

BY-LAWS
OFSUN RIDGE CONDOMINIUM ASSOCIATION, INC., SECTION II
ARTICLE I:APPLICABILITY, MEMBERS, MEMBERSHIP AND DEFINITIONS

Section 1. These By-Laws shall be applicable to Sun Ridge Condominium Association, Section II, a non-profit corporation of the State of New Jersey, hereinafter referred to as the "Association", to all of the members thereof, as the defined, and to each Unit of Sun Ridge Condominium Association, Section I, which is now, or may hereafter be created, hereinafter referred to as the "Condominium".

Section 2. All present and future owners, tenants, guests, licensees, servants, agents, employees and other person or persons that shall be permitted to use the facilities of the Association or of the Condominium, shall be subject to these By-Laws and to the Rules and Regulations issued by the Association to govern the conduct of its members. Acquisition, rental or occupancy of any of the Units in the Condominium shall be conclusively deemed to mean that the said owner, tenant or occupant has accepted and ratified these By-Laws and the Rules and Regulations of the Association and will comply with them.

Section 3. Unless it is plainly evident from the context that a different meaning is intended, as used throughout these By-Laws:

(a) "Member" means the owner or co-owner of a Unit as defined in the Condominium Act of the State of New Jersey and, more specifically, includes an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof.

(b) All terms defined in Section 3 of the Condominium Act of the State of New Jersey are incorporated herein.

Section 4. Membership in the Association shall be limited to the owners or co-owners of Units in the Condominium provided that whenever title to a Unit is vested in two (2) or more persons, such co-owners shall be entitled jointly to only one (1) vote for their particular Unit as designated on the membership card and records of the Association.

In the event that a member shall lease or permit another to occupy his Unit, the tenant or occupant shall be permitted to enjoy the facilities of the Association, but shall not vote in the affairs of the Association, but shall shall permit the tenant or occupant to exercise the proxy vote of such member.

In the event that a member shall mortgage his Unit, the lien of the mortgage shall be deemed to attach to the member's rights, privileges and obligations in the Association, and in the event of foreclosure of such mortgage, the rights of the Unit owner shall attach to the real property and upon any sale by virtue of an order of foreclosure, the member's rights shall run to the benefit of the purchaser.

Every lawful transfer of title to the member's Unit shall include membership in the Association and, upon making such transfer, the previous owner's membership shall terminate.

Except as provided above, membership in the Association shall not be assigned or transferred and any attempted assignment or transfer shall be void and of no effect.

ARTICLE III:

PRINCIPAL OFFICE

Section 1. The principal office of the Association shall be located initially at 63 Main Street, Flemington, New Jersey 08822, but, thereafter, may be located at such other suitable and convenient place or places as shall be permitted by law and designated by the Trustees.

ARTICLE III:

MEETINGS OF MEMBERS: VOTING

Section 1. All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and, from time to time, fixed by the Trustees and designated in the notices of such meetings.

Section 2. The first annual meeting of the members of the Association shall be held within sixty (60) days of closing of title on the tenth (10th) unit. Subsequent annual meetings shall be held on the first Monday of November of each succeeding year. At each annual meeting there shall be elected by a ballot of a majority of the members entitled to vote, the Trustees of the Association in accordance with the provisions of these By-Laws. The members may also transact such other business as may properly come before the meeting.

Section 3. The Secretary shall mail notices of annual meetings to each member of the Association, directed to his last known post office address as shown on the records of the Association, by certified mail, postage prepaid. Such notice shall be mailed not less than seven (7) days before the date of such meeting and shall state the date, time and place of the meeting.

Section 4. It shall be the duty of the President to call a special meeting of the members of the Association whenever he is directed to do so by resolution of the Trustees or upon presentation to the Secretary of a request for meeting signed by 20% of the membership entitled to vote at such meeting.

Section 5. The Secretary shall mail notice of such meeting to each member of the Association in the manner provided in Section 3 of this Article, except that notices of special meetings shall be mailed not less than five (5) days before the date fixed for such meeting.

Section 6. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of the members and their last-known post office addresses. Such a list shall also show the number or other designation of the housing unit owned by each member. This list shall be open to inspection by all members and other persons lawfully entitled to inspect the same, at reasonable hours during business days. The Secretary

shall also keep current and retain custody of the minute book of the Association, containing the minutes of all annual and special meetings of the Association and all resolutions of the Trustees.

Section 7. Each member in good standing and entitled to vote shall be entitled to one (1) vote per Unit, provided that where a Unit is owned jointly by two (2) or more persons, only one such owner shall be entitled to cast the vote of that particular Unit and the Unit Owners shall designate in writing the person entitled to vote in case of a question of who can vote. The splitting of a vote is prohibited, it being understood, however, that each Unit is entitled to a total of one (1) vote.

Section 8. At all elections of Trustees, each member shall be entitled to one (1) vote per Unit for each Trustee to be elected, cumulative voting being prohibited. However, during the first ten (10) years the rights of owners to vote for members of the Board of Trustees shall be in accordance with the provisions of the Master Deed.

Section 9. A member shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of the Association if, and only if, he shall have fully paid all assessments made or levied against him and his Unit by the trustees as hereinafter provided, together with all interest, costs, attorneys' fees, penalties and other expenses, if any, properly chargeable to him and to his Unit, at least three (3) days prior to the date fixed for such meeting.

Section 10. Except as otherwise provided in these By-Laws, the presence of 25% of the membership of the Association or proxies shall constitute a quorum at any annual or special meeting of members. If any meeting of members cannot be organized because a quorum has not attended, the members may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called. In the event of any such adjourned meeting, no further notice of the adjourned date need be given to any of the members. Thereafter, business may be transacted at the adjourned meeting by a majority of the members present at such meeting.

Section 11. All decisions of the members involving capital expenditures or any other decisions shall require for passage the affirmative vote of the majority of the members present in good standing and entitled to vote provided a quorum is present.

Section 12. The order of business at all meetings of the members of the Association shall be as follows:

- (a) Roll Call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers. (General meetings only)
- (e) Reports of committees. (General meetings only)
- (f) Election of inspectors of election. (General Meetings only)
- (g) Election of officers or Trustees. (General meetings only)

- (h) Unfinished business. (General meetings only)
- (i) New business.
- (j) Adjournment

Section 13. During the first five (5) years, the Developer reserves the right to vote each of the units dedicated to the Association that is either unconstructed or unsold. Thereafter, the percentages set forth in Section 4, entitled "Control of Association by Declarant", shall apply to the total number of units constructed or under construction on the fifth year anniversary date of the recording of the Master Deed.

ARTICLE IV:

OBLIGATIONS OF MEMBERS

Section 1. Each member shall perform promptly and at his own risk, cost and expense, all maintenance and repair work with respect to the portion of each Unit owned by him which does not comprise a part of the Common Areas or Elements and which, if omitted, would adversely affect or jeopardize the safety of the condominium or any part or parts thereof belonging in whole or in part to other members and each member shall be liable for any damages, liabilities, costs and expenses, including attorneys' fees, caused by or arising out of his failure to promptly perform any such maintenance and repair work.

Section 2. Each member shall be obligated to reimburse the Association for any expenses incurred by it in repairing or replacing any part or parts of the Common Areas or Elements damaged solely by his negligence or by the negligence of his tenants, agents, guests or licensees, promptly upon the receipt of the Associations' statement therefor. Such damages shall constitute a lien against the Unit in favor of the Association.

Section 3. Each member is bound to contribute pro rata in the percentage of his undivided interest in the Common Elements, covering said Unit, toward the expenses of administration and of maintenance and repair of the Common Elements, to the expenses of administering and maintaining the Association and all of its real and personal property in such amounts as shall from time to time be fixed by the Trustees, and to any other expenses which may be lawfully agreed upon. No member may exempt himself or be exempted from contributing toward such expenses by waiver of the use or the enjoyment of the Common Elements or facilities of the Association or by abandonment of the Unit owned by him or otherwise. A member shall, by accepting a Deed, be conclusively presumed to have agreed to pay his share of common expenses accruing while he is a Unit owner.

Section 4. Payment by the member of his share of the expenses aforesaid shall be made monthly on the first day of each month in the amount from time to time fixed by the Trustees, to the Treasurer of the Association or such other authorized or designated person or persons.

Section 5. All such charges and expenses chargeable to a member and his Unit shall constitute a lien against the said Unit in favor of the Association for the use and benefit of the members of the Association prior to all other liens except:
(1) assessments, liens and charges for taxes past due and unpaid on the Unit, and (a) bona fide mortgage instruments, and duly

recorded. Such lien shall be recorded pursuant to Section 21 of the Condominium Act. The said lien may be foreclosed in the manner provided for the foreclosure and sale of real estate mortgages and, in the event of foreclosure and sale of real estate shall, in addition to the amount due, be entitled to recover reasonable expenses of the action including costs and attorney's fees. Such charges and expenses shall bear interest from the due date set by the Board of Trustees at such rate not exceeding the legal interest rate as may be established by the Trustees of the Association to foreclose the lien shall be in addition to any other remedy which may be available to it for the collection of the mon-hly charges and expenses including the right to proceed against any delinquent member for the recovery of a personal judgment against him. The Owners shall be personally liable therefore, as well.

Section 6. In the event a member shall fail to pay any assessment levied against him and his Unit for the maintenance of the Common Elements, for the expenses of administering, or maintaining and operating the facilities of the Association, or any other expenses lawfully approved by the Association, or thirty (30) days after the same shall become due and payable, the Association shall be entitled to proceed to foreclose the lien referred to in the preceding Sections. The Association shall have the power to bid on the Unit at foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

Section 7. Upon the sale, conveyance or other lawful transfer of title to a Unit (except a transfer pursuant to a foreclosure of mortgage), all unpaid assessments against a member for his pro rata share in the expenses of administration, maintenance and repair of the Common Elements and facilities of the Association and other expenses agreed upon, shall first be paid out of the sale price or by the acquirer in preference over any other assessments or charges of whatever nature, except the following:

- (a) Assessments, liens and charges for taxes past due and unpaid on the Unit, and
- (b) Bona fide mortgage instruments, duly recorded.

Section 8. The acquirer of a Unit (except a transfer pursuant to a foreclosure of mortgage or deed in lieu of foreclosure) shall be jointly and severally liable with the Seller for the amounts owing by the latter to the Association up to and through the date of conveyance or transfer, without prejudice to the acquirer's right to recover from the Seller the amount paid by him as such joint debtor, but the acquirer shall be exclusively liable for amounts accruing while he is Unit owner. The Association shall provide for the issuance and issue to every acquirer, Unit owner or mortgagee, upon his request, a statement or certificate of such amounts due by the Seller, which statement or certificate shall issue within ten (10) days after receipt of the request therefor. A person other than a Unit owner may rely upon such statement or certificate and his liability shall be limited to the amounts set forth.

Section 9. All Units shall be utilized for single family residential purposes only and such use shall comply with the terms and conditions as set forth in the Master Deed recorded in the Clerk's Office, the requirements of Sun Ridge Owners' Association and all governmental requirements with respect to such Unit.

Section 10. The Association shall have the irrevocable right, to be exercised by the Trustees or any authorized person, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the Common Elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units.

Section 11. The Association shall have the right, to be exercised by the Trustees, to purchase Units in the Condominium and otherwise acquire, hold, lease, mortgage and convey the same. Except while under the control of the Developer, it may also lease or license the use of Common Elements in a manner not inconsistent with the rights of Unit owners.

Section 12. No member, except when acting in the capacity of an officer of the Association, shall have any authority to act for or bind the Association.

Section 13. A member shall have no personal liability for any damages caused by the Association or in connection with the use of the Common Elements. A Unit owner shall be liable for injuries or damages resulting from an accident in his own Unit in the same manner and to the same extent as the owner of any other real property.

Section 14. Each member shall comply strictly with these By-Laws and with the administrative Rules and Regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time and with the covenants, conditions and restrictions set forth in the Master Deed and/or in the Deed to his Unit. Failure to comply with any of the same shall be grounds for a civil action to recover sums due for damages or injunctive relief, or both, maintainable by the Association on behalf of the owners or, in a proper case, by an aggrieved Unit owner or by any person who holds a mortgage lien upon a Unit and is aggrieved by any such non-compliance.

ARTICLE VI:

BOARD OF TRUSTEES

Section 1. The affairs of the Association shall be governed by a Board of Trustees consisting of three (3) persons, subsequent to those Trustees named in the Certificate of Incorporation of the Association. Without limiting the foregoing, any officer or person designated by Sun Ridge, Inc., the Grantor, shall be eligible to be a member of the Board of Trustees in order to implement the rights given to the Grantor pursuant to the Master Deed.

Section 2. All Trustees shall be elected to serve for a term of one (1) year. Election of Trustees shall be held at the annual meeting. Each Trustee shall continue to hold office until the Trustee's successor is elected. Trustees shall serve without compensation.

Section 3. If the office of any Trustee shall become vacant by reason of his death, resignation, disqualification, removal from office or otherwise, the remaining Trustees shall call a meeting of the owners for the purpose of electing a successor. The person so elected shall serve for the unexpired term in respect to which such vacancy occurred.

Section 4. Trustees may be removed with or without cause by the affirmative vote of two-thirds of the members at any annual or special meeting of members duly called for such purpose except for any designees of the Developer.

Section 5. The first or organizational meeting of each newly elected Board of Trustees shall be held immediately upon adjournment of the meeting of the members at which they were elected and at the meeting of the members at which they were held, provided a quorum is present. If a quorum of members was not then present, such first or organizational meeting shall be held as soon thereafter as may be practicable provided notice is given to each Trustee as set forth in Section 6 of this Article or unless waived as provided in Section 8 of this Article.

Section 6. Regular meetings of the Board of Trustees may be held at such time and place as permitted by law as from time to time may be determined by the Trustees, but at least two (2) such meetings shall be held in each fiscal year. Notice of regular meetings of the Board shall be given to each Trustee by regular States mail, with postage prepaid, directed to him at his last-known post office address as the same appears on the records of the Association, at least five (5) days before the date appointed for such meeting. Such notice shall state the date, time and place of such meeting and, if possible, the purpose thereof.

Section 7. Special meetings of the Board of Trustees may be called by the President of the Association on three (3) days, notice to each Trustee, given in the same manner as provided in Section 6 above. Special meetings of the Board shall be called by the President or Secretary in like manner upon the written request of any two (2) Trustees.

Section 8. Before or after any meeting of the Board of Trustees, whether regular or special, any Trustee may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Trustee at any meeting of the Board shall likewise constitute a waiver by him of such notice. If all Trustees are present, no notice of such meeting shall be required and any business may be transacted at such meeting, except as prohibited by law and these By-Laws.

Section 9. At all duly convened meetings of the Board of Trustees, a majority of the Trustees shall constitute a quorum for the transaction of business, except as otherwise provided in the By-Laws or by law, and the acts of the majority of the Trustees present at such meeting shall be the acts of the Board of Trustees. If at any meeting of the Board of Trustees there shall be less than a quorum present, the Trustees or Trustees present may adjourn the meeting from time to time, and at any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting, any originally called, may be transacted without further notice as any Trustee.

Section 10. The Board of Trustees shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of the Association and the operation and maintenance of the Condominium and may do or cause to be done all such other lawful acts and things as are not by law, by these By-Laws, directed or required to be done or exercised by members of the Association or Owners of Units, or by others. In the performance of its duties as the administering

body of the Association and of the Condominium, the Board of Trustees shall have powers and duties including, but not limited to, the following.

- A. The operation, maintenance, repair, renewal, replacement, cleaning, sanitation, care, upkeep, protection and surveillance of the buildings in the Condominium, their common elements and the facilities and all other property, real or personal, of the Association.
- B. The assessment and collection of funds for common expenses and reserves and the payment thereof. The total amount of such assessment shall be assessed against all of Units and their respective owners thereof, in the proportionate shares or percentages applicable to the Units owned by them as set forth in the Master Deed and pro rated as necessary to include the owners and Units in all Condominiums which are now or may hereafter be governed by the Association. The proportionate amounts thus found applicable to each Unit shall be payable by the owner thereof to the Association in twelve (12) monthly installments in advance, on the first day of each month of such fiscal year. On or before the due date of the first monthly installment, the Association shall prepare and deliver or mail to each owner of a unit, a statement showing the amount thereof and the estimated amount assessed against each Unit for the entire fiscal year. The Association shall not be obligated to give notice of any subsequently accruing monthly payments for such fiscal year and the commission of notice of such installments shall not relieve such owner from his obligation to pay such monthly installment promptly when and as they become due and payable. Any owner may pay two (2) or more such monthly installments in advance of the date on which they become due and payable, but the Association shall have the right to apply any sums so prepaid either to such monthly installments or to any special assessments made or levied in such fiscal year against such owner or the Unit owned by him in the manner and percentage as hereinafter provided, without relieving or releasing such owner from his obligation to pay any unpaid amounts or balances due on any such monthly installments or any special assessments or impairing the rights of the Association against such owner or any Unit owned by him.
- C. To adjust or increase the amount of any annual assessments and monthly installments, and to levy and collect, in addition thereto, special assessments in such amounts as the Board may deem proper whenever the Board is of the opinion it is necessary to do so in order to meet increased operating or maintenance costs, or establish reserves or because of emergencies, provided, however, that all such increased or special assessments shall be made or levied against such owners and Units owned by them respectively, in the same proportions or percentages as provided in the Master Deed.

- D. To use and expend any sums collected from such assessments or levies for the operation, maintenance, renewal, care, upkeep, surveillance and protection of the Common Elements, facilities of the Association and all of its real or personal property.
- E. To pay all taxes and assessments levied or assessed against any property of the Association, exclusive of any taxes or assessments levied against any Unit or otherwise properly chargeable to the owner of such Unit.
- F. To employ and dismiss such employees, contractors, managers or management service companies to perform such work as the Board of Trustees may deem necessary for the proper operation and maintenance of the Condominiums, and the facilities of the Association, except the portions thereof required to be maintained by the owner of a Unit.
- G. To have access to and to enter or cause to be entered, any Unit from time to time at reasonable hours when deemed to be necessary for or in connection with the operation, maintenance, repair, replacement, renewal or protection of any Common Elements, or to prevent damage to the Common Elements or any Unit in emergencies, provided that such entry and work shall be done with as little inconvenience as possible to the owners and occupants of such Units. Each owner shall be deemed to have expressly granted such rights of entry by accepting and recording the Deed to his Unit.
- H. To collect delinquent levies or assessments made by the Association through the Board of Trustees against any Units and their respective owners, together with such costs and expenses incurred in connection therewith, including but not limited to court costs and attorneys' fees, whether by suit or otherwise, to abate nuisances and enforce observances of the rules and regulations relating to the Condominiums, by injunction or such other legal action or means as the Board of Trustees may deem necessary or appropriate.
- I. To enter into contracts, be sued or bring suit and to employ or retain legal counsel, engineers and accountants and such other professional employees, and to fix their compensation whenever such professional advice or services may be deemed necessary by the Board for any proper purposes of the Association. Specifically the Board may choose a Management Company to perform all of the administrative functions associated with its duties herein set forth.
- J. To cause such operating accounts and escrow or other accounts, if any, to be established and opened as the Board of Trustees may deem appropriate from time to time and as may be consistent with good accounting practices.

K. To maintain accounting records, in accordance with generally accepted accounting principles, which records shall include:

- (1) A record of all receipts and expenditures;
- (2) An account for each Unit setting forth any shares of common expenses or other charges due, the due dates thereof, the present balance due, any interest in common surplus;
- (3) A record of all maintenance and repairs made to the Common Elements.

Such accounting records shall be open to inspection to Unit owners at reasonable times upon request.

L. To adopt, distribute, amend and enforce compliance with such reasonable rules and regulations relative to the operation, use and occupancy of the Units, Common Elements and facilities of the Association, and to amend the same from time to time as the Board shall deem necessary or appropriate, which rules and regulations, when approved by appropriate resolutions, shall be binding upon the owners and occupants of the Units, their successors in title and assigns, subject, however, to the right of a majority of Unit owners to change any such rules.

M. (1) The Board of Trustees shall keep the buildings and other structural portions of the Condominium property, including in particular the Common Elements and all buildings, fixtures, equipment and all property owned by the Association and personal for the benefit and protection of the Association, which insurance shall cover the following hazards, casualties and contingencies in an amount at least 80% of current value:

(a) Loss or damage by fire and other casualties covered by a standard extended coverage and broad form fire policy written in New Jersey;

(b) Such other risks as are and shall hereafter customarily be covered with respect to other buildings, fixtures and equipment similar to construction, design, use and location to the buildings and other property hereinbefore mentioned. All such policies shall provide that in the event of loss or damage, the proceeds shall be payable to the Association. The Association shall pay the premiums on such policies as common expenses.

(2) The Board of Trustees shall also maintain public liability insurance for personal injury and death insuring the Association and its members against liability for any

negligent act of commission or omission or accidents attributable to the Association or any of its members and which occurs on or in Condominiums or the Common Elements of the Association, whether limited or general, and the defense of any action brought by reason of injury or death to a person or damage to property occurring within the Common Elements and not arising by reason of any act of negligence of any Unit owner.

- (3) The Board shall maintain Workers' Compensation insurance and such other insurance as will protect the interest of the Association, its employees and members, if such shall be required.
- (4) All insurance premiums incurred by the Association by virtue of obtaining the insurance herein referred to shall be paid by the Association as common expenses.
- (5) The Board shall apply the proceeds of any insurance to restoration of the Common Elements and structural portions if such restoration shall otherwise be required under the Master Deed, these By-Laws or pursuant to the Condominium Act.
- (6) The Board shall have the right to protect blanket mortgages, or Unit owners and their mortgages, as their respective interest may appear, under the aforesaid interest policies and may permit the assessment and collection from a Unit owner of specific charges for insurance coverage applicable to his Unit, which charge shall be a lien upon said owner's Unit and enforced as a lien as provided in the By-Laws, Master Deed and Condominium Act.
- (7) Nothing herein contained shall preclude any Unit owner or any other person having an insurable interest from obtaining insurance at his own expense and for his own benefit against any risk, whether or not covered by insurance maintained by the Association, subject, however, to the provisions of the Master Deed and By-Laws.
- (8) The Board of Trustees and/or individual members of the Board of Trustees shall provide insurance or surety protecting said members of the Board from any personal liability by virtue of their acting in their capacity as a Board or individual members of said Board. The cost of such insurance shall be deemed common expense.
- (9) Such other insurance as the Board of Trustees may deem necessary and appropriate.

X. The Board of Trustees shall comply with the requirements of the Township of Raritan regarding

the maintenance of the Common Elements. In the event the Association fails to comply with said requirements of the Township of Raritan, the Township of Raritan shall have the right to perform said maintenance at the cost and expense of the Association, which cost and expense shall be deemed to be common expenses chargeable as a lien of the Association against the individual Unit owners as herein set forth, which lien shall be enforced as an Association lien as herein permitted.

O. The Board of Trustees shall honor the requirements for final subdivision approval as granted by Raritan Township.

P. Levy fines or sanctions against a Unit or owner for violation of any rules or regulations of the Association, which fines shall be liens upon the Unit which liens shall be subject and subordinate to any mortgage. However, any such sanctions shall not deprive Owner of use of the unit or use of Common Areas and Facilities for more than 30 days. No fines shall exceed one month's assessment.

Q. To employ all managerial personnel necessary or enter into a managerial contract for the efficient discharge of the duties of the Board hereunder; and

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

ARTICLE VI:

RESERVES

Section 1. The Board shall not be obligated to expend all of the revenues in any accounting period, and must maintain reasonable services for, among other things, repairs, replacements, emergencies, contingencies of bad weather or uncollected accounts. Notwithstanding anything herein to the contrary, the Board in its determination of the Common Expenses and the preparation of a budget shall specifically designate and identify what portion of the Common Expenses to be assessed against the Unit Owners is allocable to reserves for each separate item of repair and improvement and the same shall be kept in interest-bearing savings accounts appropriately earmarked for each category. The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand, in a checking or petty cash account, for the necessary discharge of functions.

ARTICLE VII:DAMAGE TO BUILDINGS: RECONSTRUCTION: SALE:
OBSCOLESCENCE

Section 1. In the event of fire or other disaster or casualty resulting in damage to or destruction of any improvements on the Condominium property or any part thereof or to the Common Elements of the Condominium in an amount less than two-thirds of the value of the Condominium, the net proceeds of any insurance collected shall be made available for the purpose of repair, reconstruction, restoration or replacement. Where the insurance proceeds are insufficient to cover the cost of repair, reconstruction, restoration or replacement, the new building costs shall be paid by all the owners of Units directly affected by the damage, in proportion to the value of their respective Units. If any owner shall refuse to make such payments, the Board of Trustees shall levy an assessment in an amount proportionate to the value of the Unit affected by the damage, the proceeds of such assessment being paid to the Association for the purpose of covering the costs of repair, reconstruction or replacement, in excess of the insurance proceeds. In the event any owner shall fail to make payment of such assessment within a reasonable time, the Association shall have the authority to cause such reconstruction, repair or replacement to be accomplished and the amount of such assessment shall constitute a lien against the Unit owner and may be enforced and collected in the manner as all other liens.

Section 2. In the event such insurance proceeds shall be inadequate by a substantial amount to cover the estimated cost of repair, reconstruction, restoration or replacement of an essential improvement or common element or if such damage shall constitute substantially total destruction of the Condominium property or if 75% of the Unit owners directly affected by such damage together with all mortgagees holding bona fide first mortgages on the units directly affected shall determine not to repair or restore, the Association shall realize upon the salvage value of that portion of the Condominium property so damaged or destroyed either by sale or such other means as the Trustees shall deem advisable and shall collect any proceeds of any insurance. In the event the owners decide to repair or restore, the payment of the costs thereof shall be in accordance with Section 1 hereof.

Except as provided in this Section, the common elements shall remain undivided and shall not be the object of an action for partition.

Section 3. In the event the Board of Trustees shall determine that the existing buildings in the Condominium are obsolete, the Board of Trustees, at a meeting of the owners, may call for a vote by the said owners to determine whether or not the entire Condominium should be sold. In the event of all of the unit owners, with the consent of all first mortgagees, determining that the Condominium should be sold, the applicable provision of the preceding Section should be sold, the applicable property, shall become effective.

ARTICLE VIII:

OFFICERS

Section 1. The officers of the Association shall be a President, Secretary and Treasurer. The President shall also be a member of the Board of Trustees.

Section 2. The officers of the Association shall be elected annually by the Board of Trustees at their organization of each new Board and shall hold office until their successors are elected or appointed by the Board and qualify, provided that each officer shall hold office at the pleasure of the Board of Trustees and may be removed with or without cause except for designees of developer and his successor elected at any meeting of the Board, called for such purpose, upon the affirmative vote of a majority of the members of the Board. The Board of Trustees may, from time to time, appoint such other officers as in their judgment are necessary.

Section 3. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and of the Board of Trustees and meetings of the members. He shall have the general powers and duties usually vested in the office of President of an association, including but not limited to the power to appoint committees from among the members as he may deem appropriate to assist in the conduct of the affairs of the Association. He shall execute deeds, contracts and other instruments in the name and on behalf of the Association and under its seal, except when such documents are required or permitted by law to be otherwise executed and except when the signing and execution thereof shall be delegated by the Board of Trustees to another officers or agent of the Association.

Section 4. The Secretary shall attend all meetings of the Board of Trustees and all meetings of the members and record all votes and the minutes of all meetings and proceedings, including resolutions, in a minute book to be kept for that purpose and shall perform like duties for any committees when required. He shall have charge of the minute book and such records and papers as the Board of Trustees shall direct and such records and papers incident to the office of Secretary, including all duties of committees, and notices to members, the Board of Trustees, other duties as may be prescribed by the By-laws or by the Board of Trustees, affix the same to any instrument requiring it and attest the same when appropriate.

Section 5. The Treasurer shall have the responsibility for the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies, checks and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Trustees. He shall disburse the funds of the Association as may be ordered by the Board of Trustees or the President and shall render to the President and Trustees or account of his transactions as Treasurer and of the financial condition of the Association.

Section 6. The officers of the Association shall serve without compensation except that they shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

ARTICLE IX:INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. The Association shall indemnify every Trustee (except Trustees appointed by the Developer) and officer, his heirs, executors and assigns against all loss, costs and expenses including counsel fees reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Trustee or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of willful misconduct in the performance of his duties as such Trustee or officer in relation to the matter involved. The foregoing rights shall not be exclusive of all other rights to which such Trustees or officers may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Association as common expenses, provided, however, that nothing in this Article shall be deemed to obligate the Association to indemnify any member or unit owner who is or has been a Trustee or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of this membership in the Association or as a member or owner of a unit in the Condominium.

ARTICLE X:FISCAL YEAR

Section 1. The fiscal year of the Association shall be determined by the Board of Trustees.

ARTICLE XI:CORPORATE SEAL

Section 1. The Association shall maintain one or more corporate seals.

ARTICLE XII:AMENDMENTS TO BY-LAWS

Section 1. These By-Laws and the form of administration set forth herein may be amended from time to time by the affirmative vote of the members representing two-thirds of the units of the Condominium. No such modification shall be operative until it is embodied in a recorded instrument which shall be recorded in the Office of the Clerk of Hunterdon County in the same manner as the Master Deed and By-Laws.

ARTICLE XIII:DISSOLUTION AND MERGER

Section 1. In the event it shall be deemed advisable and for the benefit of the members of the Association that the Association should be dissolved, the procedures concerning dissolution set forth in Chapter 1, Section 20 of Title 15 of the

Revised Statutes of the State of New Jersey, as amended, entitled Corporations and Association Not for Profit, shall be followed. However, dissolution shall not occur without the consent of 66 2/3% of the Ownership of Sun Ridge Owners' Association and during the first ten years, approval of Developer.

Section 2. In the event of dissolution, the assets of the Association, after the payment of all debts, shall be distributed to the members of the Association in accordance with their percentage of ownership therein.

Section 3. In the event it shall be deemed advisable and for the benefit of the members of the Association that the Association be merged with any other condominium association whose membership are members in the Sun Ridge Owners' Association, then upon the consent and approval of 66 2/3% of the Owners in units in the Owners' Associations and the merger can and may occur. However, such merger shall not be effective until same has been approved by 66 2/3% of the owners of Sun Ridge Owners' Association, recodation of an appropriate amendment to the Master Deed and, during the first ten years of the Association, the approval of the Developer. Such merger shall not enlarge or otherwise modify the Developer's obligation to such Associations as may constitute a portion of any merged association.

ARTICLE XIV:

COVENANTS REGARDING USE OF PREMISES

Section 1. No part of the property (other than models utilized by the Developer for sales) shall be used for other than single-family residential dwellings and the common recreational purposes appertaining thereto.

Section 2. Nothing shall be done or kept in any unit or in the 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. No 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. No waste shall be committed in any of the common elements.

Section 3. Unit owners shall not cause or permit anything to be hung or displayed or placed on the outside walls or door of a building without the consent of the Board of Trustees except as provided for in Section 17 hereof.

Section 4. No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Elements. A dog or cat is permitted only in buildings designated by the Association, provided that they are not kept, bred or maintained for any commercial purpose, and that they are housed within the Unit. No outside dog pens or yards shall be permitted.

Section 5. No noxious or offensive activity shall be carried on in any unit, or in the common elements, nor shall anything be done therein, either willfully or negligently, which may be or become any annoyance or nuisance to the unit owners or other occupants, or interfere with the rights, comforts or conveniences of other owners.

Section 6. No unit owner shall contract for or perform any maintenance, repair, replacement, alteration or modification of the common elements or any additions thereto. No 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 any easements or right appurtenant therefor or affect the common elements.

Section 7. No signs shall be permitted on the exterior or interior of any unit, except that the Grantor shall have the right to place "For Sale" or "For Rent" signs on unsold or unoccupied units.

Section 8. No trailers, boats or inoperable vehicles shall be placed on the common elements by any owner.

Section 9. No laundry or other clothes may be hung or displayed outside any unit.

Section 10. The sidewalks, entrances, passages, courts and patios must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the demised premises.

Section 11. Nothing shall be placed, installed or allowed on the exterior of any unit without the written consent of the Association.

Section 12. No business, trade or profession shall be conducted in any unit.

Section 13. No external or visible radio, television or any type of communication aerial shall be installed or affixed on or about the exterior of any Building constructed or erected on the Property, or elsewhere on such Property except with written consent of the Association.

Section 14. In order to provide an orderly procedure in the case of title transfers, and to assist in the maintenance of current, up to date roster of Unit Owners, the Owner of a Unit shall give the Secretary of timely notice of his intent to list his Unit for sale and, upon closing of title shall forthwith notify such Secretary of the names and home addresses of the purchasers.

Section 15. 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.

Section 16. No Unit Owner or occupant shall burn, chop or cut anything on, over or above the Common Elements or Common Areas.

Section 17. Unit Owners shall not have any right to paint or otherwise decorate or change the appearance of any portion of the exterior of any building.

Section 18. 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. Trash, garbage or other waste shall be kept in sanitary containers on the Property for collection.

Section 19. No immoral, improper, improper, offensive or 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.

Section 20. Draperies, blinds, curtains or other window coverings must be installed by each Unit Owner on all windows of his Unit and must be maintained in said windows at all times. These provisions shall not apply to the Developer.

Section 21. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably intended and suited and which are incident to the use and occupancy of the Units.

Section 22. No Unit shall be rented by the Owners thereof (except a lender in possession of such Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure) or otherwise utilized for transient or hotel purposes, which shall be defined as "(i) rental for any period less than one year; or (ii) any rental if the occupants of the Unit are provided customary hotel services, such as room service for food and beverages, maid service, furnishing laundry or linen, and bellboy service," provided, however, that any Unit Owner, including Grantor, may rent a Unit for a period of less than ninety (90) days to a contract purchaser. No Unit Owner may lease less than an entire Unit. Other than the foregoing obligations, the Unit Owners shall have the right to lease same provided that said lease is in writing and made subject to all provisions of this Master Deed, the By-Laws of the Association and other documents referred to herein, including the right of amendment reserved to Grantor hereon, 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.

In the event a tenant of a Unit defaults under his lease by failure to comply with the provisions of this Master Deed, By-Laws or rules and regulations of the Association, then, in addition to all other remedies which it may have the Association shall notify the Unit Owner of such default(s) and demand that the same be cured through the Unit Owner's efforts within thirty (30) days after such notice. If such default(s) is not cured within said thirty (30) day period, then the Unit Owner shall immediately thereafter, at his own cost and expense, institute and diligently prosecute an eviction action against his tenant on account of such default(s). Such action shall not be compromised or settled without the prior consent of the Association. In the event the Unit Owner fails to fulfill the foregoing obligation, then the Association shall have the right, but not the duty, to institute and prosecute such action as attorney-in-fact for the Unit Owner, at the Unit Owner's sole cost and expense, including all legal fees incurred. Said costs and expenses shall be deemed to constitute a lien on the particular Unit involved, and collection thereof may be enforced by the Association in the same manner as the Association is entitled to enforce collection of Common Expenses.

Section 24. Each Unit Owner shall have the right to mortgage or encumber his Unit.

Section 25. All property taxes, special assessments and other charges imposed by any taxing authority are to be separately assessed against and collected on each Unit as a single parcel, as provided in the New Jersey Condominium Act. In

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

Section 26. Each Unit Owner shall pay for his own telephone and other utilities, if any, which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the Common Expenses.

RULES AND REGULATIONS

1. The conversion of garages into living space is specifically prohibited.
2. All emergency personnel, township officer and employees shall have the right to come upon the land in the development while performing their prescribed duties. As to a locked building or dwelling same is subject to necessity and the rights prescribed under the various laws of the Federal, State and County and Municipal governments.
3. A schedule will be established regarding the maintenance and winter plowing of streets.
4. Garbage and refuse disposal containers should be removed from the curb within 3 hours of pick-up if curb pick-up is instituted.
5. No unit shall be used for any purpose other than as and for a single family residence or dwelling.
6. No exterior radio, television or electronic antenna or aerial shall be erected, maintained or operated upon any of the lots or buildings or structures located thereon, and the erection, maintenance or operation of any of the same is prohibited except as designated and approved by the Control Committee.
7. No signs of any nature whatsoever shall be erected or displayed upon any of the properties except when express prior written approval of the size, shape, content, location thereof has been obtained from the Control committee. Excepted from this provision are signs used by the Declarant during the construction and sales period.
8. No clothing, bedding, or other similar items shall be dried or aired in any outdoor area.
9. Livestock and Poultry -- No animals, livestock or Poultry of any kind shall be raised, bred or kept on any lot, except that of dogs, cats or other common household pets may be kept provided they are not kept, bred or maintained for any

mercial purpose. There shall be no more than two common household pets in the aggregate in any Unit. BOOK 961 PAGE 821

10. Water Supply -- No individual water supply system shall be permitted on any lot except as may be required by Declarant and/or the Association.

11. The parking or storage of automobiles except upon paved areas is prohibited. The overnight parking or storage of trucks or commercial vehicles is prohibited. The parking or storage of camping vehicles, boats and boat trailers upon any of the Properties is prohibited except in garages. No owner nor their invitees or guests shall utilize more than two exterior parking spaces, and then only in marked parking areas.

12. Temporary Structures -- No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot any time as a residence either temporarily or permanently.

13. Garbage and Refuse Disposal -- No lot or common area shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in

sanitary containers and garbage containers shall not be placed on the streets more than 12 hours before pick-up.

14. All sporting equipment, toys, outdoor cooking equipment, and other equipment and supplies necessary or convenient to residential living shall be stored within the Owners' Housing Unit.

15. The storage or collection of rubbish of any character whatsoever, any materials that emit foul or obnoxious odors, the growing of any noxious weed or other natural substance, and the harboring of the source of any noise or activity is prohibited.

16. Sewage Disposal -- No individual sewage disposal system (cesspool, septic tank, etc.) shall be permitted on any lot.

17. No lot owner, member, guest, lessee, resident, occupant, invitee, etc., shall commence any digging or earth moving or regarding operations of any nature whatsoever without first obtaining permission of the Control Committee. This section is intended as a protection against inadvertent

disruption of underground services and creation of a nuisance to adjoining housing unit owners.

18. No limitation on the ability of the owner to sell a unit is established, except that an owner may not restrict sale based on race, creed or national origin.

19. Nothing shall be done or kept in any housing unit or in the common elements which will increase the rate of insurance of any other buildings or contents thereof without the prior written consent of the Board of Trustees.

20. No owner shall permit anything to be done or kept in his housing 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.

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

22. Draperies, blinds, curtains or other window coverings must be installed by each unit owner on all windows at all times.

23. 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) for transient purposes, which shall be defined as: (i) rental for any period less than one year provided, however, that any unit owner may rent a unit for a period of less than ninety (90) days to a contract purchaser; or (ii) any rental if the occupants of the unit are provided customary hotel services, such as room service for food and beverages, maid service, furnishing laundry or linen and bellboy service;

No unit owner may lease less than an entire housing unit.

STATE OF NEW JERSEY, COUNTY OF HUNTERDON SS.:

I CERTIFY that on April 25, 19 86

Samuel M. Einstein

personally came before me and this person acknowledged under oath, to my satisfaction, that:

- (a) this person is the secretary of Sun Ridge, INC. the corporation named in the attached document;
- (b) this person is the attesting witness to the signing of this document by the proper corporate officer who is Henry Opatut the President of the corporation;
- (c) this document was signed and delivered by the corporation as its voluntary act duly authorized by a proper resolution of its Board of Directors;
- (d) this person knows the proper seal of the corporation which was affixed to this document; and
- (e) this person signed this proof to attest to the truth of these facts.

Signed and sworn to before me on April 25, 19 86

Joe E. Strauss

JOE E. STRAUSS
An Attorney at Law of N.J.

Samuel M. Einstein
 (Print name of attesting witness below signature)
 SAMUEL M. EINSTEIN, Secretary

RECORDED
 APR 25 3 44 PM 1986
 HUNTERDON COUNTY CLERK

Prepared by: *Joe E. Strauss* (Print subject's name below signature)
N.J.S.A. 46:15-13

END OF DOCUMENT