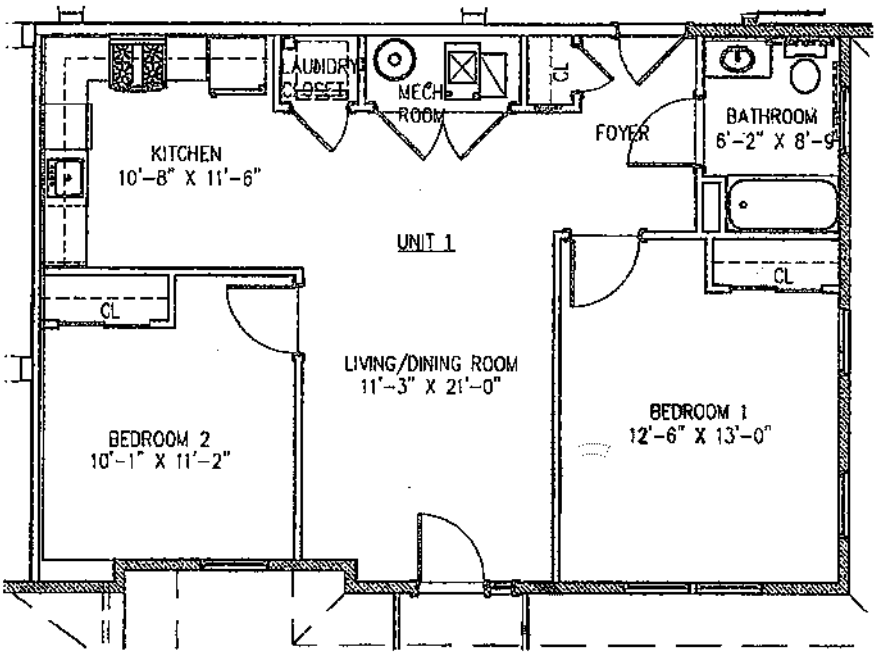
2 BLAND COURT, BLOOMFIELD, NJ

REAR ELEVATION

DATE: 04/15/17

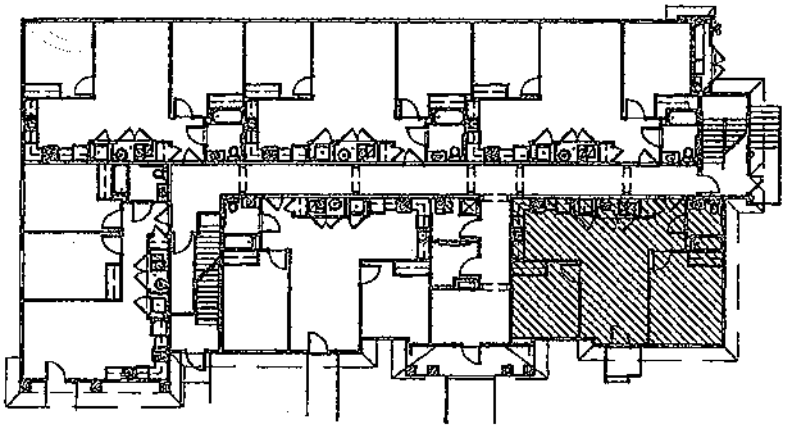
EXHIBIT

B4



1 UNIT 1

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

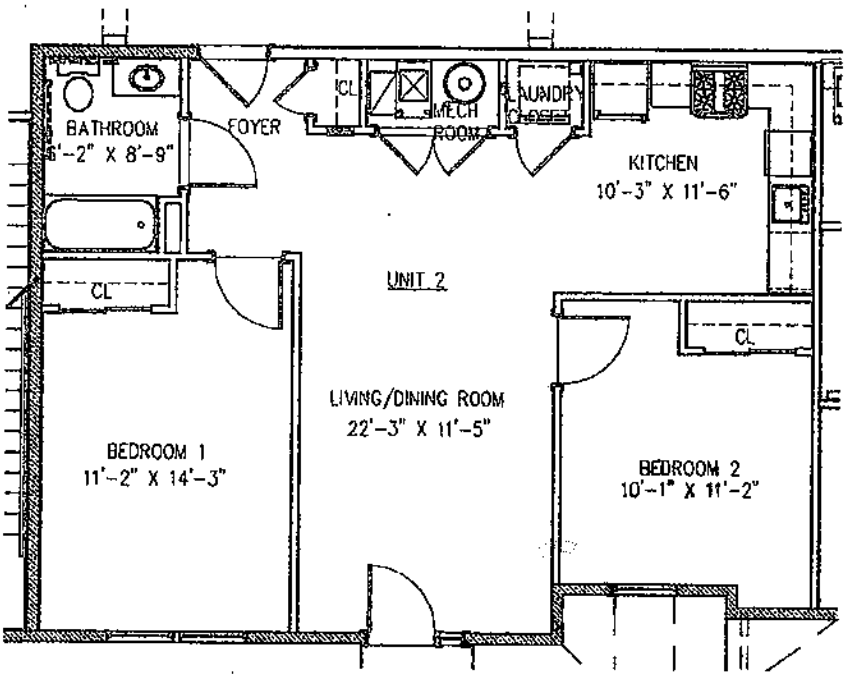


2 FIRST FLOOR PLAN

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

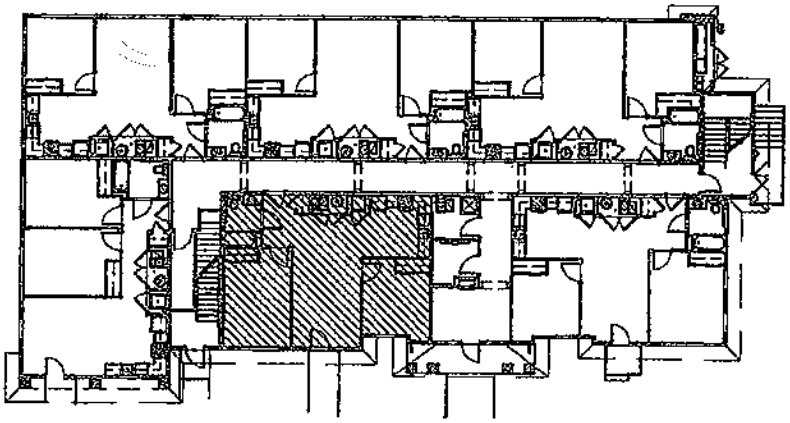
TOWER ARCHITECTURAL GROUP L.L.C.

UNIT 1	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	FIRST FLOOR PLAN	DATE: 04/15/17 EXHIBIT C1



1 UNIT 2 FLOOR PLAN

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

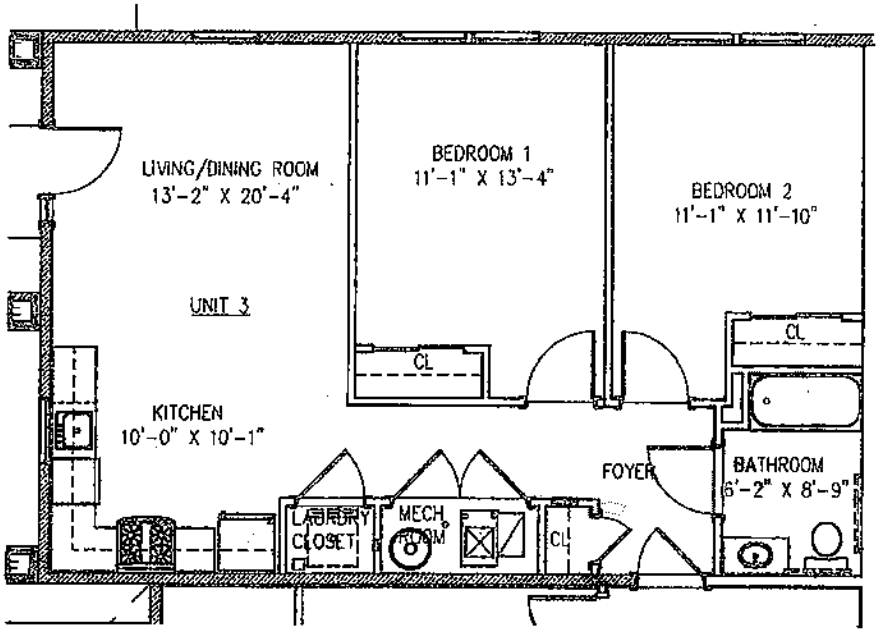


2 FIRST FLOOR PLAN

TOWER ARCHITECTURAL GROUP L.L.C.

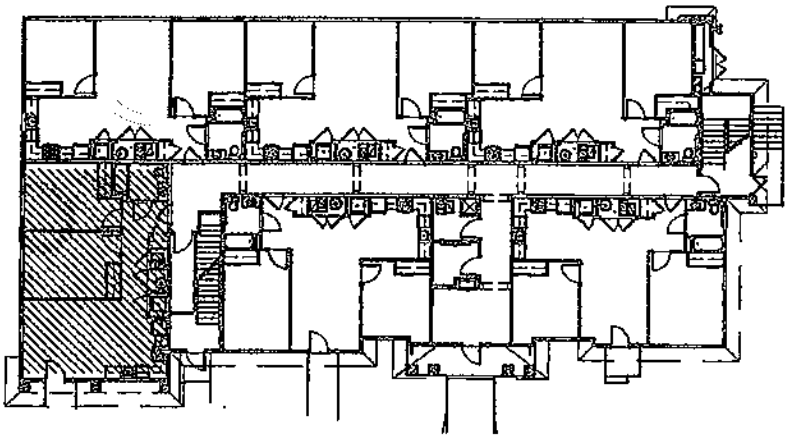
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 2	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	FIRST FLOOR	DATE: 04/15/17 EXHIBIT C2



1 UNIT 3 FIRST FLOOR PLAN

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

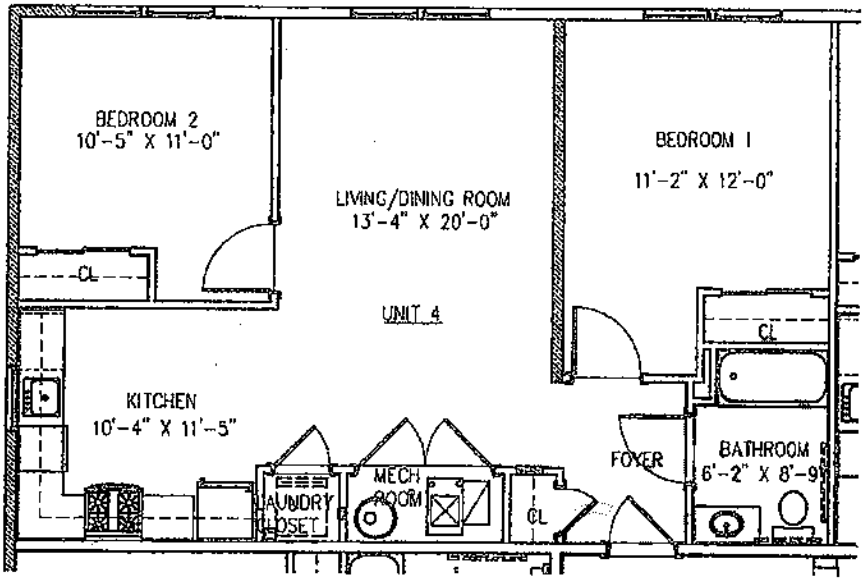


2 FIRST FLOOR PLAN

TOWER ARCHITECTURAL GROUP L.L.C.

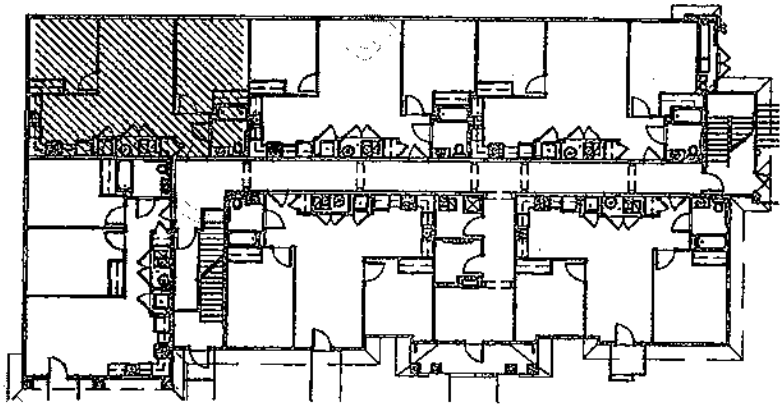
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 3	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	FIRST FLOOR PLAN	DATE: 04/15/17 EXHIBIT C3



1 UNIT 4 FLOOR PLAN
1/8" = 1'-0"

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

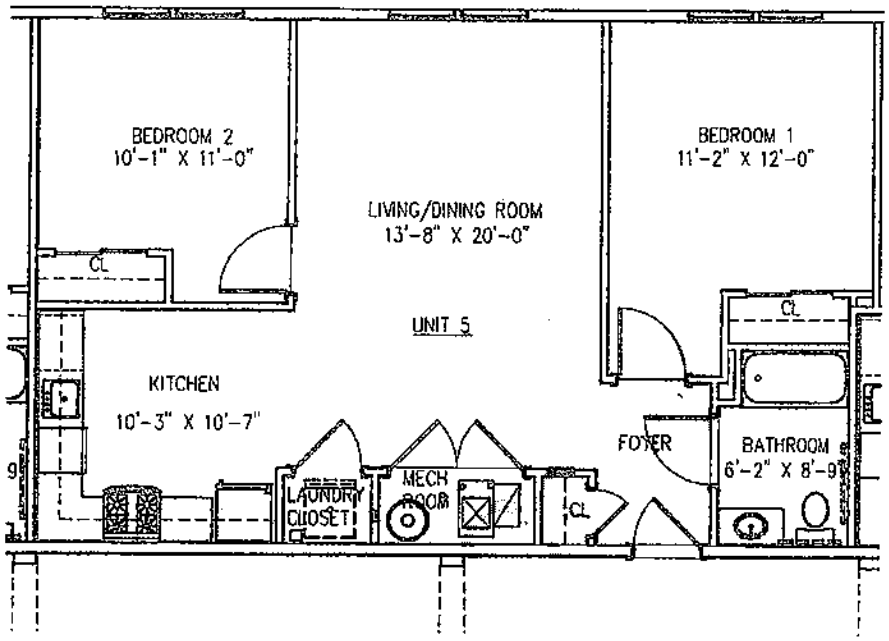


2 FIRST FLOOR PLAN
1" = 20'

TOWER
ARCHITECTURAL GROUP L.L.C.

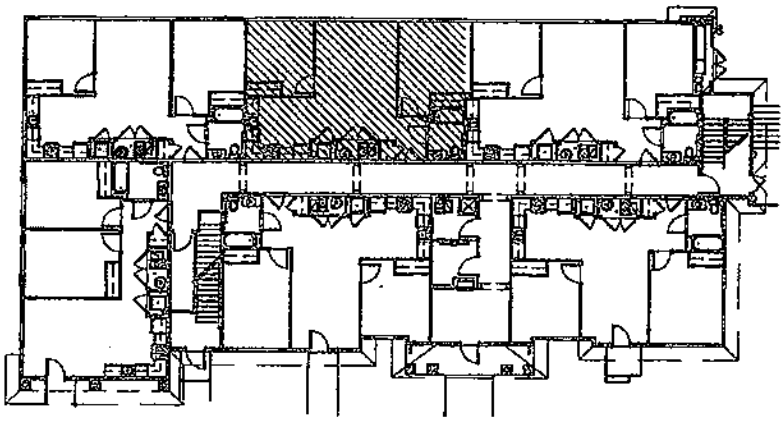
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 4	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	FIRST FLOOR PLAN	DATE: 04/15/17 EXHIBIT C4



1 UNIT 5 FLOOR PLAN

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

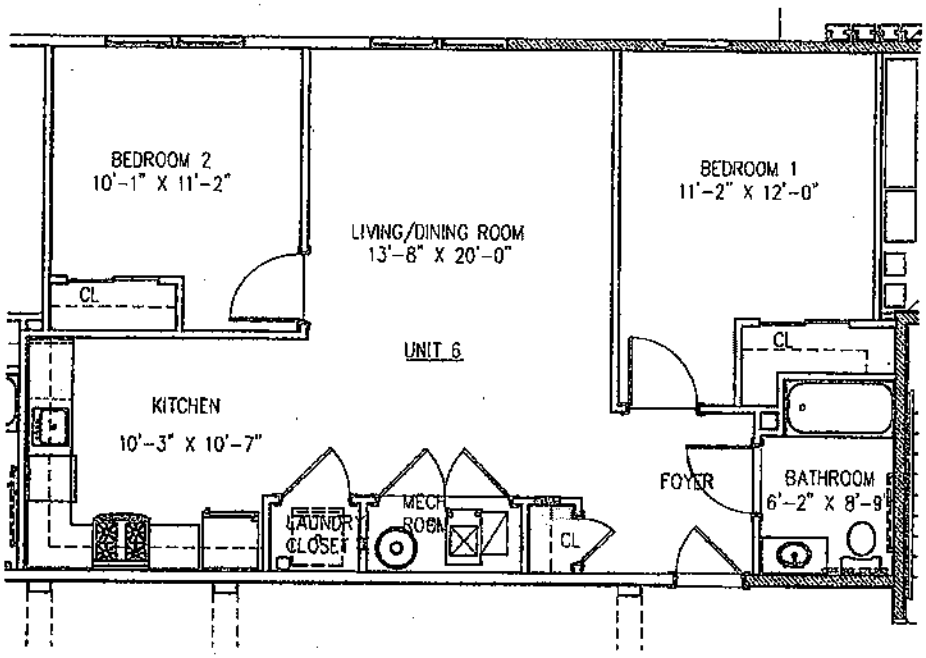


2 FIRST FLOOR PLAN

TOWER ARCHITECTURAL GROUP L.L.C.

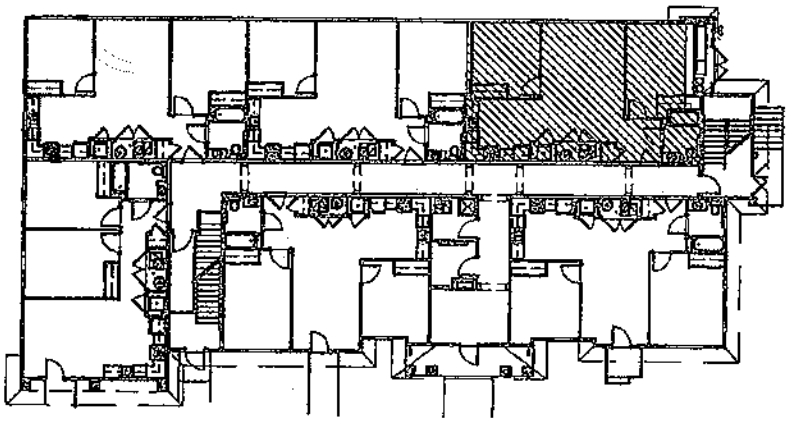
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 5	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	FIRST FLOOR PLAN	DATE: 04/15/17 EXHIBIT C5



1 UNIT 6 FLOOR PLAN

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

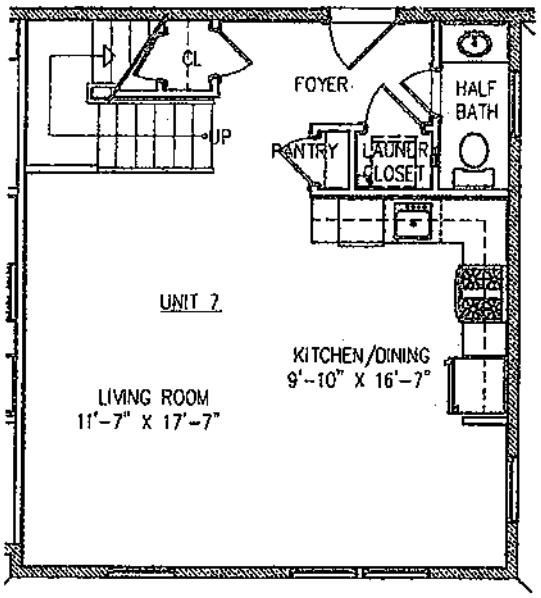


2 FIRST FLOOR PLAN

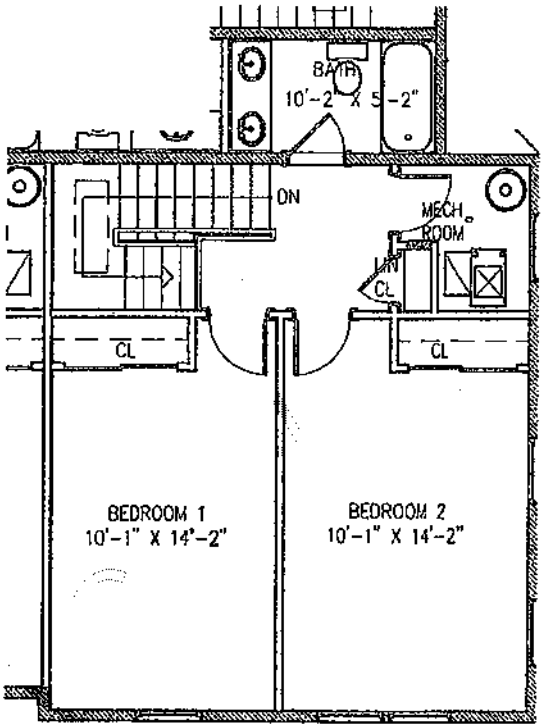
TOWER ARCHITECTURAL GROUP L.L.C.

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 6	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	FIRST FLOOR PLAN	DATE: 04/15/17 EXHIBIT C6

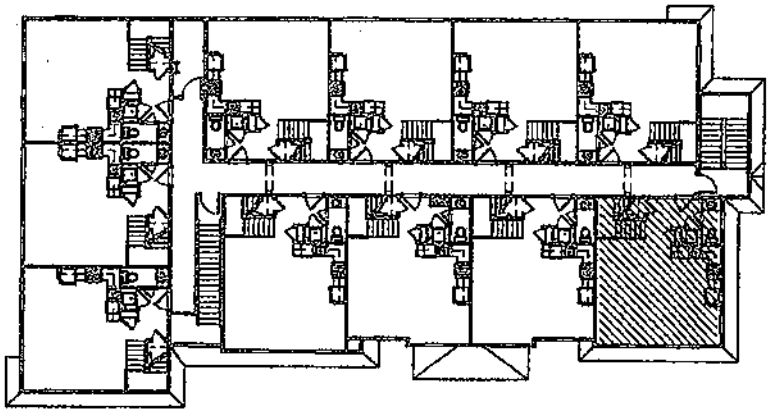


1 UNIT 7 FIRST FLOOR PLAN



2 UNIT 7 SECOND FLOOR PLAN

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

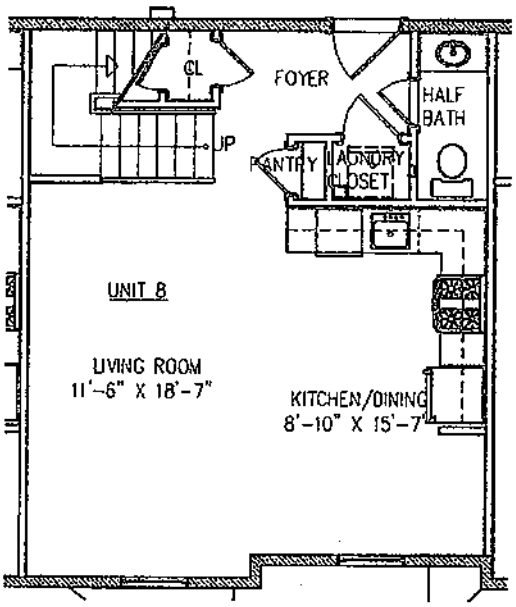


3 SECOND FLOOR PLAN

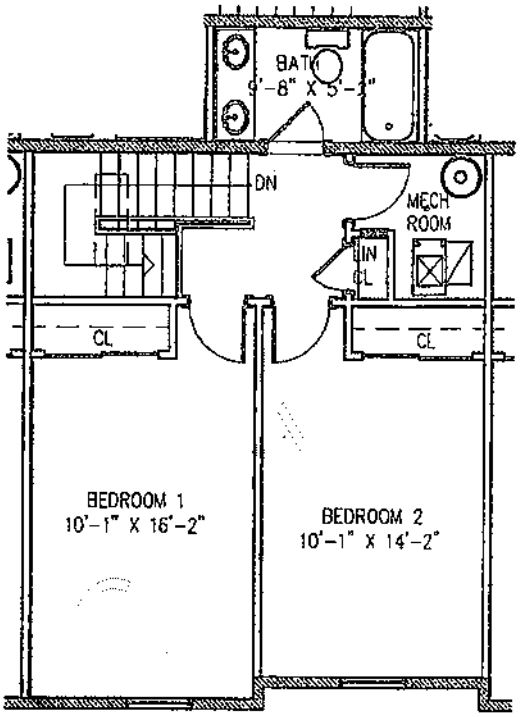
TOWER ARCHITECTURAL GROUP L.L.C.

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 7	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	SECOND FLOOR PLAN	DATE: 04/15/17 EXHIBIT C7

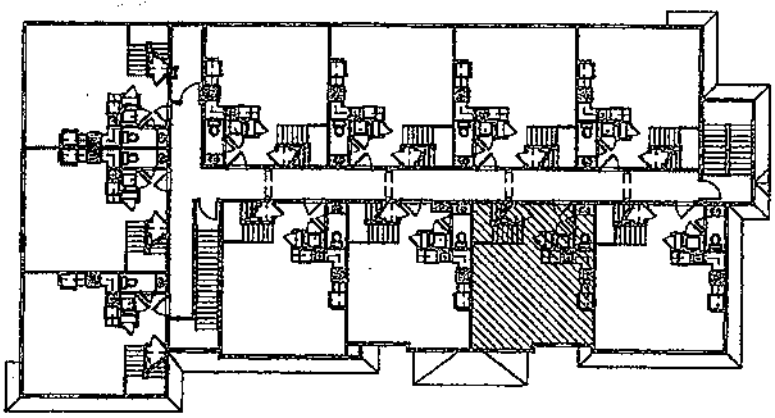


1 UNIT 8 FIRST FLOOR PLAN



2 UNIT 8 SECOND FLOOR PLAN

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

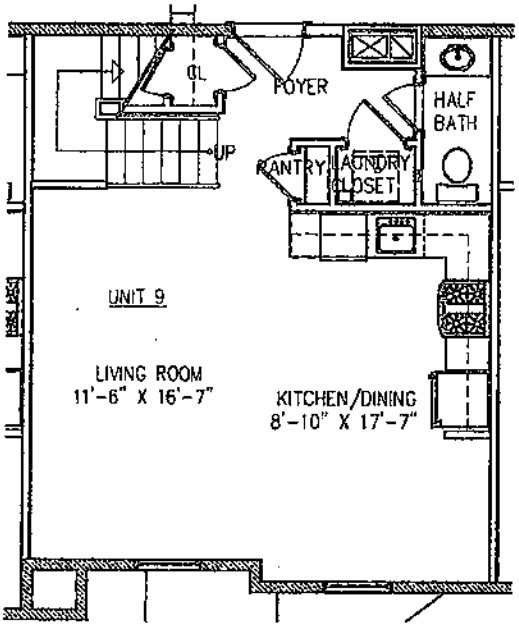


3 SECOND FLOOR PLAN

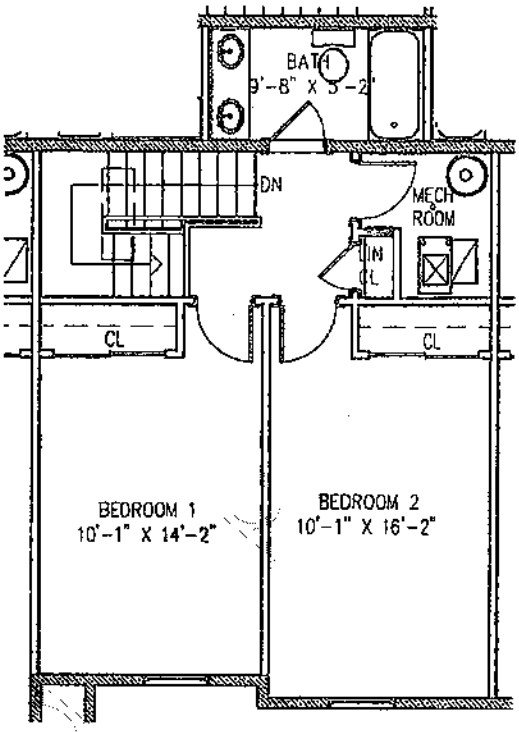
TOWER ARCHITECTURAL GROUP L.L.C.

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 8	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	SECOND FLOOR PLAN	DATE: 04/15/17 EXHIBIT C8

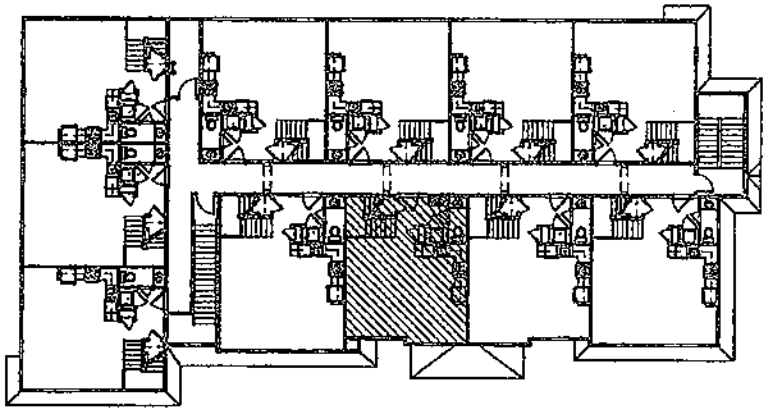


1 UNIT 9 FIRST FLOOR PLAN



2 UNIT 9 SECOND FLOOR PLAN

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

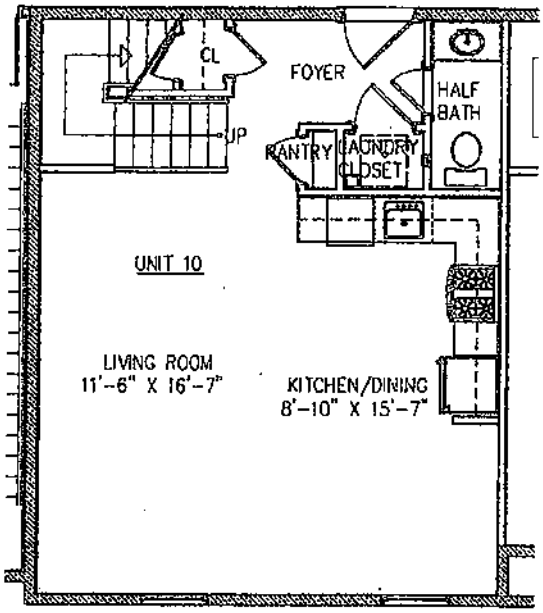


3 SECOND FLOOR PLAN

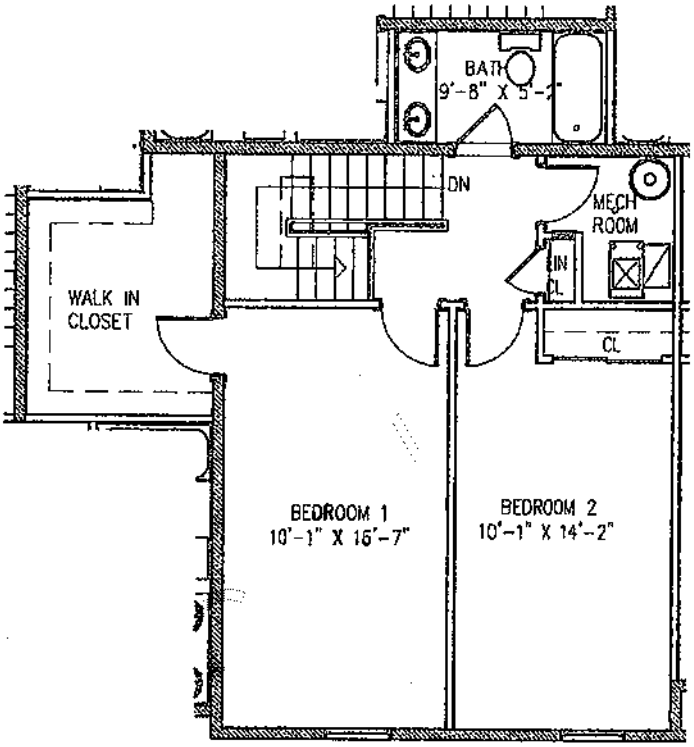
TOWER ARCHITECTURAL GROUP L.L.C.

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 9	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	SECOND FLOOR PLAN	DATE: 04/15/17 EXHIBIT C9

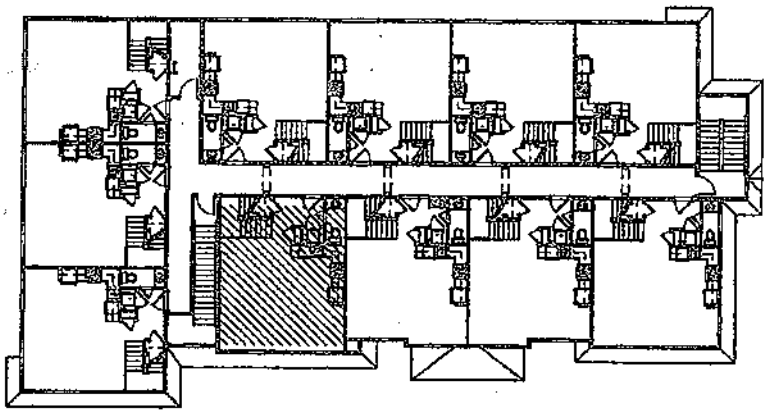


1 UNIT 10 FIRST FLOOR PLAN



2 UNIT 10 SECOND FLOOR PLAN

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

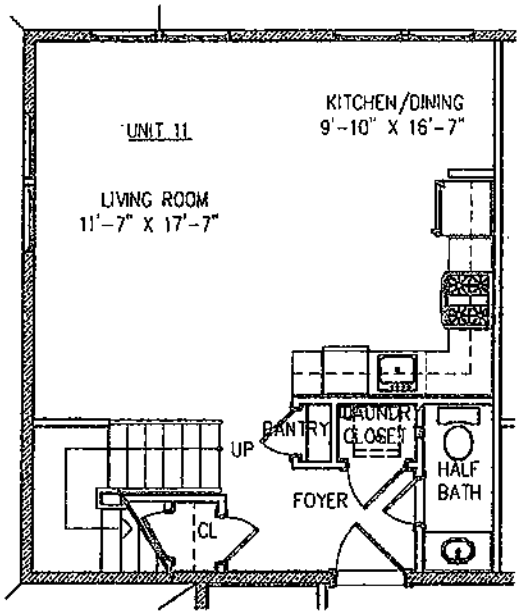


3 SECOND FLOOR PLAN

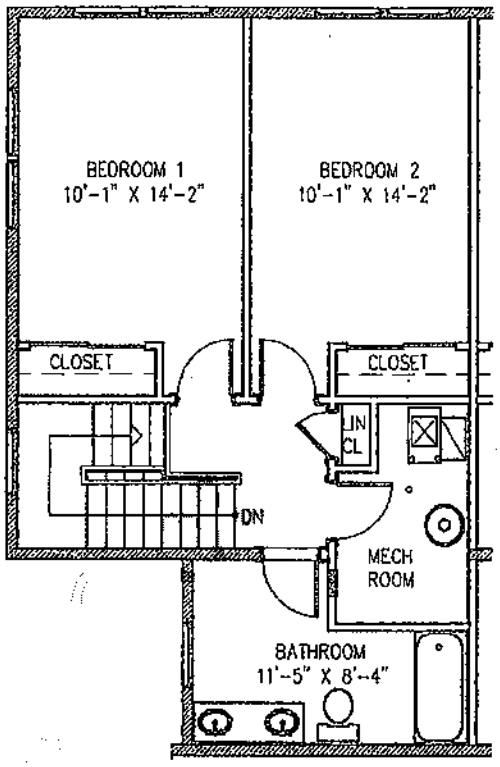
TOWER ARCHITECTURAL GROUP L.L.C.

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 10	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	SECOND FLOOR PLAN	DATE: 04/15/17 EXHIBIT C10

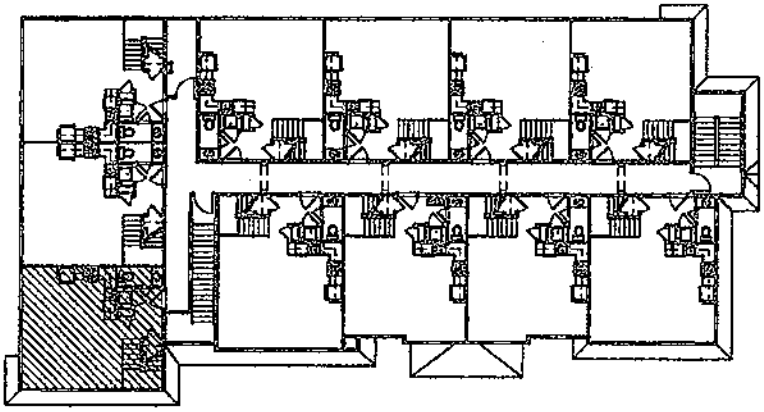


1 UNIT 11 FIRST FLOOR PLAN



2 UNIT 11 SECOND FLOOR PLAN

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

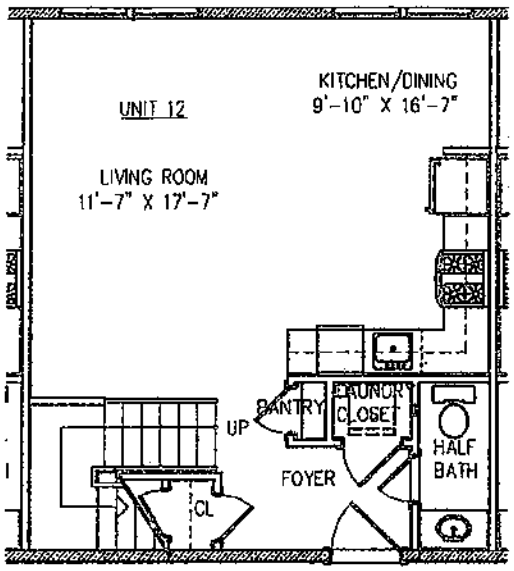


3 SECOND FLOOR PLAN

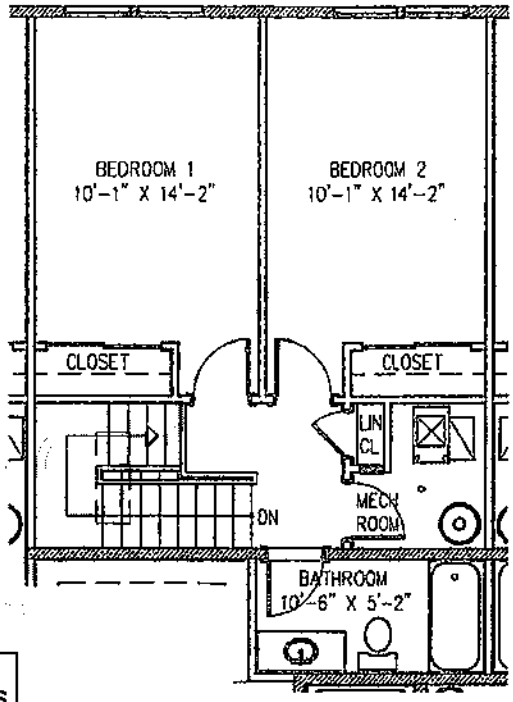
TOWER ARCHITECTURAL GROUP L.L.C.

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 11	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	SECOND FLOOR PLAN	DATE: 04/15/17 EXHIBIT C11

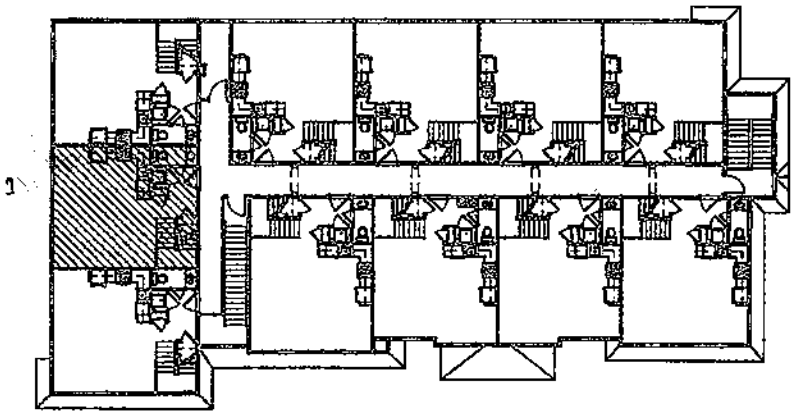


1 UNIT 12 FIRST FLOOR PLAN



3 UNIT 12 SECOND FLOOR PLAN

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

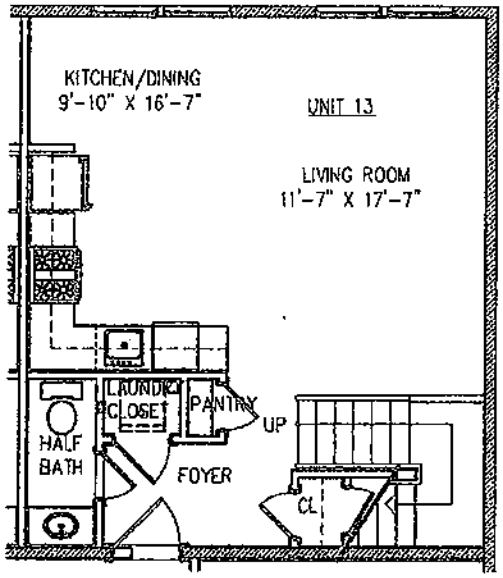


3 SECOND FLOOR PLAN

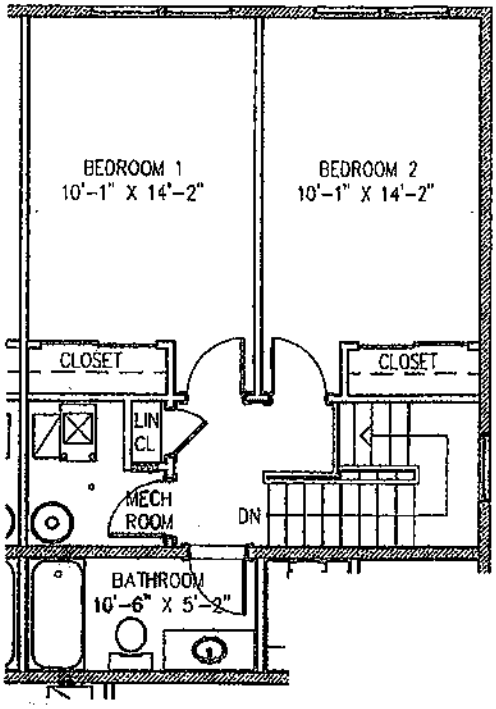
TOWER ARCHITECTURAL GROUP L.L.C.

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 12	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	SECOND FLOOR PLAN	DATE: 04/15/17 EXHIBIT C12

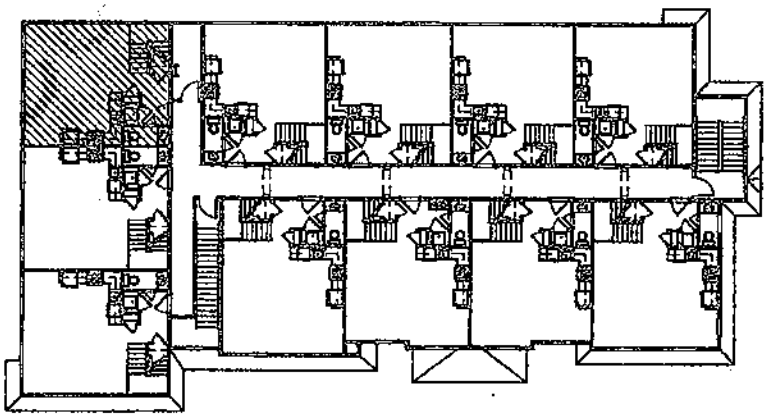


1 UNIT 13 FIRST FLOOR PLAN



2 UNIT 13 SECOND FLOOR PLAN

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

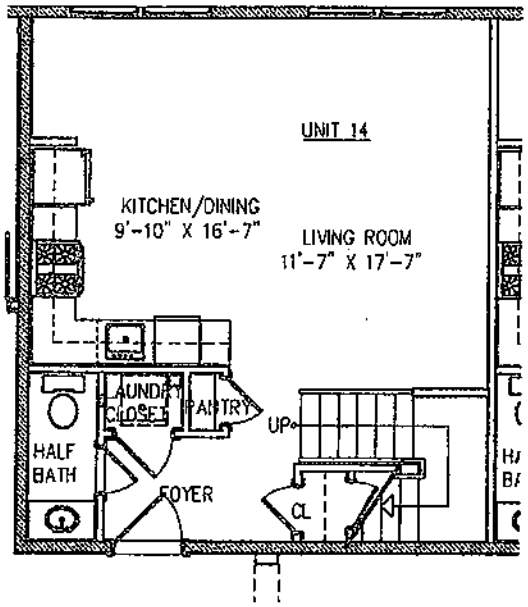


3 SECOND FLOOR PLAN

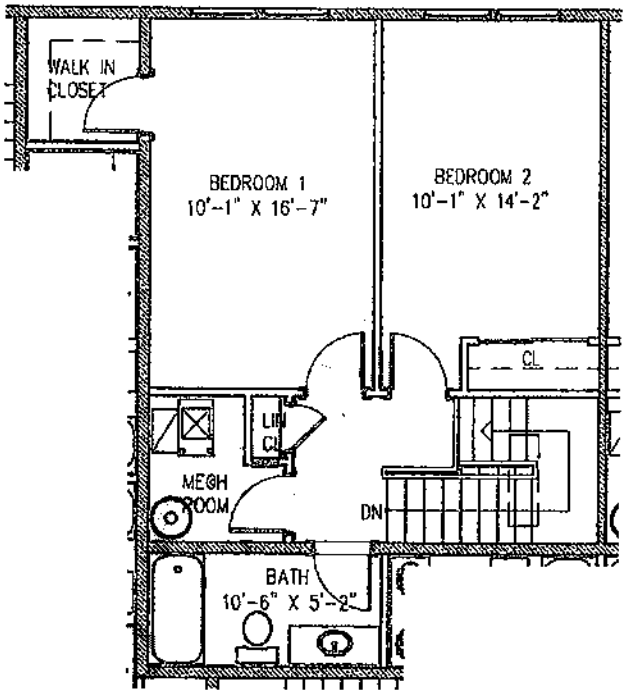
TOWER ARCHITECTURAL GROUP L.L.C.

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 13	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	SECOND FLOOR PLAN	DATE: 04/15/17 EXHIBIT C13

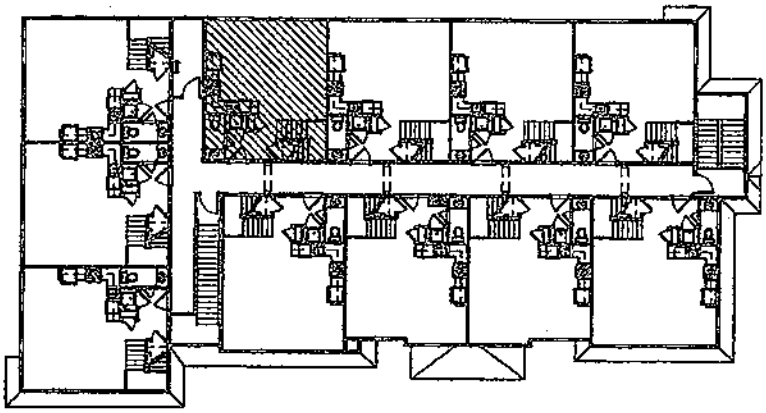


1 UNIT 14 FIRST FLOOR PLAN



2 UNIT 14 SECOND FLOOR PLAN

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

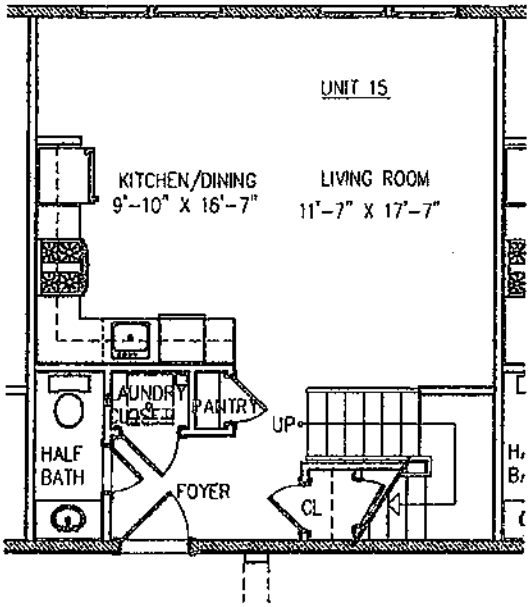


3 SECOND FLOOR PLAN

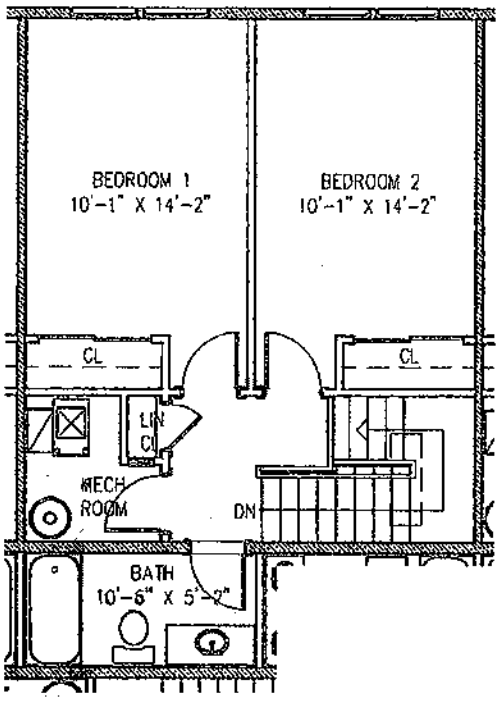
TOWER ARCHITECTURAL GROUP L.L.C.

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 14	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	SECOND FLOOR PLAN	DATE: 04/15/17 EXHIBIT C14

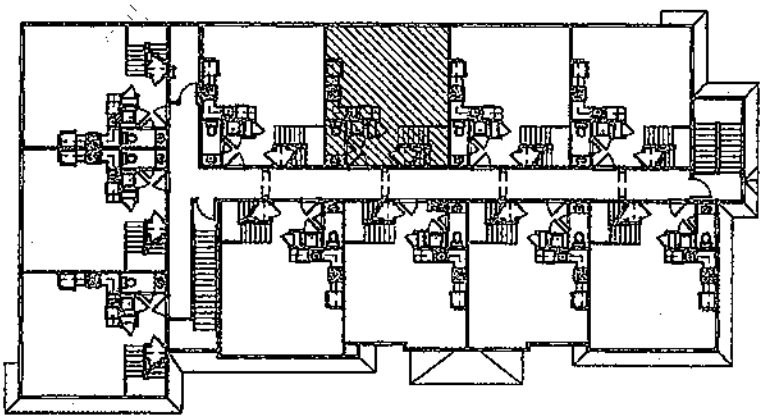


1 UNIT 15 FIRST FLOOR PLAN



2 UNIT 15 SECOND FLOOR PLAN

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

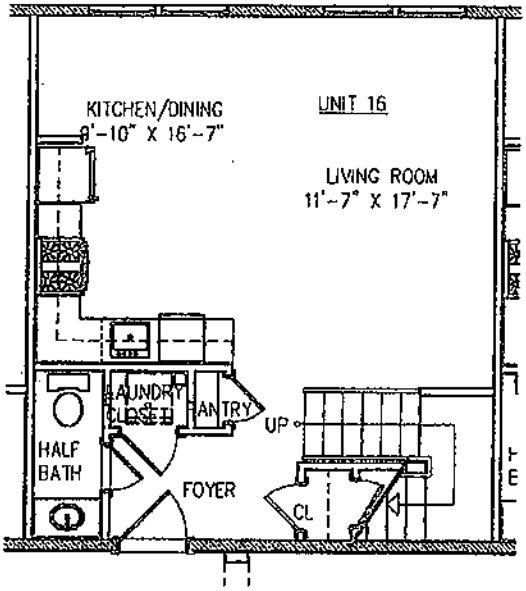


3 SECOND FLOOR PLAN

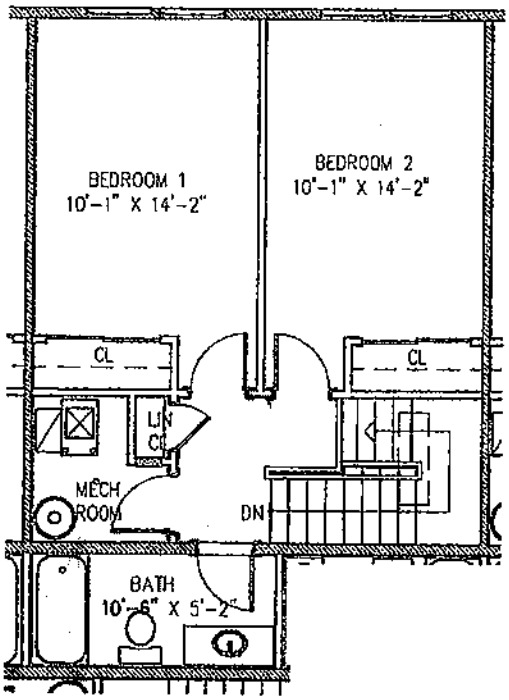
TOWER ARCHITECTURAL GROUP L.L.C.

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 15	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	SECOND FLOOR PLAN	DATE: 04/15/17 EXHIBIT C15

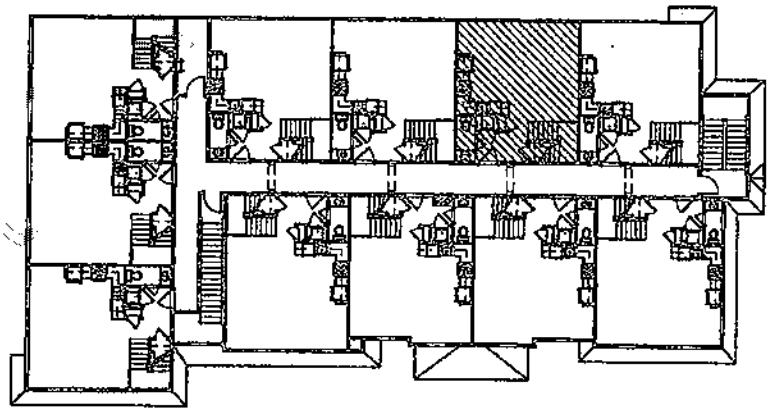


1 UNIT 16 FIRST FLOOR PLAN



2 UNIT 16 SECOND FLOOR PLAN

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

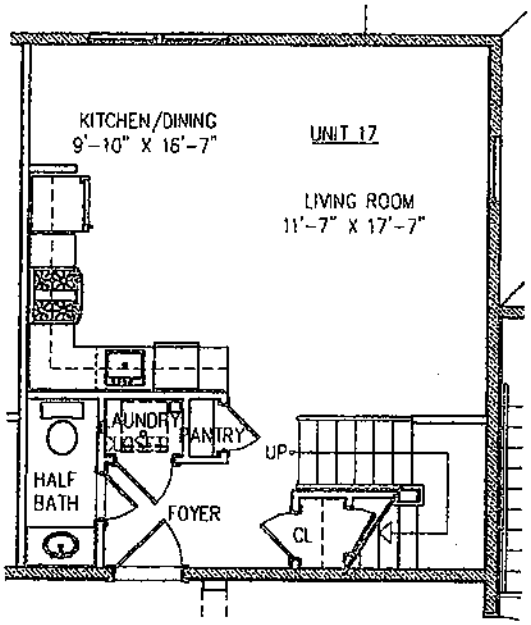


3 SECOND FLOOR PLAN

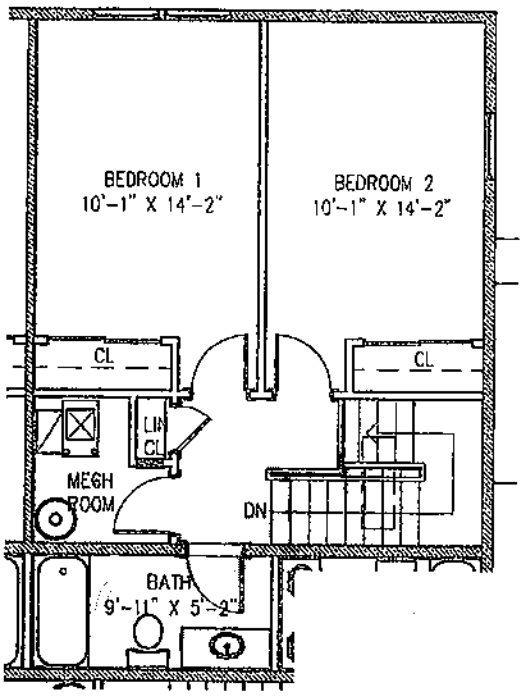
TOWER ARCHITECTURAL GROUP L.L.C.

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 16 DUPLEX	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	SECOND FLOOR PLAN	DATE: 04/15/17 EXHIBIT C16

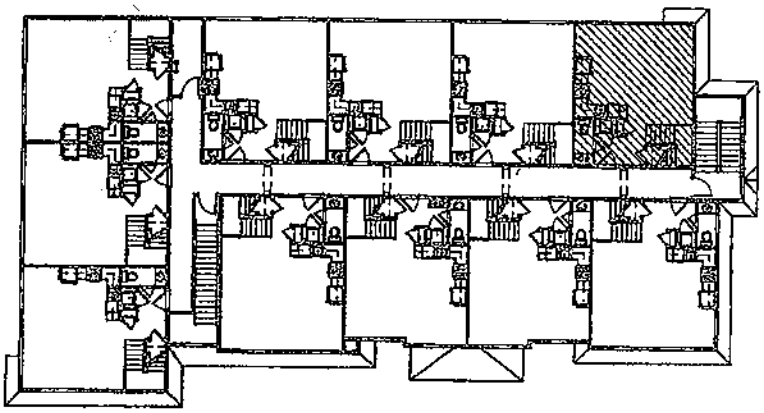


1 UNIT 17 FIRST FLOOR PLAN



2 UNIT 17 SECOND FLOOR PLAN

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY



3 SECOND FLOOR PLAN

TOWER ARCHITECTURAL GROUP L.L.C.

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

UNIT 17	COURT MANOR OF BLOOMFIELD CONDOMINIUMS 2 BLAND COURT, BLOOMFIELD, NJ	SECOND FLOOR PLAN	DATE: 04/15/17 EXHIBIT C17

Exhibit D

EXHIBIT D

Unit Ownership Percentage	
UNIT NUMBER	PERCENTAGE OWNERSHIP
1	5.8824
2	5.8824
3	5.8824
4	5.8824
5	5.8824
6	5.8824
7	5.8824
8	5.8824
9	5.8824
10	5.8824
11	5.8824
12	5.8824
13	5.8824
14	5.8824
15	5.8824
16	5.8824
17	5.8824

Exhibit E

NP

FILED
AUG 13 2014
STATE TREASURER

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

ARTICLE I

0101038555

The name of the corporation is Court Manor of Bloomfield Condominium Association, Inc. hereinafter called the "Association".

ARTICLE II

The principal office of the Association is located at 2-4 Bland Court, Bloomfield, New Jersey 07003.

ARTICLE III

Robert Richardi, whose address is 46 Church Street, Montclair, New Jersey 07042 is hereby appointed the initial registered agent of this Association.

ARTICLE IV

Purpose and Powers of the Association

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and control of the common elements within that certain tract of property described in Exhibits "A" and "C" of a certain Master Deed entitled "Court Manor of Bloomfield Condominium," recorded or intended to be recorded in the Office of the Register of Essex County, and to promote the health, safety and welfare of the residents within the above described property and for these purposes:

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

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

2584847
4985747

(c) To acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) To borrow money, to mortgage, pledge, deed in trust, or hypothecate any or its real or personal property as security for money borrowed or debts incurred; AND

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

ARTICLE V

Membership

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

ARTICLE VI

Board of Trustees

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

(1) Robert Richardi, 46 Church Street, Montclair, New Jersey 07042
(2) Paul DeBellis, Sr., 46 Church Street, Montclair, New Jersey 07042
(3) Paul DeBellis, Jr., 46 Church Street, Montclair, New Jersey 07042

ARTICLE VII

Distribution of Assets Upon Dissolution

Upon dissolution of the Corporation, the assets shall be distributed amongst the members, as tenants in common, in the same percentages as their respective percentage interests in the common elements of the Condominium.

ARTICLE VIII

Duration

The corporation shall exist perpetually.

ARTICLE IX

Amendments

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

IN WITNESS WHEREOF, for the purpose of forming this non-profit corporation under the laws of the State of New Jersey, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 13th day of August, 2014.

Alix S. James
494 Broad Street
Newark, New Jersey 07102

STATE OF NEW JERSEY :
: SS
COUNTY OF ESSEX :

BE IT REMEMBERED, that on this 13th day of August, 2014, before me, the subscriber, personally appeared Alix S. James, who, I am satisfied is the person named in and who executed the within Instrument, and thereupon he acknowledged that he signed, sealed and delivered the same as his act and deed for the uses and purposes therein expressed.

NOTARY PUBLIC

THERESA BUFFONE
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES OCT. 7, 2016

12548311

Court Manor of Bloomfield Condominium Association, Inc.

Articles of Incorporation

DATED: August 13, 2014

Record and Return to:

GENOVA BURNS GIANTOMASI &WEBSTER
494 Broad Street
Newark, New Jersey 07012
973-533-0777

12548311

Exhibit F

RECORD AND RETURN TO:
New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Ave.
P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Manager of Programs, Single Family
CHOICE Project Name and Number:

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS IMPLEMENTING EQUITY SHARING CONTROLS
For
New Jersey Housing and Mortgage Finance Agency
Non-Deed Restricted
Emerging Market Units
(5 or 15 year equity sharing controls)

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS IMPLEMENTING EQUITY SHARING CONTROLS ("Declaration") is made this day of , 20 ("Closing Date") by , a (type of entity, i.e. a New Jersey Corp., LLC, LLP, etc.) hereinafter referred to as the ("Seller") and ("Buyer" or "Owner"), whose address is , for the Emerging Market Unit known as Block and Lot , aka in the municipality of , in the County of (the "EMU").

WHEREAS, Seller, on this day, conveys to the owner improved real property, the development of which was financially subsidized by the New Jersey Housing and Mortgage Finance Agency ("Agency") as an Emerging Market Unit ("EMU") which is one type of subsidy available under the Agency's Choices in Homeownership Incentives Created for Everyone ("CHOICE") program and such conveyance was made in accordance with the requirements of the Agency among which are the execution and recording of this Declaration and other documents memorializing the requirements of the Agency and empowering the Agency to enforce such requirements; and

WHEREAS, the policy of the Agency, as implemented by the EMU subsidy, is to encourage development of homeownership housing units in Agency designated emerging markets by subsidizing the gap between the sales price and the cost of developing the housing; and

WHEREAS, the policy of the Agency is to strengthen homeownership housing in designated emerging markets by financing and subsidizing development of for-sale housing that are **not deed restricted** for resale to income eligible buyers, thereby encouraging and facilitating the emergence of a viable market driven housing market; and

WHEREAS, the EMUs by definition are **not developed or restricted as affordable housing units** under the New Jersey Fair Housing Act, N.J.S.A. (P.L. 1985, c.222), but rather upon sale or resale can be conveyed without regard to sales price or income of the buyer; and

WHEREAS, the Agency has provided CHOICE program EMU subsidy in the amount of $ ("Subsidy amount") toward the development of the EMU referred to above, and said EMU shall be subject to the Equity Sharing Controls for up to 15 years as more specifically set forth in Article 1 of this Declaration.

NOW, THEREFORE, it is the intent of this Declaration to establish the shared-equity resale controls to be recorded on this EMU as stated herein:

Article 1. Emerging Market Unit Covenants, Conditions and Restrictions

The shared equity period during which the Owner is obligated to pay a portion of net sales proceeds shall be for up to 15- years commencing on the Closing Date.
At the time of an arms length sale, conveyance, or refinance of the EMU, in an amount that shall not exceed that of the Subsidy amount stated above, the owner shall repay the Agency from Net Proceeds (as defined in Article 3), in accordance with the following schedule:

100% of the net appreciation should the EMU be sold/refinanced during the first 2 years;

50% should the EMU be sold/refinanced in the 3rd year;

25% should the EMU be sold/refinanced thereafter during the 4th year through the 15th year <u>except that</u> if, after the 5th year, the unit is sold to a household who will occupy the home as a primary residence, no shared appreciation shall be required.

The shared appreciation schedule will be reinstated and effective against the new buyer if the new buyer(s) fails to occupy the unit within 60 days and continuously thereafter for at least one year from the date of closing title. Subsequent sale by a non-resident owner to a household who will occupy the home as a primary residence will not subject the sale to shared appreciation and the shared appreciation requirement will terminate if the buyer occupies the EMU within 60 days and continuously thereafter for at least one year from the date of closing title.

Article 2. Remedies for Breach of this Declaration of Covenants, Conditions and Restrictions

In the event of a threatened breach of any of the covenants, conditions or restrictions by the owner of the EMU, or any successors in interest, the Agency shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.

a) Upon the occurrence of an actual breach of any covenants, conditions or restrictions by the owner of the EMU or any successors in interest, the Agency shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping any funds from a sale or incursion of Debt unapproved by the Agency and specific performance.

Any threatened or actual breach of any of the Covenants, Conditions and Restrictions recited in this document will cause irreparable harm to the Agency.

Article 3. Net Proceeds Defined; Subordinations

Net Proceeds:

"Net Proceeds" means, in the case of an arms-length agreement for sale and conveyance of the Property by the Owner, the proceeds received by the Owner from the fair market sales price, less the following: documented downpayment paid when the Owner purchased the Property; original purchase money mortgage amount, real estate commission, New Jersey realty transfer fees, closing agent fees, cost of repairs necessary to get a Certificate of Occupancy, documented cost of adding an additional bedroom or an additional bathroom.

Payoff amounts associated with secondary financing or liens not subordinated to this Declaration **will not** be deducted from the sales price when calculating net sales proceeds.

Subordination:

Any obligation including refinance, equity loan, letter of credit, or any other mortgage obligation, lien or other debt (collectively "Debt") proposed to be secured ahead of this Declaration must be approved in advance by the Agency. In the event that Debt is proposed the Agency will subordinate this Declaration only if there will be equity remaining in the Property that is adequate to repay the remaining shared appreciation calculated as of the date of the lien of the Debt. Equity will be the amount remaining from the then current appraised fair market value after deducting the principal outstanding amount of any liens with priority after subordination by the Agency. The foregoing notwithstanding, the Owner may prepay the full CHOICE subsidy repayment amount from the proceeds of Debt or any other sources at any time, but must request a payoff amount in advance from the Agency.

Article 4. Termination of Lien

This Declaration and its associated lien shall terminate:

a) Upon the satisfaction or the re-payment of the CHOICE subsidy in accordance with Article 1, or the expiration of 15 years from the Closing Date, whichever shall occur first;
b) In the event of a foreclosure or acceptance of a deed in lieu of foreclosure by the first mortgagee. Once title has been acquired by the first mortgagee through foreclosure or a deed in lieu of foreclosure, any and all restrictions and repayment requirements set forth in this Declaration, Mortgage, and Mortgage Note shall terminate.

The Agency or its successor will provide a Discharge of the Declaration at that time

Article 5. Buyer to Occupy the Property

At all times while this Declaration remains in effect, the Buyer shall personally occupy the Property as the principal residence. The Buyer may apply for hardship relief from this requirement for the same reasons and following the same procedures as set forth in the Agency's Single Family Servicing Guide dated April 1, 2007, as may be updated from time to time.

IN WITNESS WHEREOF, the Buyer has caused this Declaration of Covenants, Conditions and Restrictions to be executed on the Closing Date.

EXECUTIONS

IN WITNESS WHEREOF, the Seller(s) and Buyer have executed this Declaration of Covenants, Conditions and Restrictions Implementing Equity Sharing Controls for the purposes stated herein.

AS TO THE SELLER:

_____
(Seller)

_____
(Signature)

_____
(Print Name of Signer)

STATE OF NEW JERSEY)

) SS.

COUNTY OF)

BE IT REMEMBERED, that on date appearing below,

_____ who is the _____ (title) of the Seller personally appeared before me and who, being duly sworn by me, deposed and made proof to my satisfaction (i) that he/she is the authorized representative of the Seller named in the foregoing Declaration and (ii) and that execution said Declaration with respect to the Property and for the purposes described and set forth therein has been duly authorized by the Seller.

Sworn to and subscribed before me
This _____day of _____, 20_____.

_____

NOTARY PUBLIC

AS TO THE BUYER:

_____
(Buyer's signature)

_____
(Print name of Buyer)

_____
(Buyer's Signature)

_____
(Print name of Buyer)

STATE OF NEW JERSEY)

) SS.

COUNTY OF)

BE IT REMEMBERED, that on the date appearing below,

_____, who is the Buyer(s) personally, appeared before me, and who being duly sworn by me, acknowledged that he/she is/are the Buyer(s) named in this Declaration and that he/she executed this Declaration for the purposes set forth therein.

Sworn to and subscribed before me
This _____day of _____, 20_____.

_____

NOTARY PUBLIC

Exhibit G

RETURN TO:
New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Ave.
P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Assistant Director of Single Family
CHOICE Project: (project name, project number)

$_____

RECAPTURE MORTGAGE NOTE FOR CHOICE PROGRAM

EMERGING MARKET UNITS
(5-15 year restriction)

THIS NOTE is dated as of this ____ day of_____, 20___. For value received _____ (referred to hereinafter as "Owner") promises to pay to the New Jersey Housing and Mortgage Finance Agency, which has its principal offices at 637 South Clinton Avenue, Trenton, NJ 08650-2085 (the "Agency"), the amounts specified in this Note and promises to abide by the terms contained below.

Article 1. REPAYMENT MORTGAGE NOTE

The Owner is vested of property that is subject to a Declaration of Covenants, Conditions and Restrictions Implementing Equity Sharing Controls (hereinafter the "Declaration") and a Recapture Mortgage for CHOICE PROGRAM (hereinafter the "Recapture Mortgage") both of even date with this Note. Pursuant to the Declaration, the property described in the Declaration and in the Repayment Mortgage securing this Note (hereinafter the "Property") has been made subject to certain equity sharing repayment from "net proceeds" as defined in the Note. In accordance with this Note there is a repayment obligation at the time of the first arms-length fair market resale, or removal of cash equity subject to terms as set forth in this Note. The Owner shall repay from net proceeds as defined in Article 5, the amount of the CHOICE subsidy of $, or a portion thereof as reduced in accordance with the schedule of years as described in Article 2 below, which amount is hereinafter referred to as the "CHOICE subsidy repayment amount."

As security for the payment of amounts due under this Note and the performance of all promises contained in this Note, the Owner has given the Agency on the Closing Date the Declaration and the Recapture Mortgage.

Article 2. OWNER'S PROMISE TO PAY AND OTHER TERMS

During the 15 year shared equity period commencing with the Closing Date, removal of cash equity from the Property by the Owner is conditioned upon prior approval by the Agency, in accordance with Article 3 and upon payment to the Agency of the CHOICE subsidy repayment amount that shall be due from the net proceeds (as defined in Article 5) resulting from the arms length sale or conveyance as adjusted in accordance with the following schedule:

The shared equity period during which the Owner is obligated to pay a portion of net sales proceeds shall be for up to 15- years commencing on the Closing Date. Repayment to the Agency of the CHOICE

subsidy repayment amount that shall be due from the Net Proceeds (as defined in Article 3) resulting from the arms-length sale or conveyance as adjusted in accordance with the following schedule:

At the time of an arms length sale and conveyance or refinance of the EMU, in an amount that shall not exceed that of the Subsidy amount, the Agency shall be paid from Net Proceeds:

100% of the net appreciation should the EMU be sold/refinanced during the first 2 years;

50% should the EMU be sold/refinanced in the 3rd year;

25% should the EMU be sold/refinanced thereafter during the 4th year through the 15th year <u>except that</u> if, after the 5th year, the unit is sold to a household who will occupy the home as a primary residence, no shared appreciation shall be required. (In accordance with Declaration, the shared appreciation schedule will be reinstated and effective against the new buyer if the new buyer(s) fails to occupy the unit within 60 days and continuously thereafter for at least one year from the date of closing title. Subsequent sale by a non-resident owner to a household who will occupy the home as a primary residence will not subject the sale to shared appreciation and the shared appreciation requirement will terminate if the buyer occupies the EMU within 60 days and continuously thereafter for at least one year from the date of closing title.)

Nothing in this provision or this Note shall be construed to prohibit the Buyer from pre-paying the CHOICE subsidy amount in full at any time.

Article 3. SUBORDINATED DEBT

Any obligation including refinance, equity loan letter of credit, or any other mortgage obligation, lien or other debt (collectively "Debt") proposed to be secured ahead of the lender on the Property secured by the Recapture Mortgage that secures this Note must be approved in advance by the Agency. In the event that Debt is proposed the Agency will subordinate the Recapture Mortgage secured by this Note to such Debt only if there will be equity remaining in the Property that is adequate to repay the Note. Adequate equity to repay the Note will be the amount remaining from the then current appraised fair market value after deducting the principal outstanding amount of any liens with priority after subordination of the Recapture Mortgage, including, but not limited to, the first mortgage and the Debt. The foregoing notwithstanding, the Owner may prepay the full CHOICE subsidy repayment amount from the proceeds of Debt or any other sources at any time, but must request a payoff amount in advance from the Agency.

Article 4. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of _____ in the County of _____, State of New Jersey, described more specifically as Block No. _____ Lot No._____, and known by the street address: _____.

Article 5. NET PROCEEDS DEFINED

"Net Proceeds" means, in the case of an arms-length agreement for sale and conveyance of the Property by the Owner, the proceeds received by the Owner from the fair market sales price, less the following:

documented downpayment paid when the Owner purchased the Property; original purchase money mortgage amount, , real estate commission, New Jersey realty transfer fees, closing agent fees, cost of repairs necessary to get a Certificate of Occupancy, documented cost of adding an additional bedroom or an additional bathroom. Payoff of secondary financing or liens not subordinated to the Recapture Mortgage that secures this Note will not be deducted from the sales price when calculating net sales proceeds.

Article 6. WAIVER OF FORMAL ACTS

The Owner waives its right to require the Agency to do any of the following before enforcing its rights under this Note:

1. To demand payment of amount due (known as Presentment).
2. To give notice that amounts due have not been paid (known as Notice of Dishonor).
3. To obtain an official certificate of non-payment (known as Protest).

Article 7. RESPONSIBILITY UNDER NOTE

All Owners signing this Note, as Amended, are jointly and individually obligated to pay the amounts due and to abide by the terms under this Note. The Agency may enforce this Note against any one or more of the Owners or against all Owners together.

The Owner agrees to the terms of this Note by signing below.

ACKNOWLEDGEMENT

Owner acknowledges receipt of a true copy of the Amended Note at no charge.

Dated: _____

ATTEST:

By: _____
Signature (Owner)

_____
Signature (Co-Owner)

U:EMU Recapture Mortgage Note
5-15 year draft
Updated: 1/7/2010

Exhibit H

RECORD AND RETURN TO:
New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Ave.
P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Manager of Programs, Single Family
CHOICE Project:

REPAYMENT MORTGAGE SECURING PAYMENT OF CHOICE PROGRAM RECAPTURE NOTE IN FAVOR OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
(5 – 15 year Equity Sharing Controls)

THIS MORTGAGE, made on this the day of , 20 by and between , (the "Owner") and New Jersey Housing and Mortgage Finance Agency (the "Agency"), in connection with the property described herein (the "Property");

Article 1. REPAYMENT MORTGAGE NOTE

In consideration of value received, the Owner has signed a Recapture Mortgage Note (the "Note") dated of even date herewith. The Owner promises to pay to the Agency amounts due under the Recapture Mortgage Note, and to abide by all obligations contained therein. Both the Note and this Repayment Mortgage are made subject to a Declaration of Covenants, Conditions and Restrictions Implementing Equity Sharing Controls ("Declaration") pursuant to the CHOICE Program.

Article 2. MORTGAGE AS SECURITY FOR AMOUNT DUE

This Mortgage is given to the Agency as security for the payment required to be paid upon the arms length sale and conveyance or refinance (if permitted pursuant to Article 10) of the Property in accordance with the Owners promise to pay as set forth in the Note. The Owner shall repay, from net proceeds, as defined in Article 5 ("Net Proceeds Defined" of the Note, the total amount of the CHOICE subsidy of $, or a portion as reduced in accordance with the schedule of years, as described in Article 2 ("Owner's Promise to Pay and Other Terms") of the Note.

Article 3. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of in the County of , State of New Jersey (hereinafter the "Property"), described more specifically as Block No. Lot No. , and known by the street address:

Article 4. RIGHTS GIVEN TO THE AGENCY

The Owner, by mortgaging the Property to the Agency, gives the Agency those rights and covenants stated in this Mortgage. The rights, terms and restrictions in this Mortgage shall bind the Owner until such time as the CHOICE lien is repaid in full or to the extent possible from net proceeds at the time of the first arms length conveyance or after the satisfaction of the requisite number of years from the Closing Date. Upon performance of the promises contained in Note and Mortgage, the Agency will prepare and deliver to the then current owner a Discharge of Mortgage or other document evidencing the Owner's release from further obligation.

Article 5. DEFAULT

The Agency may declare the Owner in default of this Mortgage and the Note if:

1. The Owner attempts to convey an interest in the Property without giving prior written notice to the Agency;

2. The Owner fails to make any payment required by the Note;

3. The holder of any lien on the Property starts foreclosure proceedings; or

4. Bankruptcy, insolvency or receivership proceedings are commenced by or against the Owner.

Article 6. AGENCY'S RIGHTS UPON DEFAULT

If the Agency declares that the Note and this Mortgage are in default, the Agency shall have all rights given by law and set forth in this Mortgage.

Article 7. NOTICES

ALL NOTICES MUST BE IN WRITING AND PERSONALLY DELIVERED OR SENT BT CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES GIVEN IN THIS MORTGAGE:

THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY, ATTN: DIRECTOR, SINGLE FAMILY PROGRAMS, 637 S. CLINTON AVE., TRENTON, NEW JERSEY 08650-2085

Article 8. NO WAIVER BY THE AGENCY

The Agency may exercise any right under this Mortgage or under any law, even if the Agency has delayed in exercising that authority, or has agreed in an earlier instance not to exercise that right. The Agency does not waive its right to declare the Owner in default by making payments or incurring expenses on behalf of the Owner.

Article 9. EACH PERSON LIABLE

This Mortgage is legally binding upon each Owner individually and all their heirs, assigns, agents and designees who succeed to their responsibilities. The Agency may enforce any of the provisions of the Note and of this Mortgage against any one or more liable individuals.

Article 10. REFINANCE, SUBORDINATION

Any obligation including refinance, equity loan, letter of credit, or any other mortgage obligation, lien or other debt (collectively "Debt") proposed to be secured ahead of this Mortgage must be approved in advance by the Agency. In the event that Debt is proposed the Agency will subordinate this Mortgage only if there will be equity remaining in the Property that is adequate to repay the remaining shared appreciation calculated as of the date of the lien of the Debt. Equity will be the amount remaining from the then current appraised fair market value after deducting the principal outstanding amount of any liens with priority after subordination by the Agency. The foregoing notwithstanding, the Owner may prepay the full CHOICE subsidy repayment amount from the proceeds of Debt or any other sources at any time, but must request a payoff amount in advance from the Agency.

Article 11. SUBSEQUENT OWNERS

This Mortgage will be released upon satisfaction by the Owner. However, until such time as the Declaration is satisfied (which Declaration will not be satisfied and will survive this Mortgage if the Property is sold to a non-owner occupant or an owner occupant who fails to meet the conditions of the Declaration) subsequent owner(s) will be subject to such terms as are set forth in the Declaration.

Article 12. TERMINATION OF LIEN

This Mortgage and associated Declaration shall terminate in the event of a foreclosure or acceptance of a deed in lieu of foreclosure by the first mortgagee. Once title has been acquired by the first mortgagee through foreclosure or deed in lieu of foreclosure, any and all CHOICE EMU restrictions and repayment requirements under this Mortgage, Mortgage Note, and Declaration shall terminate. The Agency or its successor will provide a Release of Mortgage at that time.

Article 13. SIGNATURES

By executing this Mortgage the Owner agrees to all of its terms and conditions.

Article 14. ACKNOWLEDGEMENT

The Owner acknowledges receipt of a true copy of this Mortgage, at no charge to the State.

IN WITNESS WHEREOF, the Owner(s) has executed this Mortgage for the purposes stated herein.

ATTEST: _____

_____
Signature of (Owner)

_____
Signature (Co-Owner)

STATE OF NEW JERSEY)

) ss:

COUNTY OF _____)

BE IT REMEMBERED, that on this the _____ day of _____, 20___ the subscriber _____ appeared personally before me *(If more than one person signed the foregoing mortgage and appeared before me, the words "the subscriber" and "the Owner" shall include all such persons)*and who, being duly sworn by me, deposed and made proof to my satisfaction (i) that he/she is the Owner named in the foregoing mortgage and (ii) and that he/she has executed said mortgage with respect to the Property and for the purposes described and set forth therein.

Sworn to and subscribed before me, _____ on the date set forth above.

_____

NOTARY PUBLIC

DANA RONE
ESSEX COUNTY REGISTER OF DEEDS & MORTGAGES

Hall of Records
465 Martin Luther King Jr Blvd
Room 130
Newark, NJ 07102
(973) 621-4960

*RETURN DOCUMENT TO:
CHIESA SHAHINIAN & GIANTOMSI PC
ONE BOLAND DRIVE
WEST ORANGE, NJ 07052

Instrument Number - 2017000907
Recorded On 1/4/2017 At 1:41:11 PM
* Instrument Type - DEED
Invoice Number - 103877 User ID: KS
* Grantor - WATSESSING MANOR CONDOMINIUM
* Grantee - WATSESSING MANOR CONDOMINIUM
* PARCEL IDENTIFICATION NUMBER
Block: 134 Lot: 63 - BLOOMFIELD

***Total Pages - 97**

* FEES

NJ PRESERVATION ACCOUNT	$490.00
REGISTER RECORDING FEE	$500.00
HOMELESSNESS TRUST FUND	$3.00
TOTAL PAID	$993.00

I hereby CERTIFY that this document is
Recorded in the Register of Deeds & Mortgages Office
of Essex County, New Jersey

Dana Rone
Register of Deeds & Mortgages

THIS IS A CERTIFICATION PAGE

Do Not Detach

THIS PAGE IS NOW PART OF THIS LEGAL DOCUMENT

* - Information denoted by an asterisk may change during the verification process and may not be reflected on this page.

002EFC

INSTRUMENT NUMBER - 2017000907

MASTER DEED

WATSESSING MANOR CONDOMINIUM

Prepared by: _____
Gemma M. Giantomasi, Esq.

Record And Return To:

CHIESA SHAHINIAN & GIANTOMASI PC
One Boland Drive
West Orange, New Jersey 07052
(973) 325-1500

WATSESSING MANOR CONDOMINIUM

MASTER DEED INDEX

TABLE OF EXHIBITS

MASTER DEED

Watsessing Development, LLC, (the "Grantor") having offices at 46 Church Street, in the Township of Montclair, County of Essex and State of New Jersey, hereinafter referred to as the Grantor, does hereby make, declare, and publish this Master Deed made this 4th day of January, 2017.

1. SUBMISSION OF PROPERTY TO THE CONDOMINIUM ACT: The Grantor is the owner of fee simple title to the Parcels, as hereinafter defined. The Grantor hereby submits the Parcels, as hereinafter defined, to the provisions of the Condominium Act of the State of New Jersey (N.J.S.A. 46:8B-1 et seq., as amended). The Condominium property shall be known as "WATSESSING MANOR CONDOMINIUM." This Master Deed is intended to establish the condominium form of ownership for the Parcels.

2. DEFINITION OF TERMS: As used herein, the following terms shall have the meaning hereinafter set forth:

Association: Watsessing Manor Condominium Association, Inc., a New Jersey not for profit, non-stock membership corporation formed under the Corporations and Associations Not For Profit Act of the State of New Jersey, comprised exclusively of Unit Owners to effect the administration, management, maintenance, repair, and replacement of the Condominium Property pursuant to the Condominium Act, this Master Deed and the By-Laws.

Buildings: The building and improvements constructed on the Parcels as shown on the Survey. The Building consists of twelve (12) Residential Condominium Units.

By-Laws: The By-Laws of the Association, a true copy of which is annexed hereto and made a part hereof as Exhibit B.

Common Elements: All parts of the Condominium Property other than the Condominium Units. Specifically the Common Elements include, but are not limited to, the garage doors, the driveway and driveway apron at the entrance to the Buildings, the land on which the Buildings are erected, the exterior walls and roofs of the Units, open spaces, any Units, equipment, furniture, or other property which is owned by the Association, and the Limited Common Elements and also as more specifically designated in the Condominium Act.

Common Expenses: As defined in Article 5.

Condominium Act: The Condominium Act of the State of New Jersey (N.J.S.A. 46:8-B1 et seq., as amended).

Condominium Documents: This Master Deed and its Exhibits, which the Grantor has recorded in the Office of the Essex County Clerk/Register, the Association's Certificate of Incorporation, By-Laws and Rules and Regulations.

Condominium Property: The Parcels and the Buildings which include the Condominium Units.

Limited Common Element: Those Common Elements which are for the use of one or more specified Units to the exclusion of other Units. The Limited Common Elements shall include by way of description and not by way of limitation, all of the following: (1) any exterior landing, walkway, lobby or stairway to which there is direct access from the interior of an appurtenant Unit; (2) any parking space assigned to the Unit.

Parcels: The real estate described in Exhibit A annexed hereto and made a part hereof.

Permitted Mortgagee: Any holders thereof as Permitted Mortgage as defined in Section 10 hereof.

Person: An individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.

Proportionate Part or Proportionately: For each Unit, the percentage interest of each respective Unit in the Common Elements as set forth on Exhibit D hereof.

Residential Condominium Unit: A part of the Buildings designed and intended for independent use as a private dwelling (except as otherwise permitted by this Master Deed or the By-Laws) consisting of (a) the interior walls and partitions which are contained within the private dwelling, and (b) the inner decorated and/or finished surfaces of the perimeter walls, doors, floors, ceilings, and exterior and interior surfaces of windows, including dry-wall, paint, wallpaper, etc. contained in the dwelling as shown on the Survey, but shall not mean any part of the Common Elements situated within the Residential Condominium Unit (e.g. pipes, ducts, wires, conduits, and other facilities running through any interior wall or partition for the furnishing of services to other Units or to the Common Elements and any structural elements of the Buildings).

Rules and Regulations: Those Rules and Regulations of the Association that may be promulgated by same, together with all future amendments or supplements thereto.

Survey: The plans or surveys of the Condominium Property, which are annexed hereto and make a part hereof as Exhibit C.

Unit: A Residential Condominium Unit together with such Unit Owner's proportionate undivided interest in the Common Elements.

Unit Owner: The Person or Persons whose estates or interest individually or collectively aggregate fee simple absolute ownership of a Unit. The term Unit Owner does not include the Grantor unless specifically provided in the applicable sentence. Any specified percentage of Unit Owners shall mean those owners who, in the aggregate, own such specified percentage of Units.

3. DESCRIPTION OF UNIT: The legal description of each Unit shall consist of the identifying number of such Unit as shown on the Unit Plans and the Limited Common Elements related thereto attached hereto in Exhibit C. Every deed, lease, mortgage, or other instrument may legally describe a Unit as indicated in the preceding sentence and every such description shall be deemed good and sufficient for all purposes as provided in the Condominium Act.

Each Unit generally consists of the space bounded by an imaginary plane along and coincident with the innermost surface of the ceiling joists of the Unit, an imaginary plane along and coincident with the unexposed surface of the ground floor or floor joists, and imaginary planes along and coincident with the innermost surfaces of the studding of the perimeter walls of the Unit.

4. OWNERSHIP AND USE OF COMMON ELEMENTS: The proportionate undivided interest of each Unit Owner in the Common Elements is set forth in Exhibit D annexed hereto and made a part hereof. Each Unit Owner shall have the right to use the Common Elements in common with all other Unit Owners in accordance with the reasonable purposes for which they are intended. Such rights shall extend to the Unit Owner and the members of the immediate family and guests and other authorized occupants and visitors of the Unit Owner. The use of the Common Elements and the rights

of the Unit Owners with respect thereto shall be subject to and governed by the provisions of the Condominium Act, this Master Deed, the By-Laws and rules and regulations of the Association. The Association shall have the authority to lease or grant licenses or concessions with respect to the Common Elements subject to the provisions of this Master Deed and the By-Laws.

5. COMMON EXPENSES: Until the conveyance of title to the first unit, the Grantor shall be solely responsible for all Common Expenses, including insurance and fidelity bond premiums, if applicable. Following the first conveyance, the owners of the Units to whom title has been conveyed shall be responsible for their proportionate share of all Common Expenses and the Grantor shall be responsible for payment of any operating deficit for each fiscal year after taking into account any other revenues of the Association except working capital and replacement reserve contributions made by the Unit Owners at the time of acquisition of title from the Grantor. This means that the Grantor shall pay the difference between the total amount assessed and due from the individual Unit Owners and the actual amount of operating expenses incurred during the Association's fiscal year. Any expenses incurred beyond budgeted amounts shall be borne equally by all Units, either existing or under development. Grantor shall not be responsible for operating deficits caused by delinquencies of the Unit Owners. The Grantor will also pay a proportionate share of common expenses for each Unit with a certificate of occupancy, including the amount of reserves for replacement, assessed against each unit with a certificate of occupancy if not yet conveyed to an individual Unit Owner. If multiple dwellings are located in one building and at least one certificate of occupancy has been issued, the Grantor shall be responsible for payment of replacement reserves for all unsold units in the building whether completed or under development. After the Grantorr relinquishes control of the Board of Trustees of the Association (the "Board"), the Grantor shall only be responsible for payment of its proportionate share of all budgeted common expenses for all units which have been declared of record and which have not been conveyed by the Grantor to individual Unit Owners. At the time of relinquishing the control of the Board to the Unit Owners, the Grantor shall turn over all the working capital and replacement reserve contributions collected from the Unit Owners to the Association as per the accounting by an independent accountant.

6. ASSOCIATION BOARD OF TRUSTEES: The Board of Trustees of the Association (the "Board") shall constitute the governing Board referred to in the Condominium Act.

7. VOTING: Each Unit Owner shall automatically become and be a member of the Association so long as he continues to be a Unit Owner. Upon the termination of the interest of a Unit Owner, his membership shall thereupon automatically terminate and inure to the new Unit Owner succeeding him in interest. Each Unit Owner shall vote pursuant to its percentage of ownership interest. All votes shall be decided by a majority of the total votes eligible to be cast. Whenever this Master Deed or the By-Laws confer a power on the Association (as distinguished from the Board) said power shall be exercised only by vote of the Association at a meeting of the Association.

8. INTERPRETATION AND DISPUTES: The Board shall adopt procedures for the resolution of disputes with respect to the interpretation or application of the provisions of this Master Deed or the By-Laws that shall act as an alternative to litigation.

9. PARKING FACILITIES: There are twelve (12) parking spaces. The twelve (12) parking spaces will be located at grade-level in an outdoor parking area which is located adjacent to the building in the northwest corner. Each Unit shall be assigned one (1) parking space as a limited common element upon the sale of the respective Unit. The parking space will be selected by Unit owners on a first come first serve basis. One (1) of the twelve (12) parking spaces will be a designated handicapped parking space and will be assigned to the last Unit sold, if a qualified handicapped Unit owner has not requested that space. If a non-handicapped Unit owner has selected the designated handicapped space, and a qualified handicapped Unit owner requests that space, then the two Unit owners must switch parking places.

10. MORTGAGING OF UNITS: Each Unit Owner shall have the right to mortgage or encumber his Unit provided that such mortgage or encumbrance is made to a bank, trust

company, insurance company, real estate investment trust, Federal or State savings and loan association, or a mortgage banker or broker or is a purchase money mortgage made to the Grantor or to the seller or a unit (hereinafter referred to as "Permitted Mortgages").

11. PROPERTY TAXES, ASSESSMENTS, AND CHARGES: All property taxes, special assessments, and other charges imposed by any taxing authority are to be separately assessed against and collected on each Unit as a single parcel, as provided in the Condominium Act. In the event that for any year such taxes are not separately taxed to each Unit, but are taxed on the Condominium Property as a whole, then each Unit Owner including the Grantor shall pay the Association at least fifteen (15) days prior to the due date thereof, his proportionate part of said taxes in accordance with his proportionate undivided interest in the Common Elements, as set forth in Exhibit D. The Association shall thereafter remit the entire amount to the Tax Collector as soon as is reasonably possible.

12. UTILITIES: Each Unit Owner shall pay for his own telephone and utilities, including but not limited to water, gas, and electric, which are separately metered or billed to each user by the respective utility company. Utilities, including but not limited to water, which are not separately metered or billed, shall be treated as part of the Common Expenses.

13. INSURANCE: The Board shall be required to obtain and maintain, to the extent obtainable, insurance of the types and in the amounts required by the By-Laws. In addition, each Unit Owner shall be required to obtain a Home Owner's Insurance policy covering his Unit at the Unit Owner's sole expense.

If the insurance proceeds derived from a loss amount to $50,000.00 or less, then the Board shall contract with any licensed contractor or contractors to rebuild or repair such damaged or destroyed portions of the insured improvements in conformance with the original plans and specification, or if adherence to such original plans and specifications is impracticable in the discretion of the Board of Trustees, then in conformance with revised plans and specifications provided such repairs or rebuilding shall be of a quality and kind substantially equivalent to the original construction. The Board shall accept bids only in specific amounts and shall not enter into any cost-plus or other sliding scale arrangement for compensation to the contractor.

If the insurance proceeds derived from such loss exceed $50,000.00, all such insurance proceeds shall be paid directly to an Insurance Trustee as may be designated by the Board, as Trustee for all Permitted Mortgagees and all Unit Owners as their interests may then appear. Disbursement of such funds shall be made only upon the signatures of a majority of the members of the Board in accordance with the following:

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

(b) The Board shall enter into said contract with a licensed contractor or contractors which shall have provisions for periodic disbursements of funds by the Insurance Trustee. Disbursement to the contractor shall be made subject to the prior presentation of an architect's certificate and contractor's requisition containing such provisions as may be appropriate under the circumstances and deemed suitable by the Board.

The Board shall employ a properly qualified party to supervise the repair and rebuilding to ensure that such work, services, and supplies are of proper quality and that construction is completed in a workmanlike manner and according to plans and specifications.

14. MAINTENANCE, REPAIRS, AND REPLACEMENTS: Each Unit Owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs, and

replacements within his Unit; provided, however, such maintenance, repairs, and replacements as may be required for the proper functioning of the plumbing lines and electric wire situated wholly outside the Residential Condominium Unit or, if within the interior partitions, if excluded from the definition of Residential Condominium Unit in Paragraph 2 of this Master Deed, shall be furnished by the Association as part of the Common Expenses. Maintenance, repairs, and replacements of the refrigerators, ranges, and other kitchen appliances, lighting fixtures, heating and air conditioning units, and other electrical appliances, and plumbing fixtures of any Unit Owner shall be at his sole expense. Maintenance, repairs, and replacements of the Common Elements shall be furnished by the Association as part of the Common Expenses. The Association may (but need not) provide, by its rules and regulations, ordinary maintenance and minor repairs and replacements to be furnished to Condominium Units by Building personnel and charged as a Common Expense or as a special assessment.

If, due to the negligent act or omission of a Unit Owner, member of his family, household pet, guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Association. Maintenance, repairs and replacements to the Common Elements and 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 or Units shall be connected to similar equipment, facilities, or fixtures affecting or serving other Units or the Common Elements, then the use thereof by the individual Unit Owner shall be subject to the By-Laws and the rules and regulations of the Association. The authorized representatives of the Association or Board, or of the manager or managing agent for the Buildings, shall be entitled to reasonable access to the individual Units as may be required in connection with maintenance, repairs, and replacements of or to the Common Elements or any equipment, facilities, or fixtures affecting or serving other Units or the Common Elements; with notice at reasonable hours except in cases of emergency.

All maintenance and repair of garage doors, exterior landings, balconies, walkways or stairways, as well as the maintenance, repair, snow removal, resurfacing and replacement of the driveway, driveway aprons and parking facilities, whether a Common Element, Limited Common Element or Parking Condominium Unit, shall be the responsibility of the Association. Unit Owners having the use of any balcony, terrace, patio, or deck shall be responsible for all routine cleaning and snow clearing of same, as appropriate. All other maintenance of same shall be the responsibility of the Association. Each Unit Owner's right to use a Limited Common Element may not be transferred apart from the conveyance of title to his Unit.

15. EASEMENTS:

(A) UNIT OWNER EASEMENTS. Every Unit Owner, his successors and assigns, shall have the following perpetual easements with respect to the Condominium Property, which shall be for the benefit of all owners and occupants of Units in the Condominium and their invitees:

1. A non-exclusive easement in, upon, over, under, across, and through the Common Elements to keep, maintain, use, operate, repair, and replace his Unit in its original position and in every subsequent position to which it changes by reason of the gradual forces of nature and the elements; and
2. An exclusive easement for the existence and continuance of any encroachment by his Unit upon any adjoining Unit or upon any Common Elements, now existing or which may come into existence hereafter as a result of construction, reconstruction, repair, shifting, settlement, or movement of any portion of Buildings or a Unit, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Buildings stand; and
3. A non-exclusive easement for ingress and egress to his Unit in, upon, under, over, across, and through the Common Elements; and

4. An exclusive easement to use and enjoy the surfaces of the main walls (including any skylights, doors, fireplace, and chimney if any therein), ceilings, floors, stairway and foyer of his Unit; and
5. An exclusive easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines, television systems, master antenna facilities or other Common Elements located within any of the other Units or Common Elements and serving his Unit; and
6. A perpetual and non-exclusive easement in, over, and through the Common Elements to use the common facilities and recreational amenities, if any, within the Condominium subject to the right of the Board to:
    i. Promulgate Rules and Regulations for the use and enjoyment thereof;
    ii. Suspend the enjoyment of any Unit Owner for any period during which any assessment, fine, or other charge remains unpaid, or for any period during which any infraction of its published Rules and Regulations continues, it being understood that any suspension for either non-payment of any assessment or a breach of the Rules and Regulations of the Association shall not constitute a waiver or discharge of the Unit Owner's obligation to pay the assessment; and
    iii. Designate portions of the Common Elements as Limited Common Elements.
7. A non-exclusive easement for pedestrian ingress and egress to and from the other Units over and through all common walkways and roadways located within the Common Elements, which easement shall be for the benefit of all Unit Owners and occupants in the Condominium or their invitees; and
8. A non-exclusive easement for access to or use of the Common Elements within the Condominium for any other purposes not prohibited by the Condominium Documents, which easement is for the benefit of all Owners and occupants of Units in the Condominium and their invitees; and
9. A non-exclusive easement for vehicular ingress and egress reasonably required to and from the Units over and through roadways in the Condominium, which easement shall be for the benefit of all Unit Owners and occupants of Units in the Condominium and their invitees.

(B) Grantor's Easements. The Grantor, his respective successors and assigns, shall have the following easements with respect to the Condominium Property. This Master Deed cannot be amended to modify or eliminate the easements reserved to Grantor by this or any other section without the prior written consent of Grantor, and any attempt to do so will have no force or effect.

1. A blanket and non-exclusive easement in, upon, through, under, and across the Common Elements for the purpose of (i) construction installation, maintenance and repair of any improvements to the Units or the Common Elements, (ii) ingress and egress for the use of all driveways and parking areas, (iii) the utilization of existing and future model Condominium Units for sales promotion and exhibition, and (iv) installation of identification signs deemed appropriate by the Grantor, all of which may be illuminated and located anywhere on the Common Elements at the sole cost and discretion of Grantor, until the expiration of one (1) year from the date the last Unit is sold and conveyed in the normal course of business, but in no event more than five (5) years from the date of recording of the Master Deed, the Grantor's right to use the model Units for sales promotion and exhibition will end when the last Unit is sold and conveyed in the normal course of business;
2. The irrevocable right to enter unto, upon, over, or under any Unit for such purposes as may be reasonably necessary for the Grantor or its agents to service such Unit or any part of the Buildings provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not;
3. A blanket and non-exclusive easement in, upon, over, through, under, and across the Common Elements to use all driveways and parking areas to perform any service or repair required pursuant to the Grantor's warranty

obligations, until the expiration of the Grantor's warranty obligations pursuant to law;

4. A perpetual, blanket and non-exclusive easement in, upon, over, under, across, and through the Common Elements for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon the property. No individual Unit Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Condominium;
5. A blanket and non-exclusive easement in, upon, over, under, through, and across the Condominium Property for ingress and egress, and for development, construction, installation, maintenance, and repair of any improvements to any portion of the Condominium Property;
6. A perpetual, blanket, and non-exclusive easement in, upon, over, under, through, and across the Common Elements for ingress and egress to, and for the installation, construction, use, maintenance, repair, and replacement of pipes, wires, ducts, cables, conduits, public utility lines, television systems, master antenna facilities, water and sewer systems, drainage structures, and retaining walls to serve all or any portion of the Condominium Property; and
7. A blanket and non-exclusive easement in, upon, over, through, under, and across the Common Elements and existing and future model units for sales promotion and exhibition, including the posting of signs and other forms of advertisements, and the right of access to community facilities for marketing purposes, until the last unit in the Condominium is sold and conveyed in the normal course of business, but in no event more than five (5) years from the date of recording the Master Deed.

(C) Association Easements. The Condominium Property shall also be subject to the following perpetual easements for the benefit of the Association:

1. The Association shall have a perpetual and exclusive easement for the maintenance of any Common Elements, including those which presently or may hereafter encroach upon a Unit; and
2. The Association, through its Board or any manager, or managing agent, or its respective agents or employees shall have the perpetual and non-exclusive right of access to each Unit (i) to inspect same, (ii) to remedy any violations of the provisions of the Condominium Documents of the Association, and (iii) to perform any operations required in connection with its maintenance, repairs and replacements as set forth in Article XIV hereof; 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.

(D) Permitted Mortgagee Holder Easements. Any Permitted Mortgagee, 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 Common Elements, or any Units so encumbered by a first mortgage owned by it. This right shall be exercised only during reasonable daylight hours, and then whenever practicable, only after advance notice to, and with the permission of, the Board of Trustees of the Association and the Unit Owner.

(E) Utility Easements. A blanket, perpetual, and non-exclusive easement in, upon, over, across, and through the Common Elements for the purpose of installation, maintenance, repair, service and replacement of all sewer, water, power and telephone pipes, lines, mains, conduits, waters, poles, transformers, master television antennas, 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, which easement shall be for the benefit of any governmental agency, or utility company or other entity which requires same for the purpose of finishing one or more of the foregoing services.

(F) Government Easements. The Condominium Property shall also be subject to the following easements:

1. A blanket, perpetual, and non-exclusive easement of unobstructed ingress and egress in, upon, over, across, and through the Common Elements to the Township of Bloomfield, its respective officers, agents, and employees (but not the public in general) and all police, fire, and ambulance personnel in the proper performance of their respective duties (including, but not limited to, emergency repairs to a Unit), and for repair and maintenance of the Common Elements. Except in the event of emergencies, the rights accompanying the easements provided for in this subparagraph shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to, and with permission of, the Unit Owner(s) directly affected thereby; and
2. A perpetual, blanket, and non-exclusive easement in, upon, over, under, across, and through the Common Elements to the Township of Bloomfield, its respective officers, agents, and employees (but not the general public) for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon the Condominium Property. No individual Unit Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Condominium Property.

(G) Responsibility for Damages. In the event that any easement right set forth in this Article 15 is exercised, the person or entity exercising such right shall be responsible for the repair of any damage and liable for any personal injury or property damage arising directly or indirectly form its use or maintenance of the easement area.

16. DEED RESTRICTIONS: All Units will be subject to deed restrictions, mortgages and notes. All deed restrictions and mortgages will be recorded with the Essex County Clerk's/Register's Office.

The deed restrictions, mortgages and notes related to the aforementioned Units are as follows:

1. Declaration of Covenants, Conditions and Restrictions Implementing Equity Sharing Controls for New Jersey Housing and Mortgage Finance Agency Non-Deed Restricted Emerging Market Units (5 or 15 year equity sharing controls) - A copy of said declaration is attached hereto as Exhibit F.
2. Recapture Mortgage Note for CHOICE Program Non-Deed Restricted Program Emerging Market Units (5 - 15 year equity sharing controls) - A copy of said note is attached hereto as Exhibit G.
3. Repayment Mortgage Securing Payment of CHOICE Program Recapture Note in Favor of the New Jersey Housing and Mortgage Finance Agency (5 - 15 year Equity Sharing Controls) - A copy of said mortgage is attached hereto as Exhibit H.

17. PETS: One pet, not exceeding twenty-two (22) pounds in weight, shall be permitted per Residential Condominium Unit, provided that they are carried in the Common Elements and are walked offsite. Certified service animals are excluded from this provision and may be kept in accordance with State and Federal law, however service animals may not interfere with the use and enjoyment of the Common Elements. Further, pets may not be kept, bred, or maintained for any commercial purpose.

18. DECORATING: Each Residential Condominium Unit Owner shall furnish and be responsible for, at his expense, all of the decorating within his own Residential Condominium Unit from time to time, including painting, wall papering, washing (including windows, inside and outside), cleaning, paneling, floor covering, draperies, window shades, curtains, lamps, and other furnishings and interior decorating. Each Residential Condominium Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors, and ceilings which constitute the exterior boundaries of the respective Residential Condominium Unit owned by him, and such owner shall maintain such interior surfaces (or drop ceiling) in good condition at his sole expense as may be required from time to time, and each such Residential Condominium Unit Owner

shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. The use of and the covering of the interior surfaces of such windows and the doors leading to the decks, whether by draperies, shades, or other items visible on the exterior of the Buildings, shall be subject to the rules and regulations of the Association. Decorating of the Common Elements (other than interior surfaces) within the Condominium Property to the extent made necessary by any damage to existing decorating of such Residential Condominium Unit caused by maintenance, repair, or replacement work on the Common Elements by the Association, shall be furnished by the Association as part of the Common Expenses. No Unit Owner shall have any right to replace the windows in a Unit unless said windows are replaced with a similar window that has been previously approved by the Board of Trustees.

19. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS: No Unit Owner (other than the Grantor) may make any structural additions, alterations, or improvements in his Unit or of the Common Elements without the prior written approval of the membership of the Association or impair any easement without the written consent of the membership of the Association or of the Unit Owner or Owners for whose benefit such easement exists.

While the Grantor maintains a majority of the Board, it shall make no additions, alterations, improvements or purchases not contemplated in this offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a governmental agency, title insurance company, mortgage lender, or in the event of an emergency.

20. ENCROACHMENTS: If any portion of the Common Elements shall actually encroach upon any Unit or if any Unit shall actually encroach upon any portions of the Common Elements, as the Common Elements and Units are shown on the Survey, there shall be deemed to be mutual easements in favor of the owners of the Common Elements and the respective Unit Owners involved to the extent of such encroachment so long as the same shall exist.

21. SALE OR LEASE OR OTHER DISPOSITION OF UNITS: Should the Unit Owner wish to sell or lease his Unit, he shall, before accepting any offer to sell or lease his Unit, comply with the applicable provision of the By-Laws, specifically, but not limited to, Article VII. Any attempt to sell or lease a Unit except as provided in the By-Laws, shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser or lessee.

22. REMEDIES: In the event of any default by a Unit Owner under the provisions of the Condominium Act, this Master Deed, the By-Laws or rules and regulations of the Association, the Association and the Board of Trustees shall have each and all of the rights and remedies which may be provided for in the Condominium Act (except as otherwise provided in this Master Deed or the By-Laws), this Master Deed, the By-Laws or said rules and regulations or which may be available at law or in equity, and may prosecute any action or other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien, statutory or otherwise, including but not limited to foreclosure of such lien, appointment of a receiver for the Unit, damages, an injunction, specific performance, judgment for payment of money and collection thereof, or for any combination of remedies or for any other relief. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses, all damages, liquidated or otherwise, together with interest thereon at the maximum legal rate until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective part of the Common Expenses and the Association shall have a lien for all of the same. In the event of any such default by any Unit Owner, the Association, the Board, and the manager or managing agent if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all of such rights and remedies may be exercised at the time and from time to time, cumulatively or otherwise, by the Association or the Board.

23. AMENDMENTS: The provisions of this Master Deed may be amended from time to time upon the approval of such amendment or amendments by the Association

pursuant to a resolution or written consent approving such amendment or amendments adopted or given by Unit Owners owning not less than Sixty-seven (67%) percent of the total number of Units in the Condominium Property; provided, however, if the Condominium Act or this Master Deed shall require the consent or agreement of a larger percentage of Unit Owners or lien holders for any action specified in the Act or in the Master Deed, then any amendment or amendments with respect to such action shall require said larger percentage of consent or agreement as may be provided in the Condominium Act or in this Master Deed. The Grantor shall not be permitted to cast any votes held by him for unsold lots, parcels, units, or interests for the purpose of amending the Master Deed, by-laws or any other document for the purpose of changing the permitted use of a Lot, Parcel, Unit or interest, or for the purpose of reducing the Common Elements or Limited Common Elements. Each such amendment shall be effective upon the recording of an appropriate instruction setting forth the amendment and its due adoption, execution, and acknowledgment by one or more officers or the Grantor of the Board. All amendments to this Master Deed shall be recorded and shall not become effective until recorded in the same office in which the Master Deed was recorded.

24. NOTICE: All notices provided for in the Condominium Act, this Master Deed, or the By-Laws shall be in writing, and shall be addressed to the Association or to any Unit Owner at the Buildings, or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them respectively, by giving written notice of such change of address to all Unit Owners at such time. Any Unit Owner may also designate a different address or addresses for notice to him by giving written notice of his change of address to the Association. Notice addressed as above shall be deemed delivered when mailed in the United States registered or certified mail or when delivered in person with written acknowledgment of the receipt thereof, or, if addressed to a Residential Condominium Unit Owner, when deposited in his mailbox in the Building or at the door of his Residential Condominium Unit in the Building.

25. SEVERABILITY: The invalidity of any provisions of this Master Deed or of the By-Laws attached hereto shall not be deemed to impair or affect in any manner the validity, enforceability or effect the remainder of this Master Deed or the By-Laws, and in such event, all of the other provisions of this Master Deed and the By-Laws shall continue in full force and effect as if such invalid provision had never been included in either document.

26. PARTITION: No Unit Owner shall have the right to partition the Common Elements nor to do any act or take any action that would result in the destruction of condominium form of ownership as established by the Condominium Act.

27. RIGHTS AND OBLIGATIONS: The provisions of this Master Deed and the By-Laws and the rights and obligations established thereby shall be deemed to be covenants running with the land, so long as the Condominium Property remains subject to the provisions of the Condominium Act and shall inure to the benefit of and be binding upon each and all of the Unit Owners and their respective heirs, representatives, successors, assigns, purchasers, lessees, grantees, and mortgagees. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Condominium Act, the rules and regulations of the Association and the provisions of the Master Deed, as they may be amended from time to time, are accepted and ratified and will be complied with. Each purchaser of a Unit in the Condominium will, by virtue of his ownership, become a member of the Association.

28. RATIFICATION, CONFIRMATION, AND APPROVAL OF AGREEMENTS: The fact that some or all of the officers, trustees, members, or employees of the Association and the Grantor are identical, and the fact that the Grantor or its nominees, have heretofore or will 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, or the propriety and legality of said agreement or said agreements, or any other agreements authorized and permitted by the Condominium Act, this Master Deed and the By-Laws.

29. EMINENT DOMAIN: If all or any part of the Common Elements shall be taken, injured or destroyed by eminent domain, all applicable provisions of the Condominium Act shall control the respective rights of the Unit Owners, including the Grantor. Notwithstanding the aforementioned, no Unit Owner or any other party shall have priority over any rights of a first Permitted Mortgagee of a Unit to any eminent domain award for a taking of a Unit and/or the Common Elements.

30. GENDER: The use of the masculine gender in the Master Deed shall be deemed to include the feminine or neuter gender, as the circumstances may require, and the use of the singular, by way of illustration and not limitation, such as Grantor, shall be deemed to include the plural whenever the context so requires.

31. MISCELLANEOUS: Nothing herein shall be construed to prohibit the reasonable adaptation of any unit for handicapped use.

32. GRANTOR ACTIONS: While the Grantor maintains control of the Board, he will take no action which adversely affects a homeowner's rights under N.J.A.C.5:25-5.5. Claims relative to common element defects shall be processed in accordance with N.J.A.C.5:25-5.5.

33. GRANTOR RIGHTS:

(A) RATIFICATION, CONFIRMATION AND APPROVAL OF AGREEMENTS. The fact that some or all of the officers, directors, members or employees of the Association and the Grantor may be identical, and the fact that the Grantor or its nominees, have heretofore or may hereafter enter into agreements with the Association or with third parties, will not invalidate any such agreements and the Association and the Unit Owners, 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 a deed therefor by any party, shall constitute the ratification, confirmation and approval by such purchaser, its heirs, legal representatives, successors and assigns, of the propriety and legality of said agreements or said agreement, or any other agreements authorized and permitted by the Condominium Act, this Master Deed, the Certificate of Incorporation or the By-Laws.

(B) RIGHTS RESERVED TO GRANTOR. Subject to Condominium Act, this Master Deed, specifically including, but not limited to Section 23 hereof and the Bylaws, Grantor hereby reserves for itself, its successors and assigns, for so long as it owns one or more Units in the Condominium:

1. the right to sell, lease, mortgage, sublease or otherwise dispose of any unsold Units within the Condominium in the normal course of business; and

2. the right, until the date the last Unit in the Condominium is conveyed in the normal course of Grantor's business, but in no event more than five (5) years from the date this Master Deed is recorded, to use the Common Areas for on-site sales, storage, construction and service trailers for storage of construction materials and equipment; for models and administrative offices; and for any and all purposes deemed necessary by Grantor for the rental and sales promotion and exhibition of Units, provided however, that the Grantor's use of the Common Areas for the foregoing purposes does not materially hinder, impede or interfere with the use and enjoyment of the Common Areas by the Unit Owners.

(C) USE OF EASEMENTS. Grantor, its successors, agents, affiliates, employees or subcontractors shall have the right to utilize easements, roads, drainage facilities, utility lines and the like within or servicing the Condominium.

(D) Protection of Grantor. The prior written approval of Grantor will be required before any amendment that would materially impair or materially diminish the rights of Grantor to sell or lease Units; or subdivide or demolish, repair, renovate or reconstruct Units, in accordance with this Master Deed shall become effective. Notwithstanding any other provisions of this Master Deed, until such time as Grantor no longer owns any Unit or Units in the Condominium that it intends to sell in a commercially

reasonable manner, the following actions, before being undertaken by the Association, shall first be approved in writing by Grantor, which approval shall not be unreasonably withheld, conditioned or delayed:

1. Any amendment or action requiring the approval of Permitted Mortgagees pursuant to this Master Deed;

2. Any significant reduction of Association maintenance or other services;

3. Material alteration in the method of fixing and collecting Common Expense assessments or any increases in Common Expense assessments beyond the amounts permitted under this Master Deed;

4. Material reduction in the level of, or change in allocation of responsibility for maintenance of and repairs to all or any portion of the Common Elements subject to this Master Deed, or any other maintenance obligations of the Association set forth in this Master Deed;

5. The grant by the Association of an interest in all or any portion of the Common Elements;

6. Material modification of the enforcement and review procedures of the Association, or any change in the architectural and landscaping design originally installed in the Condominium;

7. Material modification to improvements in the Common Elements or to the level or frequency of maintenance of same;

8. Material alteration in the method of enforcing the provisions of this Master Deed; or

9. Any material modification of the rights reserved and granted to Grantor herein with respect to development of the Parcels.

(E) TRANSFER OF GRANTOR'S SPECIAL RIGHTS. No special rights created or reserved to the Grantor under this Master Deed (hereinafter "Special Grantor Rights") may be transferred except by an instrument evidencing the transfer recorded in the Office of the Register of Essex County, New Jersey. The instrument shall not be effective unless executed by the transferee.

1. LIABILITY OF TRANSFEROR. Upon transfer of any such Special Grantor Right, the liability of the transferor is as follows:

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

(ii) If a transferor retains any such Special Grantor Right, or if a successor to any such Special Grantor Right is an affiliate of the Grantor, the transferor is subject to liability for all obligations and liabilities imposed on Grantor by law or by the Master Deed, arising after the transfer, and is jointly and severally liable with the successor for the liabilities and obligations of the successor which relate to the Condominium.

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

(F) TRANSFER OF RIGHTS REQUESTED. Unless otherwise provided in a mortgage instrument or deed of trust, in case of foreclosure of a mortgage, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings, of any Units owned by Grantor in the Condominium, a person acquiring title to all the Units being

foreclosed or sold, but only upon its request, succeeds to all such Special Grantor Rights. The judgment or instrument conveying title shall provide for transfer of only the Special Grantor Rights requested.

(G) FORECLOSURE, BANKRUPTCY, RECEIVERSHIP. Upon foreclosure, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings, of all Units in the Condominium owned by Grantor:

1. The Grantor ceases to have any such Special Grantor Rights; and

2. The period of Grantor control terminates unless the judgment or instrument conveying title provides for transfer of all such Special Grantor Rights to a successor to Grantor.

(H) LIABILITY OF SUCCESSORS. The liabilities and obligations of persons who succeed to all Special Grantor Rights are as follows:

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

2. A successor to all such Special Grantor Rights, other than a successor described in subparagraph (3) of this subsection H hereof who is not an affiliate of Grantor, is subject to all obligations and liabilities imposed upon Grantor by law or the Master Deed, but it is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Grantor or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Grantor.

3. A successor to any or all Special Grantor Rights who is not an affiliate of Grantor and who succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Units under Section 33(F) aforesaid, may declare its intention in a recorded instrument to hold those rights solely for transfer to another party. Thereafter, until transferring all such Special Grantor Rights to any person acquiring title to any Unit owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than the right to control the Board for the duration of any period of Grantor control, and any attempted exercise of those rights is void. So long as a successor Grantor may not exercise special rights under this subsection, it is not subject to any liability or obligation as a Grantor other than liability for the successor's express acts and omissions under the Master Deed. A successor under this subsection is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Grantor or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Grantor.

Nothing in this Section 33 (H) subjects any successor to a Special Grantor Right to any claims against or other obligations of a transferor other than claims and obligations directly relating to such successor's express exercise of said Special Grantor Right arising under the Master Deed.

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed the day and year first above written.

Witness

WATSESSING DEVELOPMENT, LLC

By: Robert Richardi, Member

By: Paul DeBellis, Sr., Member

STATE OF NEW JERSEY, COUNTY OF ESSEX:

I CERTIFY that on the 4th day, in the month of November 2016, Robert Richardi and Paul DeBellis, Sr., members of Watsessing Development, LLC, personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

(a) was the maker of and personally signed this document;
(b) was authorized to and did execute this document Individually as the Members of Watsessing Development, LLC, the entity named in this document;
(c) executed this document as the act of the entity named in this document.

LAURA M. GERARD
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 30, 2017

NOTARY PUBLIC

EXHIBIT A

Issued by
Vested Land Services LLC
AGENT FOR OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

SCHEDULE C
LEGAL DESCRIPTION

File No: 92141

Policy No.: ProForma

ALL that certain lot, piece or parcel of land, situate, lying and being in the municipality of Township of Bloomfield, in the County of Essex, State of New Jersey:

BEGINNING at a point in the northeasterly line of Myrtle Street distant 4.00 feet on a course of North 62 degrees 30 minutes West from the northwesterly line of Orange Street as monumented produced on a course of South 27 degrees 55 minutes West; thence

1. Along the said line of Myrtle Street North 62 degrees 30 minutes West, 137.40 feet to a line of land now or formerly of John Ferguson; thence

2. North 28 degrees 5 minutes East and parallel with the westerly side of Old Orange Road, 105.70 feet to a line of land now or formerly of John Ferguson; thence

3. Along the same, South 62 degrees 30 minutes East, parallel with Myrtle Street, 114.98 feet to the westerly line of Willow Street; thence

4. Along the same, South 3 degrees 47 minutes East, 49.68 feet to the northwesterly line of Orange Street as monumented; thence

5. Along the same, South 27 degrees 55 minutes West, 59.24 feet to a point distant 4.00 feet on a course of North 27 degrees 55 minutes East, from the point of intersection of said northwesterly line of Orange Street produced and the northeasterly line of Myrtle Street produced; thence

6. South 72 degrees 42 minutes West along the northeasterly line of Orange Street and the northerly line of Myrtle Street, 5.68 feet to the point and place of BEGINNING.

FOR INFORMATION PURPOSES ONLY: BEING known as 7 Myrtle Street, Tax Lot 63 in Tax Block 134 on the Official Tax Map of the Township of Bloomfield, NJ.

EXHIBIT B

BY LAWS

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BY-LAWS

OF

WATSESSING MANOR CONDOMINIUM ASSOCIATION, INC.
A New Jersey Not for Profit Corporation

7 Myrtle Street in the Township of Bloomfield, County of Essex, State of New Jersey

ARTICLE I

NAME, OFFICE, AND PURPOSE

Section 1. Name and Principal Office. The Association is formed to serve as a means through which the owners of the Residential Condominium Units, defined herein as set forth in the Master Deed, (collectively referred to as the "Unit Owners") may take action with regard to the administration, management, maintenance, repair, and operation of the Condominium Property (hereinafter defined) known as WATSESSING MANOR CONDOMINIUM (the "Condominium"), situated in the Township of Bloomfield, Essex County, New Jersey, which has been created and established in accordance with the provisions of a Master Deed which has been recorded in the office of the Essex County Clerk, by Watsessing Development, LLC ("the Grantor"), to which these By-Laws are appended as an exhibit. The statutes relating to the Condominium in effect in the State of New Jersey pursuant to which the Condominium has been created and established and is to be governed are P.L. 1969, Ch. 257, R.S. 46:8B-1 et seq., as amended, of the laws of the State of New Jersey (the "Condominium Act"); and Watsessing Manor Condominium Association, Inc. ("the Association") is intended to be the entity responsible for the administration and management of the condominium as provided in the Condominium Act.

ARTICLE II

PLAN OF CONDOMINIUM UNIT OWNERSHIP

Section 1. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Condominium and to the use and occupancy thereof. The term "Condominium Property" as used herein shall include the land, the building ("Building") and all other improvements thereon, including the Residential Condominium Units, the Common Elements, and Limited Common Elements as defined in the Master Deed, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all as set forth in the Master Deed.

Section 2. Application. All present and future Unit Owners, mortgagees, lessees and occupants of Residential Condominium Units and their employees, and any other persons who may use the facilities of the Residential Condominium Property in any manner are subject to these By-Laws, the rules and regulations of the Association and the Master Deed. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit, defined herein as set forth in the Master Deed, shall constitute an agreement that these By-Laws, the rules and regulations of the Association and the provisions of the Master Deed, as they may be amended from time to time, are accepted and ratified and will be complied with. Each purchaser of a Unit will, by virtue of his ownership, become a member of the Association. Title to a Unit may be taken in the name of an individual or in the names of two or more persons, as tenants in common, as joint tenants, or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.

ARTICLE III

MEETING OF UNIT OWNERS

Section 1. Place of Meeting. The Unit Owners of the Condominium shall hold meetings at the Building, or at such other place as may be fixed from time to time by the Board of Trustees of the Association (the "Board of Trustees") and designated in the notice of such meeting.

Section 2. Annual Meeting. The first annual meeting of the Unit Owners shall be held at 8:00 o'clock P.M. on the first Monday of the sixth month following the end of the fiscal year of the Association, but not prior to the time at which the Board of Trustees contains one (1) Trustee elected by Unit Owners other than Grantor pursuant to Article IV Section 1 (B) of these By-Laws. Thereafter, in each succeeding year, an annual meeting of the Unit Owners shall be held on the first Monday of said month or, in the event that date is a legal holiday, on the first day thereafter which is not a legal holiday. Subject to the provisions of Section 1 of Article IV, at each annual meeting the Unit Owners shall elect Trustees of the Association and may transact such other business as may properly come before the Board of Trustees.

Section 3. Special Meetings. Special meetings may be called by the President, Vice President, Secretary or a majority of the Board of Trustees, and must be called by such officers upon receipt of written request of fifty percent (50%) or more of the Unit Owners; provided, however, that in the discretion of the Board of Trustees, no more than one special meeting need be held in any one calendar month. Such written request shall state the purpose or purposes of the proposed meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice of such special meeting.

Section 4. Record Date. For the purpose of determining the Unit Owners entitled to the notice of any meeting of the Association, or any adjournment thereof, or for the purpose of any other action, the Board of Trustees shall fix, in advance, a date as the record date for such determination. Such date shall not be more than thirty (30) nor less than ten (10) days before the date of the meeting. If no record date is fixed, then the date shall be ten (10) days before the date of the meeting.

Section 5. Notice of Meeting. Notice of meeting to the Unit Owners shall be in writing and, except in the case of the annual meeting, shall indicate and state that it is being issued by or at the direction of the person or persons calling the meeting and the purpose therefore. Such notice shall be mailed or delivered not less than ten (10) nor more than sixty (60) days prior to the date of the meeting. Notice of all meetings at which disposition is to be made of assets or granting of rights of easements in the Condominium Property must also be given to the record holders of permitted mortgages on any Unit.

Section 6. Waiver of Notice. Notice of a meeting need not be given to any Unit Owner who signs a waiver of notice either in person or by proxy, whether before or after the meeting. The attendance of any Unit Owner at a meeting in person or by proxy, without protesting prior to the conclusion of the meeting the lack of proper notice to him of such meeting, shall constitute a waiver of notice of the meeting by him.

Section 7. Quorum. The presence in person or by proxy of Unit Owners holding at least fifty-one percent (51%) or more of the ownership interest in the Common Elements shall constitute a quorum at a meeting of the Unit Owners.

Section 8. Majority Vote. The vote of a two-thirds majority of the votes cast by Unit Owners at a meeting at which a quorum shall be present, shall be binding upon the Unit Owners for all purposes other than those under which the terms of the Master Deed or these By-Laws or the provisions of New Jersey law require a higher percentage.

Section 9. Voting. Except as otherwise required by law, or specifically required by the Master Deed, each Unit Owner shall vote pursuant to its percentage of ownership

in accordance with the Master Deed. A fiduciary shall be entitled to vote with respect to any Unit owned in a fiduciary capacity. If there are co-owners of record of a Unit (whether by joint tenancy, tenancy in common, tenancy by the entireties, partnership, or otherwise), all of such co-owners may attend the meetings of the Association but their votes shall be exercised unanimously by having such co-owners designate in writing one person who alone shall be entitled to exercise the entire voting rights appurtenant to such Unit, which designation shall be recorded on the voting list and shall be controlling until canceled or superseded by a written notice to the Secretary of the Board of Trustees, signed by all such co-owners and received at least one (1) day prior to the meeting or meetings to which such notice relates. If at any time the co-owners of a Unit cannot unanimously agree how to cast their votes at a meeting, then and in that event the votes appurtenant to their Unit shall not be permitted to be cast at that meeting and, for the purpose of determining a quorum, that unit owned by such co-owner shall be deemed to be zero and shall not be entitled to cast any vote at that meeting. If the co-owners of a Unit shall not be permitted to cast the votes appurtenant to their Unit for the reason specified in the immediately preceding sentence, they shall be deemed to have consented to any action taken at such a meeting which requires the unanimous consent of all Unit Owners. Despite the foregoing, if co-owners of a Unit shall have failed to designate a person to cast their votes and if only one of such co-owners is present or represented by proxy, he, or the holder of such proxy, as the case may be, shall be accepted by the Association as the agent and attorney-in-fact for the other co-owners not present and shall be permitted to cast all of the votes appurtenant to such Unit if held in a fiduciary capacity, the fiduciary and not the beneficiary shall be entitled to exercise the voting rights appurtenant to such Unit. If a Unit is held by a corporation, its governing board shall designate a person to exercise its voting rights which such designation shall be recorded on the voting list and received by the Secretary of the Board of Trustees at least one day prior to the meeting to which such designation relates.

No vote shall be cast for the election of the Board of Trustees on behalf of a Unit which has been acquired by the Association in its own name or in the name of its agent, designee, or nominee on behalf of all of the Unit Owners so long as it continues to be so held. Votes may be cast by each Unit Owner in person or by his proxy. The designation of any such proxy shall be made in writing and filed with the Secretary of the Association before the appointed time of the meeting. A proxy shall be valid only for the particular meeting designated therein and may be revoked by the Unit Owner by appearance in person at the meeting upon filing with the Secretary at the time of the notice of revocation.

When a member of the Board of Trustees who has been elected by Unit Owners other than Grantor is removed or resigns, that vacancy shall be filled by a Unit Owner other than Grantor.

The "Guidelines for Elections in Common Interest Communities," issued by the New Jersey Department of Community Affairs and attached hereto as Exhibit A, shall govern all other election and voting procedures.

Section 10. Good Standing. A Unit Owner shall be deemed "in good standing" and shall therefore be entitled to vote as herein provided at any meeting of Unit Owners subject, however, to the limitations of Section 9 of this Article, if said Unit Owner shall have paid, in full, at least five (5) days prior to the date fixed for a particular meeting, all then due assessments, charges, and any interest, penalties, costs, fees and the like which have been levied against his Condominium Unit and/or himself. The Board of Trustees shall be the sole judge of whether a Unit Owner has paid all then due assessments, charges and interest, penalties, costs, fees, and the like which have been levied against his Unit and/or himself.

Section 11. Adjournment of Meeting. If any meeting of Unit Owners cannot be held because quorum has not attended, the meeting shall be adjourned to a time not less than 48 hours from the time scheduled for the original meeting.

Section 12. Order of Business. The order of business at the annual meeting of the Unit Owner shall be as follows:

(a) Roll Call
(b) Proof of Notice of Meeting
(c) Reading of Minutes of Preceding Meeting
(d) Reports of Officers (including the Treasurer's report on the Annual Financial Statement and current budget)
(e) Report of Board of Trustees
(f) Report of Committees (if any)
(g) Appointment of Inspectors of Election
(h) Election of Members of the Board of Trustees
(i) Unfinished Business
(j) New Business
(k) Adjournment

With regard to new business as set forth in subparagraph (j) above, any matter constituting new business may only be added to the agenda by a Unit Owner for purposes of taking a vote thereon if a petition, signed by the Unit Owners requesting that such matter be added to the agenda of new business, is served upon the Secretary of the Association not less than fourteen (14) days nor more than sixty (60) days prior to the last day upon which notice of the meeting must be given pursuant to Section 5 hereof. The order of business at all other meetings of the Unit Owners shall conform to the above order of business insofar as the special purpose or purposes thereof will permit.

ARTICLE IV

BOARD OF TRUSTEES

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Trustees, consisting initially of not less than three (3) members, who shall be designated by the Grantor. Until such time as trustees are elected by Unit Owners, all trustees will be designated by the Grantor.

Within thirty (30) days after Unit Owners other than the Grantor are entitled to elect a member or members of the Board, the Association shall call a meeting of the Unit Owners to elect the new members of the Board. Notice of this meeting shall be made, not less than twenty (20) days, and not more than thirty (30) days, prior to the meeting.

The Board of Trustees will be turned over to the Unit Owners as follows:

A. Within sixty (60) days after conveyance by the Developer of twenty-five percent (25%) of the maximum number of units to be constructed at the Condominium, the Association will hold a special meeting of Unit Owners at which one (1) trustee theretofore designated by the Developer shall be replaced by a person elected by Unit Owners other than the Developer; and

B. Within sixty (60) days after conveyance by the Developer of seventy-five percent (75%) of the maximum number of units to be constructed at the Condominium, the Association will hold a special meeting at which time, the remaining two (2) trustees theretofore designated by the Developer will be replaced by persons elected by Unit Owners other than the Developer; provided, however, that so long as any Units in the Condominium remain unsold in the regular course of business, the Developer will have the right to designate one member of the trustees.

C. Within five (5) years from the date of the project offering registration, the Association will hold a special meeting, at which time the Developer will offer to yield control. However, a majority vote of Unit owners is required before control will be assumed. Should the Unit Owners vote not to accept control, the Developer will continue to control the Association until the seventy-five percent (75%) threshold is reached.

D. Notwithstanding the above, within sixty (60) days after conveyance of seventy-five percent (75%) of Units, the Developer's control of the Board shall

terminate, at which time the owners shall elect the entire Board. However, at its discretion, the Developer maintains the right to retain one member of the Board, so long as there are any Units remaining unsold in the regular course of business.

Thereafter, the Board of Trustees shall consist of three (3) persons, (or such greater number as may be fixed by the Board of Trustees from time to time), each of whom (except in the case of Condominium Unit owned by the Grantor) shall be owners or spouses of owners of Units, or in the case of partnership owners shall be members of such partnership, or in the case of corporate owner shall be officers or stockholders of such corporation, or in the case of fiduciary owner shall be fiduciaries or officers of such fiduciaries provided that at all times a least one member of the Board of Trustees shall be a resident of the State of New Jersey.

Each owner of a Unit shall automatically, upon becoming an owner of a Unit, be a member of said Association until such time as his ownership ceases for any reason, at which time his membership in said Association shall automatically cease. Other than as an incident to a lawful transfer of title to a unit, membership in the Association shall be non-transferable and any attempt to transfer shall be null and void.

Prior to, or not more than sixty (60) days after, the time that Unit Owners other than the Grantor elect a majority of the members of the Board of Trustees, the Grantor shall relinquish control of the Association and the Unit Owners shall accept control. Simultaneously, the Grantor shall deliver to the Association all property of the Unit Owners and of the Association held or controlled by the Grantor including but not limited to, the items set forth in N.J.S.A. 46:8B-12.1. Which are as follows: Certified copy of the complete Master Deed and amendments, certified copy of Association Articles of Incorporation, copy of By-Laws, minutes, rules and regulations, officer resignation, association fund accounting, association funds, personal property of association, copy of plans and specifications, insurance policies, certificates of occupancy, any permits issued within one year, warranties, roster of Unit Owners, leases, employment, management contracts, and any other contracts to which to association is a party.

Section 2. Powers and Duties. The Board of Trustees shall have the powers and duties necessary for the administration and management of the affairs of the Association and may do all such acts and things, except those which by law or by Master Deed or by these By-Laws may not be delegated to the Board of Trustees, pursuant to the Condominium Act, the powers and duties of the Board of Trustees shall include, but shall not be limited to, the following:

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

(b) Determination of the Common Expenses required for the affairs and duties of the Association, including the establishment of reasonable reserves for future replacement of, and maintenance of, the Condominium Property.

(c) The Board of Trustees shall, prior to the beginning of each fiscal year of the Association, prepare a budget which shall determine the amount of common charges payable by each Unit to meet the Common Expenses of the Association, including the aforesaid reserves, and to make up any deficit in the Common Expenses of any prior year. The Board of Trustees shall allocate and assess such charges among the Unit Owners in accordance with the applicable provisions of the Master Deed.

(d) Unit Owners are permitted to attend and participate in the meeting held for the purpose of preparing the budget but said Unit Owners shall not be permitted to vote on matters pertaining thereto. Unit Owners shall be advised of the amount of Common Expenses payable by each of them and these charges shall be paid to the Association in twelve (12) equal monthly installments on the 1st day of each month of the fiscal year, in advance, at the office of the Association. A statement of the aforesaid yearly charges along with a copy of the annual budget shall be

mailed to each Unit Owner at the commencement of each fiscal year and no further billing by the Association shall be required.

(e) The fiscal year of the Association shall be a calendar year.

(f) Despite anything in these By-Laws or elsewhere to the contrary, the Board of Trustees shall not have the authority, except for the repair and/or replacement of any Common Element or such other emergency as determined by the Board of Trustees, to expend in excess of $5,000.00, on any item of expense in any year which is not specified in, or if specified, over the amount indicated for such item in, the aforesaid budget for such year without the consent of the majority of the Unit Owners.

(g) Employment and dismissal of personnel necessary for the maintenance and operation of the Condominium Property, including the Common Elements and other property which may be owned by the Association.

(h) Adoption of rules and regulations covering the operation and use of the Condominium Property.

(i) Opening of bank accounts on behalf of the Association and designation of the signatories required therefore.

(j) Purchase or arrangement for such services, machinery, tools, supplies, and the like as in the opinion of the Board of Trustees may, from time to time, be necessary for the proper operation and maintenance of the Condominium Property and Common Elements and the facilities and general business of the Association. As of the date of these By-Laws, Grantor has entered into a Management Agreement Contract for a period of one (1) year with De-Camp Realty Company, Inc., a New Jersey Corporation, which is owned by the principals of Grantor. Pursuant to N.J.A.C. 5:26-8.5, said management contract shall not be renewed for a period in excess of one year. Grantor shall post an appropriate bond while maintaining a majority of the Board of Trustees pursuant to item (o) below and N.J.A.C 5:26-8.7(d). The Board of Trustees may employ a manager for the Association at such compensation as it may deem appropriate, to perform such duties as the Board of Trustees may so designate and may lawfully delegate.

(k) Employment of legal counsel, engineers, and accountants and fixing their compensations whenever such services may be deemed necessary by the Board of Trustees.

(l) Maintenance of detailed books of accounts of receipts and expenditures of the Association. Such books of accounts shall be audited when requested by the Board of Trustees but not less than annually by a certified public accountant and a statement reflecting the financial condition and transactions of the Association shall be furnished to each Unit Owner on annual basis. The books of accounts and any supporting vouchers shall be made available for examination by a Unit Owner at convenient hours on working days that shall be established by the Board of Trustees and announced for general knowledge.

(m) While the Grantor maintains a majority of the Board of Trustees, it shall have an annual audit of Association funds prepared by an independent accountant, a copy of which shall be delivered to each Unit Owner within ninety (90) days of the expiration of the fiscal year of the Association. The audit shall cover the operation budget and reserve accounts.

(n) After the Grantor relinquishes a majority position on the Board of Trustees, the Association is responsible for the maintenance of adequate fidelity bonds for Association officers, agents, and employees handling Association funds and records, at such times and costs in such amounts as the Board of Trustees may deem necessary. The premiums for such coverage shall be paid by the Association and shall constitute a Common Expense.

(o) While the Grantor maintains a majority of representation on the Board of Trustees, he shall post a fidelity bond or other guarantee acceptable to the Agency, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves.

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

(q) Purchase or lease or other acquisition in the name of the Association or its designee, corporate or otherwise, on behalf of all Unit Owners, offered for sale or lease or surrender by their Unit Owners to the Association or to the Board of Trustees, when so required in the discretion of the Board of Trustees. The Association shall not purchase a unit while the Grantor maintains control.

(r) Purchase of Residential Condominium Units at foreclosure of other judicial sale in the name of the Association or its designee, corporate or otherwise, on behalf of all Unit Owners, when so required in the discretion of the Board of Trustees. The Association shall not purchase a Condominium Unit while the Grantor maintains control.

(s) Adjustment or increase of the amount of any monthly installment payment of Common Expenses and levying and collecting from Unit Owners special assessments in such amounts and payable in such manner as the Board of Trustees may deem necessary to defray and meet increased operating costs, capital expenses, or to resolve emergency situations.

(t) Make repairs, additions, and improvements to, or alteration of, the Condominium Property and repairs to, and restoration of, the Condominium Property in accordance with the other provisions of these By-Laws after damages or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings. When in the opinion of the Board of Trustees any of the Common Elements requires protection, renewal, maintenance, or repair or when enforcement of any of the Association's rules and regulations so require or when the abetment of any nuisance is required or in any emergency situation, the Board of Trustees will have the right to enter any Condominium Unit for such purposes. Such entry shall, however, be done with as little inconvenience to the Condominium Unit Owners thereof as is reasonably possible. By the acceptance of a deed conveying each Unit to the Unit Owner, each Unit Owner expressly and irrevocably grants and confirms the aforesaid rights of entry; with notice at reasonable hours except in case of emergency.

(u) While the Grantor maintains a majority of the Board of Trustees, it shall make no additions, alterations, improvements, or purchases not contemplated in the Public Offering Statement which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender, or in the event of an emergency.

(v) Purchasing insurance in such amounts and kinds as may be required by these By-Laws or the Master Deed or which the Board of Trustees considers in the best interest of the Association, including by way of example and not by way of limitation, Trustees Liability Insurance or similar types of coverage.

(w) Leasing or granting licenses or concessions with respect to the Common Elements.

(x) Issuing a Certificate ("Treasurer's Certificate") showing the amount of unpaid assessments pertaining to Units upon request therefore pursuant to N.J.S.A. 46:8B-21.

(y) Assessing, levying, and collecting special assessments limited to one or more Units where authorized by the Master Deed, these By-Laws, or the Condominium Act.

(z) Notwithstanding anything in these By-Laws, the Master Deed or elsewhere to the contrary, the Board of Trustees shall not have the authority, except for with the affirmative vote of at least 67% of all Unit Owners (whether or not present) at a meeting of Unit Owners duly held for the purpose of said vote, to institute litigation.

(aa) Subject to the Master Deed, declaration of covenants and restrictions or other instruments of creation, the association may do all that is legally entitled to do under the laws applicable to its form of organization.

Section 3. Election and Term of Office. An annual meeting of the Unit Owners shall be held after the earlier of (a) the expiration of one (1) year from the date of recordation of the Master Deed or (b) the date on which title to all of the Units has been transferred by the Grantor to Unit Owners, or (c) at such earlier time as is designated by the Grantor. The Trustees shall serve a one year term, each term to expire the day following the annual meeting. The members of the Board of Trustees shall hold office until their respective successors shall have been elected by the Unit Owners. Trusteeships shall be filled by a majority vote of all Unit Owners attending the meeting and entitled to vote.

Section 4. Removal of Members of the Board of Trustees. At any annual or special meeting of the Unit Owners held after the earlier of (a) the expiration of one (1) year from the date of recordation of the Master Deed, or (b) the date on which title to all of the Units has been transferred by the Grantor to Unit Owners, or (c) at such earlier time as is designated by the Grantor, any one or more of the members of the Board of Trustees may be removed, with or without cause, by a two-thirds majority vote of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Trustees whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting called for such purpose.

Section 5. Vacancies. Vacancies on the Board of Trustees caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by a vote of a majority of the remaining Trustees at a special meeting of the Board of Trustees held for that purpose promptly after the occurrence of any such vacancy or at any regular meeting of the Board of Trustees. Each person so elected shall be a member of the Board of Trustees until a successor shall be elected at the next annual meeting of the Unit Owners and the term of the newly elected Trustee shall be for the balance of the term of the vacated trusteeship. When a member of the Board of Trustees who has been elected by Unit Owners other than Grantor is removed or resigns, that vacancy shall be filled by a Unit Owner other than Grantor.

Section 6. Organizational Meeting. The first meeting of the Board of Trustees elected at the first annual meeting of the Unit Owners held after the earlier of (a) the expiration of one (1) year from the date of recordation of the Master Deed, or (b) the date on which title to all of the Units has been transferred by the Grantor to Unit Owners, or (c) at such earlier time as is designated by the Condominium Act or Grantor, shall be held at such time and place as shall be fixed by the Unit Owners at such meeting. Thereafter, immediately following each annual meeting of Unit Owners, the newly elected Board of Trustees shall meet for the purpose of organization, election of officers, and the transaction of other business. Prior to the first organization meeting specified herein, the Board of Trustees shall have such meetings and at such times as is necessary to properly supervise the operation of the Condominium.

Section 7. Regular Meetings. Regular meetings of the Board of Trustees may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Trustees, but at least two such meetings shall be held during each fiscal year of the Association. Notice of regular meetings of the Board of Trustees

shall be given at least three (3) business days prior to the day designated for such meetings.

Section 8. Special Meetings. Special Meetings of the Board of Trustees may be called by the President of the Association on notice sent to each member of the Board of Trustees at least three (3) business days prior to the date of such meetings. Such notice shall state the time, place, and purpose of the meetings. Special meetings of the Board of Trustees shall be called by the President or Secretary in like manner and on like notice at the written request of at least two (2) members of the Board of Trustees.

Section 9. Waiver of Notice. Any member of the Board of Trustees may at any time waive notice of any meeting of the Board of Trustees in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Trustees at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof, unless such attendance is for the purpose of protesting the lack of notice and written notice of such purpose is delivered to the other members of the Board of Trustees at that time. Subject to the provisions of the preceding sentence, if all members of the Board of Trustees are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum of Board of Trustees. At a meeting of the Board of Trustees, a majority of the members thereof shall constitute a quorum for the transaction of business and the votes of a majority of the members of the Board present at a meeting at which a quorum is present shall constitute the decision of the Board of Trustees. If at any meeting of the Board of Trustees there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 11. Fidelity Bonds. While the Grantor maintains a majority of representation on the Board of Trustees, it shall post a fidelity bond or other guarantee acceptable to the Agency, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include the accumulated reserves. The premium on such bond shall constitute a Common Expense.

Section 12. Compensation. No member of the Board of Trustees shall receive any compensation from the Association for acting as such.

Section 13. Liability of the Board of Trustees. A member of the Board of Trustees shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise, except for their own individual gross negligence or willful misconduct. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Trustees against all contractual liability to others arising out of contracts made by the Board of Trustees on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board of Trustees shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Trustees or out of the aforesaid indemnity in favor of themselves or the Board of Trustees shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements. Every agreement made by the Board of Trustees on behalf of the Association shall provide that the members of the Board are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements. Nothing contained herein to the contrary shall serve to exculpate members of the Board of Trustees appointed by the Grantor from their fiduciary responsibilities.

Section 14. Managing Agent and Manager. Following expiration of the initial Management Agreement, discussed herein in Section 2 (j), the Board of Trustees may

employ a managing agent and/or a manager of the Condominium at a compensation established by the Board of Trustees, to perform such duties and services as the Board of Trustees shall authorize. The Board of Trustees may delegate to the managing agent or the manager all of the powers granted to the Board of Trustees by these By-Laws but notwithstanding such delegation, the Board of Trustees shall remain responsible, in accordance with Section 13 above, to the Unit Owners for the proper performance of such duties and services.

Section 15. Open Meetings of Association.

(1) OPEN MEETINGS

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

(2) RESTRICTIONS ON OPEN MEETINGS

Despite (1) above, the Association's Board of Trustees may exclude or restrict attendance a those meetings or portions of meetings dealing with the following:

(a) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
(b) Any pending or anticipated litigation or contract negotiations;
(c) Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer; or
(d) Any matter involving the employment, promotion, discipline, or dismissal of a specific employee of the Association.

(3) MINUTES AT OPEN MEETINGS

(a) At each meeting required to be open to all Unit Owners, minutes of the proceedings shall be taken, and copies of those minutes shall be made available to all Unit Owners before the next open meeting.

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

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

Section 16. Notice Requirements for Open Meetings.

(1) NOTICE

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

(2) ADEQUATE NOTICE

Adequate notice means written advance notice of at least 48 hours, giving the date, time, location, and, to the extent known, the agenda of any regular, special, or rescheduled meeting. Such notice shall accurately state whether formal action may or may not be taken. This notice shall be:

(a) Prominently posted in at least one place within the Condominium

properly reserved for such or similar announcements.

(b) Mailed, telephoned, emailed, faxed, or hand delivered to at least two newspapers designated by the Association governing board.

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

(3) ANNUAL POSTING OF OPEN MEETINGS

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

Section 17. Emergency Meetings. In the event that the Association's Board of Trustees meeting is required to deal with such matters of urgency and importance that delay, for the purpose of providing 48 hours advance notice, would result in substantial harm to the interests of the Association, the notice shall be deemed adequate if it is provided as soon as possible following the calling of the meeting.

Section 18. Voting Rights. Except as otherwise provided in these By-Laws, the Master Deed, or the Planned Real Estate Full Disclosure or Condominium Acts, passage of all decisions shall require the affirmative vote of a least a majority of Unit Owners members in good standing and entitled to vote in attendance at a meeting.

(1) GOOD STANDING

Only Unit Owners who hold memberships in good standing at least ten (10) days before the meeting shall be entitled to vote on decisions. Each Unit Owner shall be entitled to the assigned vote for each unit to which he holds title with respect to all decisions to be voted upon by the Association membership.

(2) QUORUM

Except as otherwise provided in these By-Laws, the presence (in person or by proxy) of 51% of the authorized votes shall constitute a quorum for the transaction of business at the meeting. If any Association meeting cannot be organized because a quorum had not been achieved, the members present or by proxy shall adjourn the meeting for at least 48 hours from the time the original meeting was scheduled.

Section 19. Waiver of Notice of Meetings (Option). Any action which may be taken at a meeting of members may be taken without a meeting if authorized by a writing signed by the required percentage of members entitled to vote for that particular matter (see Section 18 (1)).

Section 20. Common Expenses.

(1) NOTICE OF COLLECTION

The Board of Trustees shall give written notice to each Unit Owner of the amount estimated by the board for the forth coming budget year. This notice shall be directed to the Unit Owner at his last known address by ordinary mail or hand delivery. In the event common expenses are not paid by the Unit Owner as required, the board may assess fines, liens, delinquency assessments, costs of collection, and interest at 8% per annum.

(2) SURPLUS FUNDS

Any surplus of common expense funds remaining after payment of the common expenses may be used by the Association for any lawful purpose. The unused portion shall be proportionately divided among Unit Owners, based on their interests in the common elements. This surplus shall be credited to the Unit Owners' forthcoming year annual common expense assessment.

Section 21. Amendments to By-Laws. These By-Laws may be amended, altered, or repealed at any Association meeting upon which previous notice to amend, alter, or repeal has been given to Unit Owners. These By-Laws may be amended in accordance with Article XI, Section 1 of these By-Laws.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Association shall be President, Vice President, Secretary, and Treasurer, all of who shall be elected by the Board of Trustees. The Board of Trustees may appoint an Assistant Treasurer and Assistant Secretary and such other officers as in its judgment may be necessary.

Section 2. Election of Officers. The officers of the Association shall be elected by the Board of Trustees at the organizational meeting of each new Board and shall hold office at the pleasure of the Board of Trustees.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Trustees, any officer may be removed with or without cause and his successor may be elected at any regular meeting of the Board of Trustees 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 Unit Owners and of the Board of Trustees. He shall have all of the general powers and duties which are incident to the office of President of a corporation organized under New Jersey law, including, but not limited to, the power to appoint committees from among the Unit Owners from time to time as he may, in his discretion, deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. Secretary. The Secretary shall (a) keep the minutes of all meetings of Unit Owners and of the Board of Trustees, (b) have charge of such books and papers as the Board of Trustees may direct and, (c) in general, perform all the duties incident to the office of Secretary of a corporation organized under New Jersey law. The Secretary shall also perform such duties for any committees as the Board of Trustees or the President may so direct.

Section 6. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of accounts showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may, from time to time, be designated by the Board of Trustees, and he shall generally perform all duties incident to the office of Treasurer of a corporation under New Jersey law. He shall render to the President and the Board of Trustees full account of the financial condition of the Association at the regular meetings of the Board of Trustees and whenever either the President or the Board of Trustees shall so require.

Section 7. Compensation of Officers. No officers shall receive any compensation from the Association for acting as such except that they shall be entitled to reimbursements of all expenses reasonably incurred in the discharge of duties.

Section 8. Agreements, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by any two officers of the Association or by such other person or persons as may be designated in writing by the Board of Trustees.

Section 9. Indemnification of Officers. Each Officer, his heirs, administrators, and executors shall be indemnified and held harmless by the Association against any losses, expenses, and counsel fees reasonably incurred in connection with any action or proceeding in which said officer, his heirs, administrators, and executors are made a party

by reason of such office; provided, however, that should such officer be adjudged in such action to have been guilty of gross negligence or willful misconduct, the aforesaid indemnity shall not apply. In the event of a settlement, such officer shall be indemnified only as to such matters covered by the settlement which the Association is advised by its counsel is not the result of such gross negligence or willful misconduct of such officer and only if and to the extent such settlement is approved by the Board of Trustees. Such indemnification is intended to encompass acts of the officers as such to the extent herein provided and is not intended to be operative with respect to any duties, obligation or liabilities assumed by such officer as Unit Owners or Association members.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1. Determination and Establishment of Common Expenses. The Board of Trustees shall from time to time, and at least annually, prepare a budget from the Condominium, determining the amount of Common Expenses payable by the Unit Owners, and allocate and assess such Common Expenses among the Unit Owners or, in the case of surplus, distribute said common surplus among the Unit Owners in accordance with their respective interests in the Common Elements or apply the common surplus against the Common Expenses for the year following the year in which the common surplus was created. The Common Expenses shall include, among other things, the cost of insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Trustees pursuant to the provisions of Section 2 of this Article VI. The Common Expenses shall also include such amounts as the Board of Trustees may deem proper for the operation and maintenance of the Condominium Property, including, but not limited to, an amount for working capital of the Association, for a general operating reserve, and to make up any deficit in the Common Expenses for any prior year. Despite the above, the Board of Trustees, with the approval of the Association, may provide for an annual contribution to the reserve in any single year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Association or its designee, on behalf of all Unit Owners, of any Condominium Unit, or of any Condominium Unit which is to be sold at a foreclosure or other judicial sale. The Board of Trustees shall advise all Unit Owners promptly, in writing, of the amount of Common Expenses payable by each of them respectively, as determined by the Board, and shall furnish to all Unit Owners copies of each budget on which such Common Expenses are based. Despite anything in these By-Laws to the contrary, the Board of Trustees shall not have the authority to incur any liability or to expend any funds on behalf of the Unit Owners or the Association in respect of capital improvements proposed to be made (whether or not so designated on the books of the Association) in excess of $5,000.00 in any fiscal year of the Association, without, in each instance, the prior authorization of the Unit Owners by the affirmative vote of 67% of the votes cast on the question at a meeting of the Unit Owners at which a quorum shall be present.

Section 2. Insurance.

A. The Board of Trustees shall be required to obtain and maintain, to the extent obtainable, the following insurance upon the Condominium Property and the equipment and personal property owned by the Association. The policies so obtained shall be for the benefit and protection of the Association and the owners of the Units and their respective mortgagees as their interest may appear. All policies shall be written with a company licensed to do business in the State of New Jersey and holding a rating of "AAA" or better by Best's Insurance Reports or by an equivalent rating bureau should include provisions that they be without contribution, that improvements to Residential Condominium Units made by Unit Owners shall not affect the valuation of the Condominium Property for the purposes of insurance and that the insurer waives its rights of subrogation as to any claims against Unit Owners, the Association and their respective families, employees, servants, agents, and guests. The Insurance maintained shall cover the following perils and contingencies.

(1) CASUALTY: The Building and all improvements upon the Condominium Property and all personal property included therein, except such personal property as may be owned by the Unit Owners in their respective Units, shall be insured in an amount equal to the maximum insurable replacement value thereof, exclusive of excavation, foundations and other construction components customarily excluded as determined periodically by the insurance company affording such coverage. Such coverage shall afford protection against:

(a) Loss or damage by fire or other hazards covered by the standard extended coverage endorsements; and

(b) such other risks as from time to time shall customarily be covered with respect to buildings similar in construction, location, and use as the building, including, but not limited to vandalism, malicious mischief, windstorm, and water damage.

(2) COMPREHENSIVE PUBLIC LIABILITY AND PROPERTY DAMAGE: In such amount and in such forms, as shall be required by the Association, including, but not limited to, water damage, legal liability, hired automobiles, non-owned automobiles, and off premises employee coverage.

(3) WORKERS' COMPENSATION: Coverage to meet the requirements of law.

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

Each Unit Owner shall have the right to obtain insurance, at his own expense, affording coverage upon his personal property and for his personal liability and as may be required by law, and shall obtain insurance, at his own expense, affording coverage upon the betterments and improvements owned by said Unit Owner, but all such insurance shall contain the same waiver of subrogation as that referred to hereinabove if same is available, and must be obtained from the insurance company from which the Association obtains coverage against the same risk, liability or peril if the Association has such coverage and if available from such company. However, a Unit Owner shall not be obligated to purchase such insurance through the broker or agent used by the Association.

B. All insurance policies maintained by the Association shall be for the benefit of the Association and the Unit Owners, and their Permitted Mortgagees, as their respective interests may appear, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association. All betterments and improvement insurance policies maintained by Unit Owners shall provide that all proceeds payable as a result of casualty losses shall be paid to Association for the benefit of the Unit Owners and the Association shall hold such proceeds for the benefit of the Association, the Unit Owners, and their respective Permitted Mortgagees in the following manner:

(1) COMMON ELEMENTS: Proceeds on account of damages to Common Elements shall be held by the Association to be used for repairs, reconstruction, or distribution as hereinafter set forth.

(2) UNITS: Proceeds on account of casualty to the betterments and improvements of a Unit shall be held by the Association in the following undivided shares:

(a) In the case of partial destruction if the Building is to be restored or in the case of total destruction when a determination is made hereafter provided to restore the Building, for the owners of damaged Units is proportion to the costs of repairing the damage suffered by each damaged Unit.

(b) In the case of total destruction of the Building, if the Building is not to be restored, or in the case of partial destruction, when a determination is made as hereinafter provided not to restore the Building for all Unit

Owners in the same proportion, that the insurance proceeds paid to the Association on account of his betterments and improvements policies of all Unit Owners.

(3) In the event a Permitted Mortgage has been given on a Unit, the share of the Unit Owner shall be held for the Permitted Mortgagee, but this shall not be construed to give any Permitted Mortgagee the right to determine or participate in the determination of reconstruction or repair.

(4) Proceeds of insurance policies received by the Association shall be distributed to, or for the benefit of, the Unit Owners having an interest herein, after paying or making provisions for payment of the expenses of the Association in obtaining the proceeds, in the following manner:

(a) RECONSTRUCTION OR REPAIR: If the damaged property for which the proceeds were paid is to be repaired or reconstructed, the proceeds from policies maintained by the Association shall be paid to defray the cost thereof and shall be applied first to the costs of repairing the Common Elements and the balance, plus any proceeds from policies maintained by Unit Owners, to the restoration of the Units sustaining damage, in proportion to the insured damage sustained by each. Any proceeds remaining after defraying all such costs shall be distributed by the Association to the particular Unit Owners whose Units sustained insured damage. All remittances to such Unit Owners shall be made payable to such Owners and their respective mortgagees, if any, jointly. Notwithstanding the aforementioned, no Unit Owner or any other party shall have priority over any rights of a first Permitted Mortgagee of a Unit to any insurance proceeds for losses to a Unit and/or the Common Elements.

(b) FAILURE TO RECONSTRUCT OR REPAIR: If it is determined, in the manner provided in Section 3 of this Article, that the damage for which the proceeds are paid shall not be reconstructed or repaired, then the Master Deed shall be terminated by recording a deed of revocation, in accordance with the provisions of the Condominium Act, and the proceeds thereupon from policies maintained by the Association shall be distributed to all of the Unit Owners according to their respective interest in the Common Elements and the proceeds from each of the policies maintained by Unit Owner shall be distributed to the respective Unit Owner maintaining such policy, such remittance being payable by the Association to the Unit Owners and their respective mortgagees, if any, jointly. Notwithstanding the aforementioned, no Unit Owner or any other party shall have priority over any rights of a first Permitted Mortgagee of a Unit to any insurance proceeds for losses to a Unit and/or the Common Elements.

Section 3. Damage by Fire or Other Casualty-Reconstruction. If all or any part of the Condominium Property or the Common Elements shall be damaged or destroyed by casualty, the same shall be reconstructed or repaired by the Association using the insurance proceeds, unless (a) the proceeds of insurance shall be inadequate by a substantial amount to cover the estimated cost of restoration of any essential improvement or Common Elements; or (b) such damage or destruction shall constitute substantially total destruction of the Building or Buildings; or (c) if at a meeting of the members of the Association called prior to the commencement of such reconstruction or repair, 75% or more of the Unit Owners directly affected by such damage or destruction vote against such reconstruction or repair. If the Unit Owners shall determine not to repair or restore the Condominium Property, the Association shall proceed to realize upon the salvage value of the Condominium Property so damaged or destroyed either by sale or such other insurance means as to the Association may deem advisable and shall collect the proceeds of any insurance proceeds which shall be distributed in accordance

with Section 2 of this Article. Thereupon the net proceeds of such sale shall be considered as one fund to be divided among the Unit Owners in proportion to their respective undivided percentage interest of the Common Elements, after provision for liabilities of the Association and the Board of Trustees arising out of the performance of their duties hereunder. In such event, the Master Deed shall be terminated by recording a deed of revocation in accordance with the provisions of the Condominium Act. Any liens or encumbrances on any affected Unit shall be relegated to the interest in the fund of the Unit Owners of such Unit.

Despite destruction of any Unit and the resulting inability to occupy such Unit, the owner of that Unit will remain liable for assessments for Common Expenses until such time as the Master Deed may be terminated as aforesaid, and in the event of the reconstruction of his Condominium Unit, liability for Assessments shall continue.

If the damage is only to those parts of a Unit for which the responsibilities of maintenance and repair are those of the Unit Owner, the Unit Owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association, which shall obtain estimates of the costs and repair and shall, to the extent that the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair by the Association, assess all the Unit Owners in accordance with such additional funds as may be required to complete the reconstruction and repair. The Association shall not be required to restore or make available funds to restore improvements to or within a Condominium Unit made by the Unit Owner and not covered by insurance carried or required to be carried by the Association.

The funds for payment of costs of reconstruction and repair after casualty which shall consist of proceeds of insurance held by the Association and funds collected by the Association from assessments against Unit Owners shall constitute an account to be known as "Reconstruction and Repair Account," which shall be disbursed in payment of such costs in the following manner:

(a) To Unit Owner:

The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the Unit Owner shall be paid to such contractors, suppliers, and personnel performing the work or supplying materials and services required for such reconstruction or repair in such amounts and at such times as the Unit Owner shall direct, or if there is a mortgage endorsement, then to such payee as the Unit Owner and the mortgagee jointly shall direct. This shall not be construed to limit or modify the responsibility of the Unit Owner to make such reconstruction or repair.

(b) In the Event of Lesser Damage:

If the amount of the estimated costs of reconstruction and repair is less than the total of the annual assessments for Common Expenses made during the year in which the casualty occurs, then the Reconstruction and Repair Account shall be disbursed in payment of such costs upon the order to the Board of Trustees, provided, however, that upon request of a mortgagee who is a beneficiary of an insurance policy, the proceeds of which are included in the Reconstruction and Repair Account, such Account shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(c) In the Event of Major Damage:

If the amount of the estimated costs of reconstruction and repair of the Building or other improvements are more than the total of the annual assessments for Common Expenses made during the year in which the casualty occurs, then the Reconstruction and Repair Account shall be disbursed in payment of such costs in the manner required by the Board of Trustees of the Association, but only upon approval of any architect qualified to practice in the State of New Jersey and employed by the Association to supervise the work.

(d) Distribution of Surplus:

It shall be presumed that the first monies disbursed in payment for costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in the Reconstruction and Repair Account after payment of all costs of reconstruction and repair for which the Account is established, and after distribution of any remaining insurance proceeds as to affected Unit Owners as provided for above, such balance shall be distributed to all of the Unit Owners whose interests are reflected in such Account by reason of their having made payments of assessments thereto, in proportion to their contributions.

Section 4. Payment of Common Expenses.

A. All Unit Owners (including the Grantor as limited by Section 5 of the Master Deed) shall be obligated to pay the Common Expenses assessed by the Board of Trustees pursuant to the provisions of Section 1 of ARTICLE VI of these By-Laws. Payments shall be made to the Association monthly, in advance, on the first day of each month at the principal office of the Association or at such other place as may be designated for such purposes by the Board of Trustees or pursuant to the provisions of these By-Laws. In the due event a Unit Owner shall fail to make payments on his part of the Common Expenses when due, said Common Expenses shall bear interest at a maximum legal rate permitted under law from the due date set by the Board of Trustees until payment is made in full of the Common Expenses due.

B. No abandonment of the Unit owned by a Unit Owner or a waiver of the use and enjoyment of any of the Common Elements shall exempt or excuse any Unit Owner from his contribution toward such expenses.

Section 5. Payment of Special Assessments. Special Assessments, when levied by the Board of Trustees pursuant to these By-Laws, shall be paid by the Unit Owners in such manner as may be determined by the Board of Trustees; provided, however, that, other than those special assessments levied pursuant to paragraph (s) of Section 2 of Article IV of these By-Laws, the contribution of each member for such special assessment shall be apportioned in the same manner as the Common Expense pursuant to Section 1 of this Article.

Section 6. Default in Payment of Common Expenses and Assessments. All Common Expenses and assessments chargeable to and payable by a Unit Owner for his Unit shall constitute a lien against said Condominium Unit in favor of the Association without the necessity of filing any such lien or notice of lien with the office of any State, County or Municipal official. The aforesaid lien shall be prior to all other liens except:

(a) any similar liens by the Association for prior charges and assessments;
(b) assessments, liens and charges for unpaid taxes due on said Unit;
(c) permitted mortgages of record upon such Unit.

The Association may file a claim of lien in the Clerk's Office of the County of Essex in appropriate form upon the expiration of forty-five days after the unpaid Common Expense or assessment shall be due and payable. The lien aforesaid may be foreclosed in the same manner as real estate mortgages, and in the event of such foreclosure the Association shall, in addition to the amount due, be entitled to recover interest at the maximum legal rate on such sum or sums due, together with the reasonable expenses of such action, including costs and attorney's fees. A suit by the Association against the delinquent member to recover a money judgment for the unpaid Common Expenses and assessments shall be maintainable without foreclosing or waiving the lien securing the same. Both the foregoing actions shall be maintained upon the expiration of fifteen (15) days after any Common Expense or assessment shall be due and payable, and, except under extenuating circumstances, a foreclosure action must be commenced by the Association not later than one hundred eighty (180) days after the Common Expenses or assessment shall be due and payable. Failure to pay any installment of any of the Common Expenses and assessments when due, shall, at the option of the Board of

Trustees, render the entire annual amount due and payable, as if no installment payment provisions were operative. The failure of the Association or Board of Trustees to take any action permitted or required to be taken by the Association or Board of Trustees shall not constitute a waiver of their right to do so in the future.

Section 7. Maintenance and Repair.

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

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

C. In the event the Association or Unit Owner makes a necessary repair or replacement and it is subsequently determined that the same was the obligation of the other, then the party who shall have been responsible for the repair or replacement shall indemnify the party who has made such repair or replacement for the cost of the same or shall make payment directly to the person entitled thereto.

D. All maintenance and repair of garage doors, exterior landings, balconies, walkways or stairways, as well as the maintenance, repair, snow removal, resurfacing and replacement of the driveway, driveway aprons and parking facilities, whether a Common Element or Limited Common Element, shall be the responsibility of the Association. Unit Owners having the use of any balcony, terrace, patio, or deck shall be responsible for all routine cleaning and snow clearing of same, as appropriate. All other maintenance of same shall be the responsibility of the Association.

Section 8. Restriction on Use of Units. In order to provide for congenial occupancy of the Condominium Property and for the protection of the values of the Units, the use of the Condominium Property shall be restricted to and shall be in accordance with the following provisions:

A. No part of the Condominium Property shall be used for any purpose other than single family residential dwellings and purposes appurtenant thereto.

B. Nothing shall be done or kept in any Unit or Common Elements which will increase the rate of insurance of any other buildings or contents thereof applicable for residential use without the prior written consent of the Board of Trustees of the condominium association

C. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on any of the Buildings or contents thereof or which would be in violation of any law.

D. No waste will be committed in any of the Common Elements.

E. Unit Owners shall not cause or permit anything to be hung or displaced or placed on the outside walls or doors of the Building without consent of the Board of Trustees.

F. No animals, livestock, or poultry of any kind shall be raised, bred, or kept in any Unit or in the common elements, except as set forth in Section G herein below.

G. One pet, not exceeding twenty two (22) pounds in weight, shall be permitted per household, provided that pets are carried in the Common Elements and are walked offsite. Certified service animals are excluded from this provision and may be kept in accordance with State and Federal law, however service animals may not interfere with the use and enjoyment of the Common Elements. Further, pets may not be kept, bred, or maintained for any commercial purpose.

H. No outside dog pens or yards shall be permitted.

I. No noxious or offensive activity shall be carried on in any Unit, or in any of the Common Elements, nor shall anything be done therein, either willfully or negligently, which will be or become an annoyance or nuisance to the Unit Owners or other occupants, or interfere with the right, comfort or conveniences of other Unit Owners.

J. No Unit Owner shall contract for, or perform any maintenance, repair, replacement, alteration, or modification of the Common Elements or any additions thereto.

K. No Unit Owner shall take or cause to be taken any action within his Unit which would jeopardize the soundness or safety of any part of the Condominium Property or impair the easements or rights appurtenant thereto or affect the Common Elements.

L. No signs shall be permitted on or about the Common Elements, including, but not limited to the exterior of any Building or Unit. Unit Owners shall not be permitted to place for sale signs on the interior or exterior of windows. However, the Grantor shall have the right to place "For Sale" signs on unsold or unoccupied Units.

M. No trailers, boats, or inoperable vehicles shall be placed on the Common Elements by any owner.

N. No laundry or other clothes may be hung or displayed outside the Unit.

O. The sidewalks, entrances, and passages must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the Unit.

P. No exterior loud speakers other than that as contained in portable radios or television sets shall be permitted.

Q. No unshielded flood lights shall be installed in any exterior area of the Unit.

R. No business, trade, or profession shall be conducted in any Unit without appropriate municipal authorization which must be obtained by Unit Owner.

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

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

U. Unit Owners shall not have any right to paint or otherwise decorate or change or alter the appearance of any portion of the exterior of any Building.

V. No Unit Owner shall have any right to replace the windows in a Unit unless said windows are replaced with a similar window that has been previously approved by the Board of Trustees.

W. No portion of the Common Elements or other portion of the property thereof shall be used or maintained for the dumping of rubbish or debris.

X. Trash, garbage, or other waste shall be kept in sanitary containers on the property for collection as provided.

Y. No unlawful use shall be made of any Unit; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, rules, orders, regulations, or requirements of any governmental agency having jurisdiction thereof shall be cured and complied with, by and at the sole expense of the Unit Owners or the Association, whichever shall be the responsibility therefore.

Z. The Common Elements as well as the property and facilities of the Association shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the private residential use and occupancy of Units and to the use of parking spaces accessory to such private residential use.

AA. In order to provide an orderly procedure in case of title transfer, and to assist in the maintenance of a current, up to date roster of Unit Owners, the owner of a Unit to be sold shall give to the Secretary of the Association a timely notice of his intent to list his Unit for sale and upon closing of title shall forthwith notify such Secretary of the names and home addresses of the purchaser.

BB. 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 rental for any period less than thirty (30) days. No Unit owner may lease less than an entire Unit. Other than the foregoing obligations, the Unit owner shall have the right to lease same provided that said lease is in writing and made subject to all provisions of the Master Deed, the By-laws of the Association, and other documents referred to therein, and provided further that any failure of the tenant to fully comply with the terms and conditions of such documents shall constitute a default under the lease.

CC. The Residential Condominium Units shall be used as single family, private residences only, provided, however, subject to sub-paragraph (R) of Section 8 of this Article VI, the Board of Trustees, upon request by a Unit Owner or purchaser of a Condominium Unit, may authorize the use of the Condominium Unit for professional uses. Any such authorization shall be pursuant to such limitations as the Board of Trustees may perceive and in any event shall be personal to the Unit Owner or purchase of a Unit making application therefore and shall not be transferable either with or without the Unit. The Board of Trustees shall establish appropriate rules and procedures relating to the making of a request for authorization under this sub-paragraph (CC) as the Board of Trustees may in its sole discretion determine.

DD. No parking space may be used for any commercial purpose of for the storage of noxious, toxic or flammable substances. Parking spaces shall only be used for parking and storage of automobiles and other vehicles. No vehicle within a parking space may protrude therefrom at any time. No parking space shall be converted for occupancy to a residence or part of a residence.

Section 9. Additions, Alterations, or Modifications. No member shall make or cause to permit to be made any structural additions, alterations, or improvements in or to his Condominium Unit (or elsewhere on the Condominium Property) without the prior written consent of the Board of Trustees or of the Unit Owner(s) for whose benefit such easement exists. For purposes of this Section, (by way of example and not by way of limitation) any change in location of interior walls, door location, common wiring, piping and duct work, and similar alterations shall constitute a structural alteration requiring the consent of the Board of Trustees. The provisions of this Section shall not apply to Residential Condominium Units owned by the Grantor until such Residential

Condominium Units shall have been initially sold by the Grantor and title transferred to the Unit Owner. Nothing herein shall be construed to prohibit the reasonable adaptation of any unit for handicapped use.

While the Grantor maintains a majority of the Board of Trustees, it shall make no additions, alterations, improvements, or purchase not contemplated in this offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender, or in the event of an emergency.

Section 10. Use of Common Elements and Facilities.

A. A Unit Owner shall not place or cause to be placed in the Common Elements, other than in the areas designated as storage areas, if any, any furniture, packages, or objects of any kind. The stairways shall be used for no purpose other than for normal transit.

B. Unit Owners shall require their tradesman to utilize exclusively the areas designated by the Association for transporting or delivering packages, merchandise or any other objects which may affect the comfort or well being of Unit Owners, residents and guest.

Section 11. Right of Access. A Unit Owner shall grant a right of access to his Condominium Unit to the Association or any person authorized by the Association for the purpose of making inspections or correcting any condition originating in his Condominium Unit and threatening any Unit or Common Element, or for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Condominium Property, or to correct any condition which violates the provisions of any mortgage covering another Unit; provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not. To perfect such rights or entry as hereinabove set forth, each Unit Owner shall be required to deposit a set of keys to said Unit with the Manager or such other party designated by the Board of Trustees.

Section 12. Additions, Alterations, or Improvements by Association. The Association shall have the right to make or cause to be made alterations and improvements to the Common Elements (which do not adversely prejudice the right of any Unit Owner unless his written consent thereto had been obtained) provided the making of such alterations and improvements is first authorized by the Board of Trustees of the Association and approved by not less than a majority of the Unit Owners. Notwithstanding the above, redecorating and minor alterations shall not require the approval of the Association. The costs of such alterations and improvements shall be assessed as Common Expenses, unless in the unanimous judgment of the Board of Trustees, the same are exclusively or substantially for the benefit of the Unit Owners requesting the same, in which case such requesting Owners shall be assessed therefore in such proportion as they approve jointly, and, failing such approval, in such proportions as may be determined by the Board of Trustees.

Section 13. Rules of Conduct. Subject to the right of a majority of Unit Owners to change any such rules as provided in N.J.S.A. 46:8B-14(c), rules and regulations concerning the use of Units and the Common Elements may be promulgated and amended by the Board of Trustees. Copies of such rules and regulations shall be furnished by the Association to each Unit Owner and shall be binding upon all Unit Owners, occupants of Residential Condominium Units, and other users of the premises.

ARTICLE VII

SALES, LEASES, AND MORTGAGES OF

UNITS

Section 1. Sale or Lease or Other Disposition of Units

A. No lease arrangement shall be for a term of less than thirty (30) days.

B. In the event of any transfer of a Unit to a corporation or partnership, the full name and contact information for all present or future occupants thereof shall be provided to the Association.

C. The foregoing provisions have been established in order to maintain a community of congenial residents in the Building and to assure the ability and responsibility of each Unit Owner to pay those obligations required to be paid by the said Unit Owner. Under no circumstances may the provisions hereof be used to foster discrimination or to deny the purchase or lease of any Unit on account of a person's race, color, religion, creed, religious principles, ancestry, affectional or sexual orientation, sex, marital status, place of national origin, or any other basis prohibited by the Law Against Discrimination (N.J.S.A. 10:5-1 et seq.).

Section 2. Foreclosure. In the event of foreclosure proceedings against a Unit Owner, the Association, on behalf of one or more Unit Owners, shall have the right to satisfy the lien for the amount due thereon in return for an assignment of said lien, or to purchase such Condominium Unit at the foreclosure sale. In the event that the Association has so acted on behalf of all Unit Owners, it shall have the right to assess all Unit Owners for the costs thereof, in proportion to their interest in the Common Elements.

Section 3. Units Acquired or Leased by the Association. All Units acquired or leased by or on behalf of the Association shall be held by the Association on behalf of all Unit Owners in proportion to their respective interests in the Common Elements, provided, however, that the votes appurtenant to the Units so acquired shall not be voted by the Board of Trustees or their designee at meetings of the Association and their vote of such Residential Condominium Units shall be disregarded for all purposes. Each Unit Owner may be required to execute a power of attorney on behalf of the Board of Trustees and their successors for the purposes of carrying out the intention of the foregoing.

Section 4. Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell, or lease his Unit unless and until he shall have paid in full to the Association all unpaid Common Expenses theretofore assessed by the Association against his Unit, as well as any special assessments for the damage or otherwise any deficiency in the escrow account and until he shall have satisfied all unpaid liens against such Unit. The transferee of a Unit shall be liable for payment of any such charges to the Association, without prejudice, to the right to the transferee to have recourse against the transferor for the amount so paid by him. In the event of a foreclosure a holder of a first mortgage on a Unit, or such acquirer of title and his or its successors or assigns shall not be liable for more than six (6) months of Common Expenses assessed against the Unit, and, in the event said Common Expenses have not been satisfied at the foreclosure sale, thereafter, the Unit shall not be subject to a lien for the balance of the Common Expenses. The unpaid balance shall be charged to all Unit Owners as a Common Expense, including such acquirer of title and his successors or assigns.

Section 5. Waiver of Right of Partition with Respect to Units Acquired by the Association. In the event that a Unit shall be acquired by the Association or its designee on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 6. Mortgages of Unit. Each Unit Owner is entitled to mortgage his Unit, provided that any such mortgage is made to a bank, trust company, insurance company, Real Estate Investment Trust, savings and loan association pension fund or other

institutional leader, or a purchase money mortgage made to the Grantor (or seller) of a Unit. All mortgages made in accordance with the preceding sentence are referred to a herein and in the Master Deed as Permitted Mortgages and the holders thereof as Permitted Mortgagees. A Permitted Mortgagee of a Unit and the guarantor of any Permitted Mortgage shall be provided written notice of (a) any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its Permitted Mortgage; (b) any sixty (60) day delinquency in the payment of Common Expenses or other charges owed by the Unit Owner of any Unit on which the Permitted Mortgagee holds the mortgage; (c) a lapse, cancellation, or material modification of any insurance policy maintained by the Association; and (d) any proposed action requiring the consent of a specified percentage of Permitted Mortgagees.

ARTICLE VIII

RECORDS

Section 1. Records and Audit. The Board of Trustees shall keep detailed records of its actions, minutes of the meetings of the Board of Trustees minutes of the meetings of Unit Owners and financial records and books of account of the Association, including a chronological listing of receipts and expenditures as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Expenses against such Condominium Unit, the date when due, the amounts paid there on, the balance remaining unpaid, and the amount of any interest in common surplus. An annual report of the receipts and expenditures of the Association certified by an independent certified public accountant shall be rendered by the Board of Trustees to all Unit Owners and to all mortgagees of Residential Condominium Units who have requested the same, promptly after the end of each fiscal year. The accounting records of the Association shall be maintained in accordance with generally accepted accounting principles and shall be open to inspection at reasonable times to all Unit Owners and holders of Permitted Mortgages. While the Grantor maintains a majority of the Board of Trustees, it shall have an annual audit of association funds prepared by an independent accountant, a copy of which shall be delivered to each Unit Owner within 90 days of the expiration of the fiscal year of the Association. The audit shall cover the operating budget and reserve accounts. The cost of all such reports shall constitute a Common Expense.

ARTICLE IX

DISSOLUTION

Section 1. Procedure. The provisions of the then applicable laws of the State of New Jersey, including the provisions of the Condominium Act, shall be followed should it be deemed advisable that the Association be dissolved. Notwithstanding the aforementioned, any dissolution shall be approved by a vote of at least fifty-one (51%) percent of Permitted Mortgagees.

Section 2. Ownership Upon Dissolution. In the event of dissolution, the Condominium Property shall thereupon be owned by all of the Unit Owners as tenants in common, each having an undivided percentage interest therein equal to his proportionate part of the Common Elements owed prior to termination. Each Unit Owner may be required to execute such deed and any other document or instrument which may be reasonably required to affect the sale of the Condominium Property by the Association following a decision to dissolve the Association.

ARTICLE X

MISCELLANEOUS

Section 1. Notice. All notices herein shall be sent via registered or certified mail to the Association, to the attention of the Secretary, at the office of the Association, or to such other address as the Board of Trustees may hereafter designate from time to time in writing to all Unit Owners and, when required by the Master Deed, these By-Laws or the

Condominium Act, to all holders of recorded mortgages of Residential Condominium Units. All notices to any Unit Owner shall be sent by registered or certified mail to the address designated for his Unit, or to such other address as may have been designated by such Unit Owner from time to time in writing to the Association. All notices to holders of recorded mortgages on Units shall be sent by registered or certified mail to their respective addresses or designated by them from time to time in writing to the Association. All notices shall be deemed to have been given when received.

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

Section 3. Captions. The captions herein and the table of contents are inserted only as a matter of convenience of reference and in no way define, limit of describe the scope of the By-Laws or the intent of any provisions hereof.

Section 4. Gender. The use of masculine gender in these By-Laws shall be deemed to include the feminine or neuter gender, as the circumstances may require, and the use of the singular shall be seemed to include the plural whenever the context so requires.

Section 5. Waiver. The failure of the Board of Trustees or Managing Agent to insist, in any one or more instances, upon the strict performances of any of the terms, covenants, conditions or restriction of the Master Deed, these By-Laws, or the Rules and Regulations, or to exercise any right or option herein or therein contained or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future of such term, covenant, restriction, option or right, but such term, covenant, restriction, option, or right shall remain in full force and effect. The receipt by the Board of Trustees or Managing Agent or any payment of assessments from any Unit Owner, with knowledge of the breach of any covenant hereof or thereof, shall not be deemed a waiver of such breach.

Section 6. Miscellaneous

(A) Subject to the Master Deed, or other instrument of creation, the Association may do all that is legally entitled to do under the laws applicable to its form of organization.

(B) The Association shall discharge its powers in a manner that protects and furthers the health, safety, and general welfare of the residents of the unit Owners.

(C) The Association shall provide a fair and efficient procedure for the resolution of housing related disputes between individual Unit Owners and the Association, and between different Unit Owners, that shall be readily available as an alternative to litigation. The Board may establish an Alternate Dispute Resolution Committee ("ADR Committee"), consisting of a chairman and two (2) or more members, none of whom may be a member of the Board or an employee of the Association. The ADR Committee shall serve indefinitely at the pleasure of the Board. The ADR Committee shall have power to appoint a subcommittee from among its members and may delegate to any such subcommittee any of its powers, duties and functions. It shall be the duty of the ADR Committee to attempt to resolve complaints from members of the Association on any matter involving alleged violations of any restrictions, rules, or resolutions set forth in the Condominium Documents. Its authority does not extend to collection matters or the governance of the Association, except to the extent that the Board may delegate such authority. All costs of said dispute resolution shall be a Common Expense.

ARTICLE XI

AMENDMENTS TO BY-LAWS

Section 1. Amendments to By-Laws. Except as hereinafter otherwise provided, these By-Laws may be modified or amended by the affirmative vote of at least 67% of all Unit Owners (whether or not present) at a meeting of Unit Owners duly held for the purpose; provided, however, if the Condominium Act or this Master Deed shall require the consent or agreement of a larger percentage of Unit Owners or lien holders for any action specified in the Act or in the Master Deed, then any amendment or amendments with respect to such action shall require said larger percentage of consent or agreement as may be provided in the Condominium Act or in this Master Deed and further provided that if such amendment shall make any change which would have a material effect upon any of the rights, privileges, powers and options of Grantor, or its successor, (including by way of illustration and not limitation the ability of Grantor, or its successor, to market any Units then owned by Grantor, or its successor, at a commercially reasonable price), such amendment shall not be effective without the joinder of Grantor, and further provided that if such amendment would in the opinion of the Board of Trustees, have an adverse effect upon the holder of any Permitted Mortgage, such amendment shall not be made without the written approval of the holders of all Permitted Mortgages so affected which approval shall not be unreasonably withheld or delayed. Implied approval by a holder of a Permitted Mortgage will be assumed when a holder of a Permitted Mortgage fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice, pursuant to Article X, Section 1 of these By-Laws, of the proposal. The Grantor shall not be permitted to cast any votes held by him for unsold lots, parcels, units, or interests for the purpose of amending the master deed, by-laws, or any other document for the purpose of changing the permitted use of a lot, parcel, unit or interest, and for the purpose of reducing the common elements or facilities. Each such amendment shall be effective upon the recording of an appropriate instrument setting forth the amendment and its due adoption, execution, and acknowledgement by one or more officers of the Grantor or the Board of Trustees. All amendments these By-Laws shall be recorded and shall not become effective until recorded in the same office in which the Master Deed was recorded.

ARTICLE XII

CONFLICTS

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

ADOPTED:

Exhibit A

Guidelines for Elections in Common Interest Communities

These guidelines are intended for use in the drafting or amendment of common interest communities' by-laws. They may be adopted in full or otherwise modified to best serve the interests of the particular community.

I. Eligibility to Participate in Elections

a. Who May Vote and Run for Office

i. Unless the governing documents expressly state otherwise, only owners of record in good standing and residents holding valid proxies or powers of attorney of such owners of record may vote and run for office.

ii. An owner of record at the time of an election who has fully paid all assessments charged by an association shall be deemed to be in good standing and be eligible to vote, be elected to, and serve on the governing board, including an owner who is in full compliance with a settlement agreement or has a pending, unresolved dispute concerning the charges assessed which has been brought in good faith to the attention of the association by way of initiating an ADR proceeding or pertinent court action.

iii. No rule violation other than failure to pay a valid and undisputed assessment shall be grounds for preventing an otherwise eligible person from voting or seeking election.

II. Election Supervision

a. The board shall select an impartial panel of owners or other impartial persons (*not* including property management personnel or agents) to supervise the opening and counting of ballots. The association members shall be promptly notified of the selection of such persons at least 30 days prior to the election.

III. Notice of Elections

a. At least 60, but not more than 90 days before any election, the association shall make known the address to which eligible voters and candidates may send correspondence to the association regarding elections, including statements requesting placement on the ballot in the upcoming election to the board.

b. The association shall provide each member specific notice of the date, time and place of any election at least 60 days prior to the election (except special elections, which shall require 90 days' notice) and a second notice between 10 and 15 days before the election.

c. These notice requirements (and all election notice requirements, except as otherwise provided herein) may be met by hand-delivery, regular mail, email or by inclusion in any association newsletter, provided that all such notices shall be delivered in such manner that they are likely to be received by all members of the association within the times set forth herein.

d. The second notice (including the 'ballot package') shall include the ballots, candidate information statements, inner and outer envelopes, and instructions as described below. In the event that such notices have been sent via electronic means, each voter shall also be provided paper versions of the 'ballot package' by mail or hand-delivery at least 10 days prior to the election.

IV. Running for Office.

a. A unit owner or other eligible person desiring to be a candidate for the board of the association shall give written notice to the association not less than 40 days before a scheduled election.

i. Written notice may be on a form provided by the association which shall only request candidate's name, mailing and electronic address (if any), unit or lot owned, or in which the candidate resides (if a tenant).

ii. If a candidate is running for an executive board position (*e.g.* President, Trustee, etc.) the form or notice shall state the position(s) sought.

iii. Within 10 days, the association shall provide written receipt of the candidate's notice, including confirmation that the candidate's name will be placed on the ballot.

b. Any candidate may include a 'candidate information sheet' setting forth any desired pertinent information (not to exceed one 8&1/2 x 11" sheet). This sheet shall be included in the 'ballot package' and shall not be edited, altered or modified by anyone other than the submitting candidate, except to delete words not routinely published by mainstream newspapers of general distribution.

c. The association, the existing board, the property manager, their agents or employees shall not prohibit a candidate from independently sending further information to association voters. All eligible candidates shall be entitled to the current voter list, including addresses, but not additional information.

V. Ballots Format & Substance

a. After the period for candidate submissions has ended, the association shall prepare a written ballot. The ballot shall list every eligible candidate for each office of the governing board in alphabetical order by last name and provide appropriate boxes in which voter preferences may be clearly indicated. The failure of the written ballot to indicate the name of each eligible candidate who has not withdrawn shall require the association to prepare and deliver new, corrected ballots at least 7 calendar days prior to the election.

b. Ballots shall be designed to ensure each voter's anonymity and shall be uniform in color and appearance.

VI. Voting Process

a. Elections shall be held at the time and place at which the annual meeting is scheduled to occur, or as otherwise permitted or required (and on proper notice) by the governing documents. A quorum is not required, unless required by the association's governing documents.

b. The association shall mail or deliver to each eligible voter at the address listed in the official records a 'ballot package' which shall include the ballot, an instruction sheet, any candidate information sheets and the inner and outer envelopes described below. The ballot package, the ballot itself and the accompanying documents shall not contain any communication by the board, the association or property manager that endorses, disapproves, or otherwise comments on any candidate.

c. Balloting shall be accomplished in the manner in which New Jersey absentee ballots are cast; that is to say, that the ballot package shall contain outer and inner

envelopes provided by the association, as well as an instruction sheet. The instruction sheet shall instruct the voter to place the completed ballot in the inner envelope, place no markings or writings on it, seal it, and insert it into the outer pre-addressed one, which the voter shall seal. The outer envelope shall be addressed to the election supervisors (but if preferred, the unit owner may address it to the association). The exterior of the outer envelope shall indicate the name of the voter, the unit or unit numbers being voted, and shall contain a signature space for the voter. The inner envelope shall have no marks identifying the voter. The voter shall sign the exterior of the outer envelope in the space provided. The completed ballot(s) contained in both the inner and outer envelopes shall either be mailed or hand-delivered to the association or election supervisors. After its receipt by the association or election supervisors, no ballot may be rescinded or changed. Any ballot that does not substantially conform to the instructions shall be disregarded by the election supervisors.

d. Completed ballots received by the association shall be immediately placed in the control of the election supervisors, who shall retain and collect all ballots, and shall not open them except in the manner set forth below.

e. The ballot described above may be used as an absentee ballot by any eligible voter and no special form is required. The association shall not require in-person voting, but shall always allow the submission of ballots by mail or by other delivery to the association.

VII. Tallying Votes.

a. The election supervisors shall hold unopened all envelopes containing ballots and transport them to the election site.

b. The election supervisors shall verify each voter's identity and eligibility in accordance with these rules and shall check the names against the list of those who have been recorded as having previously cast a ballot in the same election. At the election, the association shall announce that any eligible voter in attendance and whose eligibility has been verified and who has not cast a ballot may do so, and shall allow a reasonable period for that purpose. The association shall have blank ballots available for use by eligible voters. Such in-person voters shall be instructed to cast their ballots in the manner provided above. After any newly cast ballots have been verified, received and placed with the existing ballots, no more votes shall be accepted.

c. Immediately following in-person voting at the meeting, the election supervisors shall open all the outer envelopes and place the inner envelopes into a suitable receptacle. The election supervisors shall immediately open the inner envelopes,

remove the ballots and count the votes in the presence of the unit owners then in attendance.

d. Any inner envelope containing more than one ballot shall be marked "Disregarded", or with words of similar import, and any ballots contained therein shall not be counted.

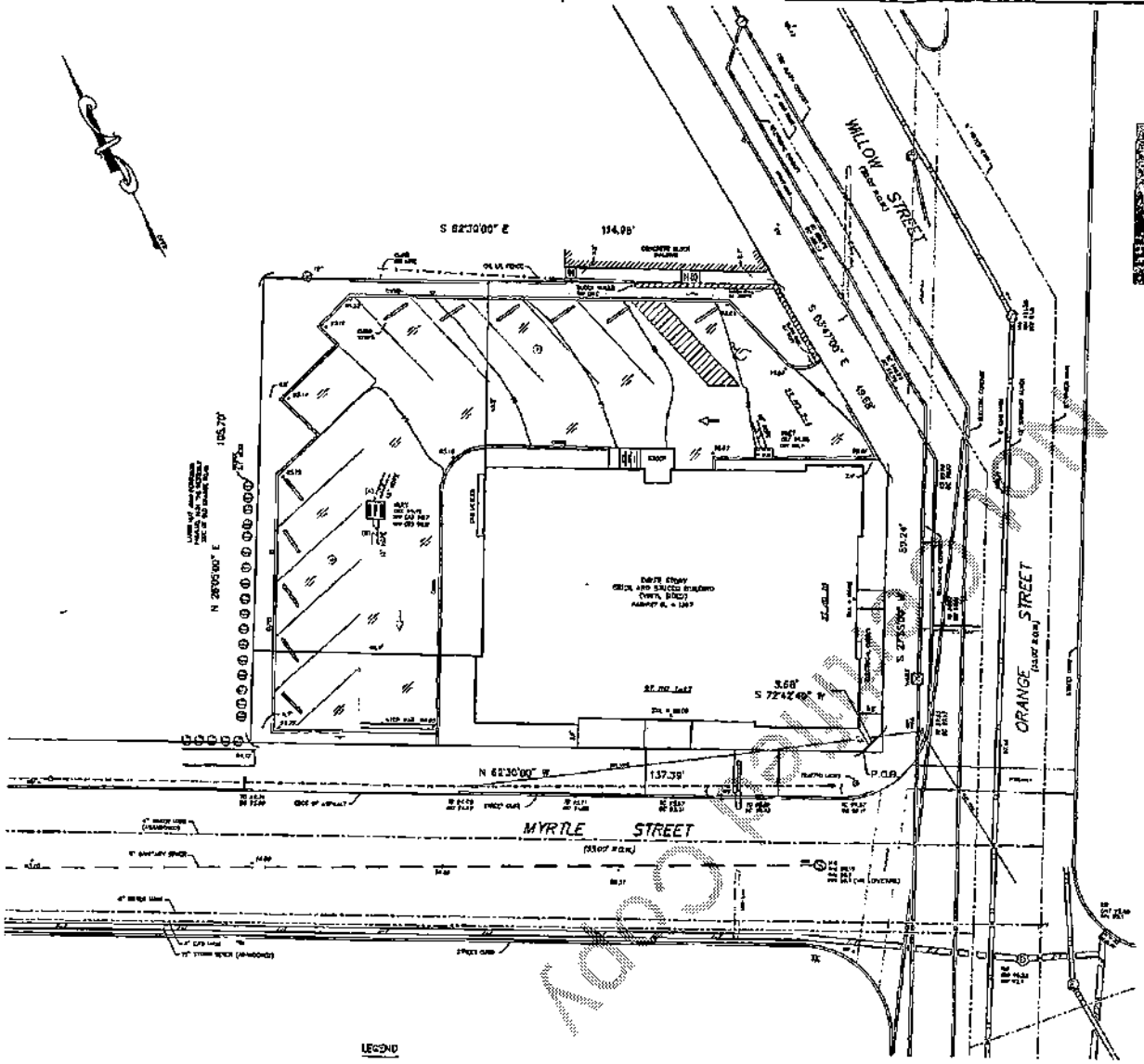
VIII. Post-election.

The results of the election, including the vote tallies for each candidate and office shall be publicly announced at the election meeting and included in the minutes. If the outcome of the election for any particular office shall have resulted in a tie-vote, the announcement of the result shall include notice of the requirement for a new election for that office, to be noticed and held in the same manner as the previous election.

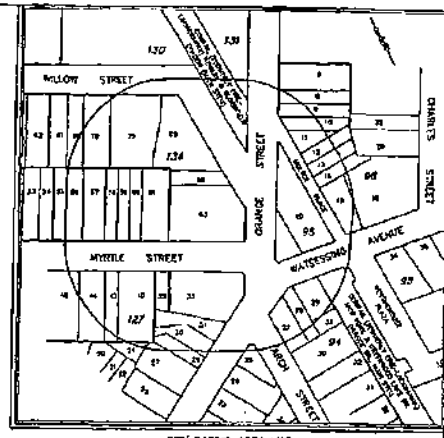
IX. Preservation of Records

Notices of election, notices of candidacy for election, information sheets, voting envelopes, ballots (including those disregarded), sign-in sheets, and all other papers relating to voting shall be maintained as part of the official records of the association for a period of two years.

EXHIBIT C



SITE PHOTO



200' RADIUS AREA MAP
NOT TO SCALE

DESCRIPTION

BEGINNING at a point on the southerly sideline of Willow Street and point being a corner formed by a line connecting the said southerly sideline of Willow Street and the westerly sideline of Orange Street and the Bar Line of Orange Street, thence running

1) Westerly along the said southerly sideline of Willow of Willow Street North 82 degrees 30 minutes West, 137.19 feet to a point, thence

2) Southerly along the boundary of Block of Lot 4 and parallel with the westerly sideline of Orange Street, North 27 degrees 53 minutes West, 59.24 feet to a point, thence

3) Southerly along the said westerly sideline of Willow Street, South 62 degrees 30 minutes West, 137.39 feet to a point on the northerly sideline of Myrtle Street, thence

4) Southerly along the said westerly sideline of Willow Street, South 05 degrees 47 minutes 00 seconds East, 49.68 feet to an angle point in the boundary line of the said property of Willow Street and the westerly sideline of Orange Street, thence

5) Southeasterly by the said westerly sideline of Orange Street, South 27 degrees 53 minutes 00 seconds West, 59.24 feet to a point, the point being a point formed by a line connecting the said westerly sideline of Orange Street and the southerly sideline of Willow Street, thence

6) South 72 degrees 42 minutes 40 seconds West, 3.68 feet to an iron pipe APPROXIMATE DIMENSIONS

The above described parcel contains 14,358 square feet or 0.330 acres of land.

GENERAL NOTES

1. Locations and types of utilities shown hereon are derived from field location and available utility maps. Prior to any excavation contact the Township of Bloomfield Engineer's office, Sewer, and water departments, the local office of telephone and cable, and Public Service Electric & Gas Co.

   For location, depth and mark-out of utilities you must call 800-272-1000

2. All reference information shown was derived from a combination of field notes obtained and a New Jersey Department of Transportation map labeled "Road Sta. Orange St. & Myrtle St.—Widening Improvement St. Construction Plan," dated Sept. 20, 1983.

3. All elevations and contours shown are based on an assumed datum.

4. Total lot area is 14,358 sq. ft. or 0.330 acres.

5. This survey is subject to the facts and findings of a possible title search.

6. This survey is not valid without signature and seal by the licensed surveyor.

7. Per the National Flood Insurance Program Map No. 340292 0117F with an effective date of June 4, 2002 the property shown here on falls in Zone X and does not fall in a Special Flood Hazard Area.

LEGEND

- PROPERTY BOUNDARY LINE
- OVERHEAD WIRES
- CURB LINE
- BATTR CURB
- TELEPHONE MANHOLE
- ELECTRIC MANHOLE
- SANITARY MANHOLE
- STORM DRAIN MANHOLE
- CATCH BASIN
- INLET
- DIRECTION OF SEWER FLOW
- FENCE
- SPOT ELEVATION
- EXISTING CONTOUR LINE
- TRAFFIC LIGHT
- DECIDUOUS TREE (STATE DIAMETER)
- CONCRETE
- ASPHALT
- WATER VALVE
- GAS VALVE
- FIRE HYDRANT
- SIGN POST
- LIGHT POLE
- UTILITY POLE

GRAPHIC SCALE

1 IN. = 20 FT.
1 INCH = 10 FT.

THIS SURVEY IS CERTIFIED TO:
Watsessing Development LLC
Watsessing Land Surveyors, LLC
Chicago Title Insurance & Continental PTI
NJ/NJEA
M & T Bank, its successors and/or assigns

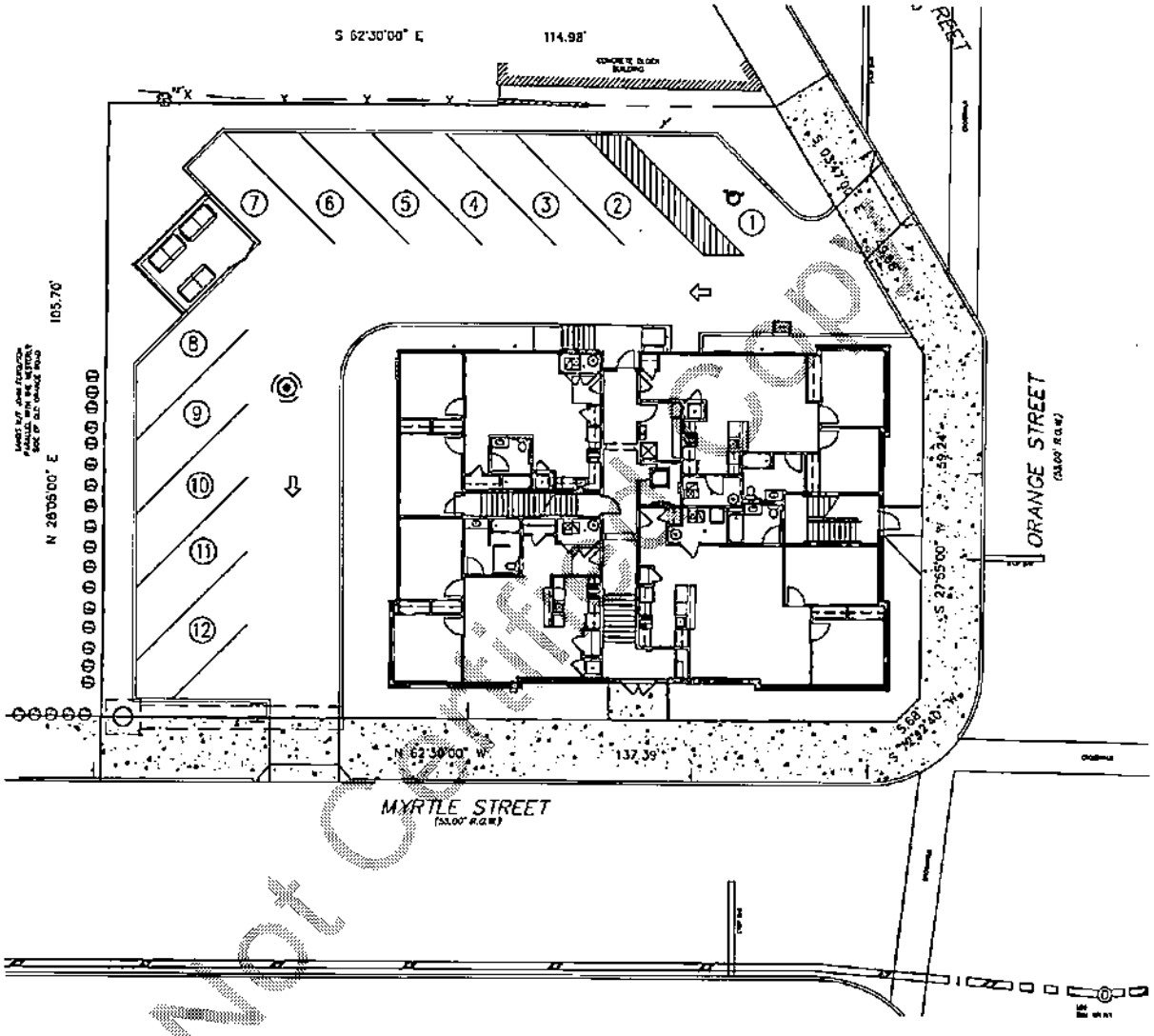
No.	DATE	DESCRIPTION	BY

BOUNDARY & AS BUILT SURVEY
OF
7 MYRTLE STREET
LOT 43.01 IN BLOCK 134 OF THE TAX MAPS OF
TOWNSHIP OF BLOOMFIELD ESSEX COUNTY NEW JERSEY
PREPARED FOR
WATSESSING DEVELOPMENT LLC

PRONESTI SURVEYING, INC.
PROFESSIONAL LAND SURVEYORS

MICHAEL PRONESTI, P.L.S.
PROFESSIONAL LAND SURVEYOR
NJ LIC. No. 24001

SCALE: 1" = 10'
DATE: Mar-07-2007
DRAWN BY: J.M.
CHECKED BY: M.P.
JOB NO.: 07-0
SHEET 1 OF 2

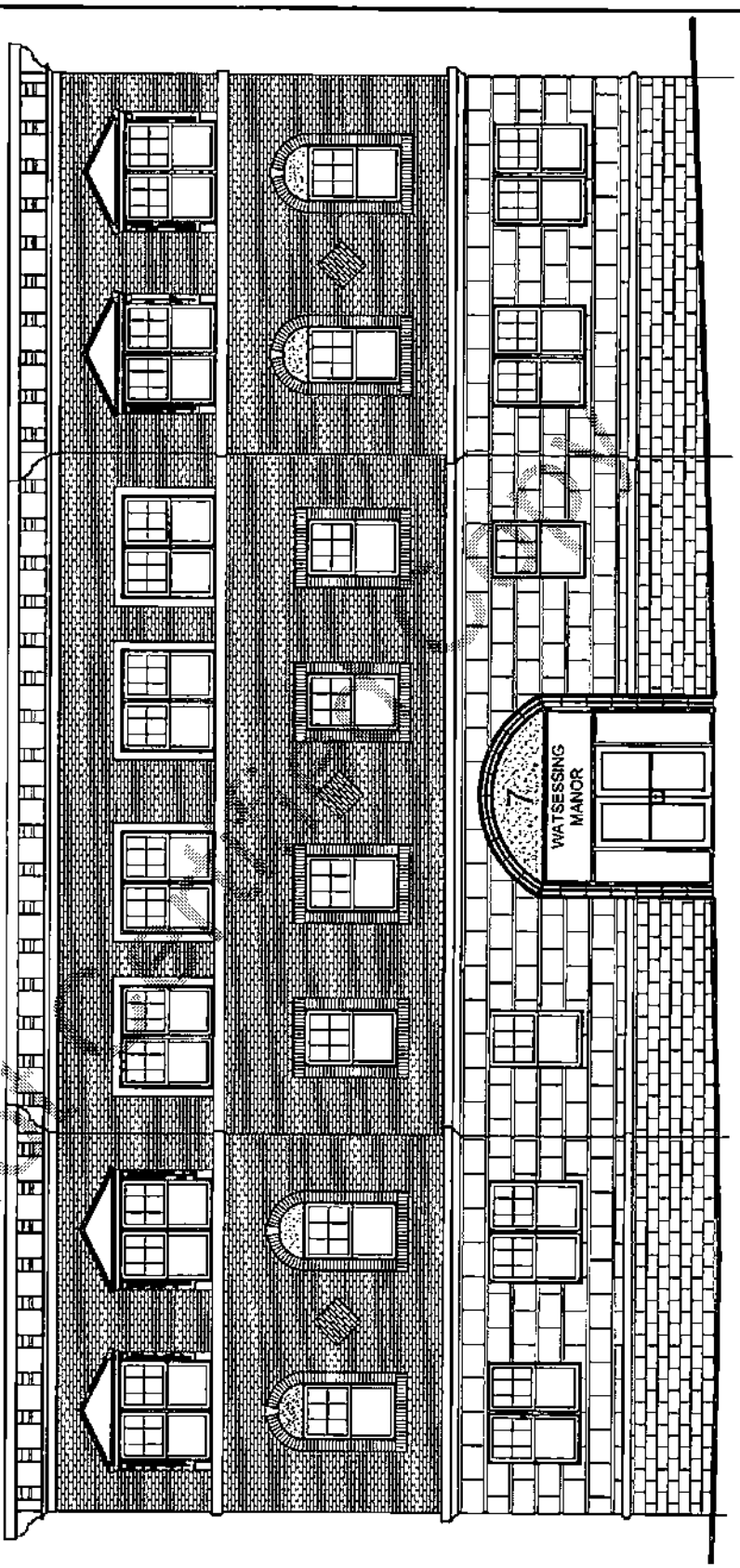


1 PARKING PLAN

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

TOWER ARCHITECTURAL GROUP L.L.C.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
46 CHURCH STREET MONTCLAIR NEW JERSEY 07042
tel # 973 365 0200 fax # 973 707 7910
ROBERT E. CHAPEK AIA PP
NJ LICENSE #CO7921

WATSESSING MANOR	PARKING PLAN	DATE: 11/30/16
7 MYRTLE ST BLOOMFIELD NJ		EXHIBIT A1



PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

1 FRONT ELEVATION
1"=10'-0"

TOWER
ARCHITECTURAL GROUP L.L.C.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
45 CHURCH STREET MONTCLAIR, NEW JERSEY 07042
tel # 973 342 0800 fax # 973 777 9610
ROBERT RICHARD, AIA #P
NJ LICENSE #20791

WATSESSING MANOR

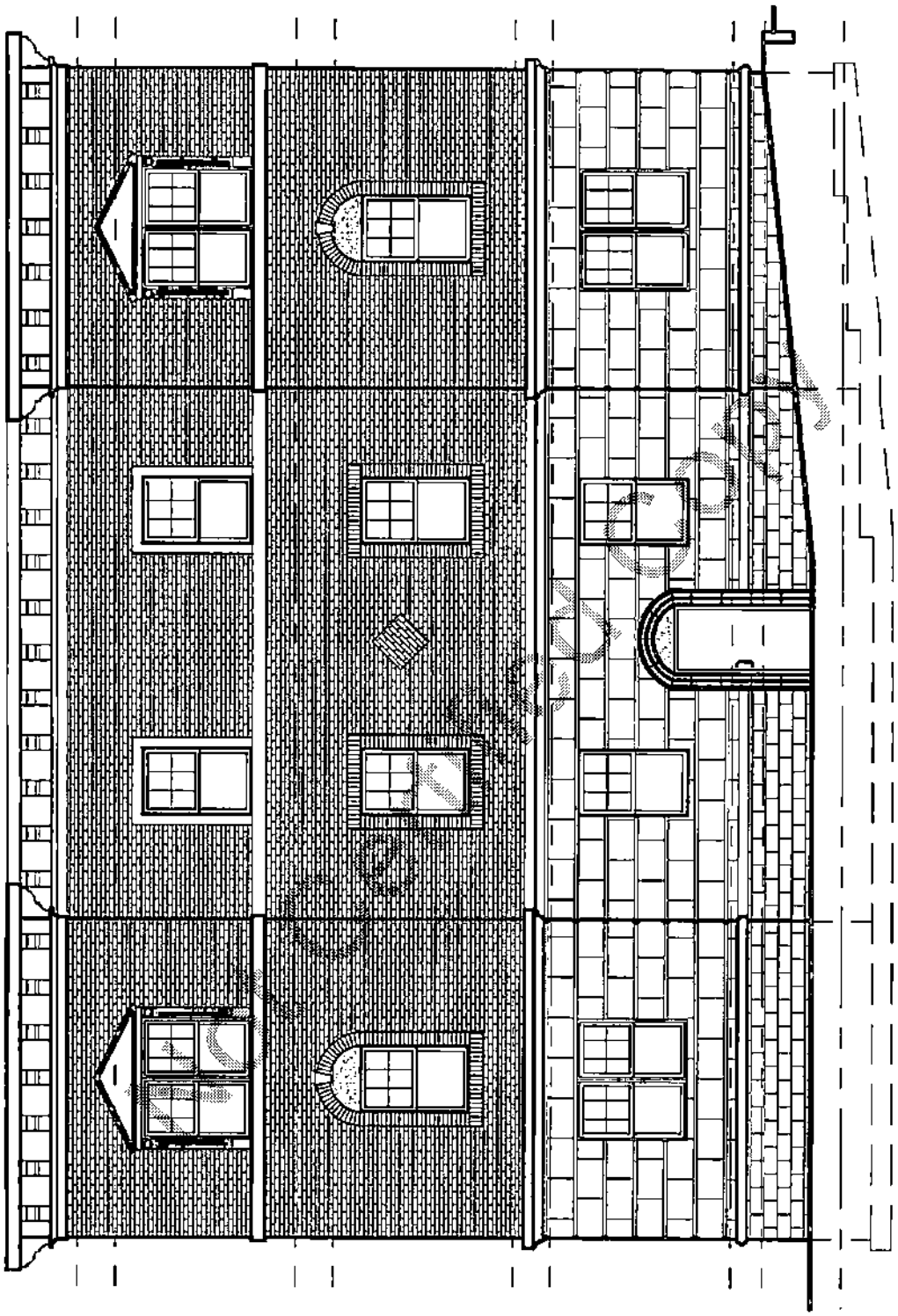
7 MYRTLE ST BLOOMFIELD NJ

FRONT ELEVATION

DATE: 11/30/16

EXHIBIT

B1



PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

1 RIGHT ELEVATION
1/8" = 1'-0"

TOWER ARCHITECTURAL GROUP L.L.C.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
45 CHURCH STREET MONTCLAIR, ESSEX COUNTY NJ
tel 973 345 0600 fax 973 757 7330
ROBERT F. CHARDI AIA, PP
NJ LICENSE #GA7723

WATSESSING MANOR

7 MYRTLE ST BLOOMFIELD NJ

RIGHT ELEVATION

DATE: 11/30/16

EXHIBIT

B2

TOWER ARCHITECTURAL GROUP, L.L.C.

ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
40 CHURCH STREET, MONTCLAIR, NEW JERSEY 07042
TEL 973 746 0200 FAX 973 746 0201

ROBERT CHRISTIE AIA, PP
NJ LICENSE #12721

WATSESSING MANOR

7 MYRTLE ST BLOOMFIELD NJ

REAR ELEVATION

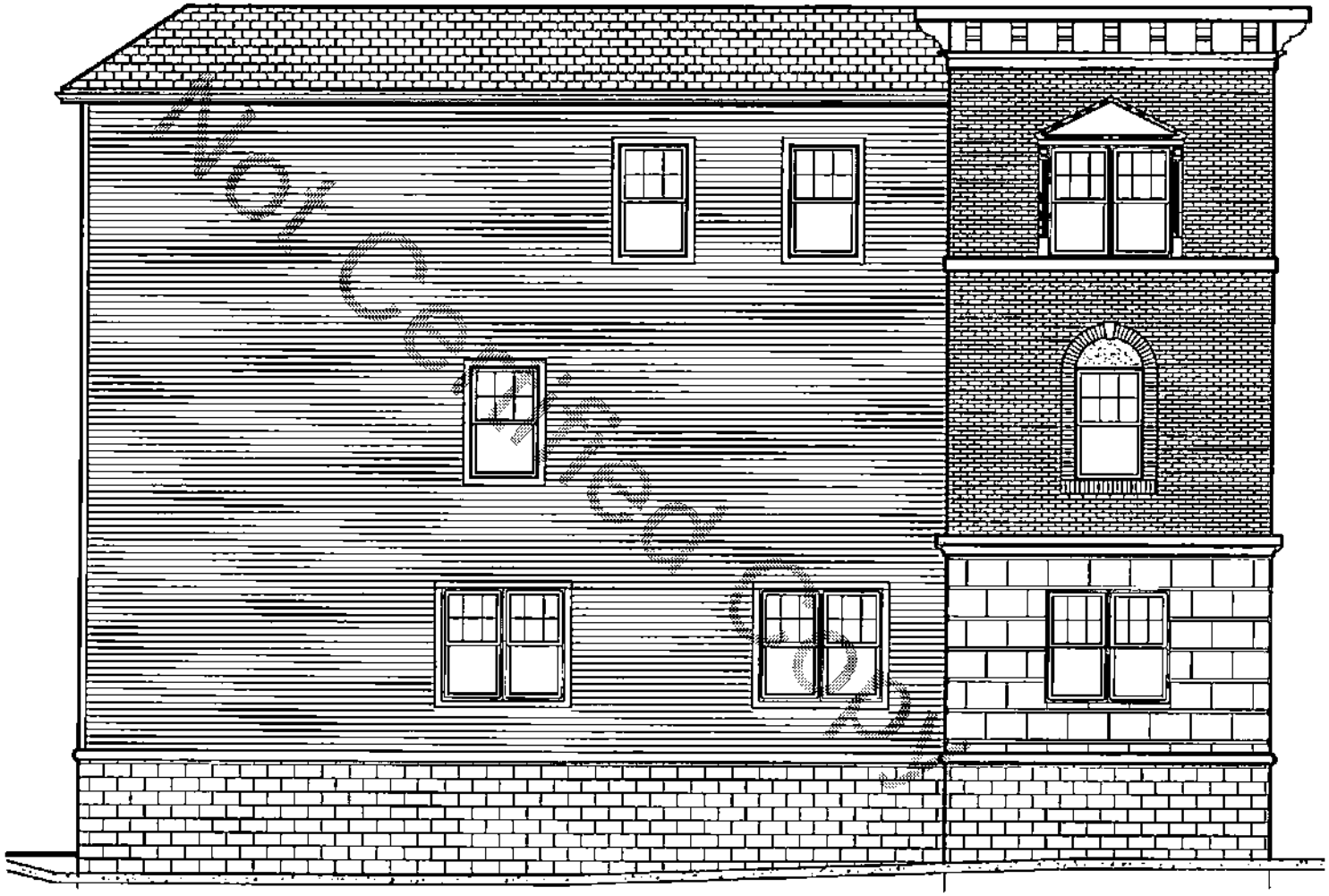
DATE: 11/30/16

EXHIBIT

B3

1 REAR ELEVATION
1"=10'0"

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



1 LEFT ELEVATION
1/8" = 1'-0"

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

TOWER ARCHITECTURAL GROUP LLC.
ARCHITECTURE / PLANNING / CONSULTING / MANAGEMENT
45 CHURCH STREET, MONTCLAIR, NEW JERSEY 07042
tel # 973.746.0800 fax # 973.746.0919
GERARD C. TOWER AIA, PP
NJ LICENSE #GI0721

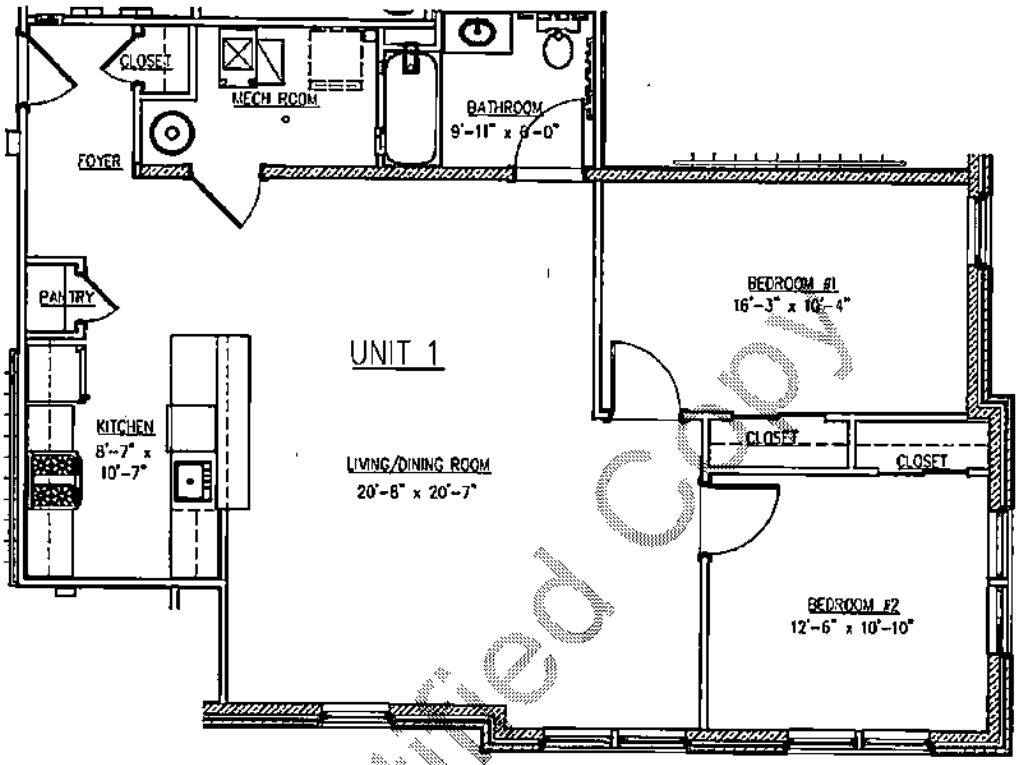
WATSESSING MANOR
7 MYRTLE ST BLOOMFIELD NJ

ELEVATION

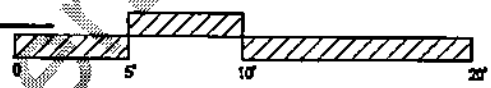
DATE: 11/30/16

EXHIBIT
B4

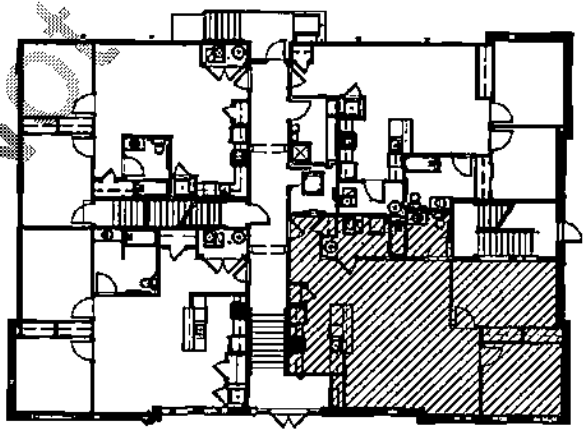
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



1 UNTI 1
1/8" = 1'-0"



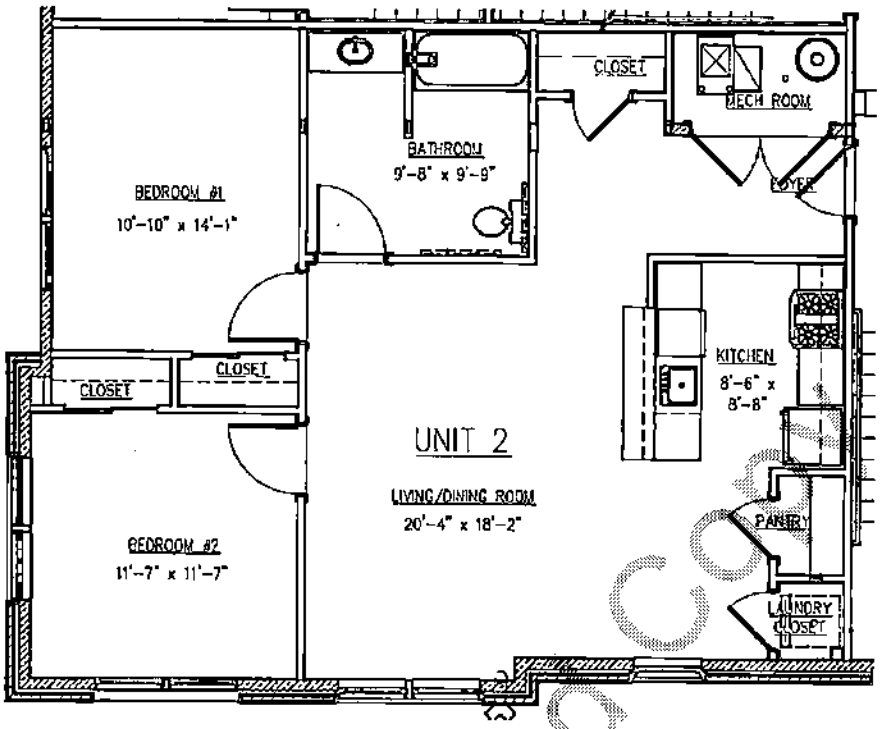
INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY



2 FIRST FLOOR PLAN
N.T.S.

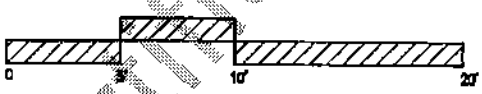
TOWER
ARCHITECTURAL GROUP L.L.C.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
46 CHURCH STREET, MONTCLAIR, NEW JERSEY 07042
tel # 973 3450800 fax 973 7077910
ROBERT RICHARDI AIA, PP
NJ LICENSE #20729

WATSESSING MANOR	FIRST FLOOR PLAN	DATE: 11/30/16
7 MYRTLE ST BLOOMFIELD NJ	UNIT 1	EXHIBIT C1

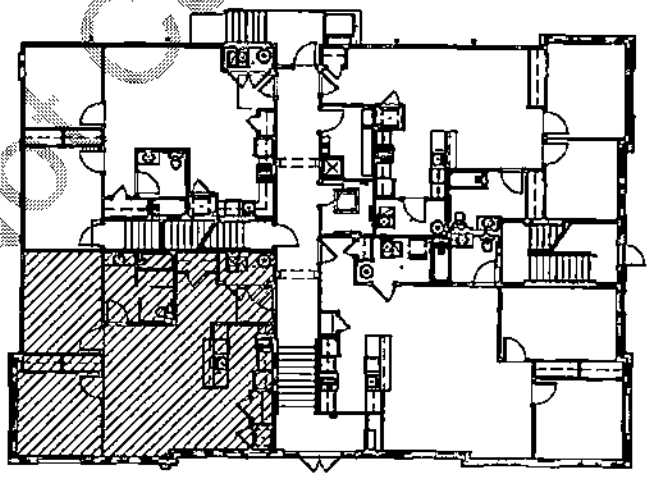


1 UNIT 2 PLAN
1/8" = 1'0"

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY



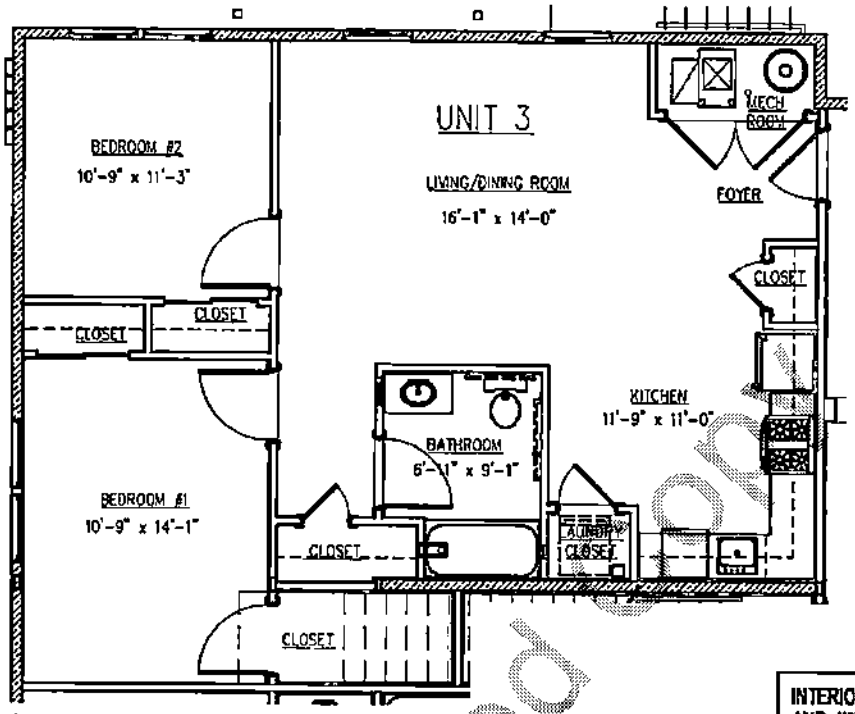
2 FIRST FLOOR PLAN
N.T.S

TOWER
ARCHITECTURAL GROUP L.L.C.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
25 CHURCH STREET, MONTCLAIR, NEW JERSEY 07042
tel # 973 383 0020 fax # 973 707 7310
ROBERT RICHARDS AIA PP
NJ LICENSE #21A7701

WATSESSING MANOR
7 MYRTLE ST BLOOMFIELD NJ

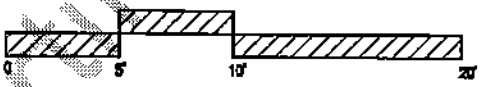
FIRST FLOOR
UNIT 2

DATE: 11/30/16
EXHIBIT
C2

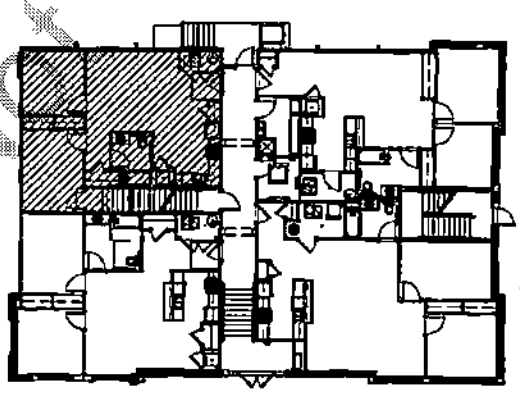


1 UNIT 3 PLAN
1/8" = 1'-0"

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY



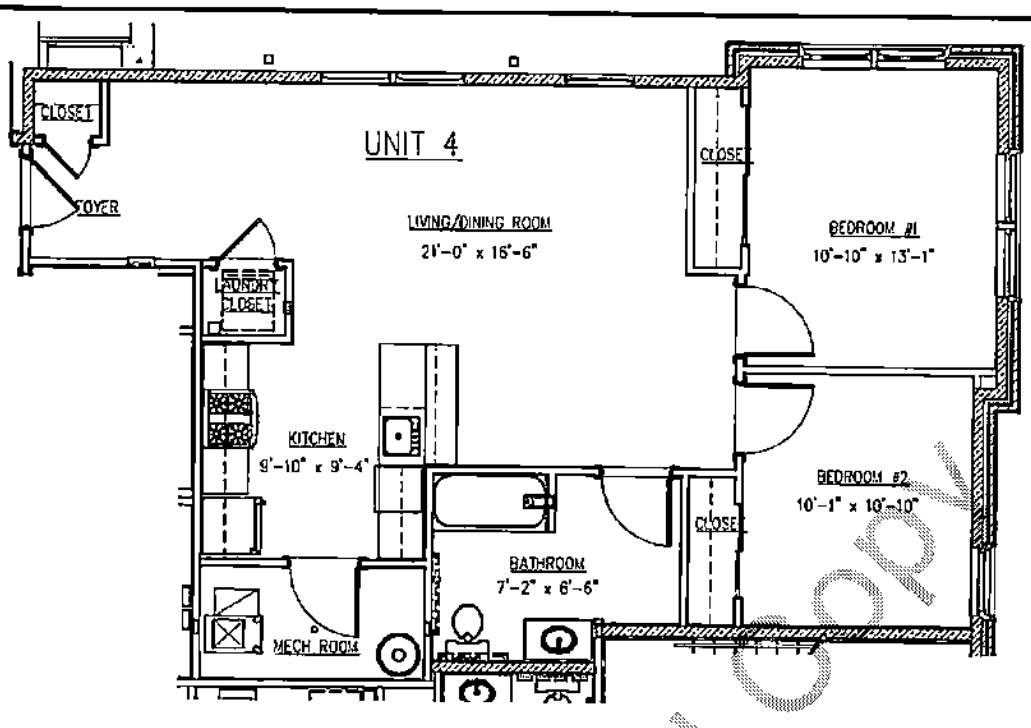
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



2 FIRST FLOOR PLAN
NTS

TOWER ARCHITECTURAL GROUP L.L.C.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
10 CHURCH STREET, MONTCLAIR, NEW JERSEY 07042
tel # 973 345 0863 fax # 973 707 7313
ROBERT RICHARDI, AIA, PP
NJ LICENSE #007721

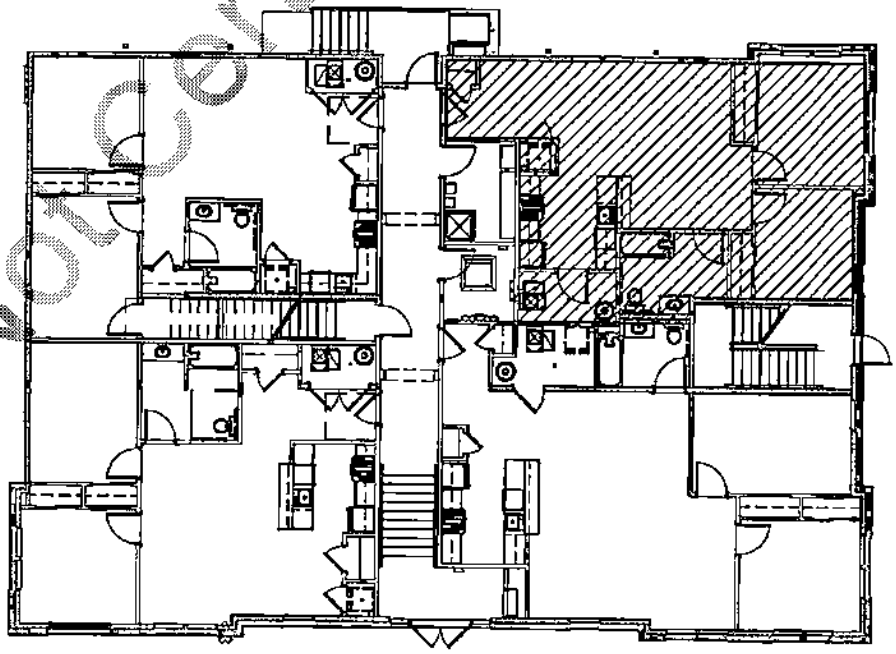
WATSESSING MANOR 7 MYRTLE ST BLOOMFIELD NJ	FIRST FLOOR PLAN UNIT 3	DATE: 11/30/16 EXHIBIT C3



1 UNIT 4 PLAN
1/8" = 1'-0"

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY

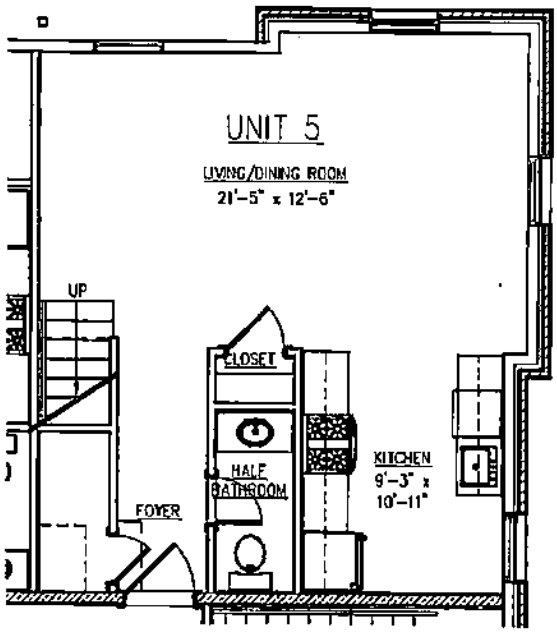
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



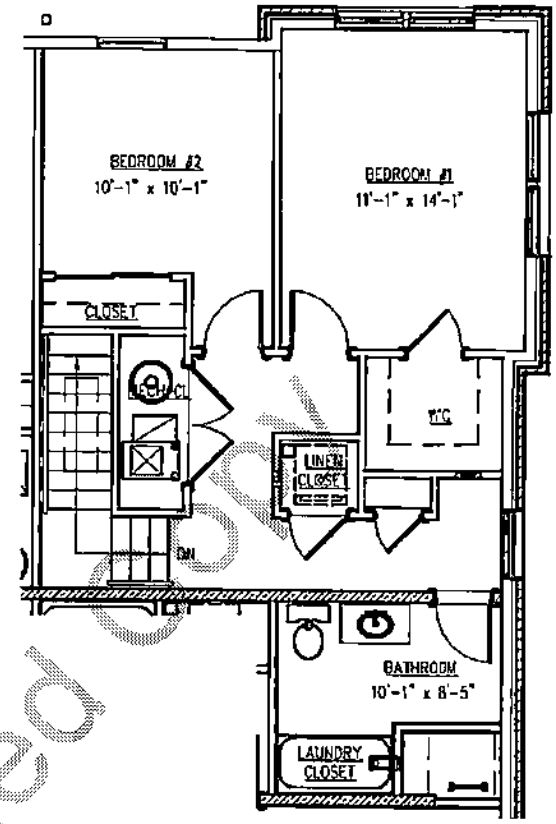
2 FIRST FLOOR PLAN
N.T.S.

TOWER ARCHITECTURAL GROUP L.L.C.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
40 CHURCH STREET MONTCLAIR NEW JERSEY 07042
tel # 973 3430500 fax # 973 737 7315
ROBERT TOMASCH AIA PP
NJ LICENSE #C07729

WATSESSING MANOR 7 MYRTLE ST BLOOMFIELD NJ	FIRST FLOOR UNIT 4	DATE: 11/30/16 EXHIBIT C4

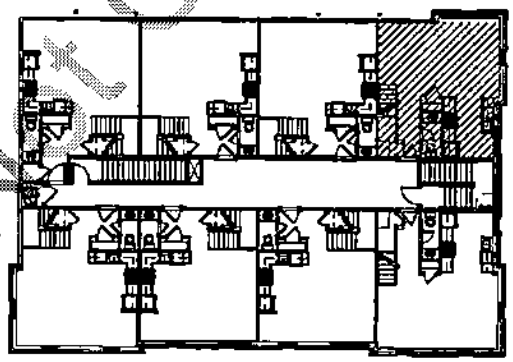


1 UNIT 5 FIRST FLOOR PLAN
1/8" = 1'-0"



2 UNIT 5 SECOND FLOOR PLAN
1/8" = 1'-0"

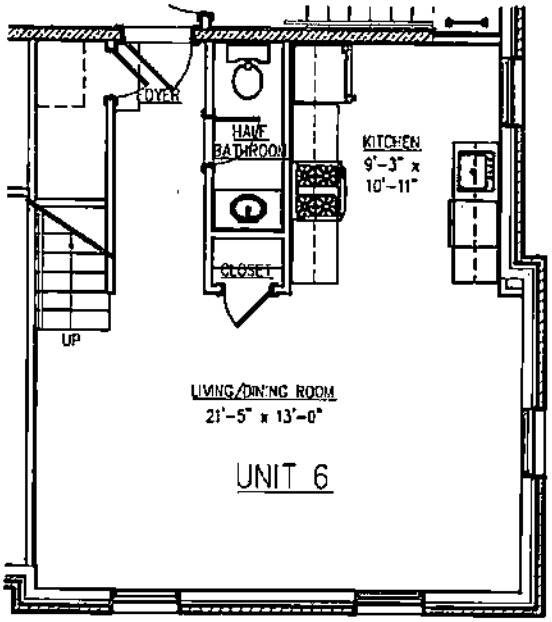
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



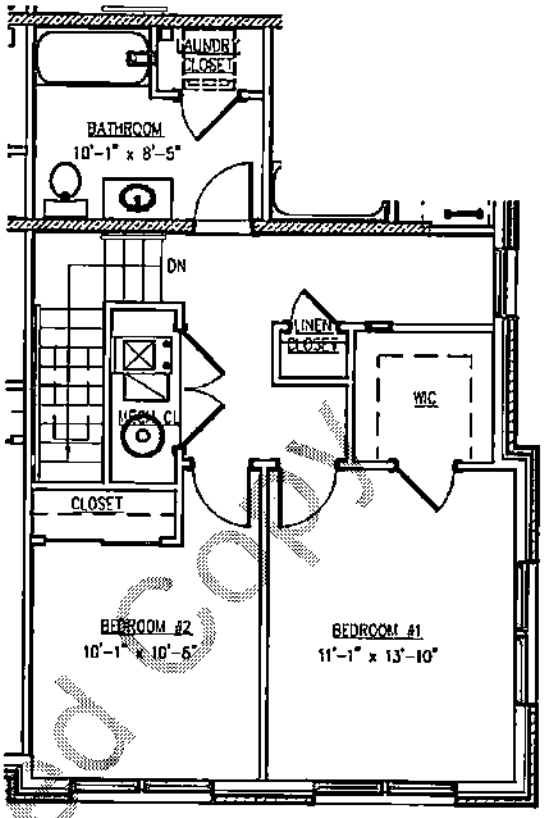
3 SECOND FLOOR PLAN
1/32" = 1'-0"

TOWER ARCHITECTURAL GROUP LLC.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
46 CHURCH STREET, MONTCLAIR, NEW JERSEY 07042
ROBERT RICHARDI AIA, PP
NJ LICENSE #C07729

WATSESSING MANOR	SECOND FLOOR PLAN	DATE: 11/30/16
7 MYRTLE ST BLOOMFIELD NJ	UNIT 5	EXHIBIT C5

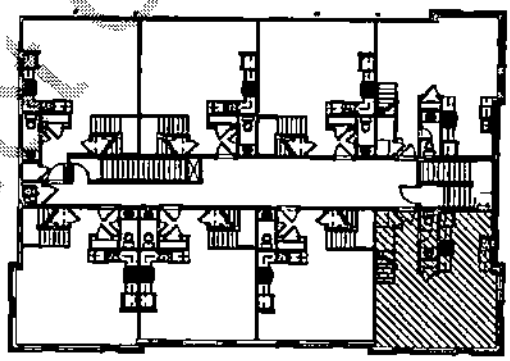


1 UNIT 6 FIRST FLOOR PLAN
1/8" = 1'-0"



PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

2 UNIT 6 SECOND FLOOR PLAN
1/8" = 1'-0"



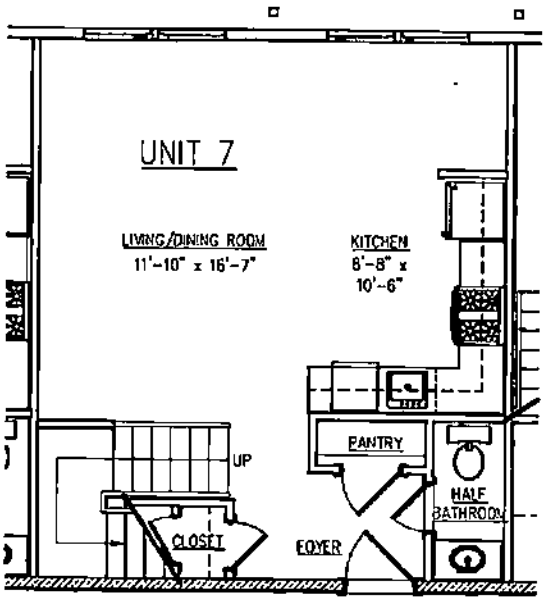
3 SECOND FLOOR PLAN
1/32" = 1'-0"

TOWER ARCHITECTURAL GROUP LLC.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
45 CHURCH STREET, MONTCLAIR, NEW JERSEY 07042
tel # 973 345 0800 fax 973 707 7910
ROBERT RICHARDI AIA PP
NJ LICENSE #20791

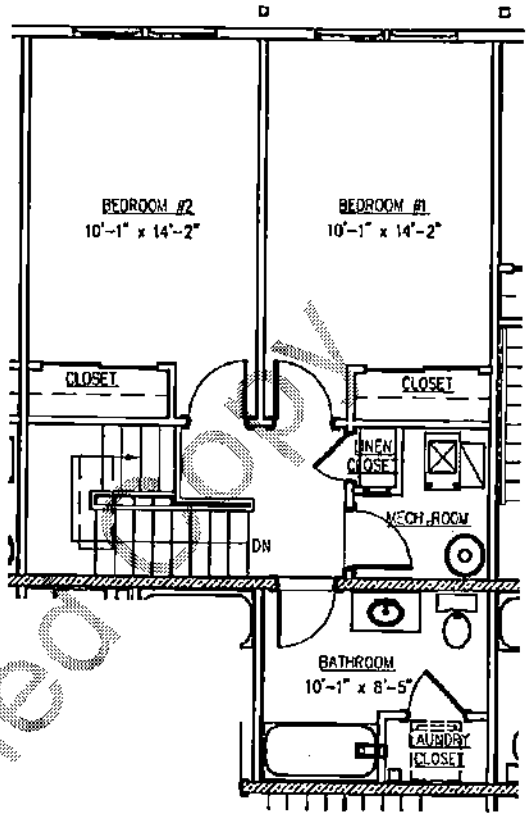
WATSESSING MANOR
7 MYRTLE ST BLOOMFIELD NJ

SECOND FLOOR PLAN
UNIT 6

DATE: 11/30/16
EXHIBIT
C6

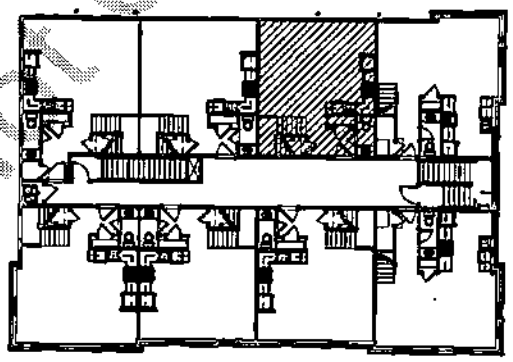


1 UNIT 7 FIRST FLOOR PLAN
1/8" = 1'-0"



2 UNIT 7 SECOND FLOOR PLAN
1/8" = 1'-0"

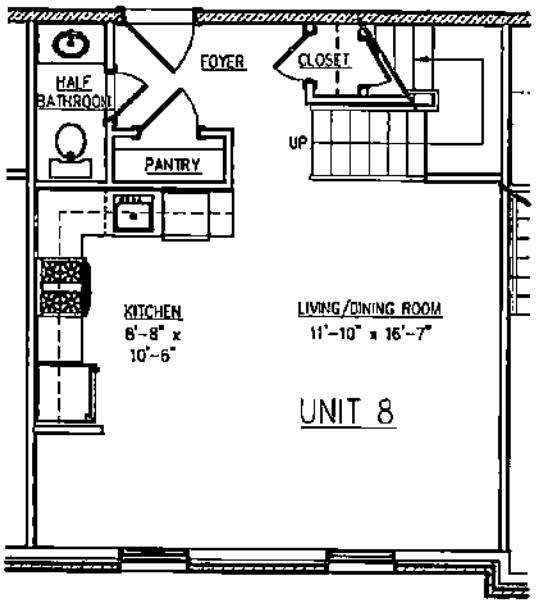
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



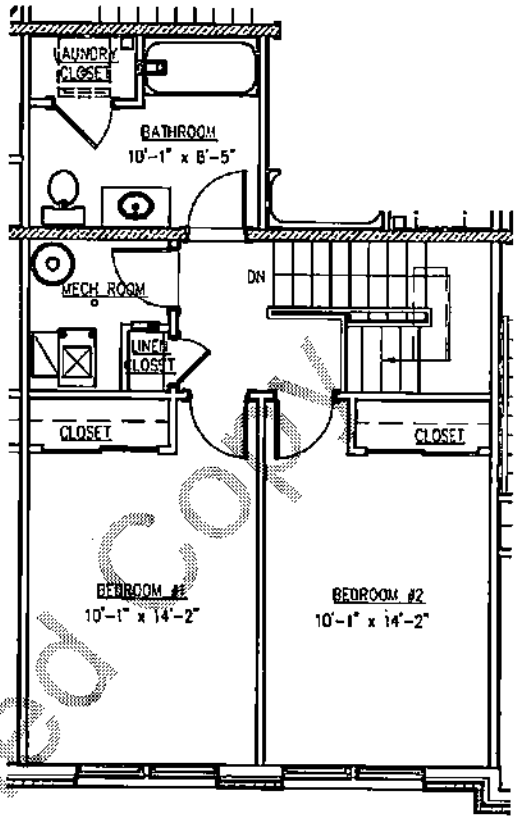
3 SECOND FLOOR PLAN
1/32" = 1'-0"

TOWER ARCHITECTURAL GROUP LLC.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
40 CHURCH STREET, MONTCLAIR, NEW JERSEY 07042
ROBERT E. CHASEN AIA, PP
NJ LICENSE #20729

WATSESSING MANOR 7 MYRTLE ST BLOOMFIELD NJ	SECOND FLOOR PLAN UNIT 7	DATE: 11/30/16 EXHIBIT C7

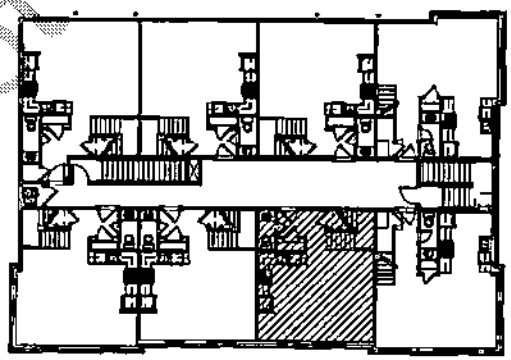


1 UNIT 8 FIRST FLOOR PLAN
1/8" = 1'-0"



2 UNIT 8 SECOND FLOOR PLAN
1/8" = 1'-0"

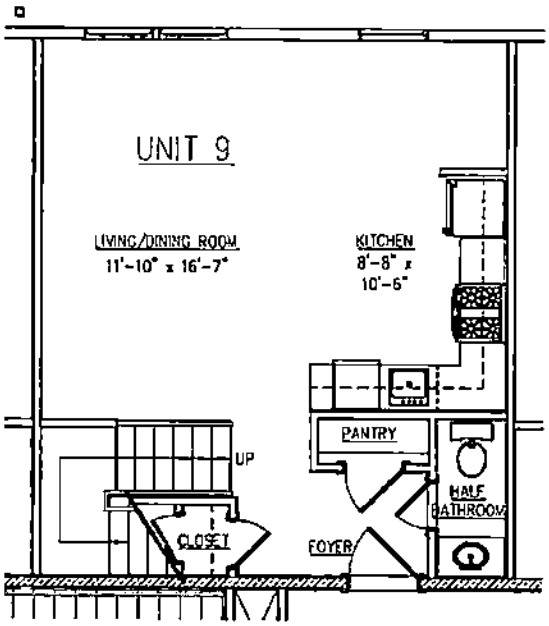
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



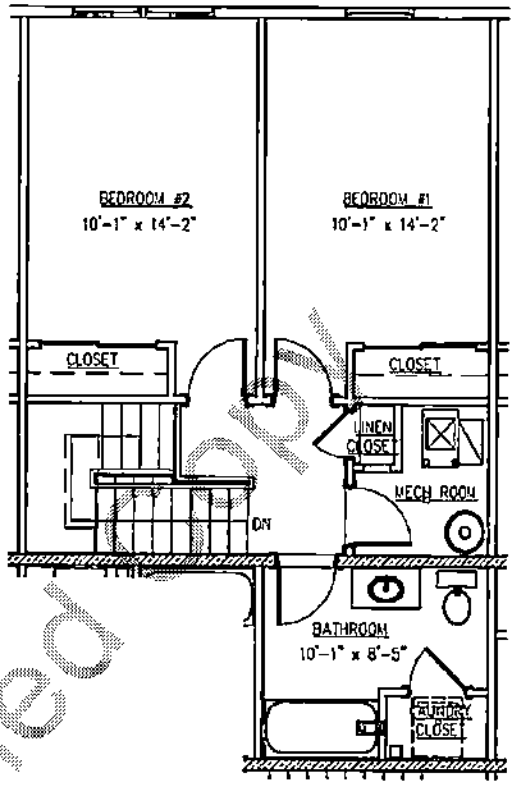
3 SECOND FLOOR PLAN
1/32" = 1'-0"

TOWER ARCHITECTURAL GROUP LLC.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
40 CHURCH STREET, MONTCLAIR, NEW JERSEY 07042
tel # 973.345.0850 fax # 973.744.7910
ROBERT RICHARDS, AIA, PP
NJ LICENSE #20771

WATSESSING MANOR	SECOND FLOOR PLAN	DATE: 11/30/16
7 MYRTLE ST BLOOMFIELD NJ	UNIT 8	EXHIBIT C8

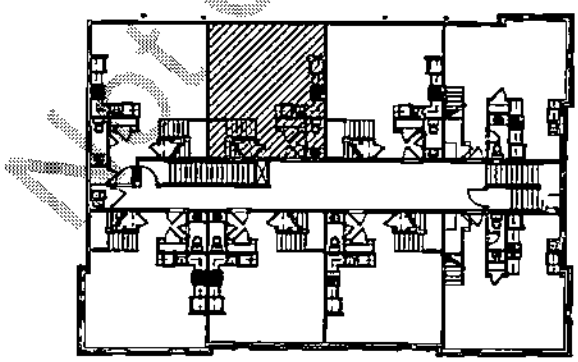


1 UNIT 9 FIRST FLOOR PLAN
3/8" = 1'-0"



2 UNIT 9 SECOND FLOOR PLAN
1/8" = 1'-0"

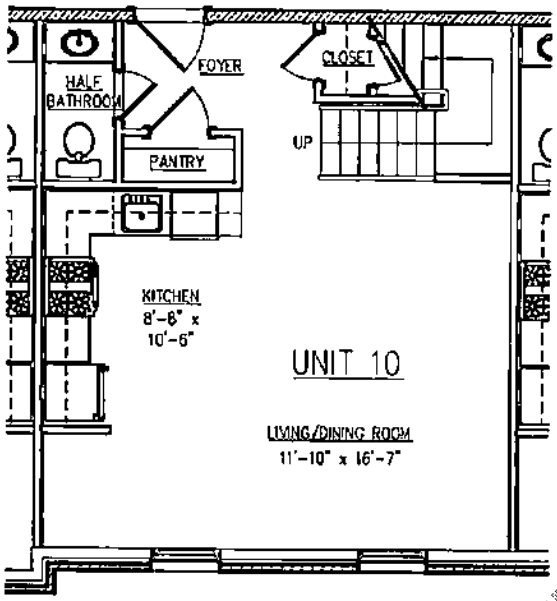
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



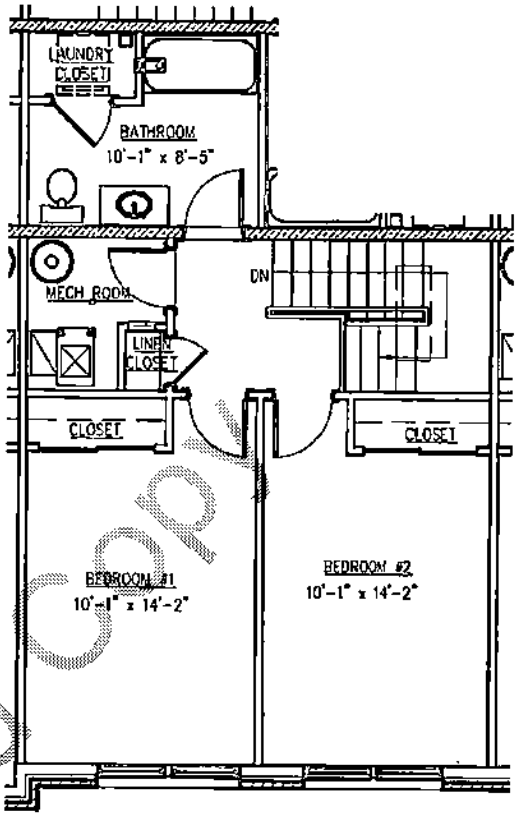
3 SECOND FLOOR PLAN
1/32" = 1'-0"

TOWER ARCHITECTURAL GROUP L.L.C.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
45 CHURCH STREET MONTCLAIR, NEW JERSEY 07042
tel • 973 345 0200 fax 973 [illegible]
JOBERT RICHARDS AIA PP
NJ LICENSE #[illegible]

WATSESSING MANOR 7 MYRTLE ST BLOOMFIELD NJ	SECOND FLOOR PLAN UNIT 9	DATE: 11/30/16 EXHIBIT C9

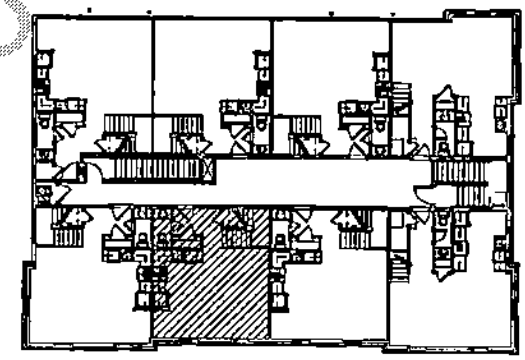


1 UNIT 10 FIRST FLOOR PLAN
1/8" = 1'-0"



2 UNIT 10 SECOND FLOOR PLAN
1/8" = 1'-0"

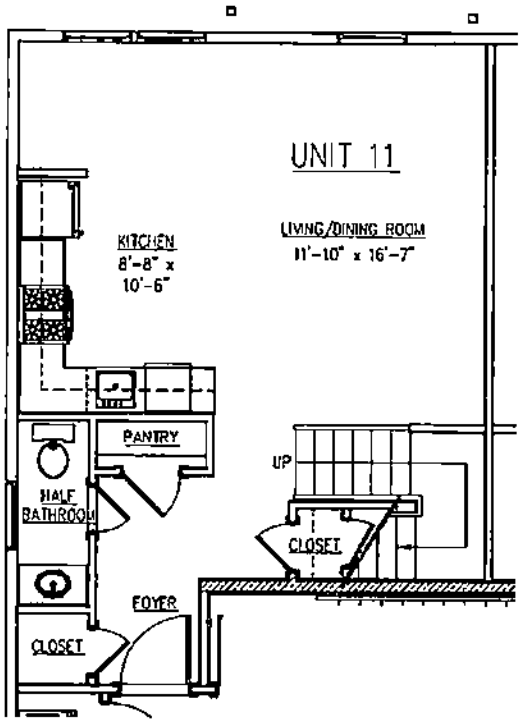
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



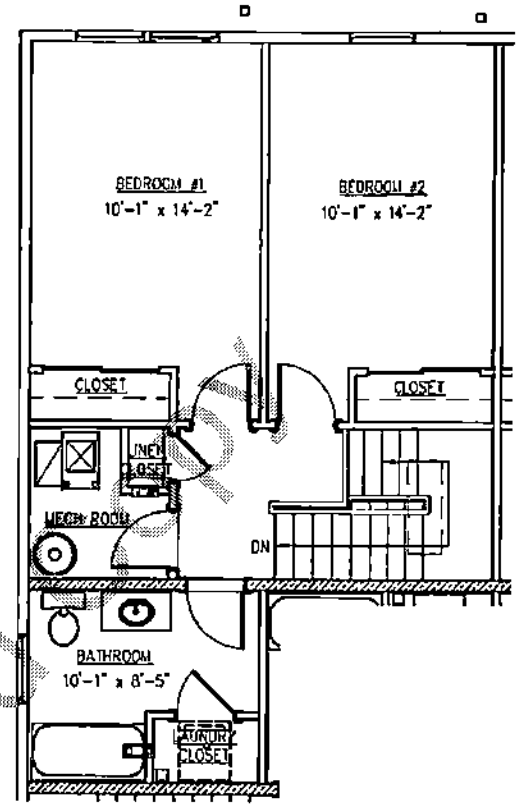
3 SECOND FLOOR PLAN
1/32" = 1'-0"

TOWER ARCHITECTURAL GROUP L.L.C.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
20 CHURCH STREET, MONTCLAIR, NEW JERSEY 07042
TEL # 973 243-9400 FAX # 973 783-7715
ROBERT RICHARDS AIA PP
NJ LICENSE #20772

WATSESSING MANOR 7 MYRTLE ST BLOOMFIELD NJ	SECOND FLOOR PLAN UNIT 10	DATE: 11/30/16 EXHIBIT C10

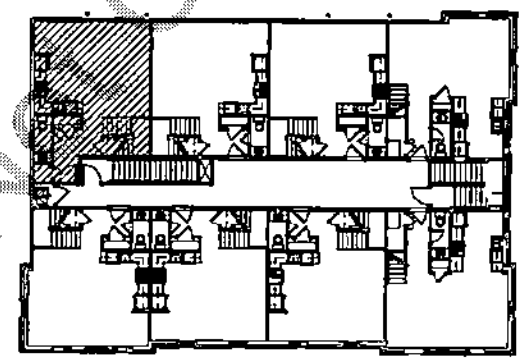


1 UNIT 11 FIRST FLOOR PLAN
1/8" = 1'-0"



2 UNIT 11 SECOND FLOOR PLAN
1/8" = 1'-0"

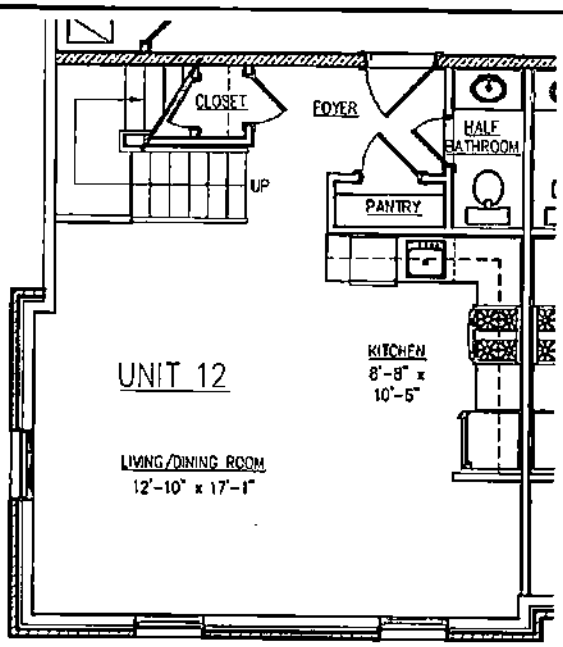
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED



3 SECOND FLOOR PLAN
1/32" = 1'-0"

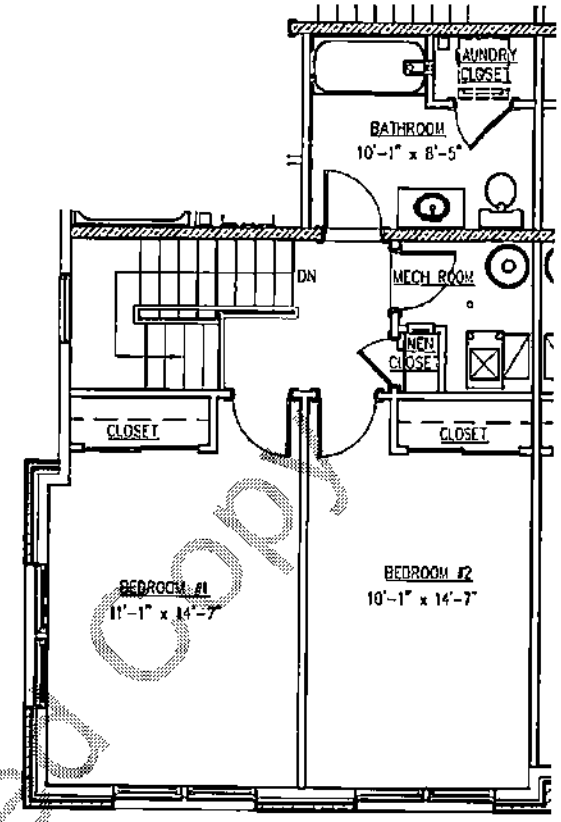
TOWER ARCHITECTURAL GROUP, L.L.C.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
ROBERT RICHARD, AIA, PP
NJ LICENSE

WATSESSING MANOR 7 MYRTLE ST BLOOMFIELD NJ	SECOND FLOOR PLAN UNIT 11	DATE: 11/30/16 EXHIBIT C11



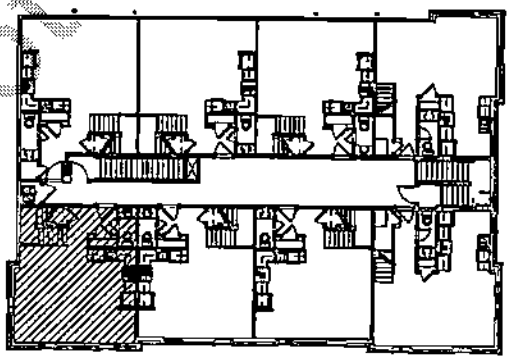
1 UNIT 12 FIRST FLOOR PLAN
1/8" = 1'-0"

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



2 UNIT 12 SECOND FLOOR PLAN
1/8" = 1'-0"

INTERIOR PARTITIONS AND WINDOW LOCATIONS MAY VARY



3 SECOND FLOOR PLAN
1/32" = 1'-0"

TOWER ARCHITECTURAL GROUP LLC.
ARCHITECTURE / PLANNING / CONSTRUCTION MANAGEMENT
85 CHURCH STREET MONTCLAIR, NEW JERSEY 07042
tel 973 450 0100 fax 973 [illegible]
ROBERT RICHARDS AIA PP
NJ LICENSE #[illegible]

WATSESSING MANOR	SECOND FLOOR PLAN	DATE: 11/30/16
7 MYRTLE ST BLOOMFIELD NJ	UNIT 12	EXHIBIT C12

EXHIBIT D

EXHIBIT D

Unit Ownership Percentage	
UNIT NUMBER	PERCENTAGE OWNERSHIP
1	8.3334
2	8.3334
3	8.3334
4	8.3334
5	8.3334
6	8.3334
7	8.3334
8	8.3334
9	8.3334
10	8.3334
11	8.3334
12	8.3334

EXHIBIT E

AMC

C-102B Rev 3/2013 New Jersey Division of Revenue & Enterprise Services

CERTIFICATE OF AMENDMENT TO THE CERTIFICATE OF INCORPORATION

(For Use by Domestic Non-profit Corporations)

FILED
SEP 21 2016
STATE TREASURER

0101033554

Pursuant to the provisions of Title 15A:9-4 New Jersey Non-profit Corporation Act, the undersigned corporation executes the following Certificate of Amendment to its Certificate of Incorporation:

1. Name of the Corporation: Watsessing Manor Condominium Association, Inc.
2. NJ 10 digit ID Number: 0101033654
3. Article II of the Certificate of Incorporation is hereby amended to read as follows:

"ARTICLE II The principal office of the Association is located at 7 Myrtle Street, Bloomfield, New Jersey 07003."

4. The corporation ☐ has ☒ does not have members.

A. For Corporations WITH members:

Number entitled to vote _____ Voting FOR _____ Voting AGAINST _____

If any class or classes of members are entitled to vote as a class, set forth the number of members of each class, the series of votes of each class voting for and against, and the number of members present at the meeting, OR

_____ Adoption was by unanimous written consent without meeting.

Date of Adoption: _____

B. For Corporations WITHOUT members:

Number of Trustees _____ Voting FOR _____ Voting AGAINST _____

Trustees present at meeting _____ OR

X Adoption was by unanimous written consent without meeting

Date of Adoption: 9/20/16

5. Other Provisions:

Signature: _____
(Must be Chr Of Bd, Pres, Or Vice Pres)

Date: 9-20-16

Name: Robert Richardi, President
(Type Name and Title)

FILED
AUG 13 2014
STATE TREASURER

NP

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

ARTICLE I

010103355 4

The name of the corporation is Watsessing Manor Condominium Association, Inc. hereinafter called the "Association".

ARTICLE II

The principal office of the Association is located at 10 Orange Street, Bloomfield, New Jersey 07003.

ARTICLE III

Robert Richardi, whose address is 46 Church Street, Montclair, New Jersey 07042 is hereby appointed the initial registered agent of this Association.

ARTICLE IV

Purpose and Powers of the Association

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and control of the common elements within that certain tract of property described in Exhibits "A" and "C" of a certain Master Deed entitled "Watsessing Manor Condominium," recorded or intended to be recorded in the Office of the Register of Essex County, and to promote the health, safety and welfare of the residents within the above described property and for these purposes:

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

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

(c) To acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

2684847
478574 5

(d) To borrow money, to mortgage, pledge, deed in trust, or hypothecate any or its real or personal property as security for money borrowed or debts incurred; AND

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

ARTICLE V

Membership

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

ARTICLE VI

Board of Trustees

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

(1) Robert Richardi, 46 Church Street, Montclair, New Jersey 07042
(2) Paul DeBellis, Sr., 46 Church Street, Montclair, New Jersey 07042
(3) Paul DeBellis, Jr., 46 Church Street, Montclair, New Jersey 07042

ARTICLE VII

Distribution of Assets Upon Dissolution

Upon dissolution of the Corporation, the assets shall be distributed amongst the members, as tenants in common, in the same percentages as their respective percentage interests in the common elements of the Condominium.

ARTICLE VIII

Duration

The corporation shall exist perpetually.

ARTICLE IX

Amendments

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

IN WITNESS WHEREOF, for the purpose of forming this non-profit corporation under the laws of the State of New Jersey, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 13th day of August, 2014.

Alix S. James
494 Broad Street
Newark, New Jersey 07102

STATE OF NEW JERSEY :
: SS
COUNTY OF ESSEX :

BE IT REMEMBERED, that on this 13th day of August, 2014, before me, the subscriber, personally appeared Alix S. James, who, I am satisfied is the person named in and who executed the within Instrument, and thereupon he acknowledged that he signed, sealed and delivered the same as his act and deed for the uses and purposes therein expressed.

NOTARY PUBLIC

THERESA BUFFONE
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES OCT. 7, 2015

12548304

Watsessing Manor Condominium Association, Inc.

Articles of Incorporation

DATED: August 13, 2014

Record and Return to:

GENOVA BURNS GIANTOMASI &WEBSTER
494 Broad Street
Newark, New Jersey 07012
973-533-0777

12548304

EXHIBIT F

RECORD AND RETURN TO:
New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Ave.
P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Manager of Programs, Single Family
CHOICE Project Name and Number:

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS IMPLEMENTING EQUITY SHARING CONTROLS
For
New Jersey Housing and Mortgage Finance Agency
Non-Deed Restricted
Emerging Market Units
(5 or 15 year equity sharing controls)

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS IMPLEMENTING EQUITY SHARING CONTROLS ("Declaration") is made this day of , 20 ("Closing Date") by , a (type of entity, i.e. a New Jersey Corp., LLC, LLP, etc.) hereinafter referred to as the ("Seller") and ("Buyer" or "Owner"), whose address is , for the Emerging Market Unit known as Block and Lot , aka in the municipality of , in the County of (the "EMU").

WHEREAS, Seller, on this day, conveys to the owner improved real property, the development of which was financially subsidized by the New Jersey Housing and Mortgage Finance Agency ("Agency") as an Emerging Market Unit ("EMU") which is one type of subsidy available under the Agency's Choices in Homeownership Incentives Created for Everyone ("CHOICE") program and such conveyance was made in accordance with the requirements of the Agency among which are the execution and recording of this Declaration and other documents memorializing the requirements of the Agency and empowering the Agency to enforce such requirements; and

WHEREAS, the policy of the Agency, as implemented by the EMU subsidy, is to encourage development of homeownership housing units in Agency designated emerging markets by subsidizing the gap between the sales price and the cost of developing the housing; and

WHEREAS, the policy of the Agency is to strengthen homeownership housing in designated emerging markets by financing and subsidizing development of for-sale housing that are <u>not deed restricted</u> for resale to income eligible buyers, thereby encouraging and facilitating the emergence of a viable market driven housing market; and

WHEREAS, the EMUs by definition are <u>not developed or restricted as affordable housing units</u> under the New Jersey Fair Housing Act, N.J.S.A. (P.L. 1985, c.222), but rather upon sale or resale can be conveyed without regard to sales price or income of the buyer; and

WHEREAS, the Agency has provided CHOICE program EMU subsidy in the amount of $ ("Subsidy amount") toward the development of the EMU referred to above, and said EMU shall be subject to the Equity Sharing Controls for up to 15 years as more specifically set forth in Article 1 of this Declaration.

NOW, THEREFORE, it is the intent of this Declaration to establish the shared-equity resale controls to be recorded on this EMU as stated herein:

Article 1. Emerging Market Unit Covenants, Conditions and Restrictions

The shared equity period during which the Owner is obligated to pay a portion of net sales proceeds shall be for up to 15- years commencing on the Closing Date.
At the time of an arms length sale, conveyance, or refinance of the EMU, in an amount that shall not exceed that of the Subsidy amount stated above, the owner shall repay the Agency from Net Proceeds (as defined in Article 3), in accordance with the following schedule:

100% of the net appreciation should the EMU be sold/refinanced during the first 2 years;

50% should the EMU be sold/refinanced in the 3rd year;

25% should the EMU be sold/refinanced thereafter during the 4th year through the 15th year <u>except that</u> if, after the 5th year, the unit is sold to a household who will occupy the home as a primary residence, no shared appreciation shall be required.

The shared appreciation schedule will be reinstated and effective against the new buyer if the new buyer(s) fails to occupy the unit within 60 days and continuously thereafter for at least one year from the date of closing title. Subsequent sale by a non-resident owner to a household who will occupy the home as a primary residence will not subject the sale to shared appreciation and the shared appreciation requirement will terminate if the buyer occupies the EMU within 60 days and continuously thereafter for at least one year from the date of closing title.

Article 2. Remedies for Breach of this Declaration of Covenants, Conditions and Restrictions

In the event of a threatened breach of any of the covenants, conditions or restrictions by the owner of the EMU, or any successors in interest, the Agency shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.

a) Upon the occurrence of an actual breach of any covenants, conditions or restrictions by the owner of the EMU or any successors in interest, the Agency shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping any funds from a sale or incursion of Debt unapproved by the Agency and specific performance.

Any threatened or actual breach of any of the Covenants, Conditions and Restrictions recited in this document will cause irreparable harm to the Agency.

Article 3. Net Proceeds Defined; Subordinations

Net Proceeds:

"Net Proceeds" means, in the case of an arms-length agreement for sale and conveyance of the Property by the Owner, the proceeds received by the Owner from the fair market sales price, less the following: documented downpayment paid when the Owner purchased the Property; original purchase money mortgage amount, real estate commission, New Jersey realty transfer fees, closing agent fees, cost of repairs necessary to get a Certificate of Occupancy, documented cost of adding an additional bedroom or an additional bathroom.

Payoff amounts associated with secondary financing or liens not subordinated to this Declaration **will not** be deducted from the sales price when calculating net sales proceeds.

Subordination:

Any obligation including refinance, equity loan, letter of credit, or any other mortgage obligation, lien or other debt (collectively "Debt") proposed to be secured ahead of this Declaration must be approved in advance by the Agency. In the event that Debt is proposed the Agency will subordinate this Declaration only if there will be equity remaining in the Property that is adequate to repay the remaining shared appreciation calculated as of the date of the lien of the Debt. Equity will be the amount remaining from the then current appraised fair market value after deducting the principal outstanding amount of any liens with priority after subordination by the Agency. The foregoing notwithstanding, the Owner may prepay the full CHOICE subsidy repayment amount from the proceeds of Debt or any other sources at any time, but must request a payoff amount in advance from the Agency.

Article 4. Termination of Lien

This Declaration and its associated lien shall terminate:

a) Upon the satisfaction or the re-payment of the CHOICE subsidy in accordance with Article 1, or the expiration of 15 years from the Closing Date, whichever shall occur first;
b) In the event of a foreclosure or acceptance of a deed in lieu of foreclosure by the first mortgagee. Once title has been acquired by the first mortgagee through foreclosure or a deed in lieu of foreclosure, any and all restrictions and repayment requirements set forth in this Declaration, Mortgage, and Mortgage Note shall terminate.

The Agency or its successor will provide a Discharge of the Declaration at that time

Article 5. Buyer to Occupy the Property

At all times while this Declaration remains in effect, the Buyer shall personally occupy the Property as the principal residence. The Buyer may apply for hardship relief from this requirement for the same reasons and following the same procedures as set forth in the Agency's Single Family Servicing Guide dated April 1, 2007, as may be updated from time to time.

IN WITNESS WHEREOF, the Buyer has caused this Declaration of Covenants, Conditions and Restrictions to be executed on the Closing Date.

EXECUTIONS

IN WITNESS WHEREOF, the Seller(s) and Buyer have executed this Declaration of Covenants, Conditions and Restrictions Implementing Equity Sharing Controls for the purposes stated herein.

AS TO THE SELLER:

_____
(Seller)

_____
(Signature)

_____
(Print Name of Signer)

STATE OF NEW JERSEY)

) SS.

COUNTY OF)

BE IT REMEMBERED, that on date appearing below,

_____ who is the _____ (title) of the Seller personally appeared before me and who, being duly sworn by me, deposed and made proof to my satisfaction (i) that he/she is the authorized representative of the Seller named in the foregoing Declaration and (ii) and that execution said Declaration with respect to the Property and for the purposes described and set forth therein has been duly authorized by the Seller.

Sworn to and subscribed before me
This _____day of _____, 20_____.

_____

NOTARY PUBLIC

AS TO THE BUYER:

_____
(Buyer's signature)

_____
(Print name of Buyer)

_____
(Buyer's Signature)

_____
(Print name of Buyer)

STATE OF NEW JERSEY)

) SS.

COUNTY OF)

BE IT REMEMBERED, that on the date appearing below,

_____, who is the Buyer(s) personally, appeared before me, and who being duly sworn by me, acknowledged that he/she is/are the Buyer(s) named in this Declaration and that he/she executed this Declaration for the purposes set forth therein.

Sworn to and subscribed before me
This _____day of _____, 20____.

_____
NOTARY PUBLIC

EXHIBIT G

RETURN TO:
New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Ave.
P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Assistant Director of Single Family
CHOICE Project Name and Number:

$

RECAPTURE MORTGAGE NOTE FOR CHOICE PROGRAM

NON-DEED RESTRICTED
EMERGING MARKET UNITS
(5-15 year equity sharing controls)

THIS NOTE is dated as of this day of , 20 . For value received, (referred to hereinafter as "Owner") promises to pay to the New Jersey Housing and Mortgage Finance Agency (the "Agency"), which has its principal offices at 637 South Clinton Avenue, Trenton, NJ 08650-2085, the amounts specified in this Note and promises to abide by the terms contained below.

Article 1. REPAYMENT MORTGAGE NOTE

The Owner is vested in property that is subject to a Declaration of Covenants, Conditions and Restrictions Implementing Equity Sharing Controls (hereinafter the "Declaration") and a Recapture Mortgage for CHOICE PROGRAM (hereinafter the "Recapture Mortgage") both of even date with this Note. Pursuant to the Declaration, the property described in the Declaration and in the Recapture Mortgage securing this Note (hereinafter the "Property") has been made subject to certain equity sharing repayment from "net proceeds", as defined in Article 5 of the Note.

In accordance with this Note, there is a repayment obligation at the time of the first arms-length fair market resale, or removal of cash equity subject to terms as set forth in this Note. The Owner shall repay from net proceeds, as defined in Article 5, the amount of the CHOICE subsidy of $, or a portion thereof as reduced in accordance with the schedule of years, as described in Article 2 below, which amount is hereinafter referred to as the "CHOICE subsidy repayment amount."

As security for the payment of amounts due under this Note and performance of all promises contained in this Note, the Owner has given the Agency on the Closing Date the Declaration and the Recapture Mortgage.

Article 2. OWNER'S PROMISE TO PAY AND OTHER TERMS

During the **15 year** shared equity period, commencing with the Closing Date, removal of cash equity from the Property by the Owner is conditioned upon prior approval by the Agency, in accordance with Article 3 and upon payment to the Agency of the CHOICE subsidy repayment amount that shall be due from the net proceeds, as defined in Article 5, resulting from the arms length sale or conveyance as adjusted in accordance with the following schedule:

At the time of an arms length sale, conveyance, or refinance of the EMU, in an amount that shall not exceed that of the Subsidy amount stated above, the owner shall repay the Agency from Net Proceeds (as defined in Article 5), in accordance with the following schedule:

100% of the net appreciation should the EMU be sold/refinanced during the first 2 years;

50% should the EMU be sold/refinanced in the 3rd year;

25% should the EMU be sold/refinanced thereafter during the 4th year through the 15th year <u>except that</u> if, after the 5th year, the unit is sold to a household who will occupy the home as a primary residence, no shared appreciation shall be required. (In accordance with Declaration, the shared appreciation schedule will be reinstated and effective against the new buyer if the new buyer(s) fails to occupy the unit within 60 days and continuously thereafter for at least one year from the date of closing title. Subsequent sale by a non-resident owner to a household who will occupy the home as a primary residence will not subject the sale to shared appreciation and the shared appreciation requirement will terminate if the buyer occupies the EMU within 60 days and continuously thereafter for at least one year from the date of closing title.)

Nothing in this provision or this Note shall be construed to prohibit the Buyer from pre-paying the CHOICE subsidy amount in full at any time.

Article 3. SUBORDINATED DEBT

Any obligation including refinance, equity loan letter of credit, or any other mortgage obligation, lien or other debt (collectively "Debt") proposed to be secured ahead of the lender on the Property secured by the Recapture Mortgage that secures this Note must be approved in advance by the Agency. In the event that Debt is proposed the Agency will subordinate the Recapture Mortgage secured by this Note to such Debt only if there will be equity remaining in the Property that is adequate to repay the Note. Adequate equity to repay the Note will be the amount remaining from the then current appraised fair market value after deducting the principal outstanding amount of any liens with priority after subordination of the Recapture Mortgage, including, but not limited to, the first mortgage and the Debt. The foregoing notwithstanding, the Owner may prepay the full CHOICE subsidy repayment amount from the proceeds of Debt or any other sources at any time, but must request a payoff amount in advance from the Agency.

Article 4. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of in the County of , State of New Jersey, described more specifically as Block No. Lot No , and known by the street address: .

Article 5. NET PROCEEDS DEFINED

"Net Proceeds" means, in the case of an arms-length agreement for sale and conveyance of the Property by the Owner, the proceeds received by the Owner from the fair market sales price, less the following: documented downpayment paid when the Owner purchased the Property; original purchase money mortgage amount, , real estate commission, New Jersey realty transfer fees, closing agent fees, cost of

repairs necessary to get a Certificate of Occupancy, documented cost of adding an additional bedroom or an additional bathroom.

Payoff of secondary financing or liens not subordinated to the Recapture Mortgage that secures this Note **will not** be deducted from the sales price when calculating net sales proceeds.

Article 6. WAIVER OF FORMAL ACTS

The Owner waives its right to require the Agency to do any of the following before enforcing its rights under this Note:

1. To demand payment of amount due (known as Presentment).
2. To give notice that amounts due have not been paid (known as Notice of Dishonor).
3. To obtain an official certificate of non-payment (known as Protest).

Article 7. RESPONSIBILITY UNDER NOTE

All Owners signing this Note, as Amended, are jointly and individually obligated to pay the amounts due and to abide by the terms under this Note. The Agency may enforce this Note against any one or more of the Owners or against all Owners together.

The Owner agrees to the terms of this Note by signing below.

ACKNOWLEDGEMENT

Owner acknowledges receipt of a true copy of the Amended Note at no charge.

Dated:

ATTEST:

By: _____
Signature (Owner)

_____
Signature (Co-Owner)

EXHIBIT H

RECORD AND RETURN TO:
New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Ave.
P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Manager of Programs, Single Family
CHOICE Project:

REPAYMENT MORTGAGE SECURING PAYMENT OF CHOICE PROGRAM RECAPTURE NOTE IN FAVOR OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

(5 – 15 year Equity Sharing Controls)

THIS MORTGAGE, made on this the day of , 20 by and between , (the "Owner") and New Jersey Housing and Mortgage Finance Agency (the "Agency"), in connection with the property described herein (the "Property");

Article 1. REPAYMENT MORTGAGE NOTE

In consideration of value received, the Owner has signed a Recapture Mortgage Note (the "Note") dated of even date herewith. The Owner promises to pay to the Agency amounts due under the Recapture Mortgage Note, and to abide by all obligations contained therein. Both the Note and this Repayment Mortgage are made subject to a Declaration of Covenants, Conditions and Restrictions Implementing Equity Sharing Controls ("Declaration") pursuant to the CHOICE Program.

Article 2. MORTGAGE AS SECURITY FOR AMOUNT DUE

This Mortgage is given to the Agency as security for the payment required to be paid upon the arms length sale and conveyance or refinance (if permitted pursuant to Article 10) of the Property in accordance with the Owners promise to pay as set forth in the Note. The Owner shall repay, from net proceeds, as defined in Article 5 ("Net Proceeds Defined" of the Note, the total amount of the CHOICE subsidy of $, or a portion as reduced in accordance with the schedule of years, as described in Article 2 ("Owner's Promise to Pay and Other Terms") of the Note.

Article 3. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of in the County of , State of New Jersey (hereinafter the "Property"), described more specifically as Block No. Lot No. , and known by the street address:

Article 4. RIGHTS GIVEN TO THE AGENCY

The Owner, by mortgaging the Property to the Agency, gives the Agency those rights and covenants stated in this Mortgage. The rights, terms and restrictions in this Mortgage shall bind the Owner until such time as the CHOICE lien is repaid in full or to the extent possible from net proceeds at the time of the first arms length conveyance or after the satisfaction of the requisite number of years from the Closing Date. Upon performance of the promises contained in Note and Mortgage, the Agency will prepare and deliver to the then current owner a Discharge of Mortgage or other document evidencing the Owner's release from further obligation.

Article 5. DEFAULT

The Agency may declare the Owner in default of this Mortgage and the Note if:

1. The Owner attempts to convey an interest in the Property without giving prior written notice to the Agency;

2. The Owner fails to make any payment required by the Note;

3. The holder of any lien on the Property starts foreclosure proceedings; or

4. Bankruptcy, insolvency or receivership proceedings are commenced by or against the Owner.

Article 6. AGENCY'S RIGHTS UPON DEFAULT

If the Agency declares that the Note and this Mortgage are in default, the Agency shall have all rights given by law and set forth in this Mortgage.

Article 7. NOTICES

ALL NOTICES MUST BE IN WRITING AND PERSONALLY DELIVERED OR SENT BT CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES GIVEN IN THIS MORTGAGE.

THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY, ATTN: DIRECTOR, SINGLE FAMILY PROGRAMS, 637 S. CLINTON AVE., TRENTON, NEW JERSEY 08650-2085

Article 8. NO WAIVER BY THE AGENCY

The Agency may exercise any right under this Mortgage or under any law, even if the Agency has delayed in exercising that authority, or has agreed in an earlier instance not to exercise that right. The Agency does not waive its right to declare the Owner in default by making payments or incurring expenses on behalf of the Owner.

Article 9. EACH PERSON LIABLE

This Mortgage is legally binding upon each Owner individually and all their heirs, assigns, agents and designees who succeed to their responsibilities. The Agency may enforce any of the provisions of the Note and of this Mortgage against any one or more liable individuals.

Article 10. REFINANCE, SUBORDINATION

Any obligation including refinance, equity loan, letter of credit, or any other mortgage obligation, lien or other debt (collectively "Debt") proposed to be secured ahead of this Mortgage must be approved in advance by the Agency. In the event that Debt is proposed the Agency will subordinate this Mortgage only if there will be equity remaining in the Property that is adequate to repay the remaining shared appreciation calculated as of the date of the lien of the Debt. Equity will be the amount remaining from the then current appraised fair market value after deducting the principal outstanding amount of any liens with priority after subordination by the Agency. The foregoing notwithstanding, the Owner may prepay the full CHOICE subsidy repayment amount from the proceeds of Debt or any other sources at any time, but must request a payoff amount in advance from the Agency.

Article 11. SUBSEQUENT OWNERS

This Mortgage will be released upon satisfaction by the Owner. However, until such time as the Declaration is satisfied (which Declaration will not be satisfied and will survive this Mortgage if the Property is sold to a non-owner occupant or an owner occupant who fails to meet the conditions of the Declaration) subsequent owner(s) will be subject to such terms as are set forth in the Declaration.

Article 12. TERMINATION OF LIEN

This Mortgage and associated Declaration shall terminate in the event of a foreclosure or acceptance of a deed in lieu of foreclosure by the first mortgagee. Once title has been acquired by the first mortgagee through foreclosure or deed in lieu of foreclosure, any and all CHOICE EMU restrictions and repayment requirements under this Mortgage, Mortgage Note, and Declaration shall terminate. The Agency or its successor will provide a Release of Mortgage at that time.

Article 13. SIGNATURES

By executing this Mortgage the Owner agrees to all of its terms and conditions.

Article 14. ACKNOWLEDGEMENT

The Owner acknowledges receipt of a true copy of this Mortgage, at no charge to the State.

IN WITNESS WHEREOF, the Owner(s) has executed this Mortgage for the purposes stated herein.

ATTEST: _____

_____
Signature of (Owner)

_____
Signature (Co-Owner)

STATE OF NEW JERSEY)

) ss:

COUNTY OF _____)

BE IT REMEMBERED, that on this the _____ day of _____, 20___ the subscriber _____ appeared personally before me *(If more than one person signed the foregoing mortgage and appeared before me, the words "the subscriber" and "the Owner" shall include all such persons)*and who, being duly sworn by me, deposed and made proof to my satisfaction (i) that he/she is the Owner named in the foregoing mortgage and (ii) and that he/she has executed said mortgage with respect to the Property and for the purposes described and set forth therein.

Sworn to and subscribed before me, _____ on the date set forth above.

_____

NOTARY PUBLIC

RECORDING INFORMATION SHEET

ESSEX COUNTY REGISTER'S OFFICE
HALL OF RECORDS , ROOM 130
465 MARTIN LUTHER KING Jr. Blvd
NEWARK NJ 07102

INSTRUMENT NUMBER:	DOCUMENT TYPE :
15006238	**DEED**

Official Use Only

DANA RONE
REGISTER
ESSEX COUNTY, NJ

INSTRUMENT NUMBER
15006238
RECORDED ON
January 29, 2015 10:41 am
BOOK:12535 PAGE:8141
BB

Return Address *(for recorded documents)*

WOLFF & SAMSON PC
ONE BOLAND DRIVE
WEST ORANGE NJ 07052

No. Of Pages *(excluding Summary Sheet)*	90
Recording Fee *(excluding Transfer Tax)*	$930.00
Realty Transfer Tax	$0.00
Amount Charged (Check # 7786)	$930.00
Municipality	MONTCLAIR
Parcel Information	**Block** - **Lot** -
First Party Name	92 WILLOW MANOR LLC
Second Party Name	92 WILLOW MANOR LLC

CONSIDERATION (R) $0.00

MAIL COPY _____

ADDITIONAL STAMPINGS _____

Additional Information (Official Use Only)

********** *DO NOT REMOVE THIS PAGE.* **********
COVER SHEET (DOCUMENT SUMMARY FORM) IS PART OF ESSEX COUNTY FILING RECORD
********** *RETAIN THIS PAGE FOR FUTURE REFERENCE.* **********

MASTER DEED

WILLOW MANOR CONDOMINIUM

Prepared by: _____
Gemma M. Giantomasi, Esq.

Record And Return To:

WOLFF & SAMSON PC
One Boland Drive
West Orange, New Jersey 07052
(973) 325-1500

WILLOW MANOR CONDOMINIUM

MASTER DEED INDEX

TABLE OF EXHIBITS

MASTER DEED

92 Willow Manor, LLC, (the "Grantor") having offices at 46 Church Street, in the Township of Montclair, County of Essex and State of New Jersey, hereinafter referred to as the Grantor, does hereby make, declare, and publish this Master Deed made this 28th day of January, 2015.

1. SUBMISSION OF PROPERTY TO THE CONDOMINIUM ACT: The Grantor is the owner of fee simple title to the Parcels, as hereinafter defined. The Grantor hereby submits the Parcels, as hereinafter defined, to the provisions of the Condominium Act of the State of New Jersey (N.J.S.A. 46:8B-1 et seq., as amended). The Condominium property shall be known as "WILLOW MANOR CONDOMINIUM." This Master Deed is intended to establish the condominium form of ownership for the Parcels.

2. DEFINITION OF TERMS: As used herein, the following terms shall have the meaning hereinafter set forth:

Association: 92 Willow Manor Condominium Association, Inc., a New Jersey not for profit, non-stock membership corporation formed under the Corporations and Associations Not For Profit Act of the State of New Jersey, comprised exclusively of Unit Owners to effect the administration, management, maintenance, repair, and replacement of the Condominium Property pursuant to the Condominium Act, this Master Deed and the By-Laws.

Building: The buildings and improvements constructed on the Parcels as shown on the Survey. The Building consists of one (1) structure comprised of twelve (12) Residential Condominium Units.

By-Laws: The By-Laws of the Association, a true copy of which is annexed hereto and made a part hereof as Exhibit B.

Common Elements: All parts of the Condominium Property other than the Residential Condominium Units. Specifically the Common Elements include, but are not limited to, the garage doors, the driveway and driveway apron at the entrance to the Building, the land on which the Building is erected, the exterior walls and roofs of the Units, open spaces, any Units, equipment, furniture, or other property which is owned by the Association, and the Limited Common Elements and also as more specifically designated in the Condominium Act.

Common Expenses: As defined in Article 5.

Condominium Act: The Condominium Act of the State of New Jersey (N.J.S.A. 46:8-B1 et seq., as amended).

Condominium Documents: This Master Deed and its Exhibits, which the Grantor has recorded in the Office of the Essex County Clerk/Register, the Association's Certificate of Incorporation, By-Laws and Rules and Regulations.

Condominium Property: The Parcels and the Building which include the Residential Condominium Units.

Limited Common Element: Those Common Elements which are for the use of one or more specified Units to the exclusion of other Units. The Limited Common Elements shall include by way of description and not by way of limitation, all of the following: (1) any exterior landing, walkway, or stairway to which there is direct access from the interior of an appurtenant Unit; (2) any balcony, terrace, patio, or deck to which there is direct access from the interior of an appurtenant Unit; (3) any parking space assigned to a Unit.

Parcels: The real estate described in Exhibit A annexed hereto and made a part hereof.

Permitted Mortgagee: Any holders thereof as Permitted Mortgage as defined in Section 10 hereof.

Person: An individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.

Proportionate Part or Proportionately: For each Unit, the percentage interest of each respective Unit in the Common Elements as set forth on Exhibit D hereof.

Residential Condominium Unit: A part of the Building designed and intended for independent use as a private dwelling (except as otherwise permitted by this Master Deed or the By-Laws) consisting of (a) the interior walls and partitions which are contained within the private dwelling, and (b) the inner decorated and/or finished surfaces of the perimeter walls, doors, floors, ceilings, and exterior and interior surfaces of windows, including dry-wall, paint, wallpaper, etc. contained in the dwelling as shown on the Survey, but shall not mean any part of the Common Elements situated within the Residential Condominium Unit (e.g. pipes, ducts, wires, conduits, and other facilities running through any interior wall or partition for the furnishing of services to other Units or to the Common Elements and any structural elements of the Building).

Rules and Regulations: Those Rules and Regulations of the Association that may be promulgated by same, together with all future amendments or supplements thereto.

Survey: The plans or surveys of the Condominium Property, which are annexed hereto and make a part hereof as Exhibit C.

Unit: A Residential Condominium Unit together with such Unit Owner's proportionate undivided interest in the Common Elements.

Unit Owner: The Person or Persons whose estates or interest individually or collectively aggregate fee simple absolute ownership of a Unit. The term Unit Owner does not include the Grantor unless specifically provided in the applicable sentence. Any specified percentage of Unit Owners shall mean those owners who, in the aggregate, own such specified percentage of Units.

3. DESCRIPTION OF UNIT: The legal description of each Unit shall consist of the identifying number of such Unit as shown on the Unit Plans and the Limited Common Elements related thereto attached hereto in Exhibit C. Every deed, lease, mortgage, or other instrument may legally describe a Unit as indicated in the preceding sentence and every such description shall be deemed good and sufficient for all purposes as provided in the Condominium Act.

Each Unit generally consists of the space bounded by an imaginary plane along and coincident with the innermost surface of the ceiling joists of the Unit, an imaginary plane along and coincident with the unexposed surface of the ground floor or floor joists, and imaginary planes along and coincident with the innermost surfaces of the studding of the perimeter walls of the Unit.

4. OWNERSHIP AND USE OF COMMON ELEMENTS: The proportionate undivided interest of each Unit Owner in the Common Elements is set forth in Exhibit D annexed hereto and made a part hereof. Each Unit Owner shall have the right to use the Common Elements in common with all other Unit Owners in accordance with the reasonable purposes for which they are intended. Such rights shall extend to the Unit Owner and the members of the immediate family and guests and other authorized

occupants and visitors of the Unit Owner. The use of the Common Elements and the rights of the Unit Owners with respect thereto shall be subject to and governed by the provisions of the Condominium Act, this Master Deed, the By-Laws and rules and regulations of the Association. The Association shall have the authority to lease or grant licenses or concessions with respect to the Common Elements subject to the provisions of this Master Deed and the By-Laws.

5. COMMON EXPENSES: Until the conveyance of title to the first unit, the Grantor shall be solely responsible for all Common Expenses, including insurance and fidelity bond premiums, if applicable. Following the first conveyance, the owners of the Units to whom title has been conveyed shall be responsible for their proportionate share of all Common Expenses and the Grantor shall be responsible for payment of any operating deficit for each fiscal year after taking into account any other revenues of the Association except working capital and replacement reserve contributions made by the Unit Owners at the time of acquisition of title from the Grantor. This means that the Grantor shall pay the difference between the total amount assessed and due from the individual Unit Owners and the actual amount of operating expenses incurred during the Association's fiscal year. Any expenses incurred beyond budgeted amounts shall be borne equally by all Units, either existing or under development. Grantor shall not be responsible for operating deficits caused by delinquencies of the Unit Owners. The Grantor will also pay a proportionate share of common expenses for each Unit with a certificate of occupancy, including the amount of reserves for replacement, assessed against each unit with a certificate of occupancy if not yet conveyed to an individual Unit Owner. If multiple dwellings are located in one building and at least one certificate of occupancy has been issued, the Grantor shall be responsible for payment of replacement reserves for all unsold units in the building whether completed or under development. After the Grantorr relinquishes control of the Board of Trustees of the Association (the "Board") , the Grantor shall only be responsible for payment of its proportionate share of all budgeted common expenses for all units which have been declared of record and which have not been conveyed by the Grantor to individual Unit Owners. At the time of relinquishing the control of the Board to the Unit Owners, the Grantor shall turn over all the working capital and replacement reserve contributions collected from the Unit Owners to the Association as per the accounting by an independent accountant.

6. ASSOCIATION BOARD OF TRUSTEES: The Board of Trustees of the Association (the "Board") shall constitute the governing Board referred to in the Condominium Act.

7. VOTING: Each Unit Owner shall automatically become and be a member of the Association so long as he continues to be a Unit Owner. Upon the termination of the interest of a Unit Owner, his membership shall thereupon automatically terminate and inure to the new Unit Owner succeeding him in interest. Each Unit Owner shall vote pursuant to its percentage of ownership interest. All votes shall be decided by a majority of the total votes eligible to be cast. Whenever this Master Deed or the By-Laws confer a power on the Association (as distinguished from the Board) said power shall be exercised only by vote of the Association at a meeting of the Association.

8. INTERPRETATION AND DISPUTES: The Board shall adopt procedures for the resolution of disputes with respect to the interpretation or application of the provisions of this Master Deed or the By-Laws that shall act as an alternative to litigation.

PARKING FACILITIES: The development contains seventeen (17) parking spaces located at grade-level in an outdoor parking area. Twelve (12) of the parking spaces will be limited common elements and each unit shall be assigned one (1) parking space upon sale of the respective unit on a first come first serve basis. The five (5) remaining parking spaces shall be general common elements and are comprised of four (4) visitor parking spaces and one (1) handicapped parking space. Said visitor parking spaces may be used on a first-come first serve basis, but cannot be occupied for more than forty-eight (48) consecutive hours. Fifteen (15) of the parking spaces are located in the rear of the building and two (2) are located in the northeasterly corner of the development. Further, there are undedicated parking spaces available on the public streets surrounding the development.

10. MORTGAGING OF UNITS: Each Unit Owner shall have the right to mortgage or encumber his Unit provided that such mortgage or encumbrance is made to a bank, trust company, insurance company, real estate investment trust, Federal or State savings and loan association, or a mortgage banker or broker or is a purchase money mortgage made to the Grantor or to the seller or a unit (hereinafter referred to as "Permitted Mortgages").

11. PROPERTY TAXES, ASSESSMENTS, AND CHARGES: All property taxes, special assessments, and other charges imposed by any taxing authority are to be separately assessed against and collected on each Unit as a single parcel, as provided in the Condominium Act. In the event that for any year such taxes are not separately taxed to each Unit, but are taxed on the Condominium Property as a whole, then each Unit Owner including the Grantor shall pay the Association at least fifteen (15) days prior to the due date thereof, his proportionate part of said taxes in accordance with his proportionate undivided interest in the Common Elements, as set forth in Exhibit D. The Association shall thereafter remit the entire amount to the Tax Collector as soon as is reasonably possible.

12. UTILITIES: Each Unit Owner shall pay for his own telephone and utilities, including but not limited to water, gas, and electric, which are separately metered or billed to each user by the respective utility company. Utilities, including but not limited to water, which are not separately metered or billed, shall be treated as part of the Common Expenses.

13. INSURANCE: The Board shall be required to obtain and maintain, to the extent obtainable, insurance of the types and in the amounts required by the By-Laws. In addition, each Unit Owner shall be required to obtain a Home Owner's Insurance policy covering his Unit at the Unit Owner's sole expense.

If the insurance proceeds derived from a loss amount to $50,000.00 or less, then the Board shall contract with any licensed contractor or contractors to rebuild or repair such damaged or destroyed portions of the insured improvements in conformance with the original plans and specification, or if adherence to such original plans and specifications is impracticable in the discretion of the Board of Trustees, then in conformance with revised plans and specifications provided such repairs or rebuilding shall be of a quality and kind substantially equivalent to the original construction. The Board shall accept bids only in specific amounts and shall not enter into any cost-plus or other sliding scale arrangement for compensation to the contractor.

If the insurance proceeds derived from such loss exceed $50,000.00, all such insurance proceeds shall be paid directly to an Insurance Trustee as may be designated by the Board, as Trustee for all Permitted Mortgagees and all Unit Owners as their interests may then appear. Disbursement of such funds shall be made only upon the signatures of a majority of the members of the Board in accordance with the following:

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

(b) The Board shall enter into said contract with a licensed contractor or contractors which shall have provisions for periodic disbursements of funds by the Insurance Trustee. Disbursement to the contractor shall be made subject to the prior presentation of an architect's certificate and contractor's requisition containing such provisions as may be appropriate under the circumstances and deemed suitable by the Board.

The Board shall employ a properly qualified party to supervise the repair and rebuilding to ensure that such work, services, and supplies are of proper quality and that construction is completed in a workmanlike manner and according to plans and specifications.

14. MAINTENANCE, REPAIRS, AND REPLACEMENTS: Each Unit Owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs, and replacements within his Unit; provided, however, such maintenance, repairs, and replacements as may be required for the proper functioning of the plumbing lines and electric wire situated wholly outside the Residential Condominium Unit or, if within the interior partitions, if excluded from the definition of Residential Condominium Unit in Paragraph 2 of this Master Deed, shall be furnished by the Association as part of the Common Expenses. Maintenance, repairs, and replacements of the refrigerators, ranges, and other kitchen appliances, lighting fixtures, heating and air conditioning units, and other electrical appliances, and plumbing fixtures of any Unit Owner shall be at his sole expense. Maintenance, repairs, and replacements of the Common Elements shall be furnished by the Association as part of the Common Expenses. The Association may (but need not) provide, by its rules and regulations, ordinary maintenance and minor repairs and replacements to be furnished to Residential Condominium Units by Building personnel and charged as a Common Expense or as a special assessment.

If, due to the negligent act or omission of a Unit Owner, member of his family, household pet, guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Association. Maintenance, repairs and replacements to the Common Elements and 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 or Units shall be connected to similar equipment, facilities, or fixtures affecting or serving other Units or the Common Elements, then the use thereof by the individual Unit Owner shall be subject to the By-Laws and the rules and regulations of the Association. The authorized representatives of the Association or Board, or of the manager or managing agent for the Building, shall be entitled to reasonable access to the individual Units as may be required in connection with maintenance, repairs, and replacements of or to the Common Elements or any equipment, facilities, or fixtures affecting or serving other Units or the Common Elements; with notice at reasonable hours except in cases of emergency.

All maintenance and repair of garage doors, exterior landings, balconies, walkways or stairways, as well as the maintenance, repair, snow removal, resurfacing and replacement of the driveway, driveway aprons and parking facilities, whether a Common Element, Limited Common Element, shall be the responsibility of the Association. Unit Owners having the use of any balcony, terrace, patio, or deck shall be responsible for all routine cleaning and snow clearing of same, as appropriate. All other maintenance of same shall be the responsibility of the Association. Each Unit Owner's right to use a Limited Common Element may not be transferred apart from the conveyance of title to his Unit.

15. EASEMENTS:

(A) UNIT OWNER EASEMENTS. Every Unit Owner, his successors and assigns, shall have the following perpetual easements with respect to the Condominium Property, which shall be for the benefit of all owners and occupants of Units in the Condominium and their invitees:

1. A non-exclusive easement in, upon, over, under, across, and through the Common Elements to keep, maintain, use, operate, repair, and replace his Unit in its original position and in every subsequent position to which it changes by reason of the gradual forces of nature and the elements; and
2. An exclusive easement for the existence and continuance of any encroachment by his Unit upon any adjoining Unit or upon any Common Elements, now existing or which may come into existence hereafter as a result of construction, reconstruction, repair, shifting, settlement, or movement of any portion of a Building or a Unit, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Building stands; and
3. A non-exclusive easement for ingress and egress to his Unit in, upon, under, over, across, and through the Common Elements; and

4. An exclusive easement to use and enjoy the surfaces of the main walls (including any skylights, doors, fireplace, and chimney if any therein), ceilings, floors, stairway and foyer of his Unit; and
5. An exclusive easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines, television systems, master antenna facilities or other Common Elements located within any of the other Units or Common Elements and serving his Unit; and
6. A perpetual and non-exclusive easement in, over, and through the Common Elements to use the common facilities and recreational amenities, if any, within the Condominium subject to the right of the Board to:
    i. Promulgate Rules and Regulations for the use and enjoyment thereof;
    ii. Suspend the enjoyment of any Unit Owner for any period during which any assessment, fine, or other charge remains unpaid, or for any period during which any infraction of its published Rules and Regulations continues, it being understood that any suspension for either non-payment of any assessment or a breach of the Rules and Regulations of the Association shall not constitute a waiver or discharge of the Unit Owner's obligation to pay the assessment; and
    iii. Designate portions of the Common Elements as Limited Common Elements.
7. A non-exclusive easement for pedestrian ingress and egress to and from the other Units over and through all common walkways and roadways located within the Common Elements, which easement shall be for the benefit of all Unit Owners and occupants in the Condominium or their invitees; and
8. A non-exclusive easement for access to or use of the Common Elements within the Condominium for any other purposes not prohibited by the Condominium Documents, which easement is for the benefit of all Owners and occupants of Units in the Condominium and their invitees; and
9. A non-exclusive easement for vehicular ingress and egress reasonably required to and from the Units over and through roadways in the Condominium, which easement shall be for the benefit of all Unit Owners and occupants of Units in the Condominium and their invitees.

(B) Grantor's Easements. The Grantor, his respective successors and assigns, shall have the following easements with respect to the Condominium Property. This Master Deed cannot be amended to modify or eliminate the easements reserved to Grantor by this or any other section without the prior written consent of Grantor, and any attempt to do so will have no force or effect.

1. A blanket and non-exclusive easement in, upon, through, under, and across the Common Elements for the purpose of (i) construction installation, maintenance and repair of any improvements to the Units or the Common Elements, (ii) ingress and egress for the use of all driveways and parking areas, (iii) the utilization of existing and future model Residential Condominium Units for sales promotion and exhibition, and (iv) installation of identification signs deemed appropriate by the Grantor, all of which may be illuminated and located anywhere on the Common Elements at the sole cost and discretion of Grantor, until the expiration of one (1) year from the date the last Unit is sold and conveyed in the normal course of business, but in no event more than five (5) years from the date of recording of the Master Deed, the Grantor's right to use the model Units for sales promotion and exhibition will end when the last Unit is sold and conveyed in the normal course of business;
2. The irrevocable right to enter unto, upon, over, or under any Unit for such purposes as may be reasonably necessary for the Grantor or its agents to service such Unit or any part of the Building proved that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not;
3. A blanket and non-exclusive easement in, upon, over, through, under, and across the Common Elements to use all driveways and parking areas to perform any service or repair required pursuant to the Grantor's warranty

obligations, until the expiration of the Grantor's warranty obligations pursuant to law;

4. A perpetual, blanket and non-exclusive easement in, upon, over, under, across, and through the Common Elements for surface water runoff and drainage cased 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;
5. A blanket and non-exclusive easement in, upon, over, under, through, and across the Condominium Property for ingress and egress, and for development, construction, installation, maintenance, and repair of any improvements to any portion of the Condominium Property;
6. A perpetual, blanket, and non-exclusive easement in, upon, over, under, through, and across the Common Elements for ingress and egress to, and for the installation, construction, use, maintenance, repair, and replacement of pipes, wires, ducts, cables, conduits, public utility lines, television systems, master antenna facilities, water and sewer systems, drainage structures, and retaining walls to serve all or any portion of the Condominium Property; and
7. A blanket and non-exclusive easement in, upon, over, through, under, and across the Common Elements and existing and future model units for sales promotion and exhibition, including the posting of signs and other forms of advertisements, and the right of access to community facilities for marketing purposes, until the last unit in the Condominium is sold and conveyed in the normal course of business, but in no event more than five (5) years from the date of recording the Master Deed.

(C) Association Easements. The Condominium Property shall also be subject to the following perpetual easements for the benefit of the Association:

1. The Association shall have a perpetual and exclusive easement for the maintenance of any Common Elements, including those which presently or may hereafter encroach upon a Unit; and
2. The Association, through its Board or any manager, or managing agent, or its respective agents or employees shall have the perpetual and non-exclusive right of access to each Unit (i) to inspect same, (ii) to remedy any violations of the provisions of the Condominium Documents of the Association, and (iii) to perform any operations required in connection with its maintenance, repairs and replacements as set forth in Article VIII hereof; 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.

(D) Permitted Mortgagee Holder Easements. Any Permitted Mortgagee, 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 Common Elements, or any Units so encumbered by a first mortgage owned by it. This right shall be exercised only during reasonable daylight hours, and then whenever practicable, only after advance notice to, and with the permission of, the Board of Trustee of the Association and the Unit Owner.

(E) Utility Easements. A blanket, perpetual, and non-exclusive easement in, upon, over, across, and through the Common Elements for the purpose of installation, maintenance, repair, service and replacement of all sewer, water, power and telephone pipes, lines, mains, conduits, waters, poles, transformers, master television antennas, 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, which easement shall be for the benefit of any governmental agency, or utility company or other entity which requires same for the purpose of finishing one or more of the foregoing services.

(F) Government Easements. The Condominium Property shall also be subject to the following easements:

1. A blanket, perpetual, and non-exclusive easement of unobstructed ingress and egress in, upon, over, across, and through the Common Elements to the City of Jersey City, its respective officers, agents, and employees (but not the public in general) and all police, fire, and ambulance personnel in the proper performance of their respective duties (including, but not limited to, emergency repairs to a Unit), and for repair and maintenance of the Common Elements. Except in the event of emergencies, the rights accompanying the easements provided for in this subparagraph shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to, and with permission of, the Unit Owner(s) directly affected thereby; and
2. A perpetual, blanket, and non-exclusive easement in, upon, over, under, across, and through the Common Elements to the City of Jersey City, its respective officers, agents, and employees (but not the general public) for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon the Condominium Property. No individual Unit Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Condominium Property.

(G) Responsibility for Damages. In the event that any easement right set forth in this Article 15 is exercised, the person or entity exercising such right shall be responsible for the repair of any damage and liable for any personal injury or property damage arising directly or indirectly form its use or maintenance of the easement area.

16. DEED RESTRICTIONS: All Units will be subject to deed restrictions, mortgages and notes. All deed restrictions and mortgages will be recorded with the Essex County Clerk's/Register's Office.

The deed restrictions, mortgages and notes related to the aforementioned Units are as follows:

1. Declaration of Covenants, Conditions and Restrictions Implementing Equity Sharing Controls for New Jersey Housing and Mortgage Finance Agency Non-Deed Restricted Emerging Market Units (5 or 15 year equity sharing controls) – A copy of said declaration is attached hereto as Exhibit F.
2. Recapture Mortgage Note for CHOICE Program Non-Deed Restricted Program Emerging Market Units (5 - 15 year equity sharing controls) - A copy of said note is attached hereto as Exhibit G.
3. Repayment Mortgage Securing Payment of CHOICE Program Recapture Note in Favor of the New Jersey Housing and Mortgage Finance Agency (5 - 15 year Equity Sharing Controls) - A copy of said mortgage is attached hereto as Exhibit H.

17. PETS: One pet, not exceeding twenty-two (22) pounds in weight, shall be permitted per Residential Condominium Unit, provided that they are carried in the Common Elements and are walked offsite. Further, pets may not be kept, bred, or maintained for any commercial purpose.

18. DECORATING: Each Residential Condominium Unit Owner shall furnish and be responsible for, at his expense, all of the decorating within his own Residential Condominium Unit from time to time, including painting, wall papering, washing (including windows, inside and outside), cleaning, paneling, floor covering, draperies, window shades, curtains, lamps, and other furnishings and interior decorating. Each Residential Condominium Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors, and ceilings which constitute the exterior boundaries of the respective Residential Condominium Unit owned by him, and such owner shall maintain such interior surfaces (or drop ceiling) in good condition at his sole expense as may be required from time to time, and each such Residential Condominium Unit Owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. The use of and the covering of the interior surfaces of such

windows and the doors leading to the decks, whether by draperies, shades, or other items visible on the exterior of the Building, shall be subject to the rules and regulations of the Association. Decorating of the Common Elements (other than interior surfaces) within the Condominium Property to the extent made necessary by any damage to existing decorating of such Residential Condominium Unit caused by maintenance, repair, or replacement work on the Common Elements by the Association, shall be furnished by the Association as part of the Common Expenses. No Unit Owner shall have any right to replace the windows in a Unit unless said windows are replaced with a similar window that has been previously approved by the Board of Trustees.

19. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS: No Unit Owner (other than the Grantor) may make any structural additions, alterations, or improvements in his Unit or of the Common Elements without the prior written approval of the membership of the Association or impair any easement without the written consent of the membership of the Association or of the Unit Owner or Owners for whose benefit such easement exists.

While the Grantor maintains a majority of the Board, it shall make no additions, alterations, improvements or purchases not contemplated in this offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a governmental agency, title insurance company, mortgage lender, or in the event of an emergency.

20. ENCROACHMENTS: If any portion of the Common Elements shall actually encroach upon any Unit or if any Unit shall actually encroach upon any portions of the Common Elements, as the Common Elements and Units are shown on the Survey, there shall be deemed to be mutual easements in favor of the owners of the Common Elements and the respective Unit Owners involved to the extent of such encroachment so long as the same shall exist.

21. SALE OR LEASE OR OTHER DISPOSITION OF UNITS: Should the Unit Owner wish to sell or lease his Unit, he shall, before accepting any offer to sell or lease his Unit, comply with the applicable provision of the By-Laws, specifically, but not limited to, Article VII.

22. REMEDIES: In the event of any default by a Unit Owner under the provisions of the Condominium Act, this Master Deed, the By-Laws or rules and regulations of the Association, the Association and the Board of Trustees shall have each and all of the rights and remedies which may be provided for in the Condominium Act (except as otherwise provided in this Master Deed or the By-Laws), this Master Deed, the By-Laws or said rules and regulations or which may be available at law or in equity, and may prosecute any action or other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien, statutory or otherwise, including but not limited to foreclosure of such lien, appointment of a receiver for the Unit, damages, an injunction, specific performance, judgment for payment of money and collection thereof, or for any combination of remedies or for any other relief. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses, all damages, liquidated or otherwise, together with interest thereon at the maximum legal rate until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective part of the Common Expenses and the Association shall have a lien for all of the same. In the event of any such default by any Unit Owner, the Association, the Board, and the manager or managing agent if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all of such rights and remedies may be exercised at the time and from time to time, cumulatively or otherwise, by the Association or the Board.

23. AMENDMENTS: The provisions of this Master Deed may be amended from time to time upon the approval of such amendment or amendments by the Association pursuant to a resolution or written consent approving such amendment or amendments adopted or given by Unit Owners owning not less than Sixty-seven (67%) percent of the total number of Units in the Condominium Property; provided, however, if the Condominium Act or this Master Deed shall require the consent or agreement of a larger

percentage of Unit Owners or lien holders for any action specified in the Act or in the Master Deed, then any amendment or amendments with respect to such action shall require said larger percentage of consent or agreement as may be provided in the Condominium Act or in this Master Deed. The Grantor shall not be permitted to cast any votes held by him for unsold lots, parcels, units, or interests for the purpose of amending the Master Deed, by-laws or any other document for the purpose of changing the permitted use of a Lot, Parcel, Unit or interest, or for the purpose of reducing the Common Elements or Limited Common Elements. Each such amendment shall be effective upon the recording of an appropriate instruction setting forth the amendment and its due adoption, execution, and acknowledgment by one or more officers or the Grantor of the Board. All amendments to this Master Deed shall be recorded and shall not become effective until recorded in the same office in which the Master Deed was recorded.

24. NOTICE: All notices provided for in the Condominium Act, this Master Deed, or the By-Laws shall be in writing, and shall be addressed to the Association or to any Unit Owner at the Building, or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them respectively, by giving written notice of such change of address to all Unit Owners at such time. Any Unit Owner may also designate a different address or addresses for notice to him by giving written notice of his change of address to the Association. Notice addressed as above shall be deemed delivered when mailed in the United States registered or certified mail or when delivered in person with written acknowledgment of the receipt thereof, or, if addressed to a Residential Condominium Unit Owner, when deposited in his mailbox in the Building or at the door of his Residential Condominium Unit in the Building.

25. SEVERABILITY: The invalidity of any provisions of this Master Deed or of the By-Laws attached hereto shall not be deemed to impair or affect in any manner the validity, enforceability or effect the remainder of this Master Deed or the By-Laws, and in such event, all of the other provisions of this Master Deed and the By-Laws shall continue in full force and effect as if such invalid provision had never been included in either document.

26. PARTITION: No Unit Owner shall have the right to partition the Common Elements nor to do any act or take any action that would result in the destruction of condominium form of ownership as established by the Condominium Act.

27. RIGHTS AND OBLIGATIONS: The provisions of this Master Deed and the By-Laws and the rights and obligations established thereby shall be deemed to be covenants running with the land, so long as the Condominium Property remains subject to the provisions of the Condominium Act and shall inure to the benefit of and be binding upon each and all of the Unit Owners and their respective heirs, representatives, successors, assigns, purchasers, lessees, grantees, and mortgagees. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Condominium Act, the rules and regulations of the Association and the provisions of the Master Deed, as they may be amended from time to time, are accepted and ratified and will be complied with. Each purchaser of a Unit in the Condominium will, by virtue of his ownership, become a member of the Association.

28. RATIFICATION, CONFIRMATION, AND APPROVAL OF AGREEMENTS: The fact that some or all of the officers, trustees, members, or employees of the Association and the Grantor are identical, and the fact that the Grantor or its nominees, have heretofore or will 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, or the propriety and legality of said agreement or said agreements, or any other agreements authorized and permitted by the Condominium Act, this Master Deed and the By-Laws.

29. EMINENT DOMAIN: If all or any part of the Common Elements shall be taken, injured or destroyed by eminent domain, all applicable provisions of the Condominium Act shall control the respective rights of the Unit Owners, including the

Grantor. Notwithstanding the aforementioned, no Unit Owner or any other party shall have priority over any rights of a first Permitted Mortgagee of a Unit to any eminent domain award for a taking of a Unit and/or the Common Elements.

30. GENDER: The use of the masculine gender in the Master Deed shall be deemed to include the feminine or neuter gender, as the circumstances may require, and the use of the singular, by way of illustration and not limitation, such as Grantor, shall be deemed to include the plural whenever the context so requires.

31. MISCELLANEOUS: Nothing herein shall be construed to prohibit the reasonable adaptation of any unit for handicapped use.

32. GRANTOR ACTIONS: While the Grantor maintains control of the Board, he will take no action which adversely affects a homeowner's rights under N.J.A.C.5:25-5.5. Claims relative to common element defects shall be processed in accordance with N.J.A.C.5:25-5.5.

33. GRANTOR RIGHTS:

(A) RATIFICATION, CONFIRMATION AND APPROVAL OF AGREEMENTS. The fact that some or all of the officers, directors, members or employees of the Association and the Grantor may be identical, and the fact that the Grantor or its nominees, have heretofore or may hereafter enter into agreements with the Association or with third parties, will not invalidate any such agreements and the Association and the Unit Owners, 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 a deed therefor by any party, shall constitute the ratification, confirmation and approval by such purchaser, its heirs, legal representatives, successors and assigns, of the propriety and legality of said agreements or said agreement, or any other agreements authorized and permitted by the Condominium Act, this Master Deed, the Certificate of Incorporation or the By-Laws.

(B) RIGHTS RESERVED TO GRANTOR. Subject to the Condominium Act, this Master Deed, specifically including, but not limited to Section 23 hereof and the Bylaws, Grantor hereby reserves for itself, its successors and assigns, for so long as it owns one or more Units in the Condominium:

1. the right to sell, lease, mortgage, sublease or otherwise dispose of any unsold Units within the Condominium in the normal course of business; and

2. the right, until the date the last Unit in the Condominium is conveyed in the normal course of Grantor's business, but in no event more than five (5) years from the date this Master Deed is recorded, to use the Common Areas for on-site sales, storage, construction and service trailers for storage of construction materials and equipment; for models and administrative offices; and for any and all purposes deemed necessary by Grantor for the rental and sales promotion and exhibition of Units, provided however, that the Grantor's use of the Common Areas for the foregoing purposes does not materially hinder, impede or interfere with the use and enjoyment of the Common Areas by the Unit Owners.

(C) USE OF EASEMENTS. Grantor, its successors, agents, affiliates, employees or subcontractors shall have the right to utilize easements, roads, drainage facilities, utility lines and the like within or servicing the Condominium.

(D) PROTECTION OF GRANTOR. The prior written approval of Grantor will be required before any amendment that would materially impair or materially diminish the rights of Grantor to sell or lease Units; or subdivide or demolish, repair, renovate or reconstruct Units, in accordance with this Master Deed shall become effective. Notwithstanding any other provisions of this Master Deed, until such time as Grantor no longer owns any Unit or Units in the Condominium that it intends to sell in a commercially reasonable manner, the following actions, before being undertaken by the Association, shall first be approved in writing by Grantor, which approval shall not be unreasonably withheld, conditioned or delayed:

3. Any amendment or action requiring the approval of Permitted Mortgagees pursuant to this Master Deed;

4. Any significant reduction of Association maintenance or other services;

5. Material alteration in the method of fixing and collecting Common Expense assessments or any increases in Common Expense assessments beyond the amounts permitted under this Master Deed;

6. Material reduction in the level of, or change in allocation of responsibility for maintenance of and repairs to all or any portion of the Common Elements subject to this Master Deed, or any other maintenance obligations of the Association set forth in this Master Deed;

7. The grant by the Association of an interest in all or any portion of the Common Elements;

8. Material modification of the enforcement and review procedures of the Association, or any change in the architectural and landscaping design originally installed in the Condominium;

9. Material modification to improvements in the Common Elements or to the level or frequency of maintenance of same;

10. Material alteration in the method of enforcing the provisions of this Master Deed; or

11. Any material modification of the rights reserved and granted to Grantor herein with respect to development of the Parcels.

(E) TRANSFER OF GRANTOR'S SPECIAL RIGHTS. No special rights created or reserved to the Grantor under this Master Deed (hereinafter "Special Grantor Rights") may be transferred except by an instrument evidencing the transfer recorded in the Office of the Register of Essex County, New Jersey. The instrument shall not be effective unless executed by the transferee.

1. LIABILITY OF TRANSFEROR. Upon transfer of any such Special Grantor Right, the liability of the transferor is as follows:

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

(ii) If a transferor retains any such Special Grantor Right, or if a successor to any such Special Grantor Right is an affiliate of the Grantor, the transferor is subject to liability for all obligations and liabilities imposed on Grantor by law or by the Master Deed, arising after the transfer, and is jointly and severally liable with the successor for the liabilities and obligations of the successor which relate to the Condominium.

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

(F) TRANSFER OF RIGHTS REQUESTED. Unless otherwise provided in a mortgage instrument or deed of trust, in case of foreclosure of a mortgage, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings, of any Units owned by Grantor in the Condominium, a person acquiring title to all the Units being foreclosed or sold, but only upon its request, succeeds to all such Special Grantor Rights. The judgment or instrument conveying title shall provide for transfer of only the Special Grantor Rights requested.

(G) FORECLOSURE, BANKRUPTCY, RECEIVERSHIP. Upon foreclosure, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings, of all Units in the Condominium owned by Grantor:

1. The Grantor ceases to have any such Special Grantor Rights; and

2. The period of Grantor control terminates unless the judgment or instrument conveying title provides for transfer of all such Special Grantor Rights to a successor to Grantor.

(H) LIABILITY OF SUCCESSORS. The liabilities and obligations of persons who succeed to all Special Grantor Rights are as follows:

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

2. A successor to all such Special Grantor Rights, other than a successor described in subparagraph (3) of this subsection H hereof who is not an affiliate of Grantor, is subject to all obligations and liabilities imposed upon Grantor by law or the Master Deed, but it is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Grantor or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Grantor.

3. A successor to any or all Special Grantor Rights who is not an affiliate of Grantor and who succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Units under Section 33(F) aforesaid, may declare its intention in a recorded instrument to hold those rights solely for transfer to another party. Thereafter, until transferring all such Special Grantor Rights to any person acquiring title to any Unit owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than the right to control the Board for the duration of any period of Grantor control, and any attempted exercise of those rights is void. So long as a successor Grantor may not exercise special rights under this subsection, it is not subject to any liability or obligation as a Grantor other than liability for the successor's express acts and omissions under the Master Deed. A successor under this subsection is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Grantor or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Grantor.

Nothing in this Section 33 (H) subjects any successor to a Special Grantor Right to any claims against or other obligations of a transferor other than claims and obligations directly relating to such successor's express exercise of said Special Grantor Right arising under the Master Deed.

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed the day and year first above written.

Witness

92 WILLOW MANOR, LLC

By: Robert Richardi, Member

STATE OF NEW JERSEY, COUNTY OF ESSEX:

I CERTIFY that on the 20th day, in the month of January 2015, Robert Richardi, a member of 92 Willow Manor, LLC, personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

(a) was the maker of and personally signed this document;
(b) was authorized to and did execute this document Individually as a member of 92 Willow Manor, LLC, the entity named in this document;
(c) executed this document as the act of the entity named in this document.

NOTARY PUBLIC

DIANNA DYKSEN
NOTARY PUBLIC OF NEW JERSEY
ID # 2328182
MY COMMISSION EXPIRES APRIL 27, 2015

EXHIBIT A

92 WILLOW MANOR LLC

DESCRIPTION

BEGINNING at a point on the southerly sideline of Willow Street, said point being distant 64.20 feet easterly from an angle point in the said sideline of Willow Street, thence running

1) South 23 degrees 55 minutes 00 seconds West, 86.80 feet to a point, thence

2) South 47 degrees 25 minutes 00 seconds East, 37.10 feet to a point, thence

3) South 58 degrees 42 minutes 00 seconds West, 93.58 feet to a point, thence

4) North 31 degrees 13 minutes 00 seconds West, 142.71 feet to a point on the aforesaid southeasterly sideline of Willow Street, thence

5) Northeasterly along said sideline, North 62 degrees 05 minutes 00 seconds East, 115.24 feet to the said angle point in the southerly sideline of Willow Street, thence

6) Easterly along said sideline, South 69 degrees 05 minutes 00 second East, 64.20 to the **POINT AND PLACE OF BEGINNING**.

The above described parcel contains 16,264 square feet or 0.374 acres of land.

EXHIBIT B

BY LAWS

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BY-LAWS

OF

92 WILLOW MANOR CONDOMINIUM ASSOCIATION, INC.
A New Jersey Not for Profit Corporation

92 Willow Street in the Township of Bloomfield, County of Essex, State of New Jersey

ARTICLE I

NAME, OFFICE, AND PURPOSE

Section 1. Name and Principal Office. The Association is formed to serve as a means through which the owners of the Residential Condominium Units, defined herein as set forth in the Master Deed, (collectively referred to as the "Unit Owners") may take action with regard to the administration, management, maintenance, repair, and operation of the Condominium Property (hereinafter defined) known as WILLOW MANOR CONDOMINIUM (the "Condominium"), situated in the Township of Bloomfield, Essex County, New Jersey, which has been created and established in accordance with the provisions of a Master Deed which has been recorded in the office of the Essex County Clerk, by 92 Willow Manor, LLC ("the Grantor"), to which these By-Laws are appended as an exhibit. The statutes relating to the Condominium in effect in the State of New Jersey pursuant to which the Condominium has been created and established and is to be governed are P.L. 1969, Ch. 257, R.S. 46:8B-1 et seq., as amended, of the laws of the State of New Jersey (the "Condominium Act") and 92 Willow Manor Condominium Association, Inc. ("the Association") is intended to be the entity responsible for the administration and management of the condominium as provided in the Condominium Act.

ARTICLE II

PLAN OF CONDOMINIUM UNIT OWNERSHIP

Section 1. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Condominium and to the use and occupancy thereof. The term "Condominium Property" as used herein shall include the land, the building ("Building") and all other improvements thereon, including the Residential Condominium Units, the Common Elements, and Limited Common Elements as defined in the Master Deed, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all as set forth in the Master Deed.

Section 2. Application. All present and future Unit Owners, mortgagees, lessees and occupants of Residential Condominium Units and their employees, and any other persons who may use the facilities of the Residential Condominium Property in any manner are subject to these By-Laws, the rules and regulations of the Association and the Master Deed. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit, defined herein as set forth in the Master Deed, shall constitute an agreement that these By-Laws, the rules and regulations of the Association and the provisions of the Master Deed, as they may be amended from time to time, are accepted and ratified and will be complied with. Each purchaser of a Unit will, by virtue of his ownership, become a member of the Association. Title to a Unit may be taken in the name of an individual or in the names of two or more persons, as tenants in common, as joint tenants, or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.

ARTICLE III

MEETING OF UNIT OWNERS

Section 1. Place of Meeting. The Unit Owners of the Condominium shall hold meetings at the Building, or at such other place as may be fixed from time to time by the Board of Trustees of the Association (the "Board of Trustees") and designated in the notice of such meeting.

Section 2. Annual Meeting. The first annual meeting of the Unit Owners shall be held at 8:00 o'clock P.M. on the first Monday of the sixth month following the end of the fiscal year of the Association, but not prior to the time at which the Board of Trustees is expanded to five members pursuant to Article IV Section 1 of these By-Laws. Thereafter, in each succeeding year, an annual meeting of the Unit Owners shall be held on the first Monday of said month or, in the event that date is a legal holiday, on the first day thereafter which is not a legal holiday. Subject to the provisions of Section 1 of Article IV, at each annual meeting the Unit Owners shall elect Trustees of the Association and may transact such other business as may properly come before the Board of Trustees.

Section 3. Special Meetings. Special meetings may be called by the President, Vice President, Secretary or a majority of the Board of Trustees, and must be called by such officers upon receipt of written request of fifty percent (50%) or more of the Unit Owners; provided, however, that in the discretion of the Board of Trustees, no more than one special meeting need be held in any one calendar month. Such written request shall state the purpose or purposes of the proposed meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice of such special meeting.

Section 4. Record Date. For the purpose of determining the Unit Owners entitled to the notice of any meeting of the Association, or any adjournment thereof, or for the purpose of any other action, the Board of Trustees shall fix, in advance, a date as the record date for such determination. Such date shall not be more than thirty (30) nor less than ten (10) days before the date of the meeting. If no record date is fixed, then the date shall be ten (10) days before the date of the meeting.

Section 5. Notice of Meeting. Notice of meeting to the Unit Owners shall be in writing and, except in the case of the annual meeting, shall indicate and state that it is being issued by or at the direction of the person or persons calling the meeting and the purpose therefore. Such notice shall be mailed or delivered not less than ten (10) nor more than sixty (60) days prior to the date of the meeting. Notice of all meetings at which disposition is to be made of assets or granting of rights of easements in the Condominium Property must also be given to the record holders of Permitted Mortgages on any Unit.

Section 6. Waiver of Notice. Notice of a meeting need not be given to any Unit Owner who signs a waiver of notice either in person or by proxy, whether before or after the meeting. The attendance of any Unit Owner at a meeting in person or by proxy, without protesting prior to the conclusion of the meeting the lack of proper notice to him of such meeting, shall constitute a waiver of notice of the meeting by him.

Section 7. Quorum. The presence in person or by proxy of Unit Owners holding at least fifty-one (51%) percent or more of the ownership interest in the Common Elements shall constitute a quorum at a meeting of the Unit Owners.

Section 8. Majority Vote. The vote of a two-thirds majority of the votes cast by Unit Owners at a meeting at which a quorum shall be present, shall be binding upon the Unit Owners for all purposes other than those under which the terms of the Master Deed or these By-Laws or the provisions of New Jersey law require a higher percentage.

Section 9. Voting. Except as otherwise required by law, or specifically required by the Master Deed, each Unit Owner shall vote pursuant to its percentage of ownership in accordance with the Master Deed. A fiduciary shall be entitled to vote with respect to any Unit owned in a fiduciary capacity. If there are co-owners of record of a Unit (whether by joint tenancy, tenancy in common, tenancy by the entireties, partnership, or otherwise), all of such co-owners may attend the meetings of the Association but their votes shall be exercised unanimously by having such co-owners designate in writing one person who alone shall be entitled to exercise the entire voting rights appurtenant to such Unit, which designation shall be recorded on the voting list and shall be controlling until canceled or superseded by a written notice to the Secretary of the Board of Trustees, signed by all such co-owners and received at least one (1) day prior to the meeting or meetings to which such notice relates. If at any time the co-owners of a Unit cannot unanimously agree how to cast their votes at a meeting, then and in that event the votes appurtenant to their Unit shall not be permitted to be cast at that meeting and, for the purpose of determining a quorum, that unit owned by such co-owner shall be deemed to be zero and shall not be entitled to cast any vote at that meeting. If the co-owners of a Unit shall not be permitted to cast the votes appurtenant to their Unit for the reason specified in the immediately preceding sentence, they shall be deemed to have consented to any action taken at such a meeting which requires the unanimous consent of all Unit Owners. Despite the foregoing, if co-owners of a Unit shall have failed to designate a person to cast their votes and if only one of such co-owners is present or represented by proxy, he, or the holder of such proxy, as the case may be, shall be accepted by the Association as the agent and attorney-in-fact for the other co-owners not present and shall be permitted to cast all of the votes appurtenant to such Unit if held in a fiduciary capacity, the fiduciary and not the beneficiary shall be entitled to exercise the voting rights appurtenant to such Unit. If a Unit is held by a corporation, its governing board shall designate a person to exercise its voting rights which such designation shall be recorded on the voting list and received by the Secretary of the Board of Trustees at least one day prior to the meeting to which such designation relates.

No vote shall be cast for the election of the Board of Trustees on behalf of a Unit which has been acquired by the Association in its own name or in the name of its agent, designee, or nominee on behalf of all of the Unit Owners so long as it continues to be so held. Votes may be cast by each Unit Owner in person or by his proxy. The designation of any such proxy shall be made in writing and filed with the Secretary of the Association before the appointed time of the meeting. A proxy shall be valid only for the particular meeting designated therein and may be revoked by the Unit Owner by appearance in person at the meeting upon filing with the Secretary at the time of the notice of revocation.

When a member of the Board of Trustees who has been elected by Unit Owners other than Grantor is removed or resigns, that vacancy shall be filled by a Unit Owner other than Grantor.

Section 10. Good Standing. A Unit Owner shall be deemed "in good standing" and shall therefore be entitled to vote as herein provided at any meeting of Unit Owners subject, however, to the limitations of Section 9 of this Article, if said Unit Owner shall have paid, in full, at least five (5) days prior to the date fixed for a particular meeting, all then due assessments, charges, and any interest, penalties, costs, fees and the like which have been levied against his Condominium Unit and/or himself. The Board of Trustees shall be the sole judge of whether a Unit Owner has paid all then due assessments, charges and interest, penalties, costs, fees, and the like which have been levied against his Unit and/or himself.

Section 11. Adjournment of Meeting. If any meeting of Unit Owners cannot be held because quorum has not attended, the meeting shall be adjourned to a time not less than 48 hours from the time scheduled for the original meeting.

Section 12. Order of Business. The order of business at the annual meeting of the Unit Owner shall be as follows:

(a) Roll Call
(b) Proof of Notice of Meeting

(c) Reading of Minutes of Preceding Meeting
(d) Reports of Officers (including the Treasurer's report on the Annual Financial Statement and current budget)
(e) Report of Board of Trustees
(f) Report of Committees (if any)
(g) Appointment of Inspectors of Election
(h) Election of Members of the Board of Trustees
(i) Unfinished Business
(j) New Business
(k) Adjournment

With regard to new business as set forth in subparagraph (j) above, any matter constituting new business may only be added to the agency by a Unit Owner for purposes of taking a vote thereon if a petition, signed by the Unit Owners requesting that such matter be added to the agenda of new business, is served upon the Secretary of the Association not less than fourteen (14) days nor more than sixty (60) days prior to the last day upon which notice of the meeting must be given pursuant to Section 5 hereof. The order of business at all other meetings of the Unit Owners shall conform to the above order of business insofar as the special purpose or purposes thereof will permit.

ARTICLE IV

BOARD OF TRUSTEES

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Trustees, consisting initially of not less than three (3) members, who shall be designated by the Grantor.

Until such time as trustees are elected by Unit Owners, all trustees will be designated by the Grantor. The Board of Trustees will be turned over to the Unit Owners as follows:

A. Within sixty (60) days after conveyance by the Grantor of twenty-five (25%) percent of the maximum number of units to be constructed at the Condominium, the Association will hold a special meeting of Unit Owners at which time the Board shall be expanded to five (5) trustees. The Unit Owners other than the Grantor will elect two additional trustees who will join the three (3) trustees theretofore designated by the Grantor; and

B. Within sixty (60) days after conveyance by the Grantor of seventy-five (75%) percent of the maximum number of units to be constructed at the Condominium, the Association will hold a special meeting at which time, the three (3) trustees theretofore designated by the Grantor will be replaced by persons elected by Unit Owners other than the Grantor; provided, however, that so long as Residential Condominium Units remain unsold in the regular course of business, the Grantor will have the right to designate one member of the Board of Trustees.

C. Within five (5) years from the date of the recording of the Master Deed, notwithstanding the conveyance by the Grantor of seventy-five percent (75%) of the maximum number of units to be constructed at the Condominium, the Association will hold a special meeting at which the Grantor will offer to yield control and a majority vote of Unit Owners is required before control will be assumed. Should the Unit Owners vote not to accept control, then the Grantor will continue to control the Association until the seventy-five percent (75%) threshold is reached.

Thereafter, the Board of Trustees shall consist of five (5) persons, (or such greater number as may be fixed by the Board of Trustees from time to time), each of whom (except in the case of Condominium Unit owned by the Grantor) shall be owners or spouses of owners of Units, or in the case of partnership owners shall be members of such partnership, or in the case of corporate owner shall be officers or stockholders of

such corporation, or in the case of fiduciary owner shall be fiduciaries or officers of such fiduciaries provided that at all times a least one member of the Board of Trustees shall be a resident of the State of New Jersey.

Each owner of a Unit shall automatically, upon becoming an owner of a Unit, be a member of said Association until such time as his ownership ceases for any reason, at which time his membership in said Association shall automatically cease. Other than as an incident to a lawful transfer of title to a unit, membership in the Association shall be non-transferable and any attempt to transfer shall be null and void.

Prior to, or not more than sixty (60) days after, the time that Unit Owners other than the Grantor elect a majority of the members of the Board of Trustees, the Grantor shall relinquish control of the Association and the Unit Owners shall accept control. Simultaneously, the Grantor shall deliver to the Association all property of the Unit Owners and of the Association held or controlled by the Grantor including but not limited to, the items set forth in N.J.S.A. 46:8B-12.1. Which are as follows: Certified copy of the complete Master Deed and amendments, certified copy of Association Articles of Incorporation, copy of By-Laws, minutes, rules and regulations, officer resignation, association fund accounting, association funds, personal property of association, copy of plans and specifications, insurance policies, certificates of occupancy, any permits issued within one year, warranties, roster of Unit Owners, leases, employment, management contracts, and any other contracts to which to association is a party.

Section 2. Powers and Duties. The Board of Trustees shall have the powers and duties necessary for the administration and management of the affairs of the Association and may do all such acts and things, except those which by law or by Master Deed or by these By-Laws may not be delegated to the Board of Trustees, pursuant to the Condominium Act, the powers and duties of the Board of Trustees shall include, but shall not be limited to, the following:

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

(b) Determination of the Common Expenses required for the affairs and duties of the Association, including the establishment of reasonable reserves for future replacement of, and maintenance of, the Condominium Property.

(c) The Board of Trustees shall, prior to the beginning of each fiscal year of the Association, prepare a budget which shall determine the amount of common charges payable by each Unit to meet the Common Expenses of the Association, including the aforesaid reserves, and to make up any deficit in the Common Expenses of any prior year. The Board of Trustees shall allocate and assess such charges equally among the Unit Owners in accordance with the applicable provisions of the Master Deed.

(d) Unit Owners are permitted to attend and participate in the meeting held for the purpose of preparing the budget but said Unit Owners shall not be permitted to vote on matters pertaining thereto. Unit Owners shall be advised of the amount of Common Expenses payable by each of them and these charges shall be paid to the Association in twelve (12) equal monthly installments on the 1st day of each month of the fiscal year, in advance, at the office of the Association. A statement of the aforesaid yearly charges along with a copy of the annual budget shall be mailed to each Unit Owner at the commencement of each fiscal year and no further billing by the Association shall be required.

(e) The fiscal year of the Association shall be a calendar year.

(f) Despite anything in these By-Laws or elsewhere to the contrary, the Board of Trustees shall not have the authority, except for the repair and/or replacement of any Common Element or such other emergency as determined by the Board of Trustees, to expend in excess of $5,000.00, on any item of expense in any year

which is not specified in, or if specified, over the amount indicated for such item in, the aforesaid budget for such year without the consent of the majority of the Unit Owners.

(g) Employment and dismissal of personnel necessary for the maintenance and operation of the Condominium Property, including the Common Elements and other property which may be owned by the Association.

(h) Adoption of rules and regulations covering the operation and use of the Condominium Property.

(i) Opening of bank accounts on behalf of the Association and designation of the signatories required therefore.

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

(k) Employment of legal counsel, engineers, and accountants and fixing their compensations whenever such services may be deemed necessary by the Board of Trustees.

(l) Maintenance of detailed books of accounts of receipts and expenditures of the Association. Such books of accounts shall be audited when requested by the Board of Trustees but not less than annually by a certified public accountant and a statement reflecting the financial condition and transactions of the Association shall be furnished to each Unit Owner on annual basis. The books of accounts and any supporting vouchers shall be made available for examination by a Unit Owner at convenient hours on working days that shall be established by the Board of Trustees and announced for general knowledge.

(m) While the Grantor maintains a majority of the Board of Trustees, it shall have an annual audit of Association funds prepared by an independent accountant, a copy of which shall be delivered to each Unit Owner within ninety (90) days of the expiration of the fiscal year of the Association. The audit shall cover the operation budget and reserve accounts.

(n) Maintenance of adequate fidelity bonds for Association officers, agents, and employees handling Association funds and records, at such times and in such amounts as the Board of Trustees may deem necessary. The premiums for such coverage shall be paid by the Association and shall constitute a Common Expense.

(o) While the Grantor maintains a majority of representation on the Board of Trustees, he shall post a fidelity bond or other guarantee acceptable to the Agency, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves.

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

(q) Purchase or lease or other acquisition in the name of the Association or its designee, corporate or otherwise, on behalf of all Unit Owners, offered for sale or lease or surrender by their Unit Owners to the Association or to the Board of Trustees, when so required in the discretion of the Board of Trustees. The Association shall not purchase a unit while the Grantor maintains control.

(r) Purchase of Residential Condominium Units at foreclosure of other judicial sale in the name of the Association or its designee, corporate or otherwise, on behalf of all Unit Owners, when so required in the discretion of the Board of Trustees. The Association shall not purchase a Condominium Unit while the Grantor maintains control.

(s) Adjustment or increase of the amount of any monthly installment payment of Common Expenses and levying and collecting from Unit Owners special assessments in such amounts and payable in such manner as the Board of Trustees may deem necessary to defray and meet increased operating costs, capital expenses, or to resolve emergency situations; provided, however, that all such special assessments or increased payment assessments shall be levied against the Unit Owners in the same proportions or percentages as provided in Section 4 of Article VI hereof.

(t) Make repairs, additions, and improvements to, or alteration of, the Condominium Property and repairs to, and restoration of, the Condominium Property in accordance with the other provisions of these By-Laws after damages or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings. When in the opinion of the Board of Trustees any of the Common Elements requires protection, renewal, maintenance, or repair or when enforcement of any of the Association's rules and regulations so require or when the abetment of any nuisance is required or in any emergency situation, the Board of Trustees will have the right to enter any Condominium Unit for such purposes. Such entry shall, however, be done with as little inconvenience to the Condominium Unit Owners thereof as is reasonably possible. By the acceptance of a deed conveying each Unit to the Unit Owner, each Unit Owner expressly and irrevocably grants and confirms the aforesaid rights of entry; with notice at reasonable hours except in case of emergency.

(u) While the Grantor maintains a majority of the Board of Trustees, it shall make no additions, alterations, improvements, or purchases not contemplated in the Public Offering Statement which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender, or in the event of an emergency.

(v) Purchasing insurance in such amounts and kinds as may be required by these By-Laws or the Master Deed or which the Board of Trustees considers in the best interest of the Association, including by way of example and not by way of limitation, Trustees Liability Insurance or similar types of coverage.

(w) Leasing or granting licenses or concessions with respect to the Common Elements.

(x) Issuing a Certificate ("Treasurer's Certificate") showing the amount of unpaid assessments pertaining to Units upon request therefore pursuant to N.J.S.A. 46:8B-21.

(y) Assessing, levying, and collecting special assessments limited to one or more Units where authorized by the Master Deed, these By-Laws, or the Condominium Act.

(z) Notwithstanding anything in these By-Laws, the Master Deed or elsewhere to the contrary, the Board of Trustees shall not have the authority, except for with the affirmative vote of at least 67% of all Unit Owners (whether or not present) at a meeting of Unit Owners duly held for the purpose of said vote, to institute litigation.

(aa) Subject to the Master Deed, declaration of covenants and restrictions or other instruments of creation, the association may do all that is legally entitled to do under the laws applicable to its form of organization.

Section 3. Election and Term of Office. An annual meeting of the Unit Owners shall be held after the earlier of (a) the expiration of one (1) year from the date of recordation of the Master Deed or (b) the date on which title to all of the Units has been transferred by the Grantor to Unit Owners, or (c) at such earlier time as is designated by the Grantor. The Trustees shall serve a one year term, each term to expire the day following the annual meeting. The members of the Board of Trustees shall hold office until their respective successors shall have been elected by the Unit Owners. Trusteeships shall be filled by a majority vote of all Unit Owners attending the meeting and entitled to vote.

Section 4. Removal of Members of the Board of Trustees. At any annual or special meeting of the Unit Owners held after the earlier of (a) the expiration of one (1) year from the date of recordation of the Master Deed, or (b) the date on which title to all of the Units has been transferred by the Grantor to Unit Owners, or (c) at such earlier time as is designated by the Grantor, any one or more of the members of the Board of Trustees may be removed, with or without cause, by a two-thirds majority vote of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Trustees whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting called for such purpose.

Section 5. Vacancies. Vacancies on the Board of Trustees caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by a vote of a majority of the remaining Trustees at a special meeting of the Board of Trustees held for that purpose promptly after the occurrence of any such vacancy or at any regular meeting of the Board of Trustees. Each person so elected shall be a member of the Board of Trustees until a successor shall be elected at the next annual meeting of the Unit Owners and the term of the newly elected Trustee shall be for the balance of the term of the vacated trusteeship. When a member of the Board of Trustees who has been elected by Unit Owners other than Grantor is removed or resigns, that vacancy shall be filled by a Unit Owner other than Grantor.

Section 6. Organizational Meeting. The first meeting of the Board of Trustees elected at the first annual meeting of the Unit Owners held after the earlier of (a) the expiration of one (1) year from the date of recordation of the Master Deed, or (b) the date on which title to all of the Units has been transferred by the Grantor to Unit Owners, or (c) at such earlier time as is designated by the Condominium Act or Grantor, shall be held at such time and place as shall be fixed by the Unit Owners at such meeting and no notice shall be necessary to the newly elected members of the Board of Trustees in order to legally constitute such meeting, provided a majority of the entire Board of Trustees shall be present thereat. Thereafter, immediately following each annual meeting of Unit Owners, the newly elected Board of Trustees shall meet for the purpose of organization, election of officers, and the transaction of other business and no notice shall be necessary to the newly elected Board of Trustees in order to legally constitute such meeting, provided a majority of the entire Board of Trustees shall be present thereat. Prior to the first organization meeting specified herein, the Board of Trustees shall have such meetings and at such times as is necessary to properly supervise the operation of the Condominium.

Section 7. Regular Meetings. Regular meetings of the Board of Trustees may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Trustees, but at least two such meetings shall be held during each fiscal year of the Association. Notice of regular meetings of the Board of Trustees shall be given at least three (3) business days prior to the day designated for such meetings.

Section 8. Special Meetings. Special Meetings of the Board of Trustees may be called by the President of the Association on notice sent to each member of the Board of Trustees at least three (3) business days prior to the date of such meetings. Such notice shall state the time, place, and purpose of the meetings. Special meetings of the Board of Trustees shall be called by the President or Secretary in like manner and on like notice at the written request of at least two (2) members of the Board of Trustees.

Section 9. Waiver of Notice. Any member of the Board of Trustees may at any time waive notice of any meeting of the Board of Trustees in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Trustees at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof, unless such attendance is for the purpose of protesting the lack of notice and written notice of such purpose is delivered to the other members of the Board of Trustees at that time. Subject to the provisions of the preceding sentence, if all members of the Board of Trustees are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum of Board of Trustees. At a meeting of the Board of Trustees, a majority of the members thereof shall constitute a quorum for the transaction of business and the votes of a majority of the members of the Board present at a meeting at which a quorum is present shall constitute the decision of the Board of Trustees. If at any meeting of the Board of Trustees there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 11. Fidelity Bonds. While the Grantor maintains a majority of representation on the Board of Trustees, it shall post a fidelity bond or other guarantee acceptable to the Agency, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include the accumulated reserves. The premium on such bond shall constitute a Common Expense.

Section 12. Compensation. No member of the Board of Trustees shall receive any compensation from the Association for acting as such.

Section 13. Liability of the Board of Trustees. A member of the Board of Trustees shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise, except for their own individual gross negligence or willful misconduct. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Trustees against all contractual liability to others arising out of contracts made by the Board of Trustees on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board of Trustees shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Trustees or out of the aforesaid indemnity in favor of themselves or the Board of Trustees shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements. Every agreement made by the Board of Trustees on behalf of the Association shall provide that the members of the Board are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements. Nothing contained herein to the contrary shall serve to exculpate members of the Board of Trustees appointed by the Grantor from their fiduciary responsibilities.

Section 14. Managing Agent and Manager. The Board of Trustees may employ a managing agent and/or a manager of the Condominium at a compensation established by the Board of Trustees, to perform such duties and services as the Board of Trustees shall authorize. The Board of Trustees may delegate to the managing agent or the manager all of the powers granted to the Board of Trustees by these By-Laws but notwithstanding such delegation, the Board of Trustees shall remain responsible, in accordance with Section 13 above, to the Unit Owners for the proper performance of such duties and services.

Section 15. Open Meetings of Association.

(1) OPEN MEETINGS

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

(2) RESTRICTIONS ON OPEN MEETINGS

Despite (1) above, the Association's Board of Trustees may exclude or restrict attendance a those meetings or portions of meetings dealing with the following:

(a) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
(b) Any pending or anticipated litigation or contract negotiations;
(c) Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer; or
(d) Any matter involving the employment, promotion, discipline, or dismissal of a specific employee of the Association.

(3) MINUTES AT OPEN MEETINGS

(a) At each meeting required to be open to all Unit Owners, minutes of the proceedings shall be taken, and copies of those minutes shall be made available to all Unit Owners before the next open meeting.

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

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

Section 16. Notice Requirements for Open Meetings.

(1) NOTICE

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

(2) ADEQUATE NOTICE

Adequate notice means written advance notice of at least 48 hours, giving the date, time, location, and, to the extent known, the agenda of any regular, special, or rescheduled meeting. Such notice shall accurately state whether formal action may or may not be taken. This notice shall be:

(a) Prominently posted in at least one place within the Condominium property reserved for such or similar announcements.
(b) Mailed, telephoned, telegrammed, faxed, or hand delivered to at least two newspapers designated by the Association governing board.
(c) Filed within the Association secretary or administrative officer responsible for administering the Association business office.

(3) ANNUAL POSTING OF OPEN MEETINGS

At least once each year, within seven (7) days following the annual meeting of the Association, the governing body shall post, and maintain

posted throughout the year, notice of meetings in those locations set forth above.

Section 17. Emergency Meetings. In the event that the Association's Board of Trustees meeting is required to deal with such matters of urgency and importance that delay, for the purpose of providing 48 hours advance notice, would result in substantial harm to the interests of the Association, the notice shall be deemed adequate if it is provided as soon as possible following the calling of the meeting.

Section 18. Voting Rights. Except as otherwise provided in these By-Laws, the Master Deed, or the Planned Real Estate Full Disclosure or Condominium Acts, passage of all decisions shall require the affirmative vote of a least a majority of Unit Owners members in good standing and entitled to vote in attendance at a meeting.

(1) GOOD STANDING

Only Unit Owners who hold memberships in good standing at least ten (10) days before the meeting shall be entitled to vote on decisions. Each Unit Owner shall be entitled to the assigned vote for each unit to which he holds title with respect to all decisions to be voted upon by the Association membership.

(2) QUORUM

Except as otherwise provided in these By-Laws, the presence (in person or by proxy) of 51% of the authorized votes shall constitute a quorum for the transaction of business at the meeting. If any Association meeting cannot be organized because a quorum had not been achieved, the members present or by proxy shall adjourn the meeting for at least 48 hours from the time the original meeting was scheduled.

Section 19. Waiver of Notice of Meetings (Option). Any action which may be taken at a meeting of members may be taken without a meeting if authorized by a writing signed by the required percentage of members entitled to vote for that particular matter (see Section 18 (1)).

Section 20. Common Expenses.

(1) NOTICE OF COLLECTION

The Board of Trustees shall give written notice to each Unit Owner of the amount estimated by the board for the forth coming budget year. This notice shall be directed to the Unit Owner at his last known address by ordinary mail or hand delivery. In the event common expenses are not paid by the Unit Owner as required, the board may assess fines, liens, delinquency assessments, costs of collection, and interest at 8% per annum.

(2) SURPLUS FUNDS

Any surplus of common expense funds remaining after payment of the common expenses may be used by the Association for any lawful purpose. The unused portion shall be proportionately divided among Unit Owners, based on their interests in the common elements. This surplus shall be credited to the Unit Owners' forthcoming year annual common expense assessment.

Section 21. Amendments to By-Laws. These By-Laws may be amended, altered, or repealed at any Association meeting upon which previous notice to amend, alter, or repeal has been given to Unit Owners. These By-Laws may be amended in accordance with Article XI, Section 1 of these By-Laws.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Association shall be President, Vice President, Secretary, and Treasurer, all of who shall be elected by the Board of Trustees. The Board of Trustees may appoint an Assistant Treasurer and Assistant Secretary and such other officers as in its judgment may be necessary.

Section 2. Election of Officers. The officers of the Association shall be elected by the Board of Trustees at the organizational meeting of each new Board and shall hold office at the pleasure of the Board of Trustees.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Trustees, any officer may be removed with or without cause and his successor may be elected at any regular meeting of the Board of Trustees 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 Unit Owners and of the Board of Trustees. He shall have all of the general powers and duties which are incident to the office of President of a corporation organized under New Jersey law, including, but not limited to, the power to appoint committees from among the Unit Owners from time to time as 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 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 of Trustees shall appoint some other member of the Board of Trustees to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall, from time to time, be imposed upon him by the Board of Trustees or the President.

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

Section 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of accounts showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may, from time to time, be designated by the Board of Trustees, and he shall generally perform all duties incident to the office of Treasurer of a corporation under New Jersey law. He shall render to the President and the Board of Trustees full account of the financial condition of the Association at the regular meetings of the Board of Trustees and whenever either the President or the Board of Trustees shall so require.

Section 8. Compensation of Officers. No officers shall receive any compensation from the Association for acting as such except that they shall be entitled to reimbursements of all expenses reasonably incurred in the discharge of duties.

Section 9. Agreements, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by any two officers of the Association or by such other person or persons as may be designated in writing by the Board of Trustees.

Section 10. Indemnification of Officers. Each Officer, his heirs, administrators, and executors shall be indemnified and held harmless by the Association against any losses, expenses, and counsel fees reasonably incurred in connection with any action or proceeding in which said officer, his heirs, administrators, and executors are made a party by reason of such office; provided, however, that should such officer be adjudged in such action to have been guilty of gross negligence or willful misconduct, the aforesaid

indemnity shall not apply. In the event of a settlement, such officer shall be indemnified only as to such matters covered by the settlement which the Association is advised by its counsel is not the result of such gross negligence or willful misconduct of such officer and only if and to the extent such settlement is approved by the Board of Trustees. Such indemnification is intended to encompass acts of the officers as such to the extent herein provided and is not intended to be operative with respect to any duties, obligation or liabilities assumed by such officer as Unit Owners or Association members.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1. Determination and Establishment of Common Expenses. The Board of Trustees shall from time to time, and at least annually, prepare a budget from the Condominium, determining the amount of Common Expenses payable by the Unit Owners, and allocate and assess such Common Expenses among the Unit Owners or, in the case of surplus, distribute said common surplus among the Unit Owners in accordance with their respective interests in the Common Elements or apply the common surplus against the Common Expenses for the year following the year in which the common surplus was created. The Common Expenses shall include, among other things, the cost of insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Trustees pursuant to the provisions of Section 2 of this Article VI. The Common Expenses shall also include such amounts as the Board of Trustees may deem proper for the operation and maintenance of the Condominium Property, including, but not limited to, an amount for working capital of the Association, for a general operating reserve, and to make up any deficit in the Common Expenses for any prior year. Despite the above, the Board of Trustees, with the approval of the Association, may provide for an annual contribution to the reserve in any single year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Association or its designee, on behalf of all Unit Owners, of any Condominium Unit, or of any Condominium Unit which is to be sold at a foreclosure or other judicial sale. The Board of Trustees shall advise all Unit Owners promptly, in writing, of the amount of Common Expenses payable by each of them respectively, as determined by the Board, and shall furnish to all Unit Owners copies of each budget on which such Common Expenses are based. Despite anything in these By-Laws to the contrary, the Board of Trustees shall not have the authority to incur any liability or to expend any funds on behalf of the Unit Owners or the Association in respect of capital improvements proposed to be made (whether or not so designated on the books of the Association) in excess of $5,000.00 in any fiscal year of the Association, without, in each instance, the prior authorization of the Unit Owners by the affirmative vote of 67% of the votes cast on the question at a meeting of the Unit Owners at which a quorum shall be present.

Section 2. Insurance.

A. The Board of Trustees shall be required to obtain and maintain, to the extent obtainable, the following insurance upon the Condominium Property and the equipment and personal property owned by the Association. The policies so obtained shall be for the benefit and protection of the Association and the owners of the Units and their respective mortgagees as their interest may appear. All policies shall be written with a company licensed to do business in the State of New Jersey and holding a rating of "AAA" or better by Best's Insurance Reports or by an equivalent rating bureau should include provisions that they be without contribution, that improvements to Residential Condominium Units made by Unit Owners shall not affect the valuation of the Condominium Property for the purposes of insurance and that the insurer waives its rights of subrogation as to any claims against Unit Owners, the Association and their respective families, employees, servants, agents, and guests. The Insurance maintained shall cover the following perils and contingencies.

(1) CASUALTY: The Building and all improvements upon the Condominium Property and all personal property included therein, except such personal property as may be owned by the Unit Owners in their respective Units, shall be insured in an amount

equal to the maximum insurable replacement value thereof, exclusive of excavation, foundations and other construction components customarily excluded as determined periodically by the insurance company affording such coverage. Such coverage shall afford protection against:

(a) Loss or damage by fire or other hazards covered by the standard extended coverage endorsements; and

(b) such other risks as from time to time shall customarily be covered with respect to buildings similar in construction, location, and use as the building, including, but not limited to vandalism, malicious mischief, windstorm, and water damage.

(2) COMPREHENSIVE PUBLIC LIABILITY AND PROPERTY DAMAGE: In such amount and in such forms, as shall be required by the Association, including, but not limited to, water damage, legal liability, hired automobiles, non-owned automobiles, and off premises employee coverage.

(3) WORKERS' COMPENSATION: Coverage to meet the requirements of law.

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

Each Unit Owner shall have the right to obtain insurance, at his own expense, affording coverage upon his personal property and for his personal liability and as may be required by law, and shall obtain insurance, at his own expense, affording coverage upon the betterments and improvements owned by said Unit Owner, but all such insurance shall contain the same waiver of subrogation as that referred to hereinabove if same is available, and must be obtained from the insurance company from which the Association obtains coverage against the same risk, liability or peril if the Association has such coverage and if available from such company. However, a Unit Owner shall not be obligated to purchase such insurance through the broker or agent used by the Association.

B. All insurance policies maintained by the Association shall be for the benefit of the Association and the Unit Owners, and their Permitted Mortgagees, as their respective interests may appear, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association. All betterments and improvement insurance policies maintained by Unit Owners shall provide that all proceeds payable as a result of casualty losses shall be paid to Association for the benefit of the Unit Owners and the Association shall hold such proceeds for the benefit of the Association, the Unit Owners, and their respective Permitted Mortgagees in the following manner:

(1) COMMON ELEMENTS: Proceeds on account of damages to Common Elements shall be held by the Association to be used for repairs, reconstruction, or distribution as hereinafter set forth.

(2) UNITS: Proceeds on account of casualty to the betterments and improvements of a Unit shall be held by the Association in the following undivided shares:

(a) In the case of partial destruction if the Building is to be restored or in the case of total destruction when a determination is made hereafter provided to restore the Building, for the owners of damaged Units is proportion to the costs of repairing the damage suffered by each damaged Unit.

(b) In the case of total destruction of the Building, if the Building is not to be restored, or in the case of partial destruction, when a determination is made as hereinafter provided not to restore the Building for all Unit Owners in the same proportion, that the insurance proceeds paid to the Association on account of his betterments and improvements policies of all Unit Owners.

(3) In the event a Permitted Mortgage has been given on a Unit, the share of the Unit Owner shall be held for the Permitted Mortgagee, but this shall not be construed to give any Permitted Mortgagee the right to determine or participate in the determination of reconstruction or repair.

(C) Proceeds of insurance policies received by the Association shall be distributed to, or for the benefit of, the Unit Owners having an interest herein, after paying or making provisions for payment of the expenses of the Association in obtaining the proceeds, in the following manner:

(1) RECONSTRUCTION OR REPAIR: If the damaged property for which the proceeds were paid is to be repaired or reconstructed, the proceeds from policies maintained by the Association shall be paid to defray the cost thereof and shall be applied first to the costs of repairing the Common Elements and the balance, plus any proceeds from policies maintained by Unit Owners, to the restoration of the Units sustaining damage, in proportion to the insured damage sustained by each. Any proceeds remaining after defraying all such costs shall be distributed by the Association to the particular Unit Owners whose Units sustained insured damage. All remittances to such Unit Owners shall be made payable to such Owners and their respective mortgagees, if any, jointly. Notwithstanding the aforementioned, no Unit Owner or any other party shall have priority over any rights of a first Permitted Mortgagee of a Unit to any insurance proceeds for losses to a Unit and/or the Common Elements.

(2) FAILURE TO RECONSTRUCT OR REPAIR: If it is determined, in the manner provided in Section 3 of this Article, that the damage for which the proceeds are paid shall not be reconstructed or repaired, then the Master Deed shall be terminated by recording a deed of revocation, in accordance with the provisions of the Condominium Act, and the proceeds thereupon from policies maintained by the Association shall be distributed to all of the Unit Owners according to their respective interest in the Common Elements and the proceeds from each of the policies maintained by Unit Owner shall be distributed to the respective Unit Owner maintaining such policy, such remittance being payable by the Association to the Unit Owners and their respective mortgagees, if any, jointly. Notwithstanding the aforementioned, no Unit Owner or any other party shall have priority over any rights of a first Permitted Mortgagee of a Unit to any insurance proceeds for losses to a Unit and/or the Common Elements.

Section 3. Damage by Fire or Other Casualty-Reconstruction. If all or any part of the Condominium Property or the Common Elements shall be damaged or destroyed by casualty, the same shall be reconstructed or repaired by the Association using the insurance proceeds, unless (a) the proceeds of insurance shall be inadequate by a substantial amount to cover the estimated cost of restoration of any essential improvement or Common Elements; or (b) such damage or destruction shall constitute substantially total destruction of the Building or Buildings; or (c) if at a meeting of the members of the Association called prior to the commencement of such reconstruction or repair, 75% or more of the Unit Owners directly affected by such damage or destruction vote against such reconstruction or repair. If the Unit Owners shall determine not to repair or restore the Condominium Property, the Association shall proceed to realize upon the salvage value of the Condominium Property so damaged or destroyed either by sale or such other insurance means as to the Association may deem advisable and shall collect the proceeds of any insurance proceeds which shall be distributed in accordance with Section 2 of this Article. Thereupon the net proceeds of such sale shall be considered as one fund to be divided among the Unit Owners in proportion to their respective undivided percentage interest of the Common Elements, after provision for

liabilities of the Association and the Board of Trustees arising out of the performance of their duties hereunder. In such event, the Master Deed shall be terminated by recording a deed of revocation in accordance with the provisions of the Condominium Act. Any liens or encumbrances on any affected Unit shall be relegated to the interest in the fund of the Unit Owners of such Unit.

Despite destruction of any Unit and the resulting inability to occupy such Unit, the owner of that Unit will remain liable for assessments for Common Expenses until such time as the Master Deed may be terminated as aforesaid, and in the event of the reconstruction of his Condominium Unit, liability for Assessments shall continue.

If the damage is only to those parts of a Unit for which the responsibilities of maintenance and repair are those of the Unit Owner, the Unit Owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association, which shall obtain estimates of the costs and repair and shall, to the extent that the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair by the Association, assess all the Unit Owners in accordance with such additional funds as may be required to complete the reconstruction and repair. The Association shall not be required to restore or make available funds to restore improvements to or within a Condominium Unit made by the Unit Owner and not covered by insurance carried or required to be carried by the Association.

The funds for payment of costs of reconstruction and repair after casualty which shall consist of proceeds of insurance held by the Association and funds collected by the Association from assessments against Unit Owners shall constitute an account to be known as "Reconstruction and Repair Account," which shall be disbursed in payment of such costs in the following manner:

(a) To Unit Owner:

The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the Unit Owner shall be paid to such contractors, suppliers, and personnel performing the work or supplying materials and services required for such reconstruction or repair in such amounts and at such times as the Unit Owner shall direct, or if there is a mortgage endorsement, then to such payee as the Unit Owner and the mortgagee jointly shall direct. This shall not be construed to limit or modify the responsibility of the Unit Owner to make such reconstruction or repair. Notwithstanding the aforementioned, no Unit Owner or any other party shall have priority over any rights of a first Permitted Mortgagee of a Unit to any insurance proceeds for losses to a Unit and/or the Common Elements.

(b) In the Event of Lesser Damage:

If the amount of the estimated costs of reconstruction and repair is less than the total of the annual assessments for Common Expenses made during the year in which the casualty occurs, then the Reconstruction and Repair Account shall be disbursed in payment of such costs upon the order to the Board of Trustees, provided, however, that upon request of a mortgagee who is a beneficiary of an insurance policy, the proceeds of which are included in the Reconstruction and Repair Account, such Account shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(c) In the Event of Major Damage:

If the amount of the estimated costs of reconstruction and repair of the Building or other improvements are more than the total of the annual assessments for Common Expenses made during the year in which the casualty occurs, then the Reconstruction and Repair Account shall be disbursed in payment of such costs in the manner required by the Board of Trustees of the Association, but only upon approval of any architect qualified to practice in the State of New Jersey and employed by the Association to supervise the work.

(d) Distribution of Surplus:

It shall be presumed that the first monies disbursed in payment for costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in the Reconstruction and Repair Account after payment of all costs of reconstruction and repair for which the Account is established, and after distribution of any remaining insurance proceeds as to affected Unit Owners as provided for above, such balance shall be distributed to all of the Unit Owners whose interests are reflected in such Account by reason of their having made payments of assessments thereto, in proportion to their contributions.

Section 4. Payment of Common Expenses.

A. All Unit Owners (including the Grantor as limited by Section 5 of the Master Deed) shall be obligated to pay the Common Expenses assessed by the Board of Trustees pursuant to the provisions of Section 1 of ARTICLE VI of these By-Laws. Payments shall be made to the Association monthly, in advance, on the first day of each month at the principal office of the Association or at such other place as may be designated for such purposes by the Board of Trustees or pursuant to the provisions of these By-Laws. In the due event a Unit Owner shall fail to make payments on his part of the Common Expenses when due, said Common Expenses shall bear interest at a maximum legal rate permitted under law from the due date set by the Board of Trustees until payment is made in full of the Common Expenses due.

B. No abandonment of the Unit owned by a Unit Owner or a waiver of the use and enjoyment of any of the Common Elements shall exempt or excuse any Unit Owner from his contribution toward such expenses.

Section 5. Payment of Special Assessments. Special Assessments, when levied by the Board of Trustees pursuant to these By-Laws, shall be paid by the Unit Owners in such manner as may be determined by the Board of Trustees; provided, however, that, other than those special assessments levied pursuant to paragraph (t) of Section 2 of Article IV of these By-Laws, the contribution of each member for such special assessment shall be apportioned equally in the same manner as the Common Expense pursuant to Section 1 of this Article.

Section 6. Default in Payment of Common Expenses and Assessments. All Common Expenses and assessments chargeable to and payable by a Unit Owner for his Unit shall constitute a lien against said Condominium Unit in favor of the Association without the necessity of filing any such lien or notice of line with the office of any State, County or Municipal official. The aforesaid lien shall be prior to all other liens except:

(a) any similar liens by the Association for prior charges and assessments;
(b) assessments, liens and charges for unpaid taxes due on said Unit;
(c) Permitted Mortgages of record upon such Unit.

The Association may file a claim of lien in the Clerk's Office of the County of Essex in appropriate form upon the expiration of forty-five days after the unpaid Common Expense or assessment shall be due and payable. The lien aforesaid may be foreclosed in the same manner as real estate mortgages, and in the event of such foreclosure the Association shall, in addition to the amount due, be entitled to recover interest at the maximum legal rate on such sum or sums due, together with the reasonable expenses of such action, including costs and attorney's fees. A suit by the Association against the delinquent member to recover a money judgment for the unpaid Common Expenses and assessments shall be maintainable without foreclosing or waiving the lien securing the same. Both the foregoing actions shall be maintained upon the expiration of fifteen (15) days after any Common Expense or assessment shall be due and payable, and, except under extenuating circumstances, a foreclosure action must be commenced by the Association not later than one hundred eighty (180) days after the Common Expenses or assessment shall be due and payable. Failure to apply any installment of any of the Common Expenses and assessments when due, shall, at the option of the Board of

Trustees, render the entire annual amount due and payable, as if no installment payment provisions were operative. The failure of the Association or Board of Trustees to take any action permitted or required to be taken by the Association or Board of Trustees shall not constitute a waiver of their right to do so in the future.

Section 7. Maintenance and Repair.

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

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

C. In the event the Association or Unit Owner makes a necessary repair or replacement and it is subsequently determined that the same was the obligation of the other, then the party who shall have been responsible for the repair or replacement shall indemnify the party who has made such repair or replacement for the cost of the same or shall make payment directly to the person entitled thereto.

D. All maintenance and repair of garage doors, exterior landings, balconies, walkways or stairways, as well as the maintenance, repair, snow removal, resurfacing and replacement of the driveway, driveway aprons and parking facilities, whether a Common Element or Limited Common Element, shall be the responsibility of the Association. Unit Owners having the use of any balcony, terrace, patio, or deck shall be responsible for all routine cleaning and snow clearing of same, as appropriate. All other maintenance of same shall be the responsibility of the Association.

Section 8. Restriction on Use of Units. In order to provide for congenial occupancy of the Condominium Property and for the protection of the values of the Units, the use of the Condominium Property shall be restricted to and shall be in accordance with the following provisions:

A. No part of the Condominium Property shall be used for any purpose other than single family residential dwellings and purposes appurtenant thereto.

B. Nothing shall be done or kept in any Unit or Common Elements which will increase the rate of insurance of any other buildings or contents thereof applicable for residential use without the prior written consent of the Board of Trustees of the condominium association

C. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on any of the Buildings or contents thereof or which would be in violation of any law.

D. No waste will be committed in any of the Common Elements.

E. Unit Owners shall not cause or permit anything to be hung or displaced or placed on the outside walls or doors of the Building without consent of the Board of Trustees.

F. No animals, livestock, or poultry of any kind shall be raised, bred, or kept in any Unit or in the common elements.

G. One pet, not exceeding twenty two (22) pounds in weight, shall be permitted per household, provided that they are carried in the Common Elements and are walked offsite. Further, pets may not be kept, bred, or maintained for any commercial purpose.

H. No outside dog pens or yards shall be permitted.

I. No noxious or offensive activity shall be carried on in any Unit, or in any of the Common Elements, nor shall anything be done therein, either willfully or negligently, which will be or become an annoyance or nuisance to the Unit Owners or other occupants, or interfere with the right, comfort or conveniences of other Unit Owners.

J. No Unit Owner shall contract for, or perform any maintenance, repair, replacement, alteration, or modification of the Common Elements or any additions thereto.

K. No Unit Owner shall take or cause to be taken any action within his Unit which would jeopardize the soundness or safety of any part of the Condominium Property or impair the easements or rights appurtenant thereto or affect the Common Elements.

L. No signs shall be permitted on or about the Common Elements, including, but not limited to the exterior of any Building or Unit. Unit Owners shall not be permitted to place for sale signs on the interior or exterior of windows. However, the Grantor shall have the right to place "For Sale" signs on unsold or unoccupied Units.

M. No trailers, boats, or inoperable vehicles shall be placed on the Common Elements by any owner.

N. No laundry or other clothes may be hung or displayed outside the Unit.

O. The sidewalks, entrances, and passages must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the Unit.

P. No exterior loud speakers other than that as contained in portable radios or television sets shall be permitted.

Q. No unshielded flood lights shall be installed in any exterior area of the Unit.

R. No business, trade, or profession shall be conducted in any Unit without appropriate municipal authorization which must be obtained by Unit Owner.

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

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

U. Unit Owners shall not have any right to paint or otherwise decorate or change or alter the appearance of any portion of the exterior of any Building.

V. No Unit Owner shall have any right to replace the windows in a Unit unless said windows are replaced with a similar window that has been previously approved by the Board of Trustees.

W. No portion of the Common Elements or other portion of the property thereof shall be used or maintained for the dumping of rubbish or debris.

X. Trash, garbage, or other waste shall be kept in sanitary containers on the property for collection as provided.

Y. No unlawful use shall be made of any Unit; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, rules, orders, regulations, or requirements of any governmental agency having jurisdiction thereof shall be cured and complied with, by and at the sole expense of the Unit Owners or the Association, whichever shall be the responsibility therefore.

Z. The Common Elements as well as the property and facilities of the Association shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the private residential use and occupancy of Units and to the use of parking spaces accessory to such private residential use.

AA. In order to provide an orderly procedure in case of title transfer, and to assist in the maintenance of a current, up to date roster of Unit Owners, the owner of a Unit to be sold shall give to the Secretary of the Association a timely notice of his intent to list his Unit for sale and upon closing of title shall forthwith notify such Secretary of the names and home addresses of the purchaser.

BB. No Unit shall be rented by the owners thereof (except a lender in possession of such Unit following a default in a first Permitted 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 rental for any period less than sixty (60) days. No Unit owner may lease less than an entire Unit. Other than the foregoing obligations, the Unit owner shall have the right to lease same provided that said lease is in writing and made subject to all provisions of the Master Deed, the By-laws of the Association, and other documents referred to therein, and provided further that any failure of the tenant to fully comply with the terms and conditions of such documents shall constitute a default under the lease.

CC. The Residential Condominium Units shall be used as single family, private residences only, provided, however, subject to sub-paragraph (R) of Section 8 of this Article VI, the Board of Trustees, upon request by a Unit Owner or purchaser of a Condominium Unit, may authorize the use of the Condominium Unit for professional uses. Any such authorization shall be pursuant to such limitations as the Board of Trustees may perceive and in any event shall be personal to the Unit Owner or purchase of a Unit making application therefore and shall not be transferable either with or without the Unit. The Board of Trustees shall establish appropriate rules and procedures relating to the making of a request for authorization under this sub-paragraph (BB) as the Board of Trustees may in its sole discretion determine.

DD. No parking space may be used for any commercial purpose of for the storage of noxious, toxic or flammable substances. Parking spaces shall only be used for parking and storage of automobiles and other vehicles. No vehicle within a parking space may protrude therefrom at any time. No parking space shall be converted for occupancy to a residence or part of a residence. No visitor parking space may be occupied for more than forty-eight (48) consecutive hours.

Section 9. Additions, Alterations, or Modifications. No member shall make or cause to permit to be made any structural additions, alterations, or improvements in or to his Condominium Unit (or elsewhere on the Condominium Property) without the prior written consent of the Board of Trustees or of the Unit Owner(s) for whose benefit such easement exists. For purposes of this Section, (by way of example and not by way of limitation) any change in location of interior walls, door location, common wiring, piping and duct work, and similar alterations shall constitute a structural alteration requiring the consent of the Board of Trustees. The provisions of this Section shall not apply to Residential Condominium Units owned by the Grantor until such Residential

Condominium Units shall have been initially sold by the Grantor and title transferred to the Unit Owner. Nothing herein shall be construed to prohibit the reasonable adaptation of any unit for handicapped use.

While the Grantor maintains a majority of the Board of Trustees, it shall make no additions, alterations, improvements, or purchase not contemplated in this offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender, or in the event of an emergency.

Section 10. Use of Common Elements and Facilities.

A. A Unit Owner shall not place or cause to be placed in the Common Elements, other than in the areas designated as storage areas, if any, any furniture, packages, or objects of any kind. The stairways shall be used for no purpose other than for normal transit.

B. Unit Owners shall require their tradesman to utilize exclusively the areas designated by the Association for transporting or delivering packages, merchandise or any other objects which may affect the comfort or well being of Unit Owners, residents and guest.

Section 11. Right of Access. A Unit Owner shall grant a right of access to his Condominium Unit to the Association or any person authorized by the Association for the purpose of making inspections or correcting any condition originating in his Condominium Unit and threatening any Unit or Common Element, or for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Condominium Property, or to correct any condition which violates the provisions of any Permitted Mortgage covering another Unit; provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not. To perfect such rights or entry as hereinabove set forth, each Unit Owner shall be required to deposit a set of keys to said Unit with the Manager or such other party designated by the Board of Trustees.

Section 12. Additions, Alterations, or Improvements by Association. The Association shall have the right to make or cause to be made alterations and improvements to the Common Elements (which do not adversely prejudice the right of any Unit Owner unless his written consent thereto had been obtained) provided the making of such alterations and improvements is first authorized by the Board of Trustees of the Association and approved by not less than a majority of the Unit Owners. Notwithstanding the above, redecorating and minor alterations shall not require the approval of the Association. The costs of such alterations and improvements shall be assessed as Common Expenses, unless in the judgment of not less than 75% of the Board of Trustees, the same are exclusively or substantially for the benefit of the Unit Owners requesting the same, in which case such requesting Owners shall be assessed therefore in such proportion as they approve jointly, and, failing such approval, in such proportions as may be determined by the Board of Trustees.

Section 13. Rules of Conduct. Subject to the right of a majority of Unit Owners to change any such rules as provided in N.J.S.A. 46:8B-14(c), rules and regulations concerning the use of Units and the Common Elements may be promulgated and amended by the Board of Trustees. Copies of such rules and regulations shall be furnished by the Association to each Unit Owner and shall be binding upon all Unit Owners, occupants of Residential Condominium Units, and other users of the premises.

ARTICLE VII

SALES, LEASES, AND MORTGAGES OF UNITS

Section 1. Sale or Lease or Other Disposition of Units

A. No lease arrangement shall be for a term of less than thirty (30) days.

B. In the event of any transfer of a Unit to a corporation or partnership, the full name and contact information for all present or future occupants thereof shall be provided to the Association.

C. The foregoing provisions have been established in order to maintain a community of congenial residents in the Building and to assure the ability and responsibility of each Unit Owner to pay those obligations required to be paid by the said Unit Owner. Under no circumstances may the provisions hereof be used to foster discrimination or to deny the purchase or lease of any Unit on account of a person's race, religion, creed, sex, marital status, or place of national origin.

Section 2. Foreclosure. In the event of foreclosure proceedings against a Unit Owner, the Association, on behalf of one or more Unit Owners, shall have the right to satisfy the lien for the amount due thereon in return for an assignment of said lien, or to purchase such Condominium Unit at the foreclosure sale. In the event that the Association has so acted on behalf of all Unit Owners, it shall have the right to assess all Unit Owners for the costs thereof, in proportion to their interest in the Common Elements.

Section 3. Units Acquired or Leased by the Association. All Units acquired or leased by or on behalf of the Association shall be held by the Association on behalf of all Unit Owners in proportion to their respective interests in the Common Elements, provided, however, that the votes appurtenant to the Units so acquired shall not be voted by the Board of Trustees or their designee at meetings of the Association and their vote of such Residential Condominium Units shall be disregarded for all purposes. Each Unit Owner may be required to execute a power of attorney on behalf of the Board of Trustees and their successors for the purposes of carrying out the intention of the foregoing.

Section 4. Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell, or lease his Unit unless and until he shall have paid in full to the Association all unpaid Common Expenses theretofore assessed by the Association against his Unit, as well as any special assessments for the damage or otherwise any deficiency in the escrow account and until he shall have satisfied all unpaid liens against such Unit. The transferee of a Unit shall be liable for payment of any such charges to the Association, without prejudice, to the right to the transferee to have recourse against the transferor for the amount so paid by him. In the event of a foreclosure a holder of a first Permitted Mortgage on a Unit, or such acquirer of title and his or its successors or assigns shall not be liable for more than six (6) months of Common Expenses assessed against the Unit, and, in the event said Common Expenses have not been satisfied at the foreclosure sale, thereafter, the Unit shall not be subject to a lien for the balance of the Common Expenses. The unpaid balance shall be charged to all Unit Owners as a Common Expense, including such acquirer of title and his successors or assigns.

Section 5. Waiver of Right of Partition with Respect to Units Acquired by the Association. In the event that a Unit shall be acquired by the Association or its designee on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 6. Mortgages of Unit. Each Unit Owner is entitled to mortgage his Unit, provided that any such mortgage is made to a bank, trust company, insurance company, Real Estate Investment Trust, savings and loan association pension fund or other institutional leader, or a purchase money mortgage made to the Grantor (or seller) of a Unit. All mortgages made in accordance with the preceding sentence are referred to a herein and in the Master Deed as Permitted Mortgages and the holders thereof as Permitted Mortgagees. A Permitted Mortgagee of a Unit and the guarantor of any

Permitted Mortgage shall be provided written notice of (a) any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its Permitted Mortgage; (b) any sixty (60) day delinquency in the payment of Common Expenses or other charges owed by the Unit Owner of any Unit on which the Permitted Mortgagee holds the mortgage; (c) a lapse, cancellation, or material modification of any insurance policy maintained by the Association; and (d) any proposed action requiring the consent of a specified percentage of Permitted Mortgagees.

ARTICLE VIII

RECORDS

Section 1. Records and Audit. The Board of Trustees shall keep detailed records of its actions, minutes of the meetings of the Board of Trustees minutes of the meetings of Unit Owners and financial records and books of account of the Association, including a chronological listing of receipts and expenditures as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Expenses against such Condominium Unit, the date when due, the amounts paid there on, the balance remaining unpaid, and the amount of any interest in common surplus. An annual report of the receipts and expenditures of the Association certified by an independent certified public accountant shall be rendered by the Board of Trustees to all Unit Owners and to all Permitted Mortgagees of Residential Condominium Units who have requested the same, promptly after the end of each fiscal year. The accounting records of the Association shall be maintained in accordance with generally accepted accounting principles and shall be open to inspection at reasonable times to all Unit Owners and holders of Permitted Mortgages. While the Grantor maintains a majority of the Board of Trustees, it shall have an annual audit of association funds prepared by an independent accountant, a copy of which shall be delivered to each Unit Owner within 90 days of the expiration of the fiscal year of the Association. The audit shall cover the operating budget and reserve accounts. The cost of all such reports shall constitute a Common Expense.

ARTICLE IX

DISSOLUTION

Section 1. Procedure. The provisions of the then applicable laws of the State of New Jersey, including the provisions of the Condominium Act, shall be followed should it be deemed advisable that the Association be dissolved. Notwithstanding the aforementioned, any dissolution shall be approved by a vote of at least fifty-one (51%) percent of Permitted Mortgagees.

Section 2. Ownership Upon Dissolution. In the event of dissolution, the Condominium Property shall thereupon be owned by all of the Unit Owners as tenants in common, each having an undivided percentage interest therein equal to his proportionate part of the Common Elements owed prior to termination. Each Unit Owner may be required to execute such deed and any other document or instrument which may be reasonably required to affect the sale of the Condominium Property by the Association following a decision to dissolve the Association.

ARTICLE X

MISCELLANEOUS

Section 1. Notice. All notices herein shall be sent be registered or certified mail to the Association, cause of the Secretary, at the office of the Association, or to such other address as the Board of Trustees may hereafter designate from time to time in writing to all Unit Owners and, when required by the Master Deed, these By-Laws or the Condominium Act, to all holders of recorded Permitted Mortgages of Residential Condominium Units. All notices to any Unit Owner shall be sent by registered or

certified mail to the address designated for his Unit, or to such other address as may have been designated by such Unit Owner from time to time in writing to the Association. All notices to Permitted Mortgagees shall be sent by registered or certified mail to their respective addresses or designated by them from time to time in writing to the Association. All notices shall be deemed to have been given when received.

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

Section 3. Captions. The captions herein and the table of contents are inserted only as a matter of convenience of reference and in no way define, limit of describe the scope of the By-Laws or the intent of any provisions hereof.

Section 4. Gender. The use of masculine gender in these By-Laws shall be deemed to include the feminine or neuter gender, as the circumstances may require, and the use of the singular shall be seemed to include the plural whenever the context so requires.

Section 5. Waiver. The failure of the Board of Trustees or Managing Agent to insist, in any one or more instances, upon the strict performances of any of the terms, covenants, conditions or restriction of the Master Deed, these By-Laws, or the Rules and Regulations, or to exercise any right or option herein or therein contained or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future of such term, covenant, restriction, option or right, but such term, covenant, restriction, option, or right shall remain in full force and effect. The receipt by the Board of Trustees or Managing Agent or any payment of assessments from any Unit Owner, with knowledge of the breach of any covenant hereof or thereof, shall not be deemed a waiver of such breach.

Section 6. Miscellaneous

(A) Subject to the Master Deed, or other instrument of creation, the Association may do all that is legally entitled to do under the laws applicable to its form of organization.

(B) The Association shall discharge its powers in a manner that protects and furthers the health, safety, and general welfare of the residents of the unit Owners.

(C) The Association shall provide a fair and efficient procedure for the resolution of housing related disputes between individual Unit Owners and the Association, and between different Unit Owners, that shall be readily available as an alternative to litigation. The Board may establish an Alternate Dispute Resolution Committee ("ADR Committee"), consisting of a chairman and two (2) or more members, none of whom may be a member of the Board or an employee of the Association. The ADR Committee shall serve indefinitely at the pleasure of the Board. The ADR Committee shall have power to appoint a subcommittee from among its members and may delegate to any such subcommittee any of its powers, duties and functions. It shall be the duty of the ADR Committee to attempt to resolve complaints from members of the Association on any matter involving alleged violations of any restrictions, rules, or resolutions set forth in the Condominium Documents. Its authority does not extend to collection matters or the governance of the Association, except to the extent that the Board may delegate such authority. All costs of said dispute resolution shall be a Common Expense.

ARTICLE XI

AMENDMENTS TO BY-LAWS

Section 1. Amendments to By-Laws. Except as hereinafter otherwise provided, these By-Laws may be modified or amended by the affirmative vote of at least 67% of all

Unit Owners (whether or not present) at a meeting of Unit Owners duly held for the purpose; provided, however, if the Condominium Act or this Master Deed shall require the consent or agreement of a larger percentage of Unit Owners or lien holders for any action specified in the Act or in the Master Deed, then any amendment or amendments with respect to such action shall require said larger percentage of consent or agreement as may be provided in the Condominium Act or in this Master Deed and further provided that if such amendment shall make any change which would have a material effect upon any of the rights, privileges, powers and options of Grantor, or its successor, (including by way of illustration and not limitation the ability of Grantor, or its successor, to market any Units then owned by Grantor, or its successor, at a commercially reasonable price), such amendment shall not be effective without the joinder of Grantor, and further provided that if such amendment would in the opinion of the Board of Trustees, have an adverse effect upon the holder of any Permitted Mortgage, such amendment shall not be made without the written approval of the holders of all Permitted Mortgages so affected which approval shall not be unreasonably withheld or delayed. The Grantor shall not be permitted to cast any votes held by him for unsold lots, parcels, units, or interests for the purpose of amending the Master Deed, By-laws, or any other document for the purpose of changing the permitted use of a lot, parcel, unit or interest, and for the purpose of reducing the common elements or facilities. Each such amendment shall be effective upon the recording of an appropriate instrument setting forth the amendment and its due adoption, execution, and acknowledgement by one or more officers of the Grantor or the Board of Trustees. All amendments these By-Laws shall be recorded and shall not become effective until recorded in the same office in which the Master Deed was recorded.

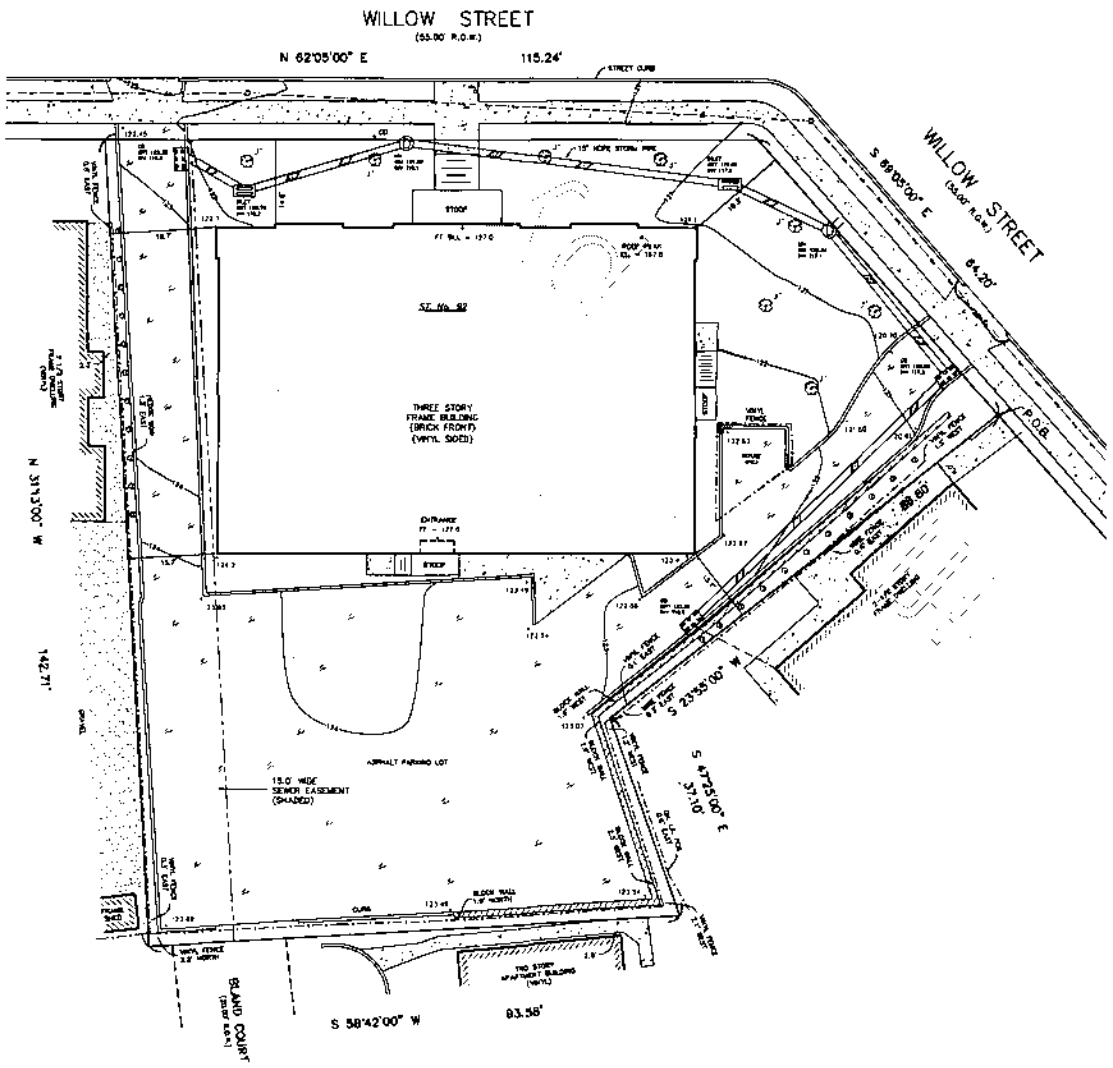
ARTICLE XII

CONFLICTS

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

ADOPTED:

EXHIBIT C



SITE PHOTO

DESCRIPTION

BEGINNING at a point on the westerly sideline of Willow Street said point being distant 84.20 feet measured along the said sideline of Willow Street, thence (1) [illegible]

(2) South 21 degrees 31 minutes 00 seconds West, 88.80 feet to a point, thence

(3) South 47 degrees 25 minutes 00 seconds East, 37.10 feet to a point, thence

(4) South 58 degrees 42 minutes 00 seconds West, 93.58 feet to a point, thence

(5) North 31 degrees 13 minutes 00 seconds West, 142.71 feet to a point on the aforesaid southeasterly side line of Willow Street, thence

(6) Northeasterly along said sideline, North 62 degrees 05 minutes 00 seconds East, 115.24 feet to the said angle point in the westerly sideline of Willow Street, thence

(7) Easterly along said sideline, North 84 degrees 05 minutes 00 seconds East, 84.20 feet to the POINT AND PLACE OF BEGINNING.

The above described parcel contains 16,264 square feet or 0.374 acres of land

GENERAL NOTES

1. Locations and types of utilities shown hereon are derived from field location and available utility maps. Prior to any excavation contact the Township of Bloomfield Engineer's office, sewer, and water departments, the local carriers of telephone and cable, and Public Service Electric & Gas Co.

   For location, depth and mark-out of utilities you must call 800-272-1000

2. All elevations and contours shown are existing and are based on NGVD 29 as provided in original site plan.
3. Total lot area = 16,264 sq. ft. or 0.374 acres.
4. This survey is subject to the facts and findings of a complete title search.
5. This survey is not valid unless signed and sealed by the licensed surveyor.
6. Per the National Flood Insurance Program Map No. 34013C 0112F with an effective date of June 4, 2007 the property shown here on falls in Zone AE and falls in a Special Flood Hazard Area.

LEGEND

	PROJECT BOUNDARY LINE		UNMARKED VALVE
OHP	OVERHEAD WIRES		OIL FILL CAP
	CURB LINE		WATER VALVE
	DROP CURB		GAS VALVE
	TELEPHONE MANHOLE		MONITORING WELL
	ELECTRIC MANHOLE		FIRE HYDRANT
	SANITARY MANHOLE		SIGN POST
	UNMARKED MANHOLE		LIGHT POLE
	STORM DRAIN MANHOLE		UTILITY POLE
	CATCH BASIN		PARKING METER
	INLET		TRAFFIC LIGHT
	DIRECTION OF SEWER FLOW	24"	DECIDUOUS TREE (TREE DIAMETER)
	FENCE	8"	EVERGREEN TREE (TREE DIAMETER)
+ 122.86	SPOT ELEVATION		CONCRETE
120	EXISTING CONTOUR LINE		ASPHALT

GRAPHIC SCALE

(IN FEET)
1 inch = 10 ft.

NO.	DATE	DESCRIPTION	BY

BOUNDARY SURVEY
OF
92 WILLOW STREET
LOT 108 IN BLOCK 120 ON TAX MAPS OF

TOWNSHIP OF BLOOMFIELD ESSEX COUNTY NEW JERSEY

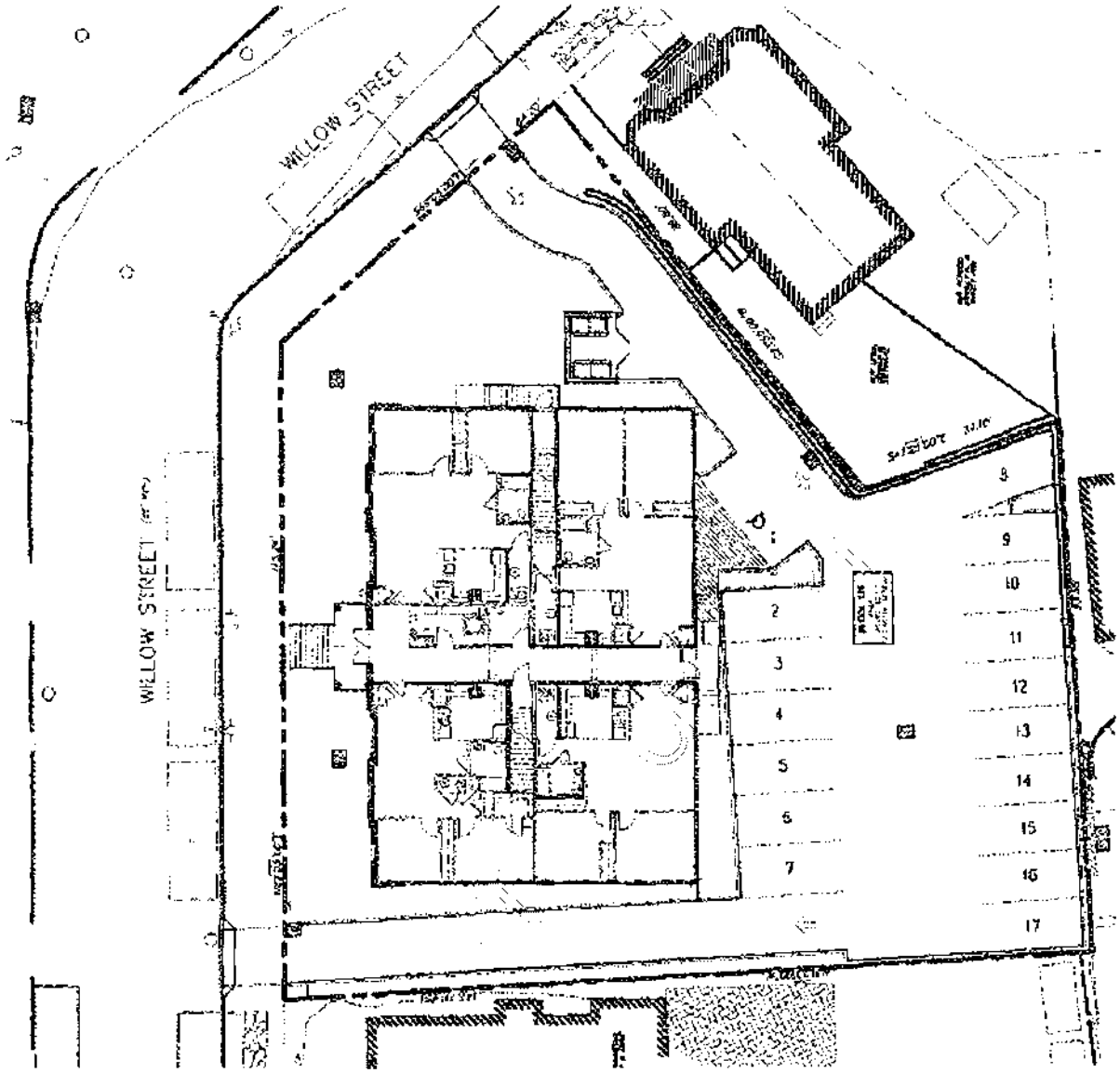
PREPARED FOR:
92 WILLOW MANOR, LLC

DRAWN BY: M. STOYANOV	DATE: 12-12-2014
CHECKED BY: M. PRONESTI	SCALE: 1"=10'
JOB No. 5077	SHEET 1 OF 1

PRONESTI SURVEYING, INC.
PROFESSIONAL LAND SURVEYORS

870 PONPTON AVENUE, SUITE B1
CEDAR GROVE, NJ 07009
TEL (973) 857-3319 - FAX (973) 857-3606
www.PRONESTI.com

MICHAEL PRONESTI, P.L.S.
PROFESSIONAL LAND SURVEYOR
NJ LIC. No. 37605



1 SITE PLAN

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

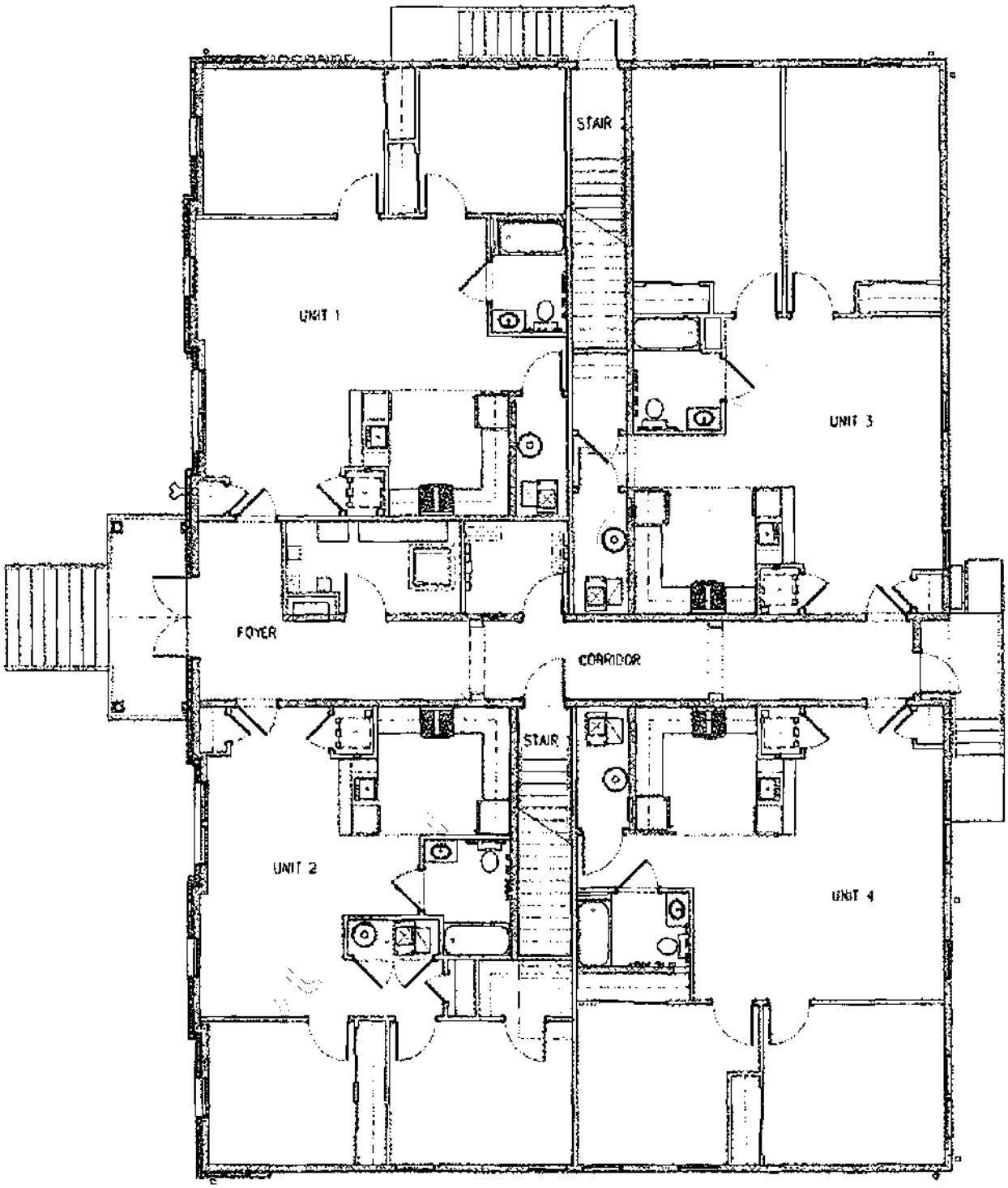
TOWER
ARCHITECTURAL GROUP L.L.C.

WILLOW MANOR
92-102 WILLOW STREET
BLOOMFIELD, NJ 07003

SITE PLAN

DATE: 07/25/12

B3



1 FIRST FLOOR PLAN

TOWER
ARCHITECTURAL GROUP L.L.C.

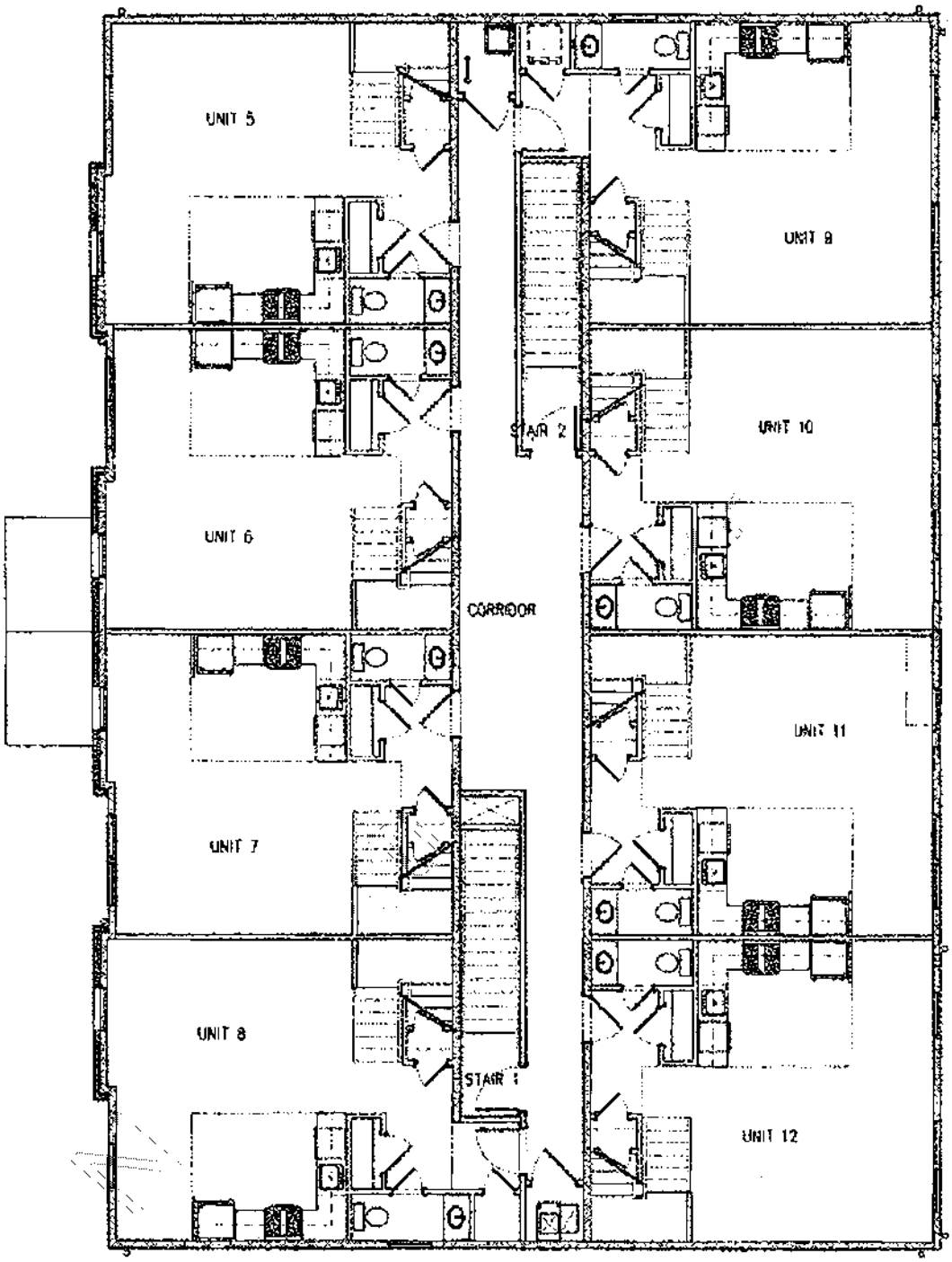
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

WILLOW MANOR
92-102 WILLOW STREET
BLOOMFIELD, NJ 07003

LOCATION OF UNITS
FIRST FLOOR

DATE: 07/25/12

B1



1 SECOND FLOOR PLAN

TOWER ARCHITECTURAL GROUP L.L.C

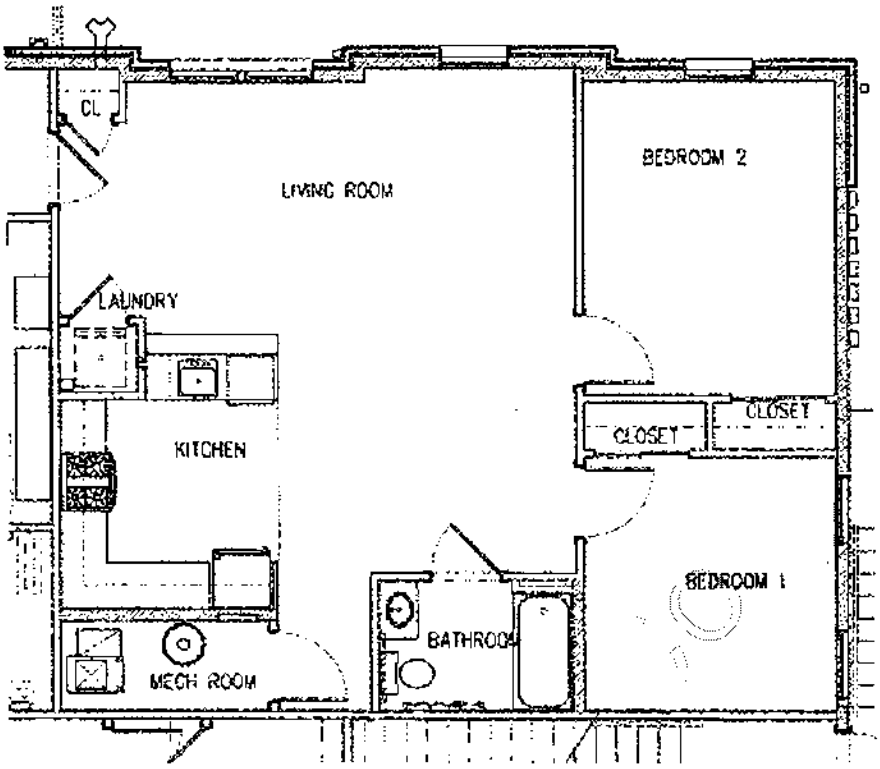
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.

WILLOW MANOR
92-102 WILLOW STREET
BLOOMFIELD, NJ 07003

LOCATION OF UNITS
SECOND FLOOR

DATE: 07/25/12

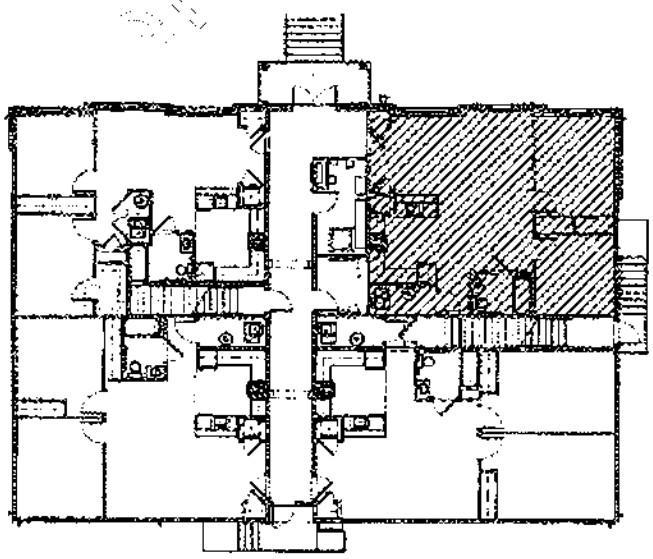
B2



1 UNIT 1 FLOOR PLAN

0 5' 10'

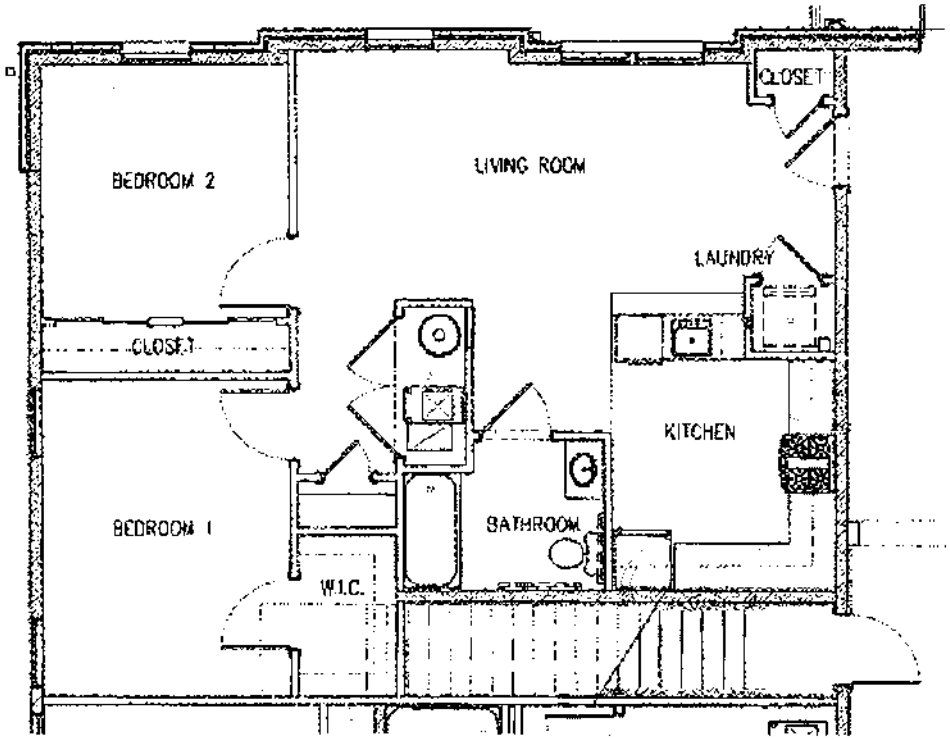
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



2 FIRST FLOOR PLAN

TOWER ARCHITECTURAL GROUP LLC.

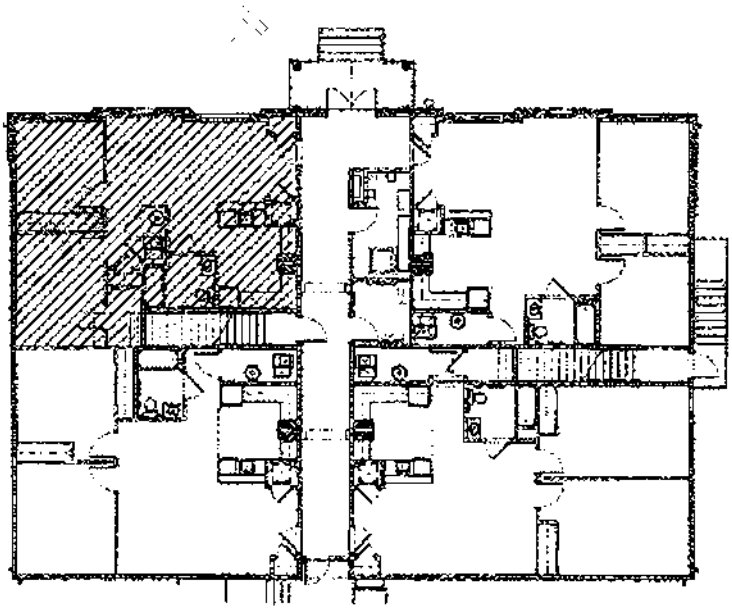
WILLOW MANOR 92-102 WILLOW STREET BLOOMFIELD, NJ 07003	FIRST FLOOR PLAN UNIT 1	DATE: 07/25/12 C1



1 UNIT 2 FLOOR PLAN

0 5' 10'

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



2 FIRST FLOOR PLAN

TOWER ARCHITECTURAL GROUP L.L.C.

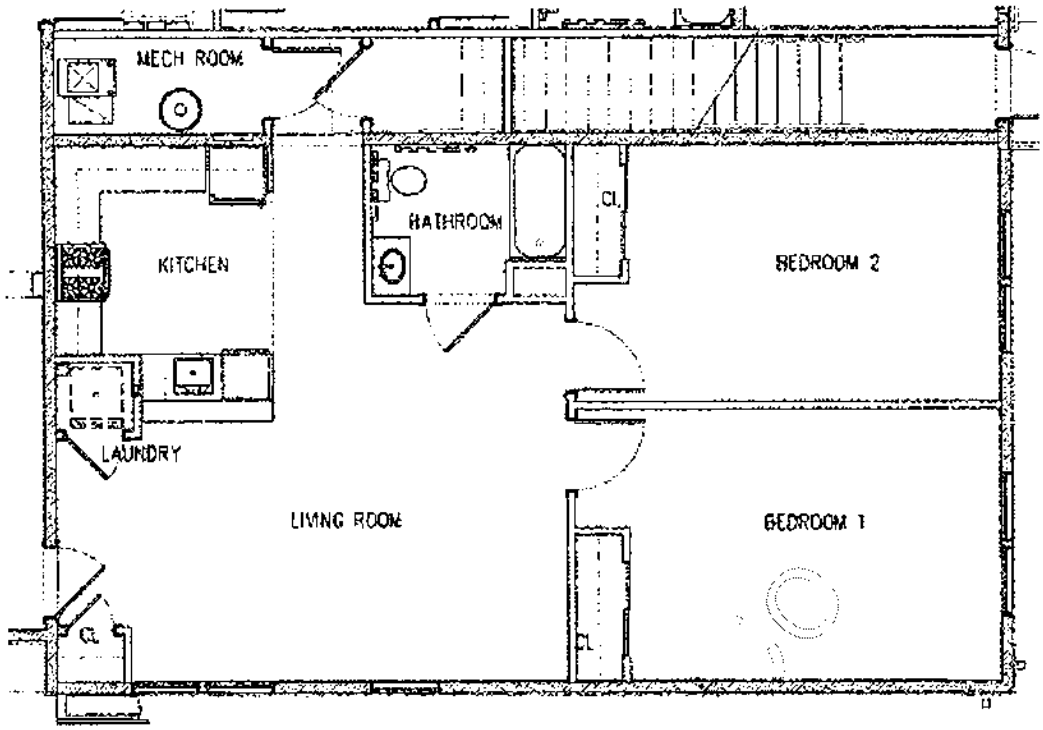
WILLOW MANOR

92-102 WILLOW STREET
BLOOMFIELD, NJ 07003

FIRST FLOOR PLAN UNIT 2

DATE: 07/25/12

C2



1 UNIT 3 FLOOR PLAN

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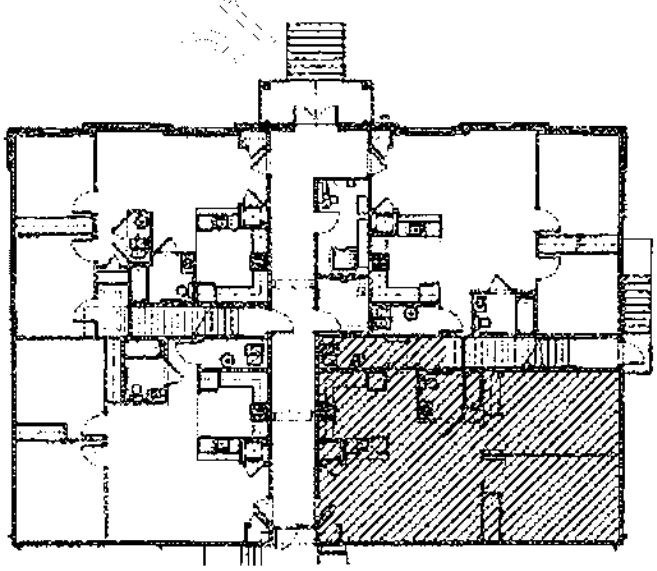


2 FIRST FLOOR PLAN

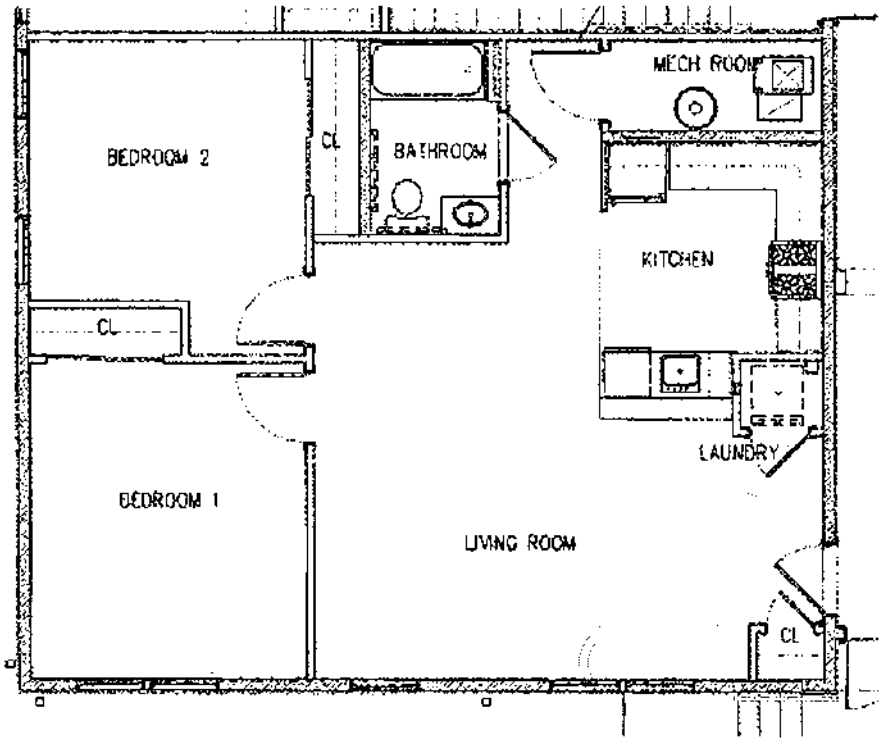
TOWER ARCHITECTURAL GROUP L.L.C.

WILLOW MANOR
92-102 WILLOW STREET
BLOOMFIELD, NJ 07003

FIRST FLOOR PLAN UNIT 3

DATE: 07/25/12

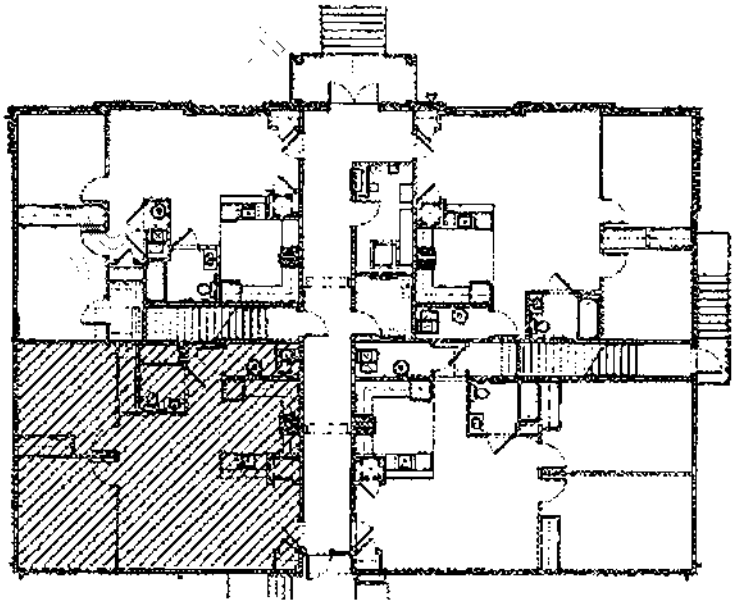
SHEET NO.
C3



1 UNIT 4 FLOOR PLAN

0 5' 10'

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



2 FIRST FLOOR PLAN

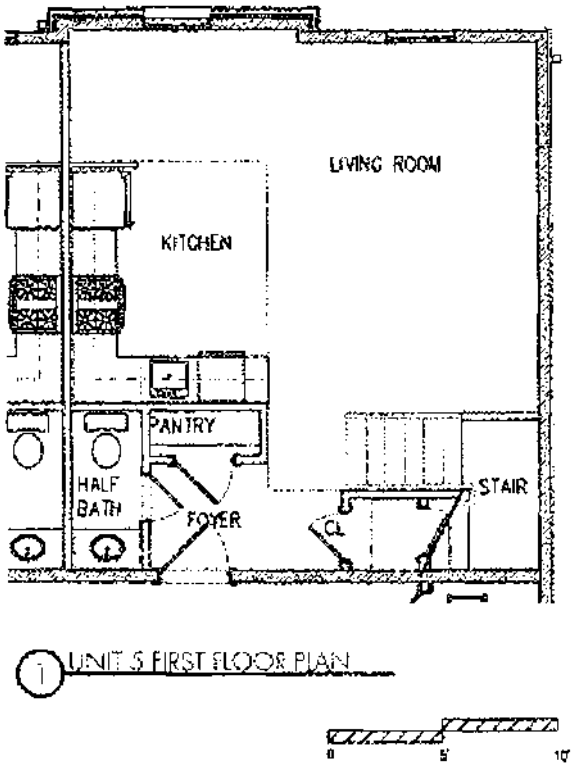
TOWER ARCHITECTURAL GROUP LLC.

WILLOW MANOR
92-102 WILLOW STREET BLOOMFIELD, NJ
07003

FIRST FLOOR PLAN UNIT 4

DATE: 07/25/12

C4



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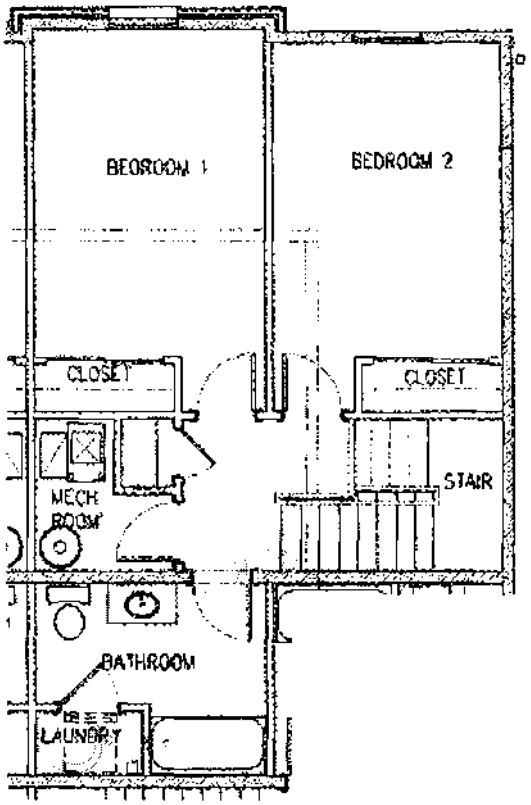

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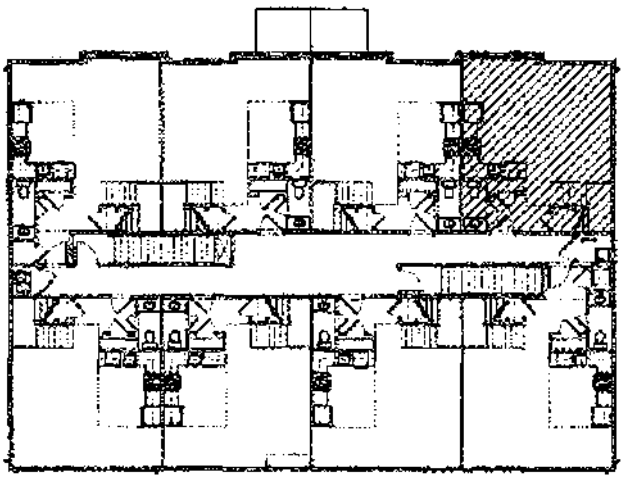


3 SECOND FLOOR PLAN

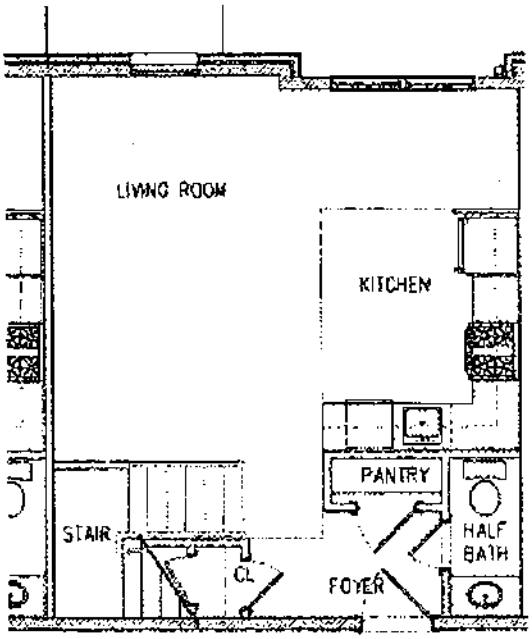
TOWER
ARCHITECTURAL GROUP L.L.C

WILLOW MANOR
92-102 WILLOW STREET BLOOMFIELD, NJ
07003

SECOND FLOOR PLAN
UNIT 5

DATE: 07/25/12

C5



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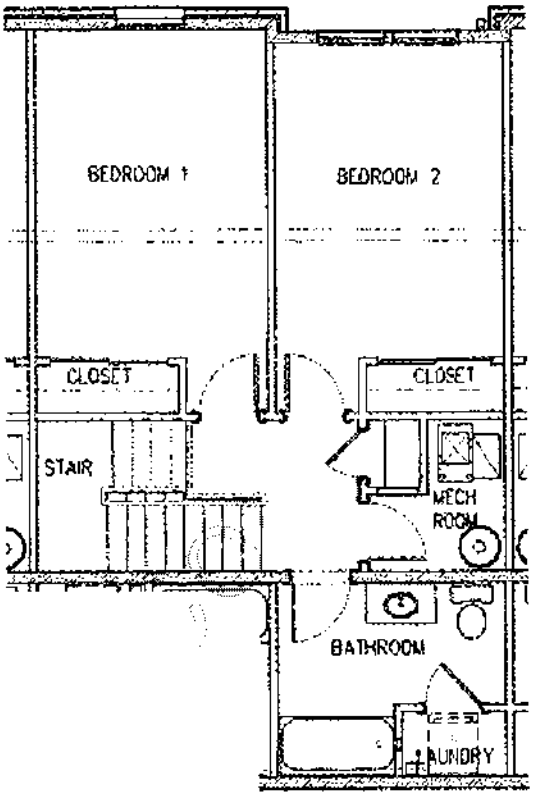

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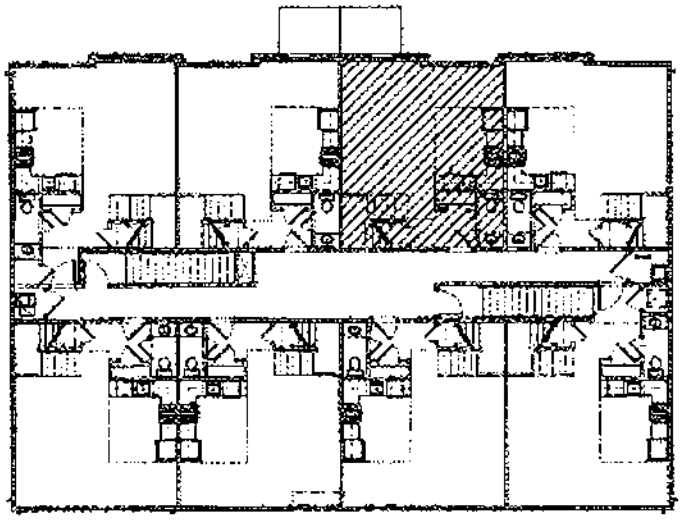


3 SECOND FLOOR PLAN

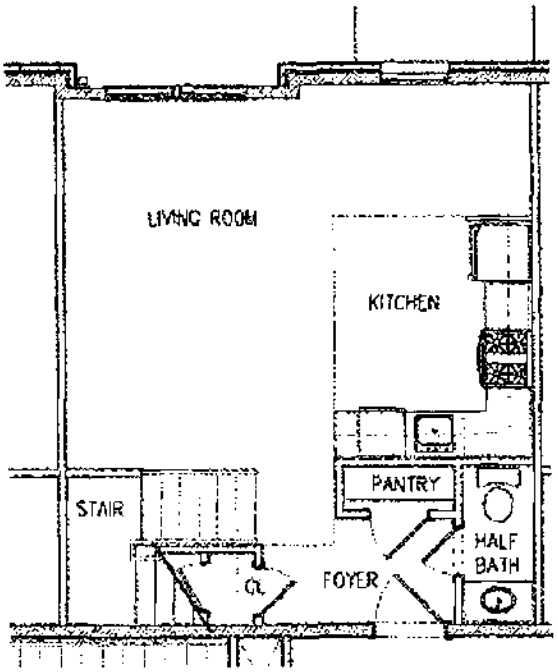
TOWER ARCHITECTURAL GROUP L.L.C.

WILLOW MANOR
92-102 WILLOW STREET BLOOMFIELD, NJ 07003

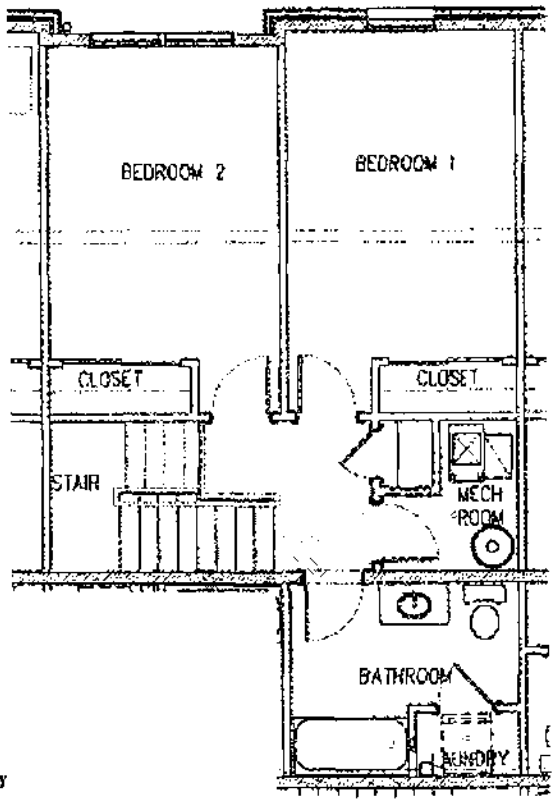
SECOND FLOOR PLAN
UNIT 6

DATE: 07/25/12

C6



1 UNIT 7 FIRST FLOOR PLAN



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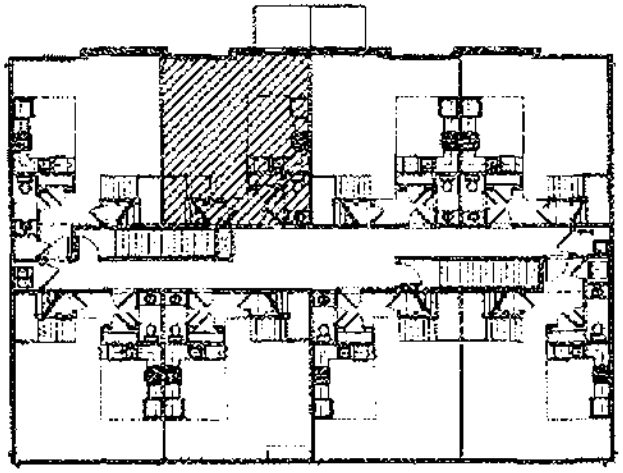
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



3 SECOND FLOOR PLAN

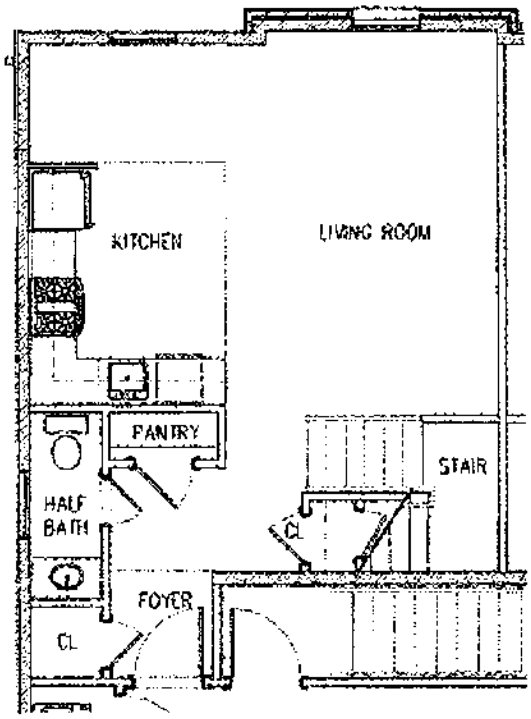
TOWER ARCHITECTURAL GROUP L.L.C.

WILLOW MANOR
92-102 WILLOW STREET BLOOMFIELD, NJ
07003

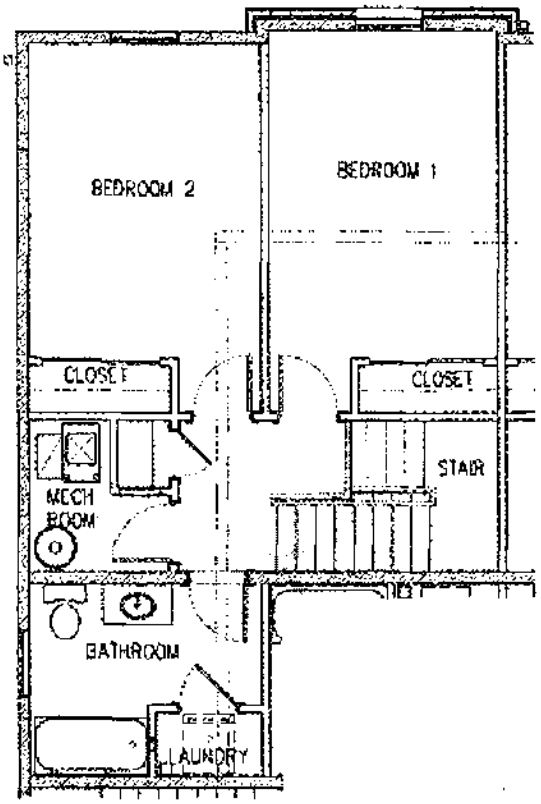
SECOND FLOOR PLAN
UNIT 7

DATE: 07/25/12

C7



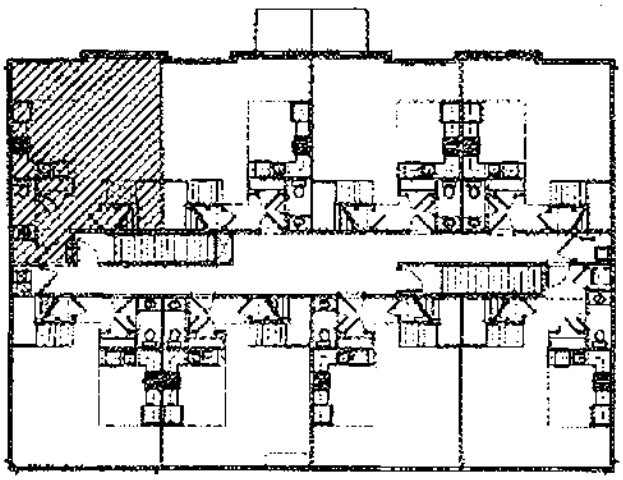
1 UNIT 8 FIRST FLOOR PLAN



2 UNIT 8 SECOND FLOOR PLAN

0 5' 10'

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



3 SECOND FLOOR PLAN

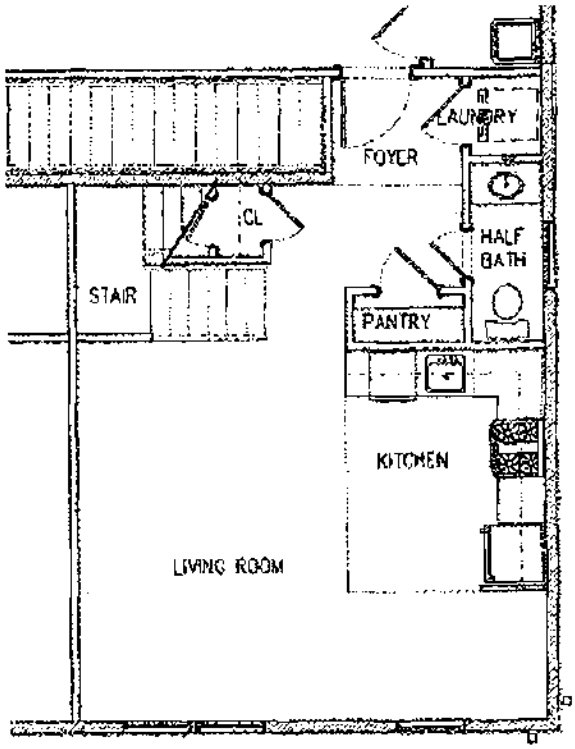
TOWER ARCHITECTURAL GROUP L.L.C.

WILLOW MANOR
92-102 WILLOW STREET BLOOMFIELD, NJ 07003

SECOND FLOOR PLAN
UNIT 8

DATE: 07/25/12

C8



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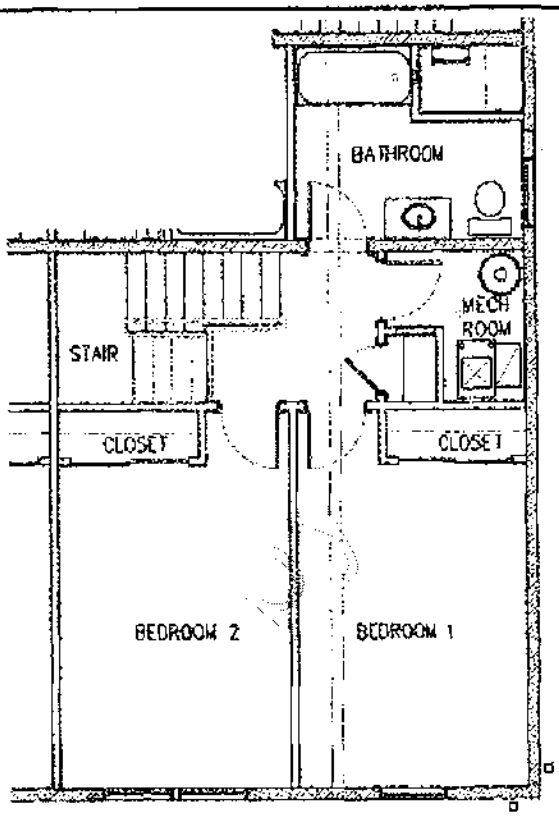

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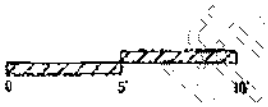
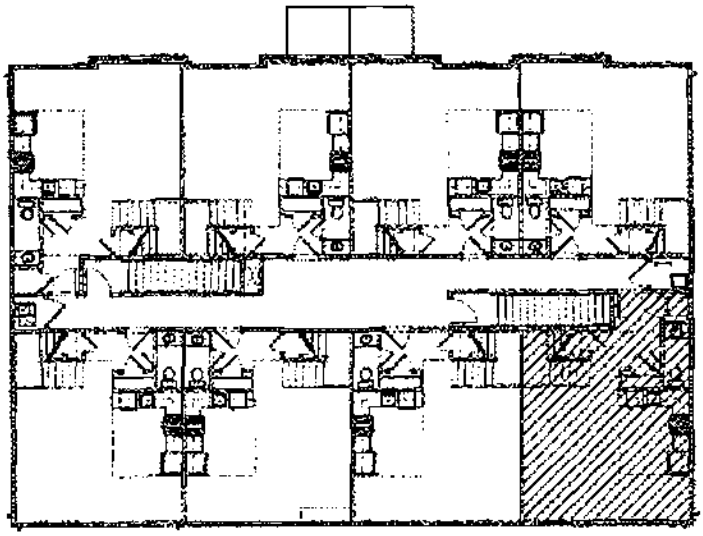


PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



3 SECOND FLOOR PLAN

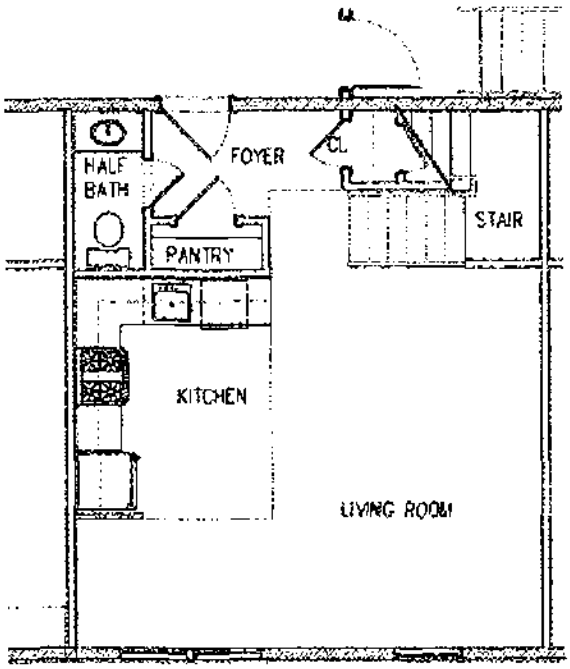
TOWER ARCHITECTURAL GROUP L.L.C.

WILLOW MANOR
92-102 WILLOW STREET BLOOMFIELD, NJ
07003

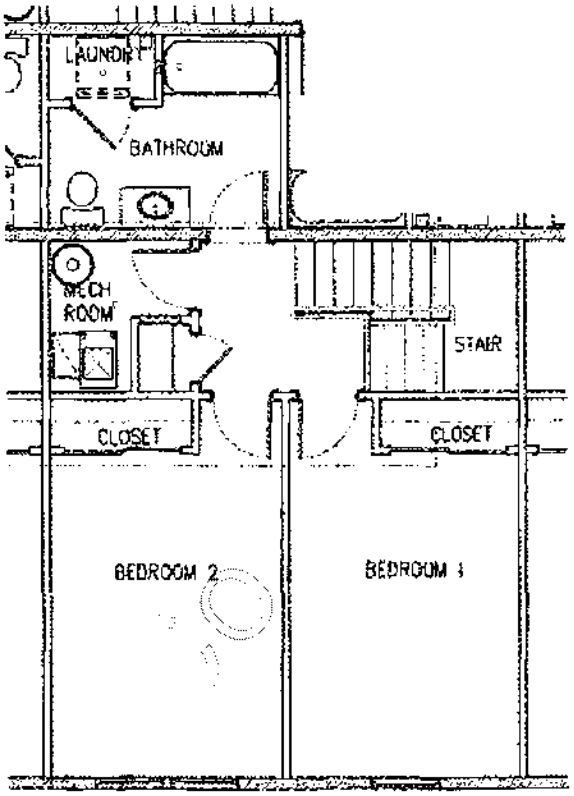
SECOND FLOOR PLAN
UNIT 9

DATE: 07/25/12

C9



1 UNIT 10 FIRST FLOOR PLAN



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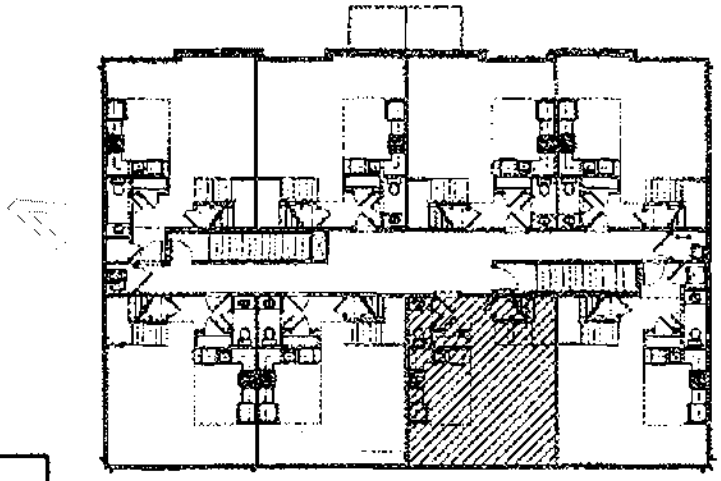
PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED.



3 SECOND FLOOR PLAN

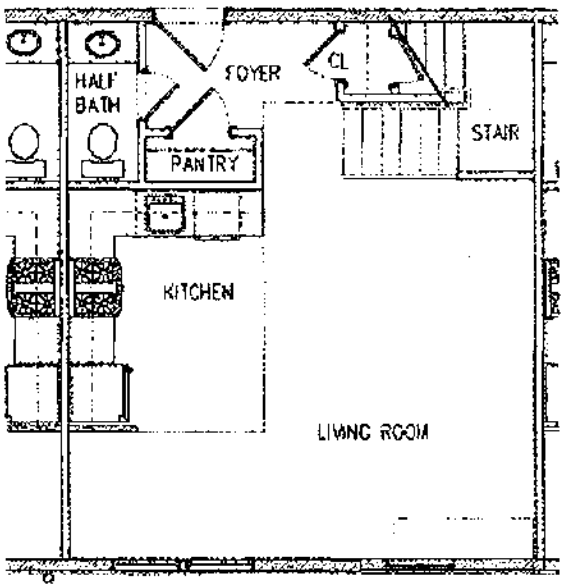
TOWER ARCHITECTURAL GROUP L.L.C.

WILLOW MANOR
92-102 WILLOW STREET BLOOMFIELD, NJ 07003

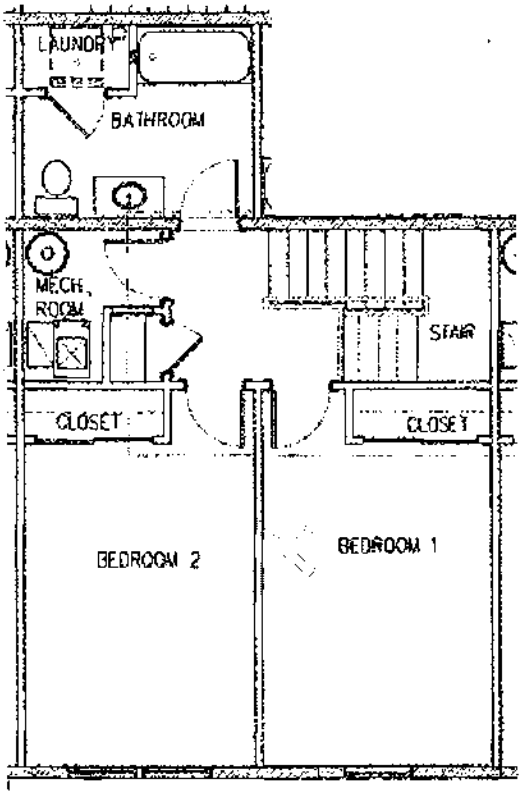
SECOND FLOOR PLAN
UNIT 10

DATE: 07/25/12

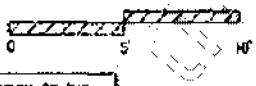
C10



1 UNIT 11 FIRST FLOOR PLAN



2 UNIT 11 SECOND FLOOR PLAN



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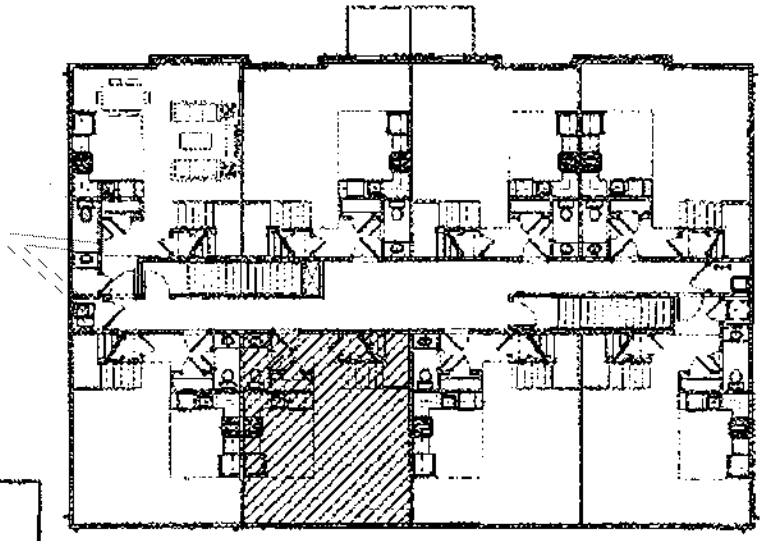


3 SECOND FLOOR PLAN

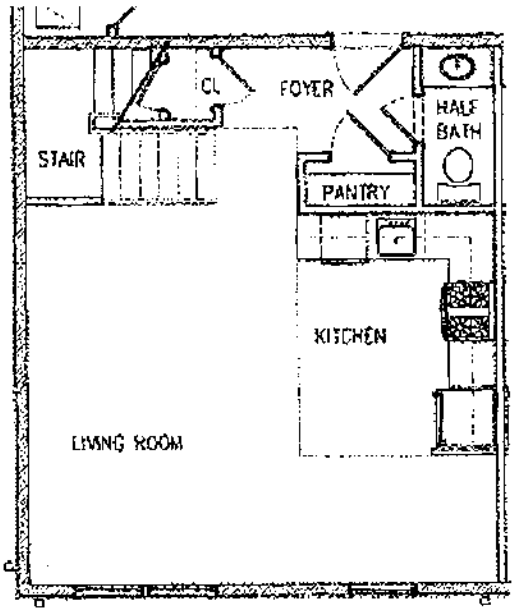
TOWER ARCHITECTURAL GROUP L.L.C.

WILLOW MANOR
92-102 WILLOW STREET BLOOMFIELD, NJ
07003

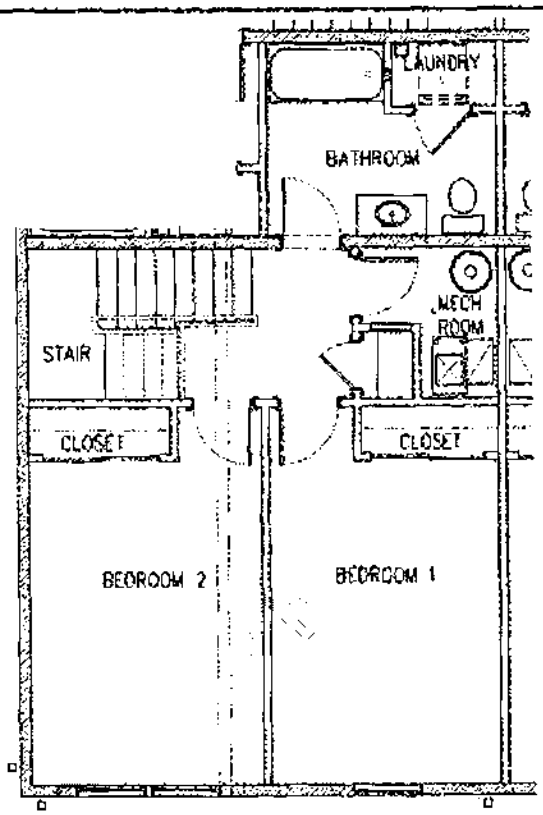
SECOND FLOOR PLAN
UNIT 11

DATE: 07/25/12

C11



1 UNIT 12 FIRST FLOOR PLAN



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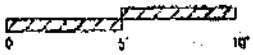

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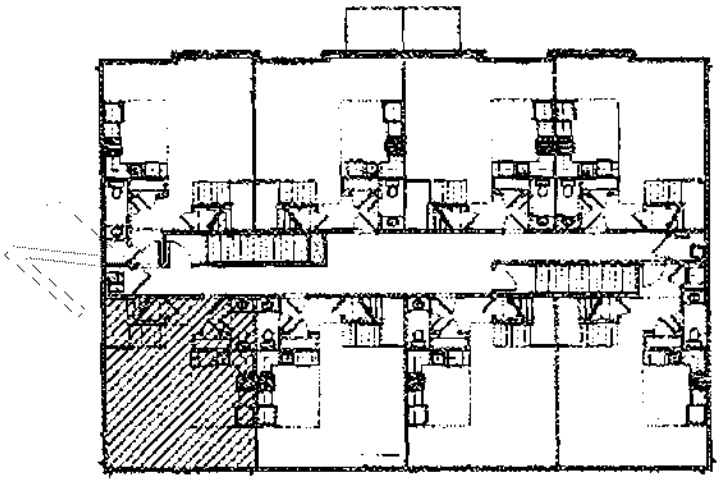


3 SECOND FLOOR PLAN

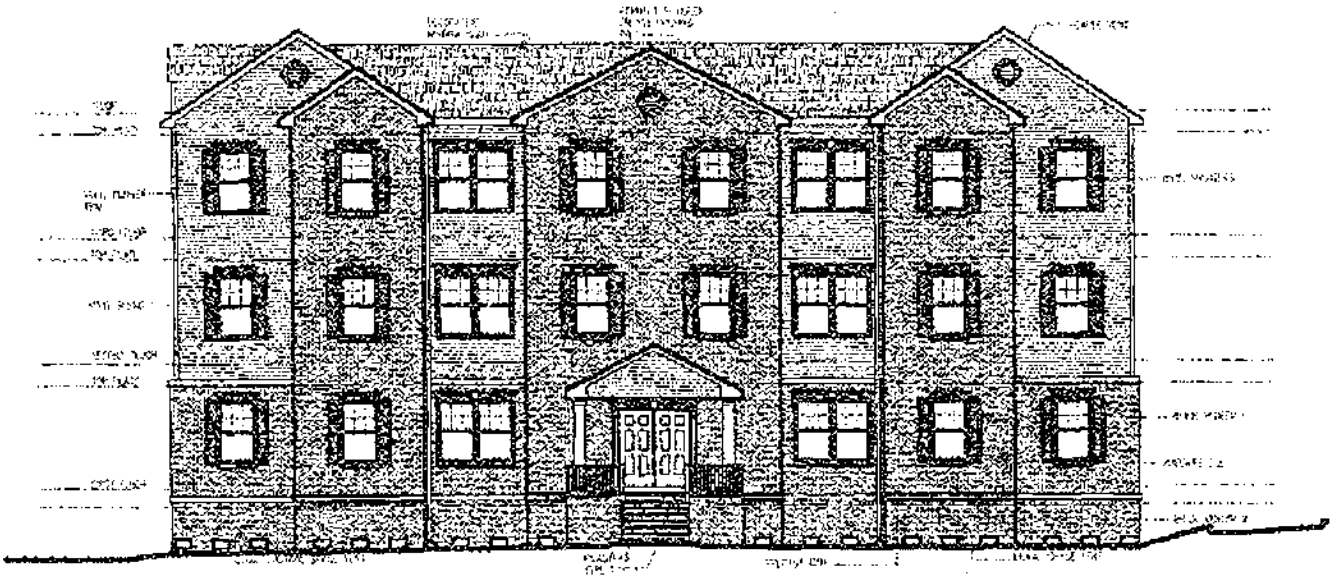
TOWER ARCHITECTURAL GROUP L.L.C.

WILLOW MANOR
92-102 WILLOW STREET BLOOMFIELD, NJ
07003

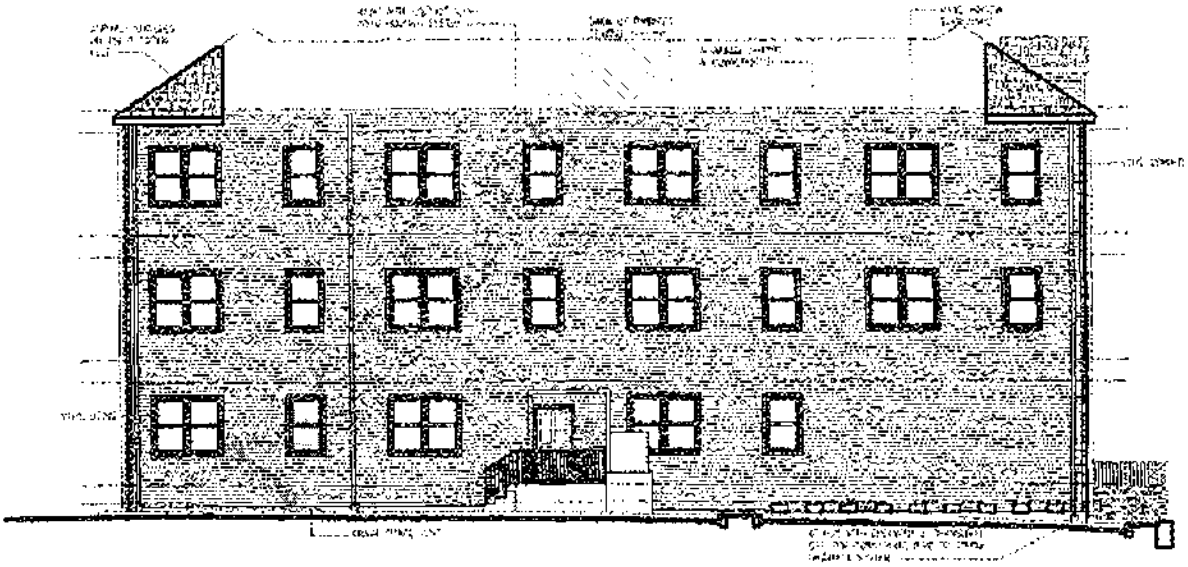
SECOND FLOOR PLAN
UNIT 12

DATE: 07/25/12

DRAWING
C12



1 FRONT ELEVATION

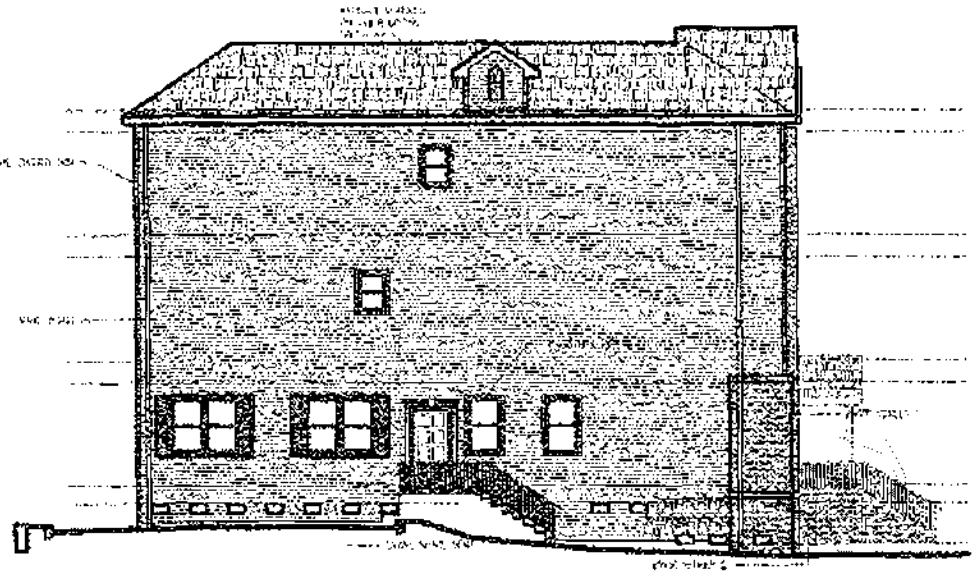


2 REAR ELEVATION

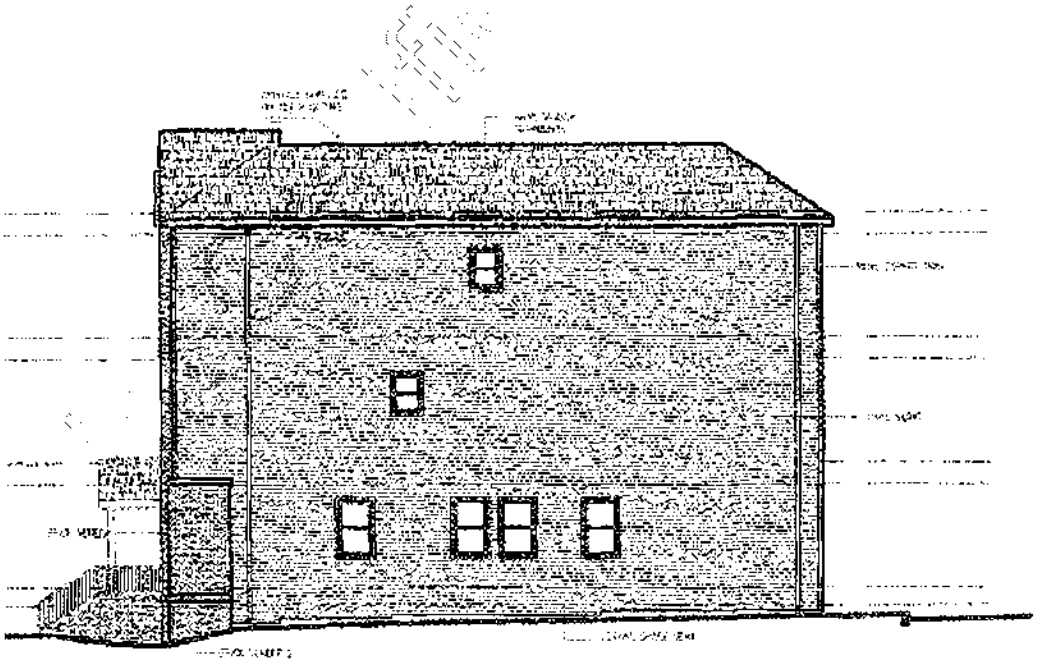
TOWER ARCHITECTURAL GROUP L.L.C.

PLANS, DRAWINGS & DESIGNS REPRESENTATION OF THE PERFORMANCE REQUIRED

WILLOW MANOR 92-102 WILLOW STREET BLOOMFIELD, NJ 07003	FRONT & REAR ELEVATIONS	DATE: 07/25/12 C13



1 LEFT SIDE ELEVATION



2 RIGHT SIDE ELEVATION

TOWER ARCHITECTURAL GROUP LLC

PLANS CONSTITUTE A CORRECT REPRESENTATION OF THE IMPROVEMENTS REQUIRED

WILLOW MANOR
92-102 WILLOW STREET
BLOOMFIELD, NJ 07003

LEFT & RIGHT ELEVATIONS

DATE: 07/25/12

SHEET
C14

EXHIBIT D

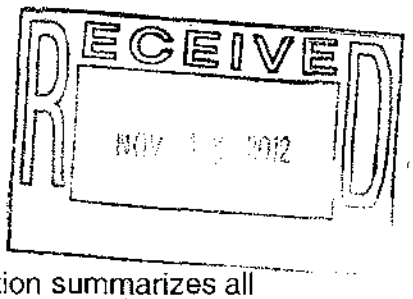
EXHIBIT D

PERCENTAGE OWNERSHIP	
UNIT NUMBER	PERCENTAGE OWNERSHIP
1	8.3334
2	8.3334
3	8.3334
4	8.3334
5	8.3334
6	8.3334
7	8.3334
8	8.3334
9	8.3334
10	8.3334
11	8.3334
12	8.3334

EXHIBIT E

DEPARTMENT OF TREASURY
Division of Revenue and Enterprise Services
Business Support Services, Commercial Recording
P.O. Box 308
Trenton, NJ 08646
Session Number: 2538113

Acknowledgement Printed: 11/08/2012



SHIP TO: ATTORNEY BUSINESS ACCOUNT
GENOVA BURNS GIANTOMASI & WEBSTER
494 BROAD STREET
NEWARK,, NJ 07102

Thank you for your recent work request. The following information summarizes all work requests processed and the associated fees.

If your work was rejected, it is imperative that you include this form or a copy when resubmitting corrected documents or if you are requesting a refund.
This will assist us in verifying payment and the original date the work request was submitted. Call us at (609) 292-9292 if you have any questions regarding this notice.

1. Customer Number: 781982
2. Account Number:
3. Session Number: 2538113 , Session Date: 11/02/2012
4. User ID: 111
5. Comments On Work Request:

6. Received Date: 10/25/2012
7. Number of Rejected Jobs: 0

Method of Payment: Check
Check No: 45219 Amount: $75.00

Job 1 : **Job Completion Status: C CLOSED (JOB OR SESSION)**
Session Number: 2538113
Work Description: FORMNP CERT OF INC NON PROFIT AND AMENDMENT
Job Number: 4546098
Filing Number: 101024437
Processed Date: 08-NOV-12
Entity Name: 92 WILLOW MANOR CONDOMINIUM AS
Comments On Job:

FEE CODE	FEE DESCRIPTION	FEE	QTY	TOTAL
CERTN2	CERTIFICATE OF INC NON PROFIT	75.00	1	$75.00
			JOB TOTAL:	$75.00

COMPLETED JOB TOTAL: $75.00

OFFICIAL RECEIPT *** **THIS IS NOT A BILL** ***
* Please retain a copy for your records to verify check and credit card billing.

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

FILED
25 2012
STATE TREASURER

ARTICLE I

The name of the corporation is 92 Willow Manor Condominium Association, Inc., hereinafter called the "Association".

010102437

ARTICLE II

The principal office of the Association is located at 92 Willow Street, Bloomfield, New Jersey 07003.

ARTICLE III

Robert Richardi, whose address is 46 Church Street, Montclair, New Jersey 07042 is hereby appointed the initial registered agent of this Association.

ARTICLE IV

Purpose and Powers of the Association

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and control of the common elements within that certain tract of property described in Exhibits "A" and "C" of a certain Master Deed entitled "Willow Manor Condominium", recorded or intended to be recorded in the Office of the Register of Essex County, and to promote the health, safety and welfare of the residents within the above described property and for these purposes:

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

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

(c) To acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) To borrow money, to mortgage, pledge, deed in trust, or hypothecate any or its real or personal property as security for money borrowed or debts incurred; AND

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

ARTICLE V

Membership

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

ARTICLE VI

Board of Trustees

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

(1) Robert Richardi, 46 Church Street, Montclair, New Jersey 07042
(2) Paul DeBellis, Sr., 46 Church Street, Montclair, New Jersey 07042
(3) Paul DeBellis, Jr., 46 Church Street, Montclair, New Jersey 07042

ARTICLE VII

Distribution of Assets Upon Dissolution

Upon dissolution of the Corporation, the assets shall be distributed amongst the members, as tenants in common, in the same percentages as their respective percentage interests in the common elements of the Condominium.

ARTICLE VIII

Duration

The corporation shall exist perpetually.

ARTICLE IX

Amendments

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

IN WITNESS WHEREOF, for the purpose of forming this non-profit corporation under the laws of the State of New Jersey, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 24th day of October, 2012.

Gemma M. Giantomasi
494 Broad Street
Newark, New Jersey 07102

STATE OF NEW JERSEY :
: SS
COUNTY OF ESSEX :

BE IT REMEMBERED, that on this 24th day of October, 2012, before me, the subscriber, an Attorney at Law of the State of New Jersey, personally appeared Gemma M. Giantomasi, who, I am satisfied is the person named in and who executed the within Instrument, and thereupon he acknowledged that he signed, sealed and delivered the same as his act and deed for the uses and purposes therein expressed.

Rochelle Wilson

NOTARY PUBLIC

ROCHELLE WILSON
A Notary Public of New Jersey
My Commission Expires November 12, 2013
I.D. Number 43811

747105-1 / 21151.001

COPY

92 Willow Manor Condominium Association, Inc.

Articles of Incorporation

DATED: October 24, 2012

Record and Return to:

GENOVA BURNS GIANTOMASI &WEBSTER
494 Broad Street
Newark, New Jersey 07012
973-533-0777

747105-1 / 21151.001

EXHIBIT F

RECORD AND RETURN TO:
New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Ave.
P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Assistant Director of Single Family
CHOICE Project: _____

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS IMPLEMENTING EQUITY SHARING CONTROLS
For
New Jersey Housing and Mortgage Finance Agency
Non-Deed Restricted
Emerging Market Units
(5 or 15 year equity sharing controls)

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS IMPLEMENTING EQUITY SHARING CONTROLS ("Declaration") is made this _____day of_____, 20__ ("Closing Date") by _____ (name of seller) a _____ (type of entity, i.e. a New Jersey Corp., LLC, LLP, etc.) hereinafter referred to as the ("Seller") for the Emerging Market Unit known as Block_____ and Lot _____ , aka (street address) _____in the municipality of _____, in the County of _____ (the "EMU").

WHEREAS, Seller, on this day, conveys to the owner improved real property, the development of which was financially subsidized by the New Jersey Housing and Mortgage Finance Agency ("Agency") as an Emerging Market Unit ("EMU") which is one type of subsidy available under the Agency's Choices in Homeownership Incentives Created for Everyone ("CHOICE") program and such conveyance was made in accordance with the requirements of the Agency among which are the execution and recording of this Declaration and other documents memorializing the requirements of the Agency and empowering the Agency to enforce such requirements; and

WHEREAS, the policy of the Agency, as implemented by the EMU subsidy, is to encourage development of homeownership housing units in Agency designated emerging markets by subsidizing the gap between the sales price and the cost of developing the housing; and

WHEREAS, the policy of the Agency is to strengthen homeownership housing in designated emerging markets by financing and subsidizing development of for-sale housing that are **not deed restricted** for resale to income eligible buyers, thereby encouraging and facilitating the emergence of a viable market driven housing market; and

WHEREAS, the EMUs by definition are **not developed or restricted as affordable housing units** under the New Jersey Fair Housing Act, N.J.S.A. (P.L. 1985, c.222), but rather upon sale or resale can be conveyed without regard to sales price or income of the buyer; and

WHEREAS, the Agency has provided CHOICE program EMU subsidy in the amount of $_____ ("Subsidy amount") toward the development of the EMU referred to above, and said EMU shall be subject to the Equity Sharing Controls for up to 15 years as more specifically set forth in Article 1 of this Declaration.

NOW, THEREFORE, it is the intent of this Declaration to establish the shared-equity resale controls to be recorded on this EMU as stated herein:

Article 1. Emerging Market Unit Covenants, Conditions and Restrictions

The shared equity period during which the Owner is obligated to pay a portion of net sales proceeds shall be for up to 15- years commencing on the Closing Date.
At the time of an arms length sale, conveyance, or refinance of the EMU, in an amount that shall not exceed that of the Subsidy amount stated above, the owner shall repay the Agency from Net Proceeds (as defined in Article 3), in accordance with the following schedule:

100% of the net appreciation should the EMU be sold/refinanced during the first 2 years;

50% should the EMU be sold/refinanced in the 3rd year;

25% should the EMU be sold/refinanced thereafter during the 4th year through the 15th year <u>except that</u> if, after the 5th year, the unit is sold to a household who will occupy the home as a primary residence, no shared appreciation shall be required.

The shared appreciation schedule will be reinstated and effective against the new buyer if the new buyer(s) fails to occupy the unit within 60 days and continuously thereafter for at least one year from the date of closing title. Subsequent sale by a non-resident owner to a household who will occupy the home as a primary residence will not subject the sale to shared appreciation and the shared appreciation requirement will terminate if the buyer occupies the EMU within 60 days and continuously thereafter for at least one year from the date of closing title.

Article 2. Remedies for Breach of this Declaration of Covenants, Conditions and Restrictions

In the event of a threatened breach of any of the covenants, conditions or restrictions by the owner of the EMU, or any successors in interest, the Agency shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.

a) Upon the occurrence of an actual breach of any covenants, conditions or restrictions by the owner of the EMU or any successors in interest, the Agency shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping any funds from a sale or incursion of Debt unapproved by the Agency and specific performance.

Any threatened or actual breach of any of the Covenants, Conditions and Restrictions recited in this document will cause irreparable harm to the Agency.

Article 3. Net Proceeds Defined; Subordinations

Net Proceeds:

"Net Proceeds" means, in the case of an arms-length agreement for sale and conveyance of the Property by the Owner, the proceeds received by the Owner from the fair market sales price, less the following: documented downpayment paid when the Owner purchased the Property; original purchase money mortgage amount, real estate commission, New Jersey realty transfer fees, closing agent fees, cost of repairs necessary to get a Certificate of Occupancy, documented cost of adding an additional bedroom or an additional bathroom.

Payoff amounts associated with secondary financing or liens not subordinated to this Declaration **will not** be deducted from the sales price when calculating net sales proceeds.

Subordination:

Any obligation including refinance, equity loan, letter of credit, or any other mortgage obligation, lien or other debt (collectively "Debt") proposed to be secured ahead of this Declaration must be approved in advance by the Agency. In the event that Debt is proposed the Agency will subordinate this Declaration only if there will be equity remaining in the Property that is adequate to repay the remaining shared appreciation calculated as of the date of the lien of the Debt. Equity will be the amount remaining from the then current appraised fair market value after deducting the principal outstanding amount of any liens with priority after subordination by the Agency. The foregoing notwithstanding, the Owner may prepay the full CHOICE subsidy repayment amount from the proceeds of Debt or any other sources at any time, but must request a payoff amount in advance from the Agency.

Article 4. Termination of Lien

This Declaration and its associated lien shall expire upon the satisfaction of the re-payment of the CHOICE subsidy in accordance with Article 1 or the expiration of 15 years from the Closing Date, whichever shall occur first. The Agency or its successor will provide a Discharge of this Declaration at that time.

Article 5. Buyer to Occupy the Property

At all times while this Declaration remains in effect, the Buyer shall personally occupy the Property as the principal residence. The Buyer may apply for hardship relief from this requirement for the same reasons and following the same procedures as set forth in the Agency's Single Family Servicing Guide dated April 1, 2007, as may be updated from time to time.

IN WITNESS WHEREOF, the Buyer has caused this Declaration of Covenants, Conditions and Restrictions to be executed on the Closing Date.

EXECUTIONS

IN WITNESS WHEREOF, the Seller(s) and Buyer have executed this Declaration of Covenants, Conditions and Restrictions Implementing Equity Sharing Controls for the purposes stated herein.

AS TO THE SELLER:

_____
(Seller)

_____
(Signature)

_____
(Print Name of Signer)

STATE OF NEW JERSEY)

) SS.

COUNTY OF)

BE IT REMEMBERED, that on date appearing below,

_____ who is the _____ (title) of the Seller personally appeared before me and who, being duly sworn by me, deposed and made proof to my satisfaction (i) that he/she is the authorized representative of the Seller named in the foregoing Declaration and (ii) and that execution said Declaration with respect to the Property and for the purposes described and set forth therein has been duly authorized by the Seller.

Sworn to and subscribed before me
This _____day of _____, 20_____.

_____

NOTARY PUBLIC

AS TO THE BUYER:

_____
(Buyer's signature)

_____
(Print name of Buyer)

_____
(Buyer's Signature)

_____
(Print name of Buyer)

STATE OF NEW JERSEY)

) SS.

COUNTY OF)

BE IT REMEMBERED, that on the date appearing below,

_____, who is the Buyer(s) personally appeared before me, and who being duly sworn by me, acknowledged that he/she is/are the Buyer(s) named in this Declaration and that he/she executed this Declaration for the purposes set forth therein.

U: EMU Declaration of Covenants draft
Updated: 10/27/2014

EXHIBIT G

RETURN TO:
New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Ave.
P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Assistant Director of Single Family
CHOICE Project: _____

$_____

RECAPTURE MORTGAGE NOTE FOR CHOICE PROGRAM

NON-DEED RESTRICTED
EMERGING MARKET UNITS
(5-15 year equity sharing controls)

THIS NOTE is dated as of this ___ day of_____, 20____. For value received, _____ (referred to hereinafter as "Owner") promises to pay to the New Jersey Housing and Mortgage Finance Agency (the "Agency"), which has its principal offices at 637 South Clinton Avenue, Trenton, NJ 08650-2085, the amounts specified in this Note and promises to abide by the terms contained below.

Article 1. REPAYMENT MORTGAGE NOTE

The Owner is vested in property that is subject to a Declaration of Covenants, Conditions and Restrictions Implementing Equity Sharing Controls (hereinafter the "Declaration") and a Recapture Mortgage for CHOICE PROGRAM (hereinafter the "Recapture Mortgage") both of even date with this Note. Pursuant to the Declaration, the property described in the Declaration and in the Recapture Mortgage securing this Note (hereinafter the "Property") has been made subject to certain equity sharing repayment from "net proceeds", as defined in Article 5 of the Note.

In accordance with this Note, there is a repayment obligation at the time of the first arms-length fair market resale, or removal of cash equity subject to terms as set forth in this Note. The Owner shall repay from net proceeds, as defined in Article 5, the amount of the CHOICE subsidy of $_____, or a portion thereof as reduced in accordance with the schedule of years, as described in Article 2 below, which amount is hereinafter referred to as the "CHOICE subsidy repayment amount."

As security for the payment of amounts due under this Note and performance of all promises contained in this Note, the Owner has given the Agency on the Closing Date the Declaration and the Recapture Mortgage.

Article 2. OWNER'S PROMISE TO PAY AND OTHER TERMS

During the **15 year** shared equity period, commencing with the Closing Date, removal of cash equity from the Property by the Owner is conditioned upon prior approval by the Agency, in accordance with Article 3 and upon payment to the Agency of the CHOICE subsidy repayment amount that shall be due from the net proceeds, as defined in Article 5, resulting from the arms length sale or conveyance as adjusted in accordance with the following schedule:

At the time of an arms length sale, conveyance, or refinance of the EMU, in an amount that shall not exceed that of the Subsidy amount stated above, the owner shall repay the Agency from Net Proceeds (as defined in Article 5), in accordance with the following schedule:

100% of the net appreciation should the EMU be sold/refinanced during the first 2 years;

50% should the EMU be sold/refinanced in the 3rd year;

25% should the EMU be sold/refinanced thereafter during the 4th year through the 15th year <u>except that</u> if, after the 5th year, the unit is sold to a household who will occupy the home as a primary residence, no shared appreciation shall be required. (In accordance with Declaration, the shared appreciation schedule will be reinstated and effective against the new buyer if the new buyer(s) fails to occupy the unit within 60 days and continuously thereafter for at least one year from the date of closing title. Subsequent sale by a non-resident owner to a household who will occupy the home as a primary residence will not subject the sale to shared appreciation and the shared appreciation requirement will terminate if the buyer occupies the EMU within 60 days and continuously thereafter for at least one year from the date of closing title.)

Nothing in this provision or this Note shall be construed to prohibit the Buyer from pre-paying the CHOICE subsidy amount in full at any time.

Article 3. SUBORDINATED DEBT

Any obligation including refinance, equity loan letter of credit, or any other mortgage obligation, lien or other debt (collectively "Debt") proposed to be secured ahead of the lender on the Property secured by the Recapture Mortgage that secures this Note must be approved in advance by the Agency. In the event that Debt is proposed the Agency will subordinate the Recapture Mortgage secured by this Note to such Debt only if there will be equity remaining in the Property that is adequate to repay the Note. Adequate equity to repay the Note will be the amount remaining from the then current appraised fair market value after deducting the principal outstanding amount of any liens with priority after subordination of the Recapture Mortgage, including, but not limited to, the first mortgage and the Debt. The foregoing notwithstanding, the Owner may prepay the full CHOICE subsidy repayment amount from the proceeds of Debt or any other sources at any time, but must request a payoff amount in advance from the Agency.

Article 4. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of _____ in the County of _____, State of New Jersey, described more specifically as Block No. _____ Lot No. _____, and known by the street address:

_____

Article 5. NET PROCEEDS DEFINED

"Net Proceeds" means, in the case of an arms-length agreement for sale and conveyance of the Property by the Owner, the proceeds received by the Owner from the fair market sales price, less the following: documented downpayment paid when the Owner purchased the Property; original purchase money

mortgage amount, real estate commission, New Jersey realty transfer fees, closing agent fees, cost of repairs necessary to get a Certificate of Occupancy, documented cost of adding an additional bedroom or an additional bathroom.

Payoff of secondary financing or liens not subordinated to the Recapture Mortgage that secures this Note **will not** be deducted from the sales price when calculating net sales proceeds.

Article 6. WAIVER OF FORMAL ACTS

The Owner waives its right to require the Agency to do any of the following before enforcing its rights under this Note:

1. To demand payment of amount due (known as Presentment).
2. To give notice that amounts due have not been paid (known as Notice of Dishonor).
3. To obtain an official certificate of non-payment (known as Protest).

Article 7. RESPONSIBILITY UNDER NOTE

All Owners signing this Note, as Amended, are jointly and individually obligated to pay the amounts due and to abide by the terms under this Note. The Agency may enforce this Note against any one or more of the Owners or against all Owners together.

The Owner agrees to the terms of this Note by signing below.

ACKNOWLEDGEMENT

Owner acknowledges receipt of a true copy of the Amended Note at no charge.

Dated: _____

ATTEST:

By: _____
Signature (Owner)

_____
Signature (Co-Owner)

U: EMU Recapture Mortgage Note
5-15 year draft
Updated: 10/27/2014

EXHIBIT H

RECORD AND RETURN TO:
New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Ave.
P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Assistant Director of Single Family
CHOICE Project: _____

REPAYMENT MORTGAGE SECURING PAYMENT OF CHOICE PROGRAM RECAPTURE NOTE IN FAVOR OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

(5 – 15 year Equity Sharing Controls)

THIS MORTGAGE, made on this the ____ day of _____, 20____ by and between_____, (the "Owner") and New Jersey Housing and Mortgage Finance Agency (the "Agency"), in connection with the property described herein (the "Property");

Article 1. REPAYMENT MORTGAGE NOTE

In consideration of value received, the Owner has signed a Recapture Mortgage Note (the "Note") dated of even date herewith. The Owner promises to pay to the Agency amounts due under the Recapture Mortgage Note, and to abide by all obligations contained therein. Both the Note and this Repayment Mortgage are made subject to a Declaration of Covenants, Conditions and Restrictions Implementing Equity Sharing Controls ("Declaration") pursuant to the CHOICE Program.

Article 2. MORTGAGE AS SECURITY FOR AMOUNT DUE

This Mortgage is given to the Agency as security for the payment required to be paid upon the arms length sale and conveyance or refinance (if permitted pursuant to Article 10) of the Property in accordance with the Owners promise to pay as set forth in the Note. The Owner shall repay, from net proceeds, as defined in Article 5 ("Net Proceeds Defined" of the Note, the total amount of the CHOICE subsidy of $_____, or a portion as reduced in accordance with the schedule of years, as described in Article 2 ("Owner's Promise to Pay and Other Terms") of the Note.

Article 3. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of _____ in the County of _____, State of New Jersey (hereinafter the "Property"), described more specifically as Block No. _____ Lot No. _____, and known by the street address:

_____

_____

Article 4. RIGHTS GIVEN TO THE AGENCY

The Owner, by mortgaging the Property to the Agency, gives the Agency those rights and covenants stated in this Mortgage. The rights, terms and restrictions in this Mortgage shall bind the Owner until such time as the CHOICE lien is repaid in full or to the extent possible from net proceeds at the time of the first arms length conveyance or after the satisfaction of the requisite number of years from the Closing Date. Upon performance of the promises contained in Note and Mortgage, the Agency will prepare and deliver to the then current owner a Discharge of Mortgage or other document evidencing the Owner's release from further obligation.

Article 5. DEFAULT

The Agency may declare the Owner in default of this Mortgage and the Note if:

1. The Owner attempts to convey an interest in the Property without giving prior written notice to the Agency;

2. The Owner fails to make any payment required by the Note;

3. The holder of any lien on the Property starts foreclosure proceedings; or

4. Bankruptcy, insolvency or receivership proceedings are commenced by or against the Owner.

Article 6. AGENCY'S RIGHTS UPON DEFAULT

If the Agency declares that the Note and this Mortgage are in default, the Agency shall have all rights given by law and set forth in this Mortgage.

Article 7. NOTICES

ALL NOTICES MUST BE IN WRITING AND PERSONALLY DELIVERED OR SENT BT CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES GIVEN IN THIS MORTGAGE:

THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY, ATTN: DIRECTOR, SINGLE FAMILY PROGRAMS, 637 S. CLINTON AVE., TRENTON, NEW JERSEY 08650-2085

Article 8. NO WAIVER BY THE AGENCY

The Agency may exercise any right under this Mortgage or under any law, even if the Agency has delayed in exercising that authority, or has agreed in an earlier instance not to exercise that right. The Agency does not waive its right to declare the Owner in default by making payments or incurring expenses on behalf of the Owner.

Article 9. EACH PERSON LIABLE

This Mortgage is legally binding upon each Owner individually and all their heirs, assigns, agents and designees who succeed to their responsibilities. The Agency may enforce any of the provisions of the Note and of this Mortgage against any one or more liable individuals.

Article 10. REFINANCE, SUBORDINATION

Any obligation including refinance, equity loan, letter of credit, or any other mortgage obligation, lien or other debt (collectively "Debt") proposed to be secured ahead of this Mortgage must be approved in advance by the Agency. In the event that Debt is proposed the Agency will subordinate this Mortgage only if there will be equity remaining in the Property that is adequate to repay the remaining shared appreciation calculated as of the date of the lien of the Debt. Equity will be the amount remaining from the then current appraised fair market value after deducting the principal outstanding amount of any liens with priority after subordination by the Agency. The foregoing notwithstanding, the Owner may prepay the full CHOICE subsidy repayment amount from the proceeds of Debt or any other sources at any time, but must request a payoff amount in advance from the Agency.

Article 11. SUBSEQUENT OWNERS

This Mortgage will be released upon satisfaction by the Owner. However, until such time as the Declaration is satisfied (which Declaration will not be satisfied and will survive this Mortgage if the Property is sold to a non-owner occupant or an owner occupant who fails to meet the conditions of the Declaration) subsequent owner(s) will be subject to such terms as are set forth in the Declaration.

Article 12. SIGNATURES

By executing this Mortgage the Owner agrees to all of its terms and conditions.

Article 13. ACKNOWLEDGEMENT

The Owner acknowledges receipt of a true copy of this Mortgage, at no charge to the State.

IN WITNESS WHEREOF, the Owner(s) has executed this Mortgage for the purposes stated herein.

ATTEST: _____

_____
Signature of (Owner)

_____
Signature (Co-Owner)

STATE OF NEW JERSEY)

) ss:

COUNTY OF _____)

BE IT REMEMBERED, that on this the _____ day of _____, 20___ the subscriber _____ appeared personally before me *(If more than one person signed the foregoing mortgage and appeared before me, the words "the subscriber" and "the Owner" shall include all such persons)*and who, being duly sworn by me, deposed and made proof to my satisfaction (i) that he/she is the Owner named in the foregoing mortgage and (ii) and that he/she has executed said mortgage with respect to the Property and for the purposes described and set forth therein.

Sworn to and subscribed before me, _____ on the date set forth above.

_____

NOTARY PUBLIC

U:EMU Repayment Mortgage
Updated: 11/27/2014

RECORDING INFORMATION SHEET

ESSEX COUNTY REGISTER'S OFFICE
HALL OF RECORDS , ROOM 130
465 MARTIN LUTHER KING Jr. Blvd
NEWARK NJ 07102

INSTRUMENT NUMBER:
14054087

DOCUMENT TYPE :
DEED

Official Use Only

WILLIAM NARVAEZ
DEPUTY REGISTER
ESSEX COUNTY, NJ

INSTRUMENT NUMBER
14054087
RECORDED ON
July 31, 2014 12:48 pm
BOOK:12507 PAGE:3692

LJ

Return Address *(for recorded documents)*
STONEBRIDGE TITLE SERVICES
322 ROUTE 46 WEST
PARSIPPANY NJ 07054

No. Of Pages *(excluding Summary Sheet)*		39
Recording Fee *(excluding Transfer Tax)*		$410.00
Realty Transfer Tax		$0.00
Amount Charged	**(Check # 1772)**	$410.00
Municipality	BLOOMFIELD	
Parcel Information	**Block** 311 **Lot** 13	
First Party Name	NEW JERSEY HOUS & MTG FIN AGCY	
Second Party Name	HERITAGE VILLAGE AT BLOOMFIELD	

CONSIDERATION (R) $0.00

MAIL COPY _____
NO COPY _____
ENVELOPE _____

ADDITIONAL STAMPINGS _____

Additional Information (Official Use Only)

******************************* ***DO NOT REMOVE THIS PAGE.*** *******************************

COVER SHEET (DOCUMENT SUMMARY FORM) IS PART OF ESSEX COUNTY FILING RECORD

********************** ***RETAIN THIS PAGE FOR FUTURE REFERENCE.*** **********************

STONEBRIDGE TITLE SERVICES
322 ROUTE 46 WEST, SUITE 270 W
PARSIPPANY, NJ 07054

Record and Return to:

Lisa DiOrio, Paralegal
Division of Loan Closings
New Jersey Housing and Mortgage
Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085

HERITAGE VILLAGE AT BLOOMFIELD,
HMFA# 2844

FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT

between

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

and

HERITAGE VILLAGE AT BLOOMFIELD, LLC

Prepared by:

Nels J. Lauritzen
Deputy Attorney General

Construction and Permanent Financing
[Revised August 2004]

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THIS FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT (this "Agreement") is made and entered into as of July 17, 2014, between the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** (the "Agency"), a body politic and corporate and an instrumentality exercising public and essential governmental functions of the State of New Jersey, created pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, N.J.S.A. 55:14K-1 et seq. (the "Act"), and **HERITAGE VILLAGE AT BLOOMFIELD, LLC**, (together with its successors and assigns, the "Owner"), a limited liability company organized and existing pursuant to the laws of the State of New Jersey, duly authorized to transact business in the State of New Jersey, and a qualified housing sponsor within the meaning of the Act.

WITNESSETH:

In consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Agency and the Owner hereby agree as follows:

Section 1. Definitions and Interpretation

The following terms shall have the respective meanings set forth below:

"Act" means the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended from time to time, P.L. 1983, c. 530, N.J.S.A. 55:14K-1 et seq.

"Agency Financing" means the First Mortgage Loan.

"Agency Regulations" means the regulations promulgated by the Agency pursuant to the Act and any policies, procedures or guidelines issued by the Agency with respect to the housing projects financed by the Agency under the Act, all of the foregoing as they may be amended from time to time.

"Approvals" means all federal, state, county, municipal and other governmental permits, licenses, and approvals for the construction of the Project.

"Assignment of Leases" means the Assignment of Leases between the Owner and Agency given by the Owner to the Agency as additional security for the repayment of the First Mortgage Loan.

"Bonds" means the New Jersey Housing and Mortgage Finance Agency Multi-Family Housing Revenue Bonds, Series B/D, issued under the Resolution.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Contract" means the agreement between the Owner and CIS Construction, LLC, or any other agreement executed by the Owner and approved by the Agency, for the construction of the Project in accordance with the plans and specifications for the Project approved by the Agency.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement between the Agency and the Trustee pertaining to the Bonds as the same may hereafter be modified, supplemented or amended.

"Day" or **"Days,"** whether or not the word is a capitalized term, shall mean calendar day or day(s) unless otherwise specified.

"Disbursement Agreement", if applicable, means the agreement whereby the Owner and other parties thereto agree that the Agency shall hold and disburse all funds other than the Bond proceeds required for construction of the Project.

"Environmental Laws" shall mean and include any federal, State, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste, substance, element, compound, mixture or material, as now or at any time hereafter in effect including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, 42 U.S.C. Sections 9601 et seq., the Federal Hazardous Materials Transportation Act, as amended 42 U.S.C. Sections 1801 et seq., the Federal Resource Conservation and Recovery Act as amended, 42 U.S.C. Sections 6901 et seq., the Superfund Amendments and Reauthorization Act, 42 U.S.C. Sections 9601 et seq., the Federal Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq., the Federal Hazardous Material Transportation Act, 49 U.S.C. Sections 1801 et seq., the Federal Clean Air Act, 42 U.S.C. Sections 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251 et seq., the Rivers and Harbors Act of 1899, 33 U.S.C. Sections 401 et seq., the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. Section 4852d, the New Jersey Environmental Cleanup Responsibility Act, as amended, N.J.S.A. 13:1K-6 et seq., the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., the Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11 et seq., the New Jersey Tank Registration Act, N.J.S.A. 58:10A-21 et seq., the New Jersey Water Pollution Control Act, as amended, N.J.S.A. 58:10A-1 et seq., and all rules and regulations adopted and publications promulgated thereto, or any other so-called "Superfund" or "Superlien" laws, or any other federal, State or local environmental law, ordinance, code, rule, or regulation, order or decree as any of the foregoing have been, or are hereafter amended.

"Environmental Report" means the Phase I Environmental Site Assessment prepared by Birdsall Services Group Inc., dated August 2011.

"Event of Default" means any of the events set forth in Section 30 of this Agreement.

"First Mortgage" means that first mortgage and security agreement of even date herewith given by the Owner to the Agency to secure the payment of the First Mortgage Note I and II and that constitutes a valid first lien on the Project and the Land.

"First Mortgage Loan" means the first mortgage loan made to the Owner by the Agency to finance or refinance a portion of the cost of the development, construction, rehabilitation and/or acquisition of the Project, which is evidenced by the First Mortgage Note I and II and secured by the First Mortgage.

"First Mortgage Note" or "First Mortgage Notes" or "First Mortgage Note I and II" means the interest bearing, non-recourse promissory notes, made by the Owner to the Agency, that contains the promise of the Owner to pay the sum of money stated therein at the times stated therein and that evidences the obligation of the Owner to repay the First Mortgage Loan.

"Guaranty" means that guaranty of even date herewith given by Community Investment Strategies, Inc., in favor of the Agency.

"Hazardous Materials" shall mean and include those elements, materials, compounds, mixtures or substances that are contained in any list of hazardous substances adopted by the United States Environmental Protection Agency (the "EPA") or any list of toxic pollutants designated by Congress, the EPA, or the New Jersey Department of Environmental Protection ("NJDEP"), or that are defined as hazardous, toxic, pollutant, infectious, flammable or radioactive by any of the Environmental Laws, and, whether or not included in such lists, shall be deemed to include all products or substances containing petroleum, asbestos, lead, and polychlorinated biphenyls.

"HUD" means the United States Department of Housing and Urban Development.

"IRS Regulations" means the regulations promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service pursuant to the Code, and to the extent applicable, pursuant to the Internal Revenue Code of 1954, as both may be amended from time to time, including all rules, rulings, policies, and official statements issued by the United States Department of the Treasury or the Internal Revenue Service.

"Land" means the real property described in Schedule "A" attached hereto and made a part hereof.

"Loan Documents" means and includes but is not limited to, this Agreement, the First Mortgage , the First Mortgage Note I and II, the Assignment of Leases, the UCC-1 Financing Statements, the Assignment of Syndication Proceeds, Guaranty, Disbursement Agreement, if applicable and in the event the Project is receiving Tax-Exempt Financing, the Tax Certificate.

"Low Income Tenants" means occupants of the Project who have income of 60 percent or less of the area median gross income, adjusted for family size, as determined under Section 142(d) and 42(g) of the Code, as applicable to the Project's financing structure.

"Mortgage(s)" shall mean any and all mortgages securing the Agency Financing.

"Permitted Encumbrances" means any

(i) Utility, access and other easements and rights of way, restrictions and exceptions that do not, individually or in the aggregate, materially impair the utility or value of the Project or Land for the purposes for which it is intended;

(ii) Liens that are being contested in good faith and for which the Owner has provided security satisfactory to the Agency;

(iii) Liens subordinate to the First Mortgage Loan arising due to any monies loaned in connection with the Project or other monies loaned to the Owner, provided such liens are disclosed to and approved by the Agency in writing; and

(iv) Any other encumbrances approved by the Agency in writing.

"Plans" means all construction, architectural and design contracts and all architectural design plans and specifications.

"Project" means the multifamily residential rental project constructed or otherwise financed with the proceeds of the Agency Financing and all other improvements to be constructed or located on the Land.

"Project Revenues" means all rents and other revenues of any type whatsoever received with respect to the Project or Owner, except for advances of the Agency Financing.

"Qualified Bond Counsel" means an attorney or law firm acceptable to the Agency with respect to the issuance of bonds by states and their political subdivisions for the purpose of financing housing projects.

"Qualified Project Period" means the period beginning on the first day on which 10 percent of the residential units in the Project are occupied and ending on the latest of:

(i) the date which is 15 years after the date on which 50 percent of the residential units in the Project are occupied,

(ii) the first day on which no tax-exempt private activity bond issued with respect to the Project is outstanding, or

(iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates.

"Residential Rental Project" means a qualified residential rental project as defined in Section 142(d) and 42(g) of the Code, as applicable to the Project's financing structure.

"Resolution" means the General and Series Resolutions and/or supplemental Resolutions of the Agency authorizing the sale and issuance of the Agency's Bonds, in connection with the financing or refinancing of the Project.

"Servicing Fee" means the servicing fee that is due from the Owner to the Agency as set forth in the First Mortgage Note.

"State" means the State of New Jersey.

"Tax Certificate" means the Tax Certificate for Borrowers of Tax-Exempt Bond Proceeds, if the Project is receiving Tax-Exempt Financing.

"Tax Credits" means low income housing tax credits that the Project may receive pursuant to the Code.

"Tax-Exempt Financing" means financing received by the Owner from the proceeds of the tax-exempt Bonds issued by the Agency, the interest on which is excludable from gross income for purposes of federal or State income taxation.

"Trustee" means the institution named under the Resolution and designated to act as trustee thereunder with respect to the Bonds, and its successors.

"UCC-1 Financing Statements" means the UCC-1 financing statements between the Owner and Agency given by the Owner to the Agency as additional security for the repayment of the Agency Financing.

Section 2. <u>Background and Purpose</u>

The Owner will construct and/or rehabilitate and shall own, maintain, and operate the Project and the Land. The Project consists of 82 units of housing in the Township of Bloomfield, County of Essex, State of New Jersey. To obtain financing for the Project, the Owner has applied to the Agency for the Agency Financing pursuant to the provisions of the Act. The Project and the Land constitute a "housing project" as defined in the Act.

In connection with its application for the First Mortgage Loan, the Owner has furnished to the Agency Project information, including the description of the Land on which the Project is to be situated, plans and specifications for the construction and/or rehabilitation of the Project, the tenant population that is to be housed in the Project, the number of units of each type to be included therein, the estimated cost of providing the Project, information as to the projected income and expenses of the Project once completed and placed in operation and arrangements for the payments in lieu of

taxes with respect to the Project. In approving the application and as a basis for providing the Agency Financing, the Agency has relied upon all of the foregoing Project information.

The First Mortgage Loan is an "eligible loan," as defined in the Act. The Agency intends to make the First Mortgage Loan from funds obtained or to be obtained through the issuance of Bonds. To secure payment of the Bonds, if issued, the Agency will pledge payments due from the Owner from its repayment of the First Mortgage Loan, when made. As a condition of the Agency's approval of the Owner's application for the First Mortgage Loan, the Owner and the Agency have entered into the Loan Documents.

In addition to the First Mortgage Loan, the Owner has obtained and the Agency has approved funding for the Project as follows:

The Owner will make an investment in the Project as provided in Section 42 of this Agreement.

Section 3. <u>Residential Rental Property</u>

The Owner hereby represents, covenants, warrants and agrees that:

(a) The Project shall be owned, managed, and operated exclusively as a senior (55+) residential rental property and, in the event the Project receives Tax-Exempt Financing, as a Residential Rental Project. The Project shall be comprised of a building or structure or several buildings or structures containing similarly constructed dwelling units, together with any functionally related and subordinate facilities and such other non-dwelling units as approved by the Agency, except that in the event the Project receives Tax-Exempt Financing or Tax Credits, the Project shall consist solely of a Residential Rental Project and no commercial or other facilities may be part of the Project unless permitted by the Agency, the Code or IRS Regulations.

(b) The Project shall contain one or more similarly constructed dwelling units, each of which will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or a family including a living area, a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the units in the Project will be utilized at any time for an initial lease term of less than six months or as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home, life care facility, trailer court or park.

(d) All of the units shall be rented or available for rent on a continuous basis to members of the general public and the Owner will not give preference to any particular class or group in renting the dwelling units in the Project, except to the extent that dwelling units are required to be leased or rented to tenants as provided under Section 4 of this Agreement.

(e) In the event the Project receives Tax-Exempt Financing or Tax Credits, the

Project shall comply with any additional requirements of the Code or IRS Regulations dealing with the residential character of the Project.

(f) All dwelling units have been and shall be occupied by or held available for rental only to members of the general public, without regard to race, creed, religion, national origin or sex.

(g) Additionally, the Project shall be owned, managed, and operated exclusively as a multi-family residential rental property for senior citizens, and ALL of the units shall be rented or available for rent on a continuous basis to members of the general public who are senior citizens, in accordance with applicable law.

Section 4. <u>Occupancy Restrictions Governing Tenant Income</u>

The Owner acknowledges that as a condition of receiving financing pursuant to the Act, there are limits on the maximum income that tenants may earn in order to be eligible to lease, occupy, and/or reside in a unit at the Project. The Owner agrees to comply with the income restrictions as set forth in the Act and the Agency Regulations promulgated under the Act governing income restrictions.

The Owner also acknowledges that, in the event the Project receives Tax-Exempt Financing or Tax Credits, there are additional limits on the maximum income that tenants may earn in order to be eligible to lease, occupy and/or reside in a unit at the Project. In such event, the Owner agrees to comply with the income restrictions as set forth in the Code or IRS Regulations governing income restrictions.

In compliance with the foregoing income restrictions, the Owner agrees to rent 100 percent of the units at the Project to tenants whose income does not exceed 60 percent of the area's median income adjusted for family size, as median income is defined by the United States Department of Housing and Urban Development, from time to time. The Owner acknowledges that if the income restrictions set forth in this paragraph are more restrictive than the restrictions prescribed under the Act and/or the Code, that the Owner will abide by the most stringent restrictions as an inducement for and part of the consideration for the Agency to make the Agency Financing.

In the event the Project is receiving Tax-Exempt Financing, the Owner hereby represents, warrants and covenants that at all times throughout the Qualified Project Period, not less than 40 percent of the units shall be leased to qualified Low-Income Tenants. For purposes of complying with these requirements, any dwelling unit occupied by an individual or family who is a Low Income Tenant at the commencement of occupancy shall continue to be treated as if occupied by a Low Income Tenant even though such individual or family subsequently ceases to be a Low Income Tenant. The preceding sentence shall not apply to any resident whose income as of the most recent income determination exceeds 140 percent of the income limit applicable to such resident, if after such determination, but before the next determination, any residential unit of comparable or smaller

size in the Project is occupied by a new resident whose income exceeds the applicable income limit. If a unit is vacated by an individual or family who qualified as a Low Income Tenant, such dwelling unit shall be treated as occupied by a Low Income Tenant until reoccupied (other than for a temporary period of not more than 31 days), at which time the character of the unit shall be redetermined.

In addition, if the Project is receiving Tax-Exempt Financing, the Owner hereby represents, warrants and covenants that at all times throughout the Qualified Project Period, the Owner shall comply with its representations, warranties and covenants in the Tax Certificate.

Section 5. Representations, Warranties and Covenants of the Owner

The Owner represents, warrants and covenants that:

(a) The Owner (i) is a limited liability company duly organized and validly existing under the laws of the State, duly authorized to transact business in the State and a qualified housing sponsor within the meaning of the Act, (ii) has provided the Agency with a true and complete filed copy of its certificate of formation, and operating agreement, with all amendments to any such documents, (iii) has the power and authority to own its properties and assets including the Project and Land and to carry on its business as now being conducted (and as now contemplated), and (iv) has the power to execute and perform all the undertakings of this Agreement and the other Loan Documents.

(b) To the best of the Owner's knowledge after due and diligent inquiry, the execution and performance of this Agreement, the other Loan Documents and other instruments required pursuant to this Agreement by the Owner (i) shall not violate or, as applicable, have not violated, any provision of law, rule or regulations, any order of any court or other agency or government or any provision of any document to which the Owner is a party, and (ii) will not violate or, as applicable, have not violated, any provision of any indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature other than the liens created hereby or permitted hereunder.

(c) All necessary action has been taken by the Owner to authorize the Owner's execution, delivery and performance of the Loan Documents.

(d) The Loan Documents have been duly executed and delivered by the Owner and constitute the valid and legally binding obligations of the Owner, enforceable against the Owner in accordance with their respective terms.

(e) The Owner has, at the time of execution of this Agreement, good and marketable fee simple title to the Project and Land free and clear of any lien or encumbrance, except for Permitted Encumbrances. It will continue to retain ownership of the Project and Land during the term of the Mortgage(s), subject to the terms of this Agreement and the other Loan Documents, the Act, the Agency Regulations, and if applicable, the Code or IRS Regulations.

(f) There is no arbitration, mediation or other dispute resolution proceeding now pending or, to the knowledge of the Owner after due and diligent inquiry, threatened against or affecting it, or any of its properties or rights, which would impair its right to carry on business as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.

(g) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner after due and diligent inquiry, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would impair its right to carry on business substantially as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.

(h) The operation of the Project in the manner presently contemplated and as described in this Agreement will not conflict with any zoning, water or air pollution or other ordinance, order, law or regulation applicable thereto. The Owner has caused the Project to be designed in accordance with all federal, State and local statutes, laws, ordinances, code, rule, order, regulation or decree relating to zoning, building, safety and environmental quality. Further, the Owner has or will receive all necessary Approvals and building permits for the Project.

(i) The Owner has filed or caused to be filed by it all federal, State and local tax returns which are required to be filed by it, and has paid or caused to be paid all taxes as shown on said return(s) or on any assessment received by it, to the extent that such taxes have become due.

(j) The Owner is not in material default in the performance, observance or fulfillment of any other obligations, covenants or conditions contained in any material agreement or instrument to which it is a party.

(k) To the best of its knowledge after due and diligent inquiry, the information contained in the legal description of the Land as set forth in Schedule "A" is accurate in all material respects and does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(l) If the Agency issues Bonds to finance the Project, all information contained in the Preliminary Official Statement and Official Statement as it relates to the Owner, the Project and the Land, as of the date on which the Preliminary Official Statement and Official Statement are furnished to the underwriter, did not and will not contain any untrue statement of a material fact and did not and will not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. If the Project receives Tax-Exempt Financing, the Owner shall not take or permit any action to be taken which would have the effect, directly or indirectly, of causing interest on any Bonds to be included in gross income for purposes of federal or State income taxation.

(m) The Owner has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof or the Loan Documents and in any event the Owner acknowledges that the requirements of this Agreement and the other Loan Documents are paramount and controlling as to the rights and obligations therein and shall supersede any other requirements in conflict therewith.

(n) All statements contained in all applications, correspondence or other materials as amended from time to time and delivered to the Agency by the Owner in connection with the Agency Financing or relating to the Project and/or the Land are accurate in all material respects and do not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(o) The Owner will not permit any modification or amendment of the Owner's charter, articles of incorporation or association, by-laws or partnership agreement or other governing instrument or instruments, or a transfer of any stock or ownership interest, which would impair its right to carry on business as now conducted, or as contemplated to be conducted under this Agreement.

(p) The representations, covenants and warranties of the Owner contained in this Agreement on the date of its execution are true and shall continue to be true at all times during the term of this Agreement. The Owner has a continuing obligation to notify the Agency if any of the representations, covenants and warranties contained in this Agreement is no longer true.

(q) No event has occurred and no condition exists which constitutes an Event of Default under this Agreement or the other Loan Documents or which, but for a requirement of notice or lapse of time, or both, would constitute such an Event of Default.

(r) A true copy of the entire contract for construction of the Project, with all modifications and addenda to date, has been delivered to the Agency and no default exists under such contract.

(s) The Owner has entered into an agreement with the municipality in which the Land is situated providing for real property tax abatement or payments in lieu of taxes by the Owner with respect to the Project and Land. A true copy of such agreement and all amendments thereto have been furnished to the Agency, are in full force and effect, and no proceedings questioning its validity are pending or threatened.

(t) The Owner has provided the Agency with a 100% payment and performance bond in a form acceptable to the Agency to ensure that the Project shall be properly completed in accordance with the plans and specifications and that all contractors, subcontractors, suppliers, materialmen, and vendors performing work on the Project have been paid.

(u) At the time of completion of the construction of the Project, the Owner shall obtain valid releases acceptable to the Agency from all contractors and subcontractors who have performed work on the Project.

Section 6. Environmental Representations, Warranties and Covenants of the Owner

Except as disclosed in the Environmental Report, a copy of which was provided to and approved by the Agency, the Owner represents, warrants and covenants as follows:

(a) Neither Owner nor, to the best of the Owner's knowledge, information and belief, any prior owner or any current or prior tenant, subtenant, or other occupant of all or any part of the Project or Land has used or is using Hazardous Materials on, from or affecting the Project or Land in any manner that violates any Environmental Laws, and no Hazardous Materials have been or will be disposed of or stored on the Project or Land intentionally or unintentionally, directly or indirectly, or by any person whether related or unrelated to Owner.

(b) The Owner has received no notice from any person or entity, public or private, claiming any violation of any Environmental Laws with regard to the Project or Land. There have been no claims, litigation, administrative proceedings, whether actual or threatened, or judgments or order relating to any Hazardous Materials, hazardous wastes, discharges, emissions, or other forms of pollution relating to the Project and/or Land.

(c) The Project and Land do not contain any asbestos-containing material in friable form, and there is no current and will be no future airborne contamination of the Project or Land by asbestos fiber, including any potential contamination that would be caused by maintenance or tenant activities in the Project.

(d) To the best of the Owner's knowledge, information and belief, there have been no Hazardous Materials, hazardous substances or hazardous wastes, as defined by the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq. (P.L. 1993, C.112), Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 et seq.), CERCLA as amended (42 U.S.C. Subsection 9601 et seq.), or any other applicable Environmental Laws generated, manufactured, refined, transported, treated, stored, handled, discharged, spilled or disposed of on the Project and/or Land.

(e) There are no underground storage tanks in the Project or on the Land except as disclosed to the Agency in the Environmental Report. The Owner agrees to maintain, operate, monitor or close all underground storage tanks strictly in compliance with the applicable Environmental Laws.

(f) There is no lead-based paint hazard at the Project and no lead-contaminated soil on the Land except as disclosed to the Agency in the Environmental Report. The Owner agrees to perform any lead-hazard abatement or remediation activities with the approval of the Agency and strictly in compliance with applicable federal and State laws and regulations. The Owner of any housing constructed prior to 1978 ("Target Housing") agrees to provide lead warning statements and

to disclose known lead-based paint hazards to all tenants and prospective tenants in Target Housing as required by 42 U.S.C. Section 4852d and the federal regulations promulgated thereunder.

(g) The Project is not located within "freshwater wetlands" or a "transition area," each as defined by N.J.S.A. 13:9B-3, and will be or has been constructed in compliance with the New Jersey Freshwater Wetlands Protection Act, as amended, N.J.S.A. 13:9B-1 et seq., and the rules and regulations promulgated thereunder.

(h) The Owner will construct, maintain, and operate the Project and Land, and will cause its tenants to use and operate the Project and Land, in compliance with all Environmental Laws.

Section 7. <u>Reporting Requirements</u>

The Owner agrees to comply with the following reporting requirements:

(a) The Owner shall obtain from each tenant, prior to the date of such tenant's initial occupancy in the Project, an income certification in the form required by the Agency, or in the event the Project receives Tax-Exempt Financing and/or Tax Credits, the Owner shall obtain the certification in the form required by the Code or IRS Regulations. The Owner shall obtain income recertifications from each tenant at such times as required by the Act or the Agency Regulations or, if applicable, the Code or IRS Regulations.

(b) The Owner shall file with the Agency, (i) on the fifth day of each month, copies of the initial occupancy income certifications specified in Section 7(a) hereof obtained by the Owner during the previous month and (ii) within 45 days of the end of each calendar year copies of the recertifications specified in Section 7(a) hereof, or at such other times as required by the Act or the Agency Regulations or, if applicable, the Code or IRS Regulations.

(c) The Owner shall maintain complete and accurate records beginning with the date of initial occupancy pertaining to the income of each tenant and rent charged to tenants residing in the Project, and shall permit, with or without notice to the Owner, any duly authorized representative of the Agency to inspect the books and records of the Owner pertaining to the incomes of and rent charged to all tenants residing in the Project.

(d) The Owner shall maintain and/or provide to the Agency such other reports, records and information as required by the Act, the Agency Regulations or, if applicable, the Code or IRS Regulations.

(e) In the event the Project is receiving Tax-Exempt Financing, the Owner shall submit to the Secretary of the United States Department of the Treasury, at such time and in such manner as the Secretary shall prescribe, an annual certification as to whether the Project continues to meet the requirements of Section 142(d) of the Code. A copy of such certification shall be sent to the Agency.

(f) In the event the Project is receiving a subsidy or subsidies from HUD, the Owner shall comply with the reporting requirements imposed by HUD therefor.

Section 8. Covenants to Run With the Land

(a) The Agency and the Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth in this Agreement touch and concern the Land in that the Owner's legal interest in the Project and Land is rendered less valuable thereby. The Agency and the Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the Project and Land by enhancing and increasing the enjoyment and use of the Project and the Land by the tenants, contemplated under this Agreement and by furthering the public purposes for which the First Mortgage Loan is made and the Bonds, if any, are to be issued. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project and Land. Except as provided in subsection (b) below, the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and hereof and shall pass to and be binding upon the Owner's assigns and successors in title to the Land or Project. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or the Land or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Project or Land are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project and Land.

(b) Upon termination of this Agreement in accordance with Section 9 hereof, said covenants, reservations and restrictions shall expire and in such event, the Agency shall, at the expense of the Owner, execute any and all instruments reasonably required to evidence of record the satisfaction, cancellation and discharge of this Agreement.

Section 9. Term

This Agreement shall remain in full force and effect until all indebtedness from the Owner to the Agency with respect to the Project shall have been paid in full in accordance with the provisions of this Agreement, the First Mortgage Notes and the other Loan Documents, provided however that (a) if the First Mortgage Loan is prepaid, this Agreement shall remain in effect as provided in the Agency Regulations governing prepayment, and (b) if the Project is receiving Tax-Exempt Financing, this Agreement shall remain in full force and effect for a period not less than the Qualified Project Period.

Section 10. Construction and Funding

A. Construction of Project

The Owner covenants and agrees to comply with all the provisions of the Construction Contract. The Owner covenants and agrees to diligently pursue the construction of the Project to completion by the date of completion in the Construction Contract, time being of the essence, in accordance with the plans and specifications for the Project approved by the Agency.

The Owner shall not approve or allow to occur any change in the plans and specifications for the Project or any change order under the Construction Contract except with the prior express approval of the Agency in the manner provided in the Construction Contract. Construction of the Project shall at all times be subject to the inspection, review, regulation and approval of the Agency and its duly authorized representatives as provided in the Construction Contract. Any such inspection, review, regulation and approval of the Agency shall be solely for its benefit for the purpose of assuring that the programs and goals of the Agency are being fulfilled and, when applicable, for the benefit of the holders of Bonds under the Resolution and in furtherance of its obligations under the Act and shall not be construed as making the Agency a party to the Construction Contract, nor shall it relieve the Owner of any of its obligations under this Agreement, the Construction Contract or Loan Documents.

Pursuant to the Act, the Owner agrees that it will not pay nor will it permit any contractor or subcontractor engaged in the construction of the Project to pay any workers employed on the construction of the Project less than the prevailing wage rate as determined by the Commissioner of Labor and Industry pursuant to, and in accordance with, the New Jersey Prevailing Wage Rate Act, N.J.S.A. 34:11 et seq., or, should the Project or the tenants of the Project be subject to federal assistance, then as determined by the Secretary of the United States Department of Labor in accordance with the Davis-Bacon Act, as amended, 40 U.S.C. Sections 276a to 276a-5, to the extent applicable. The Owner shall cause the Construction Contract to include the provisions of this paragraph.

The Construction Contract provides for performance and payment bonds in favor of the Agency and the Owner. The Owner shall not do any act that would cause the release, in whole or in part, of the surety bond or bonds issued in connection with the Construction Contract, including, without limitation, deviation from the payment schedule, waiver of any requirements imposed on the general contractor or any subcontractor under the Construction Contract or consent to any change in the plans and specifications or scope of the work, unless such act would not cause any release because the surety has consented thereto.

The Owner covenants and agrees to notify the Agency in writing within three (3) business days of the occurrence of any default under the Construction Contract or the Loan Documents.

B. Funding of Construction

Upon and subject to the terms and conditions of the Loan Documents, the Agency agrees to advance to the Owner in successive advances as described herein the lesser of: (1) $9,052,413 or (2) 90% of the cost of the Project as established by the Agency in accordance with its normal procedures for auditing or otherwise verifying Project cost.

The Owner agrees to contribute equity toward the construction of the Project as may be required pursuant to Section 42 of this Agreement and to pay all cost overruns related to the construction and completion of the Project.

The Owner covenants and agrees, upon completion of the Project, to certify to the Agency the actual cost of the Project. This cost as certified by the Owner shall be audited and verified by the Agency in accordance with its normal procedures. In the event that the amount advanced on the Agency Financing shall exceed 90% of the cost of the Project, the Owner shall pay forthwith to the Agency the amount of such excess, as determined by the Agency, notwithstanding any prepayment restrictions otherwise applicable, as an allowed partial prepayment of the Agency Financing. When the Agency has completed its audit and verification, it shall promptly notify the Owner in writing of the actual Project cost as finally determined by the Agency.

C. Procedures for Advances

The Owner shall establish a Project construction account with a bank or trust company in the State of New Jersey approved by the Agency that is a member of the Federal Deposit Insurance Corporation. The account shall be under the joint control of the Owner and the Agency, and shall also allow the Agency to unilaterally withdraw funds for:

1. payment back to the Trustee or the Agency, including, without limitation, payments back to the Agency to prevent funds remaining in the account for more than ninety (90) days;
2. payment to the Agency for construction interest payments, debt service payments, escrow requirements, and Servicing Fees; and
3. payment of other costs for construction of the Project.

The Agency will provide written notice to the Owner of its actions. Advances shall be deposited directly to such Project construction account.

D. Conditions Precedent to Advances

The Agency's obligation to make each advance under the Agency Financing shall be subject to the requirements of the Resolution, and to the satisfaction of the following conditions precedent, any of which may be waived in whole or in part by the Agency:

1. each of the Owner's covenants, agreements, representations and warranties contained in this Agreement shall continue to be true and shall not have been breached as of the date of each advance;

2. the full amount of all previous advances shall have been expended for Project costs approved by the Agency;

3. all work performed and material furnished for the Project shall be in accordance with the plans and specifications for the Project and all work shall have been properly performed to the satisfaction of the Agency;

4. no event shall have occurred and no conditions shall exist that would prevent the advance from becoming a valid mortgage lien on the Project and Land or secured by a prior perfected security interest on all other collateral mentioned in the Mortgage(s). If the Agency shall deem it necessary or desirable, all or part of any advance may be disbursed in escrow to a title insurance company licensed to do business in the State of New Jersey for the purposes of discharging any construction or other lien on the Project and Land or on any other security mentioned in the Mortgage(s); and

5. the Agency shall have received a currently dated, certified survey of the Land showing that the Project construction is within the Land (and any required setbacks) and does not encroach on the property of others, which survey shall only be required as a condition precedent to the first and final advances.

Advances during construction will be made once a month in an amount sufficient to pay the applicable percentage of Contractor's and/or Owner's requisitions (less retainage) for the cost of construction of the Project then due and payable under the terms of the Construction Contract and approved by the Agency. Advances may be made at such other times or intervals as may be determined by the Agency.

The final advance shall be made only after the Agency has received a Certificate of Occupancy from the Owner for all dwelling units in the Project or after the Agency has completed its cost certification for the Project

Section 11. <u>Insurance; Condemnation</u>

During the term of the Agency Financing, the Owner shall cause all the buildings on the premises and the fixtures and articles of personal property covered by the Loan Documents to be insured against loss by fire and against loss by such other hazards as may be required by the Agency for the benefit of the Agency including, but not by way of limitation, flood insurance if any part of the Project is located in an area designated by or on behalf of the federal government as having specific flood hazard. Such insurance shall be written by companies, in forms as are satisfactory to the Agency, and in amounts not less than the full replacement value of the Project. The Owner shall assign and deliver the policies to the Agency. All such insurance policies which are obtained by the Owner during the term of the loan shall fully comply with all Agency requirements for property and liability insurance, including but not limited to the Agency requirement that the insurer must meet certain rating standards. The Agency shall be listed as first mortgagee, loss payee and additional insured under such policies. Such policies shall provide that the insurer may not cancel the policy and will not refuse to renew the policy except after thirty(30)days written notice to the Agency. If the Owner does not provide the Agency with the evidence of insurance as required herein, the

Agency may (but shall not be required to) obtain such coverage. The Owner shall reimburse the Agency on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed, the amount of such premiums shall be added to the principal sum of the First Mortgage Note and shall bear interest at the same interest rate as in the First Mortgage Note.

If the Project shall be damaged, destroyed or taken by condemnation (in whole or in part), the Agency shall direct the Owner to promptly reconstruct the Project to substantially the same condition as existed prior to such damage, destruction or condemnation, with such changes, alterations and modifications as may be desired by the Owner and approved by the Agency, provided that the plans and specifications for reconstruction of the Project are approved by the Agency and, in the Agency's determination, the proceeds of the insurance or of the damages or award received as a consequence of such damage, destruction or condemnation, together with any other money available for such purpose, are sufficient to pay the cost of such reconstruction and upon completion of the reconstruction of the Project it shall be financially feasible.

In the event of reconstruction of the Project, the Agency, upon receipt of a written request by the Owner that payments are required for such purpose, shall apply so much as may be necessary of such proceeds of the insurance and any investment income earned thereon to the payment of the costs of such reconstruction as such work progresses.

No money shall be disbursed to pay the costs of reconstruction unless no Event of Default exists hereunder and unless the Agency first shall have received all of the following:

(a) a certification from the Owner stating that:

(1) the full amount of such disbursement and all of the prior disbursements constitute proper and reasonable costs of reconstruction work performed or materials delivered to the site of the Project;

(2) all work performed and material furnished for the reconstruction of the Project have been in accordance with plans and specifications;

(3) all such work has been performed to the satisfaction of the architect retained to prepare the plans and specifications for reconstruction of the Project; and

(4) the Project remains financially feasible;

(b) appropriate insurance from a title insurance company, licensed to do business in the State and acceptable to the Agency, insuring that there are no liens or encumbrances on the Project other than Permitted Encumbrances; and

(c) if the location of any improvement is to be altered, a currently dated, certified survey showing that all improvements are on the Land within any required set-backs and do not encroach on the real property of others.

If, in the Agency's determination, the proceeds of the insurance or of the damages or award received as a result of damage, destruction or condemnation, together with any other money available for such purpose, are not sufficient to pay the cost of reconstruction or if the Project will not be financially feasible upon such reconstruction, then the proceeds of such insurance, damages or award shall be applied to the indebtedness on the First Mortgage Loan. Nothing in this Section shall affect the liens of this Agreement and the Mortgage(s) or the liability of the Owner for payment of the entire balance of the Agency Financing.

The Owner shall maintain continuously in effect such other insurance coverage of the types and in the amounts specified by the Agency, including worker's compensation insurance and other insurance required by law with respect to employees of the Owner, and liability insurance with limits of not less than $1,000,000.00 per accident or occurrence on account of personal injury, including death resulting therefrom, and $1,000,000.00 per accident or occurrence on account of damage to the property of others, and a blanket excess liability policy in an amount not less than $10,000,000.00, protecting the Owner and the Agency against any loss or liability or damage for personal injury or property damage with respect to the Project. The Owner shall also maintain use and occupancy insurance covering loss of revenues derived from the Project by reason of interruption, total or partial, of the use of the Project resulting from loss or physical damage thereto in an amount not less than one year's gross rental income. The Owner shall carry fidelity bond insurance covering all employees of the Owner authorized to handle the revenues derived from the Project in an amount equal to one and one-half (1½) times the maximum monthly rent roll.

In the event the Project receives financing from proceeds of Bonds, the Owner covenants and agrees to provide such additional insurance coverage as required in the Resolution.

Section 12. <u>Taxes, Payments in Lieu of Taxes and Other Municipal Charges</u>

The Owner covenants and agrees to pay all taxes, payments in lieu of taxes, assessments, water charges, sewer charges, and other charges imposed on the Project or Land by the municipality, county, State or other governmental body having jurisdiction over the Project. If such charges are not paid by the Owner, the Agency may pay the same. Any such sum(s) so paid by the Agency shall be payable by the Owner on demand by the Agency and until paid the amount of such sums shall be added to the principal sum of the First Mortgage Note, and shall bear interest at the same interest rate as in the First Mortgage Note.

Section 13. <u>Liens and Encumbrances</u>

The Owner covenants and agrees to maintain its right, title and interest in the Project, Land and all items enumerated in the Loan Documents, as security for repayment of the Agency Financing, free and clear of all liens, security interests and other encumbrances except for Permitted Encumbrances and those exceptions identified and set forth in a certain title insurance commitment issued to the Agency by Stewart Title Guaranty Company, dated April 1, 2014 and identified as Title #11-25051, continued to the date of this Agreement, as accepted by the Agency. The foregoing

covenant and agreement shall not prevent the Owner from leasing or renting the Project or Land in the manner as otherwise provided in this Agreement. Except with the written consent of the Agency, the Owner will not install any item of tangible personal property as part of the fixtures or furnishings of the Project that is subject to a purchase money lien or security interest.

The Agency may, at its sole option, pay the amount necessary to discharge any lien or other encumbrance, and the Owner shall reimburse the Agency upon demand for any amounts so paid. Until reimbursement of the Agency of any amounts so paid, such amount shall be added to the principal sum of the First Mortgage Note and shall bear interest at the same interest rate as in the First Mortgage Note.

Section 14. Maintenance, Repair and Replacement

The Owner covenants and agrees to maintain the Project and the Land, including, but not limited to, the dwelling units contained therein, any related facilities, the appurtenant equipment and grounds in good repair and condition so as to provide decent, safe and sanitary housing accommodations. In the event that any investigation, site monitoring, containment, clean-up, removal, restoration, remediation, or other remedial work of any kind or nature (the "Remedial Work") is required under any applicable Environmental Laws at, on, about, under or within the Project or Land, the Owner agrees to commence and diligently perform and complete such Remedial Work in compliance with all applicable Environmental Laws, at its own expense. In the event the Owner shall fail to timely commence, perform and complete such Remedial Work, the Agency may, at its sole and absolute discretion, cause such Remedial Work to be performed and the Owner shall reimburse the Agency upon demand for all costs incurred by the Agency in connection with the performance, completion and monitoring of such Remedial Work. Until reimbursement of the Agency of any costs so incurred, such amount shall be added to the principal sum of the First Mortgage Note and shall bear interest at the same interest rate as in the First Mortgage Note.

The Owner will not make any substantial alteration to the Project without the consent of the Agency, nor will the Owner permit the removal of any fixtures or articles of personal property, except with the consent of the Agency and in connection with the replacement thereof with appropriate property of at least equal value that is free of all liens or claims.

The Owner will not demolish any part of the Project, substantially subtract from or permit any waste of the real or personal property comprising the Project or Land, or make any alteration that will increase the hazard of fire or other casualty.

Section 15. Advance Amortization Payments

Because the public purposes of the Agency include maximizing the period during which the dwelling units in the Project are available to persons whose incomes do not exceed the maximums provided by the Act, the Agency Regulations, and if applicable, the Code or IRS Regulations, the Owner shall not make any advance principal repayment except as allowed by the Agency Regulations and if the Project is financed by Bonds, as allowed under the Resolution. With respect

to any advance amortization payment, if the Agency shall have consented thereto, the Owner shall, if the First Mortgage Loan is financed from Bonds, pay to the Agency an amount sufficient (a) to enable the Agency to redeem Bonds of the appropriate series in the principal amount as required under the Resolution, (b) to pay the interest accrued and to accrue on the Bonds to be redeemed to the redemption date thereof, (c) to pay the redemption premium, if any, on the Bonds to be redeemed, (d) to pay the cost and expense of the Agency in effecting the redemption of the Bonds to be redeemed including legal fees of the Agency, as determined by the Agency, including any investment shortfall resulting from liquidation of investments, and (e) to pay any other cost, expense and liability incurred by the Agency in connection with the financing of the Project and issuance of its Bonds for such purpose not previously paid or provided for by the Agency including, without limitation, underwriting discount or other unamortized Bond discount; provided, however, that only the amount of such advance amortization payment applied as provided in (a) above shall be credited against the unpaid balance of the First Mortgage Loan.

Section 16. <u>Reserve and Escrow Payments</u>

On the date of the execution of this Agreement, the Owner will deposit with the Agency the following amounts, which will serve as a reserve against late payments and be available to pay expenses when due:

(a) one monthly installment of debt service on the First Mortgage Note, including principal and interest;

(b) an amount equal to one-half (1/2) of the estimated annual insurance payments; and

(c) an amount equal to one-quarter (1/4) of the estimated annual real property taxes or payments in lieu of taxes.

Commencing with the Amortization Date, as defined in the First Mortgage Note, and on the first day of each month thereafter, the Owner will pay to the Agency, along with the monthly principal and interest payment, the following:

(e) one-twelfth (1/12) of the estimated annual amounts necessary to pay taxes or payments in lieu of taxes and insurance premiums;

(f) one-twelfth (1/12) of the amount equal to $390 per unit or such sum as the Agency may determine pursuant to its established management policy as a reserve for repairs and replacement.

All reserve and escrow payments required pursuant to this Section shall be held in accounts under the sole control of the Agency and shall be paid out for the benefit of the Project as needed on request of the Owner or on the Agency's own initiative. Any interest that may be earned on such

reserves shall remain in the escrow accounts and shall be used for similar purposes unless the Owner and Agency mutually agree to apply the funds to some other Project purpose.

If the Agency determines that the payments specified herein are insufficient to insure prompt payment of taxes, payments in lieu of taxes, insurance premiums, or to properly fund painting, decorating, repair and replacement needs with respect to the Project, then the Agency may require increases in the required payments necessary to assure proper funding.

Section 17. Compliance Requirements

The Owner covenants and agrees to comply with the Act and the Agency Regulations, and with any amendments or supplements to the Act or Agency Regulations. If the Project receives Tax-Exempt Financing or Tax Credits, the Owner covenants and agrees to comply with the Code or IRS Regulations and with any amendments or supplements to the Code or IRS Regulations, and, in addition, if the Project receives Tax-Exempt Financing, the Owner shall comply with its representations and covenants in the Tax Certificate throughout the term hereof.

The Owner acknowledges that the proceeds of the First Mortgage Loan have been or are expected to be funded through the issuance of Bonds. The Owner agrees that it will execute and be bound by any amendments to this Agreement or the other Loan Documents and any additional documents as may be required by Qualified Bond Counsel for the issuance of the Bonds and/or to comply with the Code or IRS Regulations. The Owner further agrees to comply with any other requirements of the Agency that Qualified Bond Counsel reasonably believes to be necessary in connection with its marketing and issuance of Bonds. To the extent any amendments, modifications or changes to the Code or IRS Regulations shall, in the written opinion of Qualified Bond Counsel, impose requirements upon the construction, rehabilitation, ownership, occupancy or operation of the Project, the parties agree that this Agreement and/or the other Loan Documents shall be amended and modified in accordance with such requirements. The parties hereto agree to execute, deliver, and record, if applicable, any and all documents or instruments necessary in the opinion of and in the form approved by Qualified Bond Counsel to effectuate the intent of this Section.

If the Project receives financing from proceeds of Bonds, the Owner acknowledges receipt of the Continuing Disclosure Agreement, and the Owner agrees that in the event it subsequently becomes an "Obligated Person" meeting the objective criteria set forth in the Continuing Disclosure Agreement, it shall provide the Agency with the Obligated Person Data (as defined in the Continuing Disclosure Agreement) and the audited general purpose financial statements referred to in the Continuing Disclosure Agreement at the times necessary so as to allow the Agency to file the Annual Reports provided for in the Continuing Disclosure Agreement.

The Owner and Agency acknowledge that the Owner is not receiving Tax-Exempt Financing and is receiving Tax Credits. Accordingly, the Owner acknowledges that none of the provisions concerning Tax-Exempt Financing are applicable and that all of the provisions concerning Tax Credits are applicable.

Section 18. Lease of Dwelling Units - Maximum Rents

The Owner shall offer dwelling units for lease and occupancy in strict accordance with the Act or Agency Regulations governing tenant marketing, eligibility and selection. The form of lease to be used by the Owner in leasing to residential tenants shall be previously approved by the Agency and shall comply in all respects with the Agency Regulations and the requirements of the Agency. Initial rents may not exceed such amounts as approved by the Agency. In the event the Project receives Tax-Exempt Financing or Tax Credits, rents may not exceed such amounts as prescribed by the Code or IRS Regulations. The form and terms of all leases for any other portion of the Project and/or Land, if permitted under this Agreement, are subject to the prior consent of the Agency. Rent increases for any dwelling unit shall be made pursuant to procedures prescribed by the Agency Regulations, or if applicable, the Code or IRS Regulations.

Section 19. Consideration for Lease

The Owner covenants and agrees not to require as a condition of the occupancy or leasing of any dwelling unit in the Project and not to accept or allow any employee or agent to accept any consideration other than the prepayment of the first month's rent plus a security deposit not in excess of one and one-half (1 1/2) month's rent or as otherwise mandated by HUD, if applicable, unless otherwise approved in writing by the Agency to guarantee the performance of the covenants of the lease or occupancy agreement.

Section 20. Tenant Security Deposit

The Owner covenants and agrees to deposit all monies paid to the Owner by any residential tenant as a security deposit for the payment of rent in a separate interest-bearing bank account held and maintained in accordance with applicable law and instructions of the Agency as to its custody and control.

Section 21. Account for Project Revenues

The Owner covenants and agrees to establish an account for and deposit all Project Revenues with a bank, trust company or savings and loan institution approved by the Agency and maintaining an office within the State, the deposits of which are insured by the Federal Deposit Insurance Corporation. If the Agency so elects, this account shall be under the joint control of the Agency and the Owner, with all withdrawals requiring a countersignature by one of the authorized representatives of the Agency.

The Owner may not withdraw or use Project Revenues except to pay debt service due under the Loan Documents, the Servicing Fee or other Project expenses approved by the Agency or return on investment payments due under Section 42 hereof. Project Revenues may not be transferred to or invested in any other accounts or investment vehicles, except as permitted by Agency Regulations.

Section 22. Inspection of Premises

The Owner covenants and agrees to permit the Agency, its agents or representatives to enter upon and inspect the Project without prior notice, pursuant to the provisions of the Act.

Section 23. Books and Records

The Owner covenants and agrees to maintain adequate books and records of its transactions with respect to the Project in the form required by the Agency. Such books and records shall be available for inspection and audit by the Agency or its agents at any time during business hours, with or without notice, pursuant to the provisions of the Act. The Owner further covenants and agrees to cause its financial affairs to be audited at least annually by independent certified public accountants and shall furnish the Agency with the audit report of such accountants when received and in any event within three (3) months of the close of each of its fiscal years. The Owner shall adopt and use such uniform systems of accounts and records as may from time to time be required by the Agency.

Section 24. Management Contract

The Owner may, and if the Agency so elects, shall, contract for the services of a firm experienced in real estate management to act as the managing agent for the Project. The selection of any such managing agent, the scope of the agent's duties and the basis of the agent's compensation shall be subject to the approval of the Agency, and any contract for the employment of any managing agent shall provide that such contract may be terminated by the Agency at any time by notice of such determination by the Agency given to the Owner and managing agent.

Section 25. Prohibited Actions

Except with the express approval of the Agency, the Owner shall not:

(a) incur any liabilities except in connection with the acquisition, construction, rehabilitation, repair, improvement and rental of the Project and Land, and its operation and maintenance;

(b) engage in any business activity except the ownership and operation of the Project and Land;

(c) enter into contracts to be paid from Project Revenues for managers, attorneys, accountants, or other services without the prior written approval of the Agency;

(d) pay more than the fair market value thereof for goods or services;

(e) transfer or invest Project Revenues in any other accounts or investment

vehicles, except as permitted by Agency Regulations; or

(f) pay compensation from Project Revenues to any officer, director, member, partner, or shareholder in his capacity as such or make any cash distribution to any of the foregoing; provided, however, that if no Event of Default has occurred, the Owner may make distributions annually of a return on investment in an amount not to exceed the amount permitted under the Act, the Agency Regulations, and then only to the extent of its retained earnings not previously distributed, or as otherwise approved by the Agency. The Owner, however, shall not make any distribution payment without the express agreement of the Agency that retained earnings (or other funds) are available for such distribution.

Section 26. Change of Owner Status

The Owner shall not dissolve, liquidate, sell, transfer, convey or exchange the Project and/or Land or any portion thereof without prior approval of the Agency and the Owner's compliance with the Agency Regulations. The Owner shall not dissolve, liquidate, sell, transfer, convey or exchange any shares, partnership or other ownership interest in the Owner without prior approval of the Agency and the Owner's compliance with the Agency Regulations. The Owner shall notify in writing and obtain the agreement in writing of any buyer or successor or other person acquiring the Project or Land or any interest therein, in a form acceptable to the Agency, that such acquisition is subject to the requirements of the Loan Documents, Act and Agency Regulations and, if applicable, the Code or IRS Regulations. This notice provision shall not act to waive any other Agency restriction on such dissolution, liquidation, sale, transfer, conveyance or exchange.

Section 27. Estoppel

Within ten (10) business days of demand by the Agency, the Owner will furnish to the Agency in writing a statement of the outstanding balance of the principal sum plus all the accrued interest remaining due on the Agency Financing, together with a statement of any defenses which may exist as to any liability of the Owner with regard to the Loan Documents.

Section 28. Financing Statements

The Owner hereby irrevocably authorizes the Agency to file on its behalf one or more UCC-1 Financing Statements or renewals thereof with respect to any of the security interests granted by the Loan Documents. The Owner hereby assigns all its rights and interests in accounts established under this Agreement to the Agency, to the extent that such interest may be needed, pursuant to this Agreement.

Section 29. Assignment

The Owner transfers and assigns to the Agency all of its right, title and interest, but not its liability, in, under, and to all construction, architectural and design contracts, all architectural design plans and specifications and all government permits, licenses and approvals for the construction of

the Project (the foregoing collectively referred to as the "Plans and Approvals"). The Owner represents and warrants that the copies of the Plans and Approvals delivered to the Agency are and shall be true and complete copies of the Plans and Approvals, that there have been no modifications thereof which are not fully set forth in the copies delivered, and that the Owner's interest therein is not subject to any claim, setoff, or encumbrance. Neither this assignment nor any action by the Agency shall constitute an assumption by the Agency of any obligation under or with respect to the Plans and Approvals; the Owner shall continue to be liable for all obligations of Owner with respect thereto; and the Owner hereby agrees to perform all of its obligations under the Plans and Approvals.

The Owner hereby consents to any assignment of the Agreement by the Agency. No assignment or delegation of this Agreement by the Owner is permitted unless approved in writing by the Agency. If assigned, all rights, duties, obligations and interest arising under this Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

Section 30. <u>Defaults</u>

Each of the following shall be an Event of Default:

(a) failure by the Owner to pay more than ten (10) days after the due date any installment of principal or interest under the Agency Financing, or on the Servicing Fee or any other payment required by the Owner to the Agency or any other person pursuant to the terms of this Agreement, the First Mortgage Note, or the other Loan Documents;

(b) commission by the Owner of any act prohibited by the terms of this Agreement, or the other Loan Documents, or failure by the Owner to perform or observe in a timely fashion any action, obligation, warranty or covenant required by any of the terms of this Agreement or the other Loan Documents or failure by the Owner to produce satisfactory evidence of compliance therewith. An event set forth in this subsection shall not constitute an Event of Default until the prohibited act or failure to perform or observe shall remain uncured for a period of thirty (30) days after the Agency's written notice to the Owner, specifying such prohibited act or failure and requesting that it be remedied, unless the Agency shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the prohibited act or failure stated in each notice is correctable, but cannot be corrected within the 30-day period, the Agency may consent to an extension of up to 120 days from the delivery of the written notice referred to herein if corrective action is instituted by the Owner within the initial 30-day period and diligently pursued; The Agency will send, simultaneously with sending to the Owner any notices under this subsection, a copy of the aforementioned notices to the Owner's investor member. To the extent the Event of Default is curable, a cure tendered in full pursuant to the terms and conditions of this Agreement and the other Loan Documents by the Owner's investor member shall be honored by the Agency.

(c) the filing by the Owner under any federal or State bankruptcy or insolvency law or other similar law, or any petition in bankruptcy or for reorganization or composition with creditors or the making of an assignment for the benefit of creditors;

(d) the filing against the Owner of a petition seeking an adjudication as a bankrupt or the appointment of a receiver for the benefit of its creditors that shall not have been dismissed within sixty (60) days of the filing thereof, or the adjudication of the Owner as a bankrupt or the appointment of a receiver for the benefit of its creditors; or the appointment by court order of a custodian (such as a receiver, liquidator or trustee) of the Owner or of any of its property or the taking of possession of the Owner or any of its property for the benefit of its creditors and such order remains in effect or such possession continues for more than sixty (60) days;

(e) the occurrence of substantial destruction of the Project by an uninsured casualty or the inability to replace or restore the Project in accordance with Section 11, or failure to maintain insurance that fully complies with the Agency insurance requirements set forth at Section 11 or in Agency insurance specifications minimum requirements, or failure to provide, immediately or no later than 30 days from notice, replacement insurance to meet Agency insurance requirements as set forth in Section 11 during the term of the First Mortgage Loan;

(f) any representation in conjunction with the Loan Documents or the Project by or on behalf of the Owner that is false or misleading in any material respect when made;

(g) any occurrence that results in the dissolution or liquidation of the Owner pursuant to the formation documents of the Owner;

(h) failure to comply with applicable provisions of the Act, the Agency Regulations, and if applicable, the Code or IRS Regulations;

(i) failure to substantially complete the Project pursuant to the Construction Contract and in accordance with the terms of this Agreement

(j) an Event of Default as to any one mortgage loan held by the Agency shall be deemed an Event of Default as to all mortgage loans held by the Agency.

Section 31. <u>Remedies</u>

Upon the occurrence of any Event of Default, the Agency may at its option take any one or more of the following actions or remedies and no failure or delay to exercise any remedy or take any action enumerated shall constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:

(a) declare the outstanding balance of the principal sum under the First Mortgage Note plus all accrued interest, the Servicing Fee and all other liabilities of the Owner under the Loan Documents to be immediately due and payable;

(b) cease making disbursements from reserves held by the Agency;

(c) apply any reserves held by the Agency or the balance in the accounts for Project Revenues or any combination of these monies to the payment of the Owner's liabilities under the Loan Documents;

(d) foreclose the lien of all Mortgage(s) securing the Agency Financing on the Project and Land including, without limitation, all improvements existing or hereafter placed in or on the Project and Land. In any action to foreclose, the Agency shall be entitled to the appointment of a receiver of the rents and profits of the Project as a matter of right, with power to collect the rents, uses, and profits of the Project, due and becoming due during the pendency of such foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by the Mortgage(s) without regard to the value of the Project or the solvency of any person or persons liable for payment of the mortgaged indebtedness. The Owner, for itself and any such subsequent owner, hereby waives any and all defenses to the application for a receiver as above and hereby specifically consents to such appointment, but nothing herein contained is to be construed to deprive the holder of the Mortgage(s) of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provisions for the appointment of a receiver of the rents and profits and the assignment of such rents and profits are made express conditions upon which the Agency Financing is made. Upon such foreclosure the Agency shall have the right to have a receiver appointed for the Project and the rent from the Project;

(e) take possession of the Project;

(f) without judicial process, collect all rents and other revenue including federal and State subsidies as the assignee of the Owner, and apply the same, at the Agency's option, either to the operation and maintenance of the Project or to the liabilities of the Owner under the Loan Documents and to accept assignment of leases;

(g) act as landlord of the Project and rent or lease the same on any terms or dispossess by summary proceedings or other available means any tenant defaulting under the terms of the lease of a dwelling unit;

(h) take possession of equipment, appliances and other tangible personal property in which a security interest has been granted by the Loan Documents and dispose of the same in any commercially reasonable manner. The Agency shall have the option to dispose of any such equipment and personal property either separately from or in conjunction with disposition of the Project or Land. In conjunction with a sale of the Project or Land, the Owner agrees that either method of disposition shall be commercially reasonable;

(i) sue under or make effective an assignment by the Owner to the Agency of any warranty for the Project or any contract for construction, rehabilitation, repair, renovation, reconstruction or improvement of the Project, in which event the Agency is specifically empowered by the Owner to exercise any and all rights of the Owner under the said contract or warranty to recover any amount payable to the Owner pursuant to the contract or any such warranty and to settle any such claim or liability and release the same and apply the proceeds of any such suit, settlement or

release to the liabilities of the Owner under the First Mortgage Note, this Agreement, or the other Loan Documents;

(j) sue the Owner for mandatory injunction or other equitable relief requiring performance by the Owner of any of its obligations under this Agreement or the other Loan Documents. The Owner agrees with the Agency that the Agency's remedy at law for the violation and nonperformance of the Owner's obligations under this Agreement or the other Loan Documents is not adequate by reason, among other things, of the Agency's public purpose to provide adequate, safe and sanitary dwelling units for the tenants contemplated under this Agreement;

(k) replace the general partner, officers, managers, directors, managing members or partners of, or other persons exercising control over the affairs of the Owner with such person or persons as the Agency in its sole discretion deems advisable, including officers or employees of the Agency, who shall exercise all of the authority of managing general partner or other manager of the Owner. Such appointment by the Agency shall be for the duration provided in Section 7 (b)(6) of the Act and any person so appointed shall be entitled to the same immunities and compensation as provided in such Act. If the Agency decides to remove and replace the general partner, officers, managers, directors, managing members or partners of the Owner pursuant to its rights under the Act, the Agency may require from the newly appointed officers, managers, directors, managing members or partners a deed to the Project in lieu of foreclosure;

(l) exercise any rights of the Owner under the Plans and Approvals and to take in its name or in the name of Owner such action as the Agency may determine to be necessary pursuant to the assignment of Plans and Approvals (as set forth in Section 29). The Agency may use the Plans and Approvals for any purpose relating to the Project. The Owner irrevocably constitutes and appoints the Agency as the Owner's attorney-in-fact, in the Owner's name or in the Agency's name, to enforce all rights of the Owner under any Plans and Approvals.

Notwithstanding the above enumeration of remedies, the Agency shall have available to it all other remedies provided at law or in equity or any other action permitted by law.

Section 32. <u>Anticipatory Breach</u>

If the Owner threatens to commit a breach of any of the provisions of this Agreement or the other Loan Documents, the Agency shall have the right, without posting bond or other security, to seek injunctive relief or specific performance, it being acknowledged and agreed that any such breach, or threatened breach, will cause irreparable injury to the Agency and that money damages will not provide an adequate remedy.

Section 33. <u>Expenses Due to Default</u>

All expenses (including reasonable attorney's fees and costs and allowances) incurred in connection with an action to foreclose the Mortgage(s) or in exercising any other remedy provided by this Agreement or the other Loan Documents, including the curing of any Event of Default, shall be

paid by the Owner on demand, together with interest at the same interest rate as in the First Mortgage Note whether or not an action or proceeding is instituted. Expenses of foreclosure for purposes of this paragraph shall include the items enumerated in Section 15 of this Agreement.

The Owner hereby acknowledges that if the Project receives Bond financing, the payments to be made by the Owner pursuant to the Loan Documents may be used by the Agency to pay interest and principal on the Bonds. In the event that the Owner fails to make any payment due under the Loan Documents and the Agency is required to advance funds to pay interest or principal on the Bonds, the Owner shall be required to pay the Agency interest on any amounts so advanced by the Agency on demand, which interest shall be equal to the same interest rate as in the First Mortgage Note.

Section 34. Amendments; Notices; Waivers

This Agreement may be amended only by a written instrument executed and acknowledged on behalf of the Agency and the Owner in such manner that the instrument may be recorded.

No waiver by the Agency of any Event of Default or required performance by the Owner and no course of conduct of the parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Owner under this Agreement, or the other Loan Documents at any time shall preclude enforcement of any of the terms of this Agreement or the other Loan Documents.

Any provision of this Agreement requiring the consent or approval of the Agency for the taking of any action or the omission of any action or otherwise called for under this Agreement, requires such written consent by the Agency signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.

Notice provided for under this Agreement shall be given in writing and signed by a duly authorized officer, and any notice required to be given hereunder shall be given by recognized private carrier with acknowledgment or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

Borrower:	Heritage Village at Bloomfield, LLC 1970 Brunswick Avenue, Suite 100 Lawrenceville, New Jersey 08648
Borrower's Attorney:	Christopher Walrath, Esq. GluckWalrath LLP 428 River View Plaza Trenton, NJ 08611

Investor: BCP/HV at Bloomfield, LLC
One Boston Place, 21st Floor
Boston, MA 02108
Attention: Asset Management (Heritage Village at Bloomfield)

Investor's Attorney: Holland & Knight LLP
10 St. James Avenue
Boston, MA 02116
Attention: Douglas W. Clapp, Esq.

Agency: Executive Director
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085

Section 35. Severability

The invalidity of any part or provision hereof shall not affect the validity, legality or enforceability of the remaining portions hereof, and to this end the provisions of this Agreement shall be severable.

Section 36. Personal Liability

Notwithstanding any other provision contained in this Agreement or the other Loan Documents, the Agency agrees, on behalf of itself and any future holder of the Loan Documents, that the liability of the Owner, any general or limited partner, member or shareholder of the Owner and their respective heirs, representatives, successors and assigns, for the payment of its obligations under the Loan Documents, including, without limitation, the payment of principal and interest due and other charges due hereunder and thereunder, shall be limited to the collateral pledged under the Loan Documents, and that the Agency shall have no right to seek a personal judgment against the Owner, any general or limited partner, member or shareholder of the Owner, or their respective heirs, representatives, successors and assigns, individually, except to the extent necessary to subject the collateral pledged under the Loan Documents to the satisfaction of the mortgage debt; provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under this Agreement and the other Loan Documents, including, without limitation, the right to sue for injunctive or other equitable relief. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or unlawful acts and shall not apply to such amounts that may be due to the Agency pursuant to Sections 11, 12, 13, 14, 15(c) through (e), 33 and/or 42.

Section 37. Counterparts

This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original. A fax copy of a signature on this Agreement shall have the same effect as an original provided that an original is received by the other party hereto within two business days thereafter.

Section 38. Disclaimer of Warranties, Liability, Indemnification

(a) The Owner acknowledges and agrees that (i) the Agency has not heretofore and does not make any warranty or representation, either express or implied as to the value, condition, or fitness for particular purpose or any use of the Project or Land or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Agency or its agents or employees be liable or responsible for any incidental, indirect, special, consequential or punitive damages in connection with or arising out of this Agreement or any of the other Loan Documents or from the acquisition, construction, rehabilitation, reconstruction, repair, improvement, ownership, operation or maintenance of the Project or Land or any items or services provided for in this Agreement or the other Loan Documents; and (iii) during the term of this Agreement and the other Loan Documents and to the fullest extent permitted by law, the Owner shall indemnify and hold the Agency harmless against, and the Owner shall pay any and all liability, loss, cost, damage, claims, judgments or expenses of any and all kinds or nature and however arising, imposed by law, which the Owner and the Agency may sustain, be subject to, or caused or incurred by reason of any claim, suit or action based upon personal injury, death or damage to property or any other damage or loss sustained, whether real, personal or mixed, or arising out of any alleged violation of the Environmental Laws or the alleged use, storage or disposal of Hazardous Materials by the Owner or by any person or entity or other source related to the Project or Land, or upon or arising out of contracts entered into by the Owner, or arising out of the Owner's acquisition, construction, rehabilitation, reconstruction, repair, improvement, ownership, operation or maintenance of the Project or Land.

(b) It is mutually agreed by the Owner and the Agency that the Agency and its members, directors, officers, agents, servants, employees, and attorneys shall not be liable for any action performed under this Agreement, and that the Owner shall hold them harmless from any claim or suit of whatever nature.

(c) Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. (except for N.J.S.A. 59:13-9 thereof). While this statute is not applicable by its terms to claims arising under contracts with the Agency, the Owner agrees that it shall be applicable to claims arising under this Agreement or the other Loan Documents. It is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

(d) Notwithstanding the provisions of this Section 38, but in no way intending to reduce the obligations of Owner under this Agreement or the other Loan Documents, in the event the

Agency takes possession, ownership and/or control of the Project and commences operating the same, Owner shall not be liable for the acts or omissions of the Agency, its employees, agents or representatives from and after the date of such possession, ownership or control.

Section 39. Filing

This Agreement shall be duly recorded in the Office of the Clerk for the county in which the Land is located.

Section 40. Governing Law and Venue

This Agreement shall be governed by the laws of the State of New Jersey.

If any legal action should be filed by any party against any other in connection with this Agreement and/or the other Loan Documents, the venue and forum for such action shall be the New Jersey Superior Court, Mercer County.

Section 41. Equal Opportunity and Non-Discrimination

The Owner covenants and agrees that it will comply with the Agency guidelines with respect to equal opportunity and non-discrimination in its purchase of goods and services for the operation and maintenance of the Project throughout the term of this Agreement.

Section 42. Investment Funding and Return on Investment

The Owner agrees to make an investment in the Project and Land in an amount which is not less than 10% of the total Project cost as determined by the Agency pursuant to the Act. In the event the principal sum set forth in the Agency Financing that is advanced to the Owner is determined by the Agency to exceed 90% of the total Project cost, the Owner shall reimburse the Agency an amount that would reduce the Agency Financing to 90% of the total Project cost.

The total Project cost and the portion thereof that is contributed by the Owner as investment shall be determined by the Agency in accordance with the cost certification procedures under the Act. The Owner shall be eligible for a return on its investment at the rate of 7.90% annually in the manner set forth in the Agency Regulations.

Section 43. Applicability and Conflict of Terms and Conditions

The terms and conditions of this Agreement are applicable for the entire term of this Agreement (as set forth in Section 9 hereof) unless otherwise set forth in this Agreement. In the event of any conflict or inconsistency between the terms and conditions of any of the Loan Documents and including this Agreement, the terms and conditions of this Agreement shall prevail. Notwithstanding the foregoing, the Owner agrees that the Agency may render a decision concerning the intent and/or applicability of any term or condition of the Loan Documents and unless such

decision is found to be arbitrary or capricious by a court of competent jurisdiction, the Agency decision shall be final.

Section 44. Miscellaneous

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

The Owner and Agency agree to cooperate with each other to correct any error(s) that might inadvertently appear in the Loan Documents.

IN WITNESS WHEREOF, this Agreement is duly executed by the Owner and Agency and by signing below, the Owner acknowledges that it has received a true copy of this Agreement, without charge.

WITNESS::

Christopher M. Walrath

BORROWER:
Heritage Village at Bloomfield, LLC
By: CIS Bloomfield, LLC, its managing member
By: Community Investment Strategies, Inc.,
its managing member

Theresa Reed
Vice President

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

I CERTIFY that on July 17, 2014, Theresa Reed personally came before me, the subscriber, an Attorney at Law of the State of New Jersey, and acknowledged under oath, to my satisfaction that (a) she is the Vice President of Community Investment Strategies, Inc., which is the managing member of CIS Bloomfield, LLC, which is the managing member of Heritage Village at Bloomfield, LLC, the limited liability company named in this document; and (b) she executed and delivered this document as the voluntary act of the corporation.

Christopher M. Walrath
Attorney at Law of New Jersey

ATTEST

Name: Jennifer H. Linett
Title: Assistant Secretary

NEW JERSEY HOUSING & MORTGAGE FINANCE AGENCY

By:
Name: James E. Robertson
Title: Chief of Legal and Regulatory Affairs

This document has been reviewed and approved as to form.
John J. Hoffman
Acting Attorney General of the State of New Jersey

By:
Nels J. Lauritzen
Deputy Attorney General

STATE OF NEW JERSEY, COUNTY OF MERCER SS:

I CERTIFY that on July 17, 2014, **JAMES E. ROBERTSON** personally came before me, a Notary Public of the State of New Jersey, and acknowledged under oath to my satisfaction that a) he is the **Chief of Legal and Regulatory Affairs** of **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY,** the Agency named in this document, and b) he executed and delivered this document as the voluntary act of the Agency, duly authorized by a proper resolution of its members, on behalf of the Agency.

Lisa Marie DiOrio

LISA MARIE DI ORIO
A Notary Public of New Jersey
My Commission Expires March 21, 2018

SCHEDULE A

LEGAL DESCRIPTION

All that certain Lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Township of Bloomfield, County of Essex, State of New Jersey and being more particularly described as follows:

BEGINNING at a point of, said point being the intersection of the northwesterly right-of-way line of Municipal Plaza, 60 foot wide right-of-way per Tax Map, with the southwesterly right-of-way line of Franklin Street, 66 foot wide right-of-way per Tax Map, and from said beginning point running; thence

1. Along said North westerly right-of-way line of Municipal Plaza, South 68 degrees 25 minutes 04 seconds West a distance of 190.59 feet to a point in the easterly line of Lot 10, Block 311, said point being witnessed by a PK nail watcher set; thence

2. Along said easterly line of Lot 10, Block 311, North 22 degrees 07 minutes 45 seconds West a distance of 104.48 feet to a point in the northeasterly line of Lot 10, Block 311, said point being witnessed by a one half inch cap and pin set; thence

3. Along said northeasterly line of Lot 10, Block 311, North 53 degrees 00 minutes 57 seconds West a distance of 81.31 feet to a point in the common line with Lot 27, Block 311, said point being witnessed by a one half inch cap and pin set; thence

4. Along said common line with Lot 27, Block 311, North 18 degrees 18 minutes 03 seconds East a distance of 116.75 feet to a point in the southerly right-of-way line of Washington Street, 50 foot right-of-way per Tax Map, said point being witnessed by a PK nail and watcher set; thence

5. Along said southerly right-of-way line of Washington Street, South 71 degrees 41 minutes 57 seconds East a distance of 113.92 feet to a point in the aforementioned southwesterly right-of-way line of Franklin Street, said point being witnessed by a PK nail and watcher set; thence

6. Along said southwesterly line of Franklin Street, South 42 degrees 13 minutes 12 seconds East a distance of 203.45 feet to the point and place of beginning, said point being witnessed by a PK nail and watcher set.

Description is drawn in accordance with a survey made by CME Associates Consulting and Municipal Engineers dated July 15, 2011, revised 9/7/2011, 11/26/2013, 6/2/2014, 7/7/2014.

NOTE: Being Lot: **13**, Block: **311**; Tax Map of the **Township of Bloomfield, County of Essex, State of New Jersey**