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FOR  
BY-LAWS OF THE ENCLAVE AT EDISON CONDOMINIUM ASSOCIATION, INC.

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BY-LAWS  
OF  
THE ENCLAVE AT EDISON CONDOMINIUM ASSOCIATION, INC.

ARTICLE I - NATURE OF BY LAWS

Section 1. Purpose. These By-laws are intended to govern the administration of the Enclave at Edison Condominium Association, Inc., a non-profit membership corporation organized under the Revised Statutes of New Jersey, together with the management, administration, utilization and maintenance of the Property described in the Master Deed.

Section 2. Definitions. Unless the context clearly indicates otherwise, all definitions set forth in the Master Deed for The Enclave at Edison, A Condominium or in N.J.S.A. 46:8B-3 are incorporated herein by reference.

Section 3. Office. The principal office of the corporation is located at 44 Stelton Road, Piscataway, New Jersey.

ARTICLE II - MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Unit Owner shall be a Member of the Association, subject to the provisions of these By-laws and any Rules and Regulations promulgated by the Board; provided however, that any person, firm, association, corporation, or legal entity who holds such title or interest merely as a security for the performance of an obligation (including but not limited to mortgagees or trustees under deeds of trust) shall not

*make known  
to Publicity  
Proclaim*

be a Member of the Association. Notwithstanding anything to the contrary in the preceding, the Sponsor has one membership in the Association for each Unit, completed or prospective, which has not been conveyed to an individual purchaser.

Section 2. Associate Members. Every person who is entitled to possession and occupancy of a Unit as a tenant or lessee of a Unit Owner may be an associate Member of the Association, but shall not be entitled to any vote with respect to Association matters. Associate Membership by a lessee shall be established by delivery of a copy of the executed lease to the Board of Directors.

Section 3. Change of Membership. Change of Membership shall be accomplished by recording in the Middlesex County Clerk's office a deed or other instrument establishing a record title to a Unit, and delivery to the Secretary of the Association of a certified copy of such instrument. The Membership of the prior Unit Owner shall be thereby terminated.

Section 4. Rights of Membership. Each Unit Owner who is entitled to membership in the Association pursuant to these By-laws and the Certificate of Incorporation shall be privileged to use and enjoy the General Common Elements, subject to the right of the Association to (a) promulgate Rules and Regulations governing such use and enjoyment; (b) suspend the use and enjoyment of the General Common Elements as provided in section 5 of this Article II; and (c) transfer all or part of the General Common Elements, other than any Building in which any Units are contained, as provided in Section 1(o) of Article V hereof.

Section 5. Suspension of Rights. The membership rights of any Owner (including, but not limited to the right to vote) may be suspended by action of the Board during the period when such Owner's assessments remain unpaid, but upon payment of such assessments and any penalties and interest accrued thereon (whether by check or cash), his rights and privileges shall be automatically restored. If the Board has adopted and published Rules and Regulations governing the use of the Common Elements and the personal conduct of persons thereon, the Board may, in its discretion, suspend the rights and privileges of any such person for violation of any such Rules and Regulations for a period not to exceed thirty (30) days for any single violation, but if the violation is of a continuing nature, such rights and privileges may be suspended indefinitely until such time as the violation is abated. No such action shall be taken by the Board until the Unit Owner is afforded an opportunity for a hearing consistent with the principles of due process of law. The Board shall further have the right to levy fines in accordance with the Master Deed and in accordance with these By-laws.

Section 6. Contribution to Capital and Membership Fee. Each Owner of a Unit (other than Sponsor), including successors in title, at or prior to the taking of title, shall pay a prescribed, non-refundable, non-transferable one-time membership fee in the amount of \$500.00 to be allocated to working capital. The payment of such fee shall be a condition precedent to membership in the Association. If any Owner owns more than one Unit, said Owner shall be liable for the membership fee for each Unit owned and

each Unit successively owned. Said fee is also separate from, and in addition to, assessments and charges referred to in the Master Deed and in the By-laws. Unpaid membership fees shall be a lien and enforceable in the same manner as set forth in the Master Deed.

Section 7. Voting Rights. The Owner of each Unit shall be entitled to one (1) vote. When more than one person holds title, the vote(s) for each Unit shall be exercised as the co-owners among themselves determine. When one or more co-owners sign a proxy or purport to vote for his or her co-owners, such vote(s) shall be counted unless one or more of the other co-owners is present and objects to such vote(s), or if not present, submits a proxy or objects in a writing delivered to the Secretary of the Association before the vote(s) is counted. If co-owners disagree as to the vote(s), the vote(s) shall be split equally among the co-owners.

Section 8. Proxies. Proxy ballots shall be permitted with respect to all elections of Directors and all amendments to the Certificate of Incorporation, the Master Deed, these By-laws, or any other matter to come before a meeting of the Membership of the Association. All proxies shall be in writing, signed by the individual Member (or in the case of joint owners, by any one of them), or by his or their duly authorized representative(s), and delivered to the Secretary of the Association, or such other person as the President may designate, prior to the commencement of the meeting at which ballots are to be cast. Proxies may be revoked at any time prior to the opening of the polls and no proxy

shall be voted on after eleven (11) months from the date of its execution unless the proxy provides for a longer period which, in no event can exceed three (3) years from the date of its execution. All proxies shall be substantially in the form prescribed by the Board, and if not in such form, shall be deemed invalid, which determination shall be made in the sole and absolute discretion of the Board.

### ARTICLE III - MEETING OF THE MEMBERS

Section 1. Place of Meetings. All meetings of the Members of the Association shall be held at its principal office or at such other place convenient to the Members as may be designated by the Board.

Section 2. Annual Meetings. All regular annual meetings of the Members of the Association shall be held on a date designated by the Board from year to year, except that the first such annual meeting shall be held not more than sixty (60) days after Unit Owners other than the Sponsor own twenty-five (25%) percent or more of the Units, or on such earlier date as the Sponsor in its sole discretion may elect. At the first annual meeting and each subsequent annual meeting, the election of Directors shall take place. If the election of Directors shall not be held at the annual meeting or at any adjournment of such meeting, the Board shall cause the election to be held at a special meeting as soon thereafter as may be convenient. At such special meeting the Members may elect the Directors and transact other business with the same force and effect as at an annual meeting duly called and held. All proxies validly received for



the originally scheduled meeting shall remain in full force and effect for any such adjourned meeting or special meeting, and new proxies may be received for any such subsequent meeting.

Section 3. Special Meetings. After the first annual or special meeting, special meetings of the Members shall be called by the President when required by Article IV, Section 2 of these By-laws, or may be called by the President whenever he deems such a meeting advisable or shall be called by the Secretary when so ordered by the Board or upon the written request of Members representing no less than twenty-five (25%) percent of all the votes entitled to be cast at such meeting. Such request shall state the purpose(s) of such meeting and the matter(s) proposed to be acted upon. Unless Members representing at least fifty (50%) percent of all votes entitled to be cast request such a meeting, no special meeting may be called to consider any matter which is substantially the same as a matter voted upon at any meeting of the Members held during the preceding twelve months, which determination shall be made in the sole and absolute discretion of the Board.

Section 4. Notice of Meeting. Except as otherwise provided by law, notice of each meeting of Members, whether annual or special, shall be given not less than ten (10) days, nor more than sixty (60) days before the day on which the meeting is to be held, to each Member at his last known address, by delivering a written or printed notice thereof to said Unit Owner, or by mailing such notice, postage prepaid. Except where expressly required by law, no newspaper publication of any notice of a

meeting of Members shall be required. Every such notice shall state the time and place of the meeting and shall state briefly the purpose(s) thereof. Notice of any meeting of Members shall not be required to be given to any Members who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the Members shall not be required to be given except when otherwise expressly required by law.

Section 5. Quorum and Adjourned Meetings. Except as otherwise provided in these By-laws, the presence of 10% of the Members of the Association (including Sponsor or its representative) shall constitute a quorum at any meeting of Members. If any meeting of Members cannot be organized because a quorum has not attended, the Members present may adjourn the meeting at 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 at such meeting.

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

Section 7. Voting. Except as otherwise required by the Certificate of Incorporation, the Master Deed, these By-laws or

any law, a majority of votes in person or by proxy shall be sufficient on those matters which are to be voted on by the Members. The election of Directors shall be by ballot. Unless determined by a majority of the votes of the Members present in person or by proxy at such meeting and entitled to vote thereat or determined by the chairperson of the meeting to be advisable, the vote on any other questions need not be by ballot. Only Members who are in good standing in the Association shall be entitled to vote.

Section 8. A Member in Good Standing. 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 installments due for assessments made or levied against him and his Unit by the Board of Directors as hereinafter provided, together with all interests, costs, attorney's 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 9. Judges. If at any meeting of the Members a vote by ballot shall be taken on any question, the chairperson of such meeting shall appoint two judges to act thereat with respect to such vote. Each judge so appointed shall first subscribe to an oath faithfully to execute the duties of a judge at such meeting with strict impartiality and according to the best of his ability. Such judges shall decide upon the qualifications of voters and shall report the number of votes represented at the meeting and entitled to vote on such question, shall conduct and

accept the votes, and when the voting is complete, shall ascertain and report the number of votes respectively for and against the question but, as to the election of Directors, the number of votes received by each candidate need not be reported. Reports of judges shall be in writing and subscribed and delivered by them to the Secretary of the meeting. The judges need not be Members of the Association, and any officer or Director of the Association may be a judge on any question other than a vote for or against his election to any position with the Association or any other question in which he may be directly interested.

Section 10. Conduct of the Meeting. The order of business at the annual meeting of the Members or at any special meetings as far as practicable shall be:

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

#### ARTICLE IV - BOARD OF DIRECTORS

Section 1. Express and Implied Powers of Duties. The property, affairs and business of the Association shall be managed by the Board of Directors, which shall have all those powers

granted to it by the Certificate of Incorporation, the Master Deed, these By-laws and by applicable law.

Section 2. Number and Qualifications.

(a) The first Board of Directors shall consist of the three (3) persons named in the Certificate of Incorporation of the Association who need not be a Unit Owner and who shall serve for a term ending not later than sixty (60) days after Owners, other than Sponsor, own twenty-five (25%) percent or more of the Units ultimately to be constructed in the Property.

Thereafter, the Board shall consist of five (5) directors (hereinafter referred to as Directors or Directors A, B, C, D and E). Within thirty (30) days after Owners, other than Sponsor, own twenty-five (25%) percent or more of the Units ultimately to be constructed in the Property, the President shall call and give not less than twenty (20) nor more than thirty (30) days' notice of a special meeting of the membership of the Association. At such special meeting, Owners, other than Sponsor, shall be entitled to vote for and elect Directors A and B and Sponsor shall have the right to appoint Directors C, D and E.

Thereafter, and within thirty (30) days after Owners, other than Sponsor, own seventy-five (75%) percent or more of the Units ultimately to be constructed in the Property, the President shall call and give not less than twenty (20) nor more than thirty (30) days' notice of a special meeting of the membership of the Association. At such special meeting Owners other than Sponsor shall be entitled to vote for all of the Directors of the Board not theretofore elected them, except that Sponsor shall be

entitled to appoint Director E so long as Sponsor owns one or more Units and holds same for sale in the ordinary course of business. Turnover of control shall occur within five (5) years of the date of conveyance of the first Unit.

(b) In the case of partnership owners, Directors shall be members, agents or employees of such partnership or of the partners thereof; or, in the case of corporate owners, (including the Sponsor, during such time as Sponsor shall be an Owner of any Units), Directors shall be officers, stockholders, employees or agents of such corporation; or, in the case of fiduciary owners, Directors shall be fiduciaries or officers or employees of such fiduciaries; provided, however, that at least one of the Directors of the Board shall be a resident of the State of New Jersey.

Section 3. Election and Term of Office. (a) At the first meeting of the Membership that is called after Owners, other than the Sponsor own twenty-five (25%) percent or more Directors A and B shall be elected by the Owners, other than the Sponsor, and Sponsor shall appoint Directors C, D and E. Directors A and B shall be elected for a two (2) year term and Directors C, D and E shall be appointed to serve until their successors are elected at the special meeting held after seventy-five (75%) percent or more Units of the Units ultimately to be constructed in the Property, are owned by Owners other than Sponsor or Sponsor's voluntary relinquishment of control of the Board, whichever occurs first. At said special meeting, Directors C, D and E shall be elected by Owners, other than Sponsor (subject, however, to Sponsor's rights

to appoint Director E as provided for in Section 2, above), to serve for an initial term which expires at the annual meeting of the membership at which Directors A and B are not scheduled for reelection, but in no event shall such initial term be less than two (2) years nor more than three (3) years. Thereafter, the term for Directors C, D and E shall be for two (2) years; it being the purpose and intent hereof that Directors A and B shall be elected in alternate years to Directors C, D and E.

(b) The Directors shall hold office until their respective successors have been duly elected and qualified, or until removed in the manner elsewhere provided. At each election of Directors every Member entitled to vote at the election shall have the right to cast the number of votes as shall equal the number of votes to which he is entitled under Article II herein multiplied by the number of Directors to be elected. He may cast all the votes for a single Director, or may distribute them among the number to be elected by a plurality of the votes cast at an election. If ever applicable, candidates polling the highest votes will be considered elected for the longest period of years. Election of Directors at successive annual meetings shall be in accordance with this Section 3.

Section 4. Sponsor's Protective Provisions. (a) After control of the Board of Directors has become vested in Directors elected by Owners other than the Sponsor, and so long as the Sponsor owns at least one (1) Unit and holds same for sale in the ordinary course of business, the following shall apply:

(a) Neither the Association nor its Board of Directors

shall take any action that will impair or adversely affect the rights of the Sponsor nor cause the Sponsor to suffer any financial, legal or other detriment, including but not limited to any direct or indirect interference with the sale of Units, or the assessment of the Sponsor as an Owner, or otherwise, for capital improvements.

(ii) The Association and its Board of Directors shall continue the same level of maintenance, operation and services as provided immediately prior to such assumption of control of the Association and the Board by Unit Owners other than the Sponsor.

(iii) In furtherance of the foregoing provisions, the Sponsor shall have the right to veto any and all actions of the Association or its Board of Directors which may have any direct or indirect detrimental impact upon the Sponsor as may be determined in the reasonable discretion of the Sponsor.

(iv) The Sponsor shall exercise its veto right, in its sole and absolute discretion, within ten (10) days after its receipt of written notice that a resolution or other action is proposed or has been taken by the Association or its Board of Directors. In such event, the Sponsor shall notify the Secretary of the Association of its exercise of its veto right and any such proposal or action shall be null and void and shall be determined to have no further force or effect at any time.

(b) The aforementioned protective provisions shall be construed in accordance with and not in derogation of the provisions of N.J.A.C. 5:26-8.4 of the regulations promulgated pursuant to the New Jersey Planned Real Estate Development Full



Disclosure Act, N.J.S.A. 45:22A-21 et seq.

Section 5. Removal of Members of the Board. The Sponsor appointed Directors serve at the pleasure of the Sponsor and may be removed only by the Sponsor, at any time, with or without cause. While the Sponsor is in control of the Board, any one or more Unit Owner-elected Directors may be removed with or without cause at any duly held regular or special meeting of the Unit Owners by a majority of the Unit Owner votes present, provided that the notice of the meeting expressly includes this item of business on the agenda. In such event a successor(s) shall be elected by the Unit Owners other than the Sponsor in the manner set forth in Article IV, Section 3 herein to fill the vacancies thus created. Once the Unit Owners control the Board, any one or more Unit Owner-elected Directors may be removed with or without cause at any duly held regular or special meeting of the Unit Owners by a majority of the Unit Owner votes present, provided that the notice of the meeting expressly includes this item of business on the agenda. In such event, a successor(s) may then and there be appointed by a majority of the remaining Directors to fill the vacancy thus created. Each person so appointed shall be a Director for the remainder of the term of the Director whose term he is filling and until his successor is duly elected and qualified. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding the foregoing, the Sponsor, as the Owner of Units, may not vote to remove a unit owner-elected Director. Moreover, the Unit Owner rights of removal shall not apply to any Director appointed by the

Sponsor.

Section 6. Vacancies. Vacancies on the Board caused by any reasons other than the removal of a Director by a vote of the Members of the Association shall be filled by a vote of a majority of the remaining Directors, including the Sponsor's appointees, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum. Each person so elected shall be a Director for the remainder of the term of the Director whose term he is filling and until his successor shall be elected. Notwithstanding the foregoing, until the first annual meeting of Members, Sponsor shall have the right to fill all vacancies on the Board by appointment. Unit Owner-elected vacancies on the Board shall only be filled with Unit Owners other than the Sponsor, whether same be appointed or elected.

Section 7. Meeting of the Board; Notices; Waiver of Notice. The first meeting of the Board following the first annual meeting of the Members shall be held within ten (10) days thereafter at such time and place as shall be fixed by a majority of the Directors at the annual meeting of the Members and no notice shall be necessary. Thereafter, regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings of the Board shall be given to each Director by telephone, mail or telegram at least seven (7) business days prior to the day of the meeting. Special meetings of the Board may be

called by the President on three (3) business days' notice to each Director, given by mail or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or the Secretary in a like manner and on like notice on the written request of at least three (3) Directors. Any Director, at any time, may waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. In the discretion of the Board, meetings of the Board, or portions thereof, may be open to Members of the Association for observation or participation in such manner and to the extent the Board may deem appropriate.

Section 8. Quorum and Adjourned Meetings. At all meetings of the Board a majority of the Directors shall constitute a quorum for the transaction of business and the votes of a majority of the Directors present and voting at a meeting at which a quorum is present shall constitute a valid decision. If at any meeting of the Board there shall be less than a quorum present, the majority of those present shall adjourn the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be transacted without further notice. The vote of a majority of those present at a Board meeting at which a quorum is

present shall be necessary for valid action by the Board on any matter.

Section 9. Joinder in Meetings by Approval of Minutes.

The transaction of any business at any meeting of the Board however called and noticed or wherever held, shall be valid as though a meeting duly held after regular call and notice, if a quorum is present, and if, either before or after the meeting, each Director signs a written waiver of notice, or a consent to the holding of the meeting, or an approval of the minutes thereof or of the resolution or act adopted at such meeting. All such waivers, consents or approval shall be in writing and filed with the Secretary and made a part of the minutes of the meeting even though filed subsequent thereto.

Section 10. Non-Waiver. All the rights, duties and privileges of the Board shall be deemed to be continuing and shall not be exhausted by any single act or series of acts. To the same extent, the failure to use or employ any remedy or rights hereunder or hereafter granted shall not preclude its exercise in the future nor shall any custom bind the Board.

Section 11. Consent in Lieu of Meeting and Vote. Anything to the contrary in these By-laws, the Certificate of Incorporation or the Master Deed notwithstanding, the entire Board of Directors shall have the power to take action on any matter on which it is authorized to act, without the necessity of a formal meeting and vote if the entire Board, or all the Directors empowered to act, whichever the case may be, shall consent in writing to such action.

ARTICLE V - POWERS AND DUTIES OF BOARD OF DIRECTORS

Section 1. General Powers and Privileges. The Board shall have all those powers granted to it or necessarily implied by law or by the Certificate of Incorporation, these By-laws or the Master Deed, including but not limited to the following:

- (a) Do anything and everything necessary for the sound management of the Condominium, including the power to employ, by contract or otherwise, a manager, managing agent or an independent contractor, to oversee, supervise and carry out the responsibilities of the Board. Said manager or said independent contractor shall be compensated upon such terms as the Board deems necessary and proper; and
- (b) Employ any person, firm or corporation to repair, maintain or renovate the Common Elements or any area required to be maintained pursuant to the Master Deed; lay pipes or culverts; to bury utilities; to put up lights or poles; to erect signs and traffic and safety controls of various sorts on said Common Elements; and
- (c) Employ professional counsel and to obtain advice from persons, firms or corporations such as, but not limited to, landscape architects, architects, engineers, lawyers and accountants; and
- (d) To employ or contract for water and sewer, electricity and gas or other forms of utilities, cable or master antenna television, if any; and

- (e) Employ all managerial personnel necessary, or enter into a managerial contract for the efficient discharge of the duties of the Board hereunder; and
- (f) Adopt, amend, and publish Rules and Regulations covering the details of the operation and use of the Common Elements including but not limited to pet controls; and
- (g) Secure full performance by Unit Owners or occupants of all items of maintenance for which they are responsible; and
- (h) Set minimum standards for floor coverings installed by all Unit Owners in Buildings, with the exception of Sponsor; and
- (i) Coordinate the plans of Unit Owners and occupants of Units for moving their personal effects or property into the Unit or out of it, with a view toward scheduling such movements so that there shall be a minimum of inconvenience to others; and
- (j) Establish and enforce Rules and Regulations for parking by, and the assignment of parking spaces to, Unit Owners, subject to the provisions of the Master Deed, Certificate of Incorporation and these By-laws; and
- (k) Arrange for security protection as necessary; and
- (l) Enforce obligations of the Members and do anything and everything else necessary and proper for the sound management of the Property, including the right

to bring or defend lawsuits to enforce the terms, conditions and restrictions contained in the Master Deed, these By-laws and any Rules and Regulations governing the Property or Members; and

- (m) Borrow and repay monies giving notes, mortgages or other security upon such term or terms as it deems necessary; and
- (n) Invest and reinvest monies, sue and be sued; collect interest, dividends and capital gains; exercise rights; pay taxes; make and enter into contracts; enter into leases or concessions; make and execute any and all proper affidavits for various purposes; compromise any action without leave of court; and all other powers contained herein, and those necessary and incidental thereto; and
- (o) Transfer and obtain easements, licenses and other property rights with respect to contiguous lands; and
- (p) Purchase or lease or otherwise acquire in the name of the Association or its designees, corporate or otherwise, on behalf of all Members, Units offered for sale or lease or surrendered by their owners to the Board provided that the foregoing shall not be construed to constitute a right of first refusal; and
- (q) Purchase Units at foreclosure or other judicial sales in the name of the Association or its designees, corporate or otherwise, on behalf of all Members; and

- (r) Sell, lease, mortgage (but not vote the votes appurtenant thereto) or otherwise deal with Units acquired by the Association, and sublease any such Units leased by the Association or its designees, on behalf of all Members; and
- (s) Bring and defend actions by or against one or more Unit Owners pertinent to the health, safety or general welfare of the Members, or any other legal action to which the Owners may consent in accordance with these By-laws; and
- (t) If the Board considers it appropriate, appoint an Insurance Trustee, who shall not be a member of the Association, an employee of the Sponsor, or the manager, who shall discharge his duties in accordance with these By-laws. In the absence of such an appointment, the Board shall be responsible for the disposition of all insurance proceeds; and
- (u) Create, appoint members to and disband such committees as shall from time to time be deemed appropriate or necessary to aid the Board in the discharge of its duties, functions and powers.

Section 2. Duties and Responsibilities. It shall be the affirmative and perpetual obligation and duty of the Board to perform the following:

- (a) Cause the General and Limited Common Elements to be maintained according to reasonable standards adopted by the Board and as set forth in the Master Deed, and



these By-laws, including, but not limited to such maintenance, replacement and repair work as may be necessary, lawn maintenance and clearing of snow from roadways and walkways as the Board may deem appropriate. All repairs and replacements shall be substantially similar to the original application and installation and shall be of first class quality; and

- (b) To investigate, hire, pay, supervise, and discharge the personnel necessary to be employed, and provide the equipment and materials necessary, in order to properly maintain and operate the Common Elements as contemplated by the Master Deed and these By-laws. Compensation for the services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Association; and
- (c) Cause to be kept a complete record of all its acts and corporate affairs and to present a summary report thereof to the Members at the annual meeting or at any special meeting when requested in writing at least twenty-one (21) days in advance by Members entitled to cast at least twenty-five (25%) percent of the total votes of the Association; and
- (d) Allocate common surplus or make repairs, additions, improvements to, or restoration of the Common Elements in accordance with the provisions of these By-laws and the Master Deed after damage or destruction by fire or other casualty, or as a result

- of condemnation or eminent domain proceedings; and
- (e) Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises maintained by the Association placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, and order of the Board of Fire Underwriters or other similar bodies; and
  - (f) Place and keep in force all insurance coverages required to be maintained by the Association, applicable to its property and Members including, but not limited to:
    - (i) Physical Damage Insurance. Broad form insurance against loss by fire and against loss by lightning, windstorm, and other risks normally included within all risk extended coverage, including vandalism and malicious mischief, insuring all improvements existing on the common property, together with all service machinery appurtenant thereto, covering the interest of the Association, the Board, the Developer, and all Members and Institutional Lenders as their respective interests may appear, in an amount equal to the full replacement value of such improvements (exclusive of foundations and footings), without deduction for depreciation. Each policy shall contain a standard mortgagee clause in favor of each Institutional Lender, which shall provide that

the loss, if any, thereunder, shall be payable to each Institutional Lender as its interest may appear, subject to the loss payment provisions set forth in paragraph 16 of the Master Deed. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board shall obtain an appraisal of the full replacement value of said improvements, without deduction for depreciation, for the purposes of determining the amount of fire insurance to be effected pursuant to this subparagraph. The amount of any deductible shall be determined by the Board, in its sole discretion.

(ii) Public Liability Insurance. To the extent obtainable, public liability insurance for personal injury and death from accidents occurring within the Common Elements (and any other areas which the Board may deem advisable), and the defense of any actions brought by injury or death of a person or damage to property, occurring within such areas, and not arising by reason of any act or negligence of any individual Member. Said insurance shall be in such limits as the Board may, from time to time, determine, covering each Member of the Board, the managing agent, the manager, and each Member, and shall also cover cross liability claims of one insured against another. The Board shall review limits of such insurance once a year.

(iii) Directors' and Officers' Liability Insurance. Liability insurance indemnifying the Directors and Officers of the Association against the liability for errors and omissions occurring in connection with the performance of their duties, with policy limits and deductible amounts to be determined in the sole discretion of the Board. Deductible amounts shall be paid by the Association and shall be deemed a Common Expense.

(iv) Workers' Compensation Insurance. Workers' compensation and New Jersey disability benefits insurance as required by law.

(v) Water Damage. Water damage legal liability insurance, if appropriate.

(vi) Other Insurance. Such other insurance as the Board may determine.

(vii) All policies shall: (A) provide that adjustment of loss shall be made by the Board of Directors with the approval of the Insurance Trustee, if any, and that the net proceeds thereof, if \$25,000.00 or less shall be payable to the Board, and if more than \$25,000.00 shall be payable to the Insurance Trustee, if the Board decides to appoint one, otherwise to the Board; (B) require that the proceeds of physical damage insurance be applied to the restoration of such Common Elements and structural portions and service machinery as is

required by the Master Deed and these By-laws; (C) to the extent obtainable contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured; and (D) provide that such policies may not be cancelled without at least thirty (30) days' prior written notice to all of the named insureds, including all Unit Owners and Institutional Lenders.

(viii) Proceeds from any casualty loss shall be utilized and deemed to be a trust fund for the purpose of rebuilding, restoring and repairing the damaged or destroyed portions of the Property, in conformance with the original plans and specifications therefor and in accordance with all applicable building codes. In the event there is any deficiency in the amount of insurance proceeds necessary to effect such repair or reconstruction, then the Association may levy a Special Assessment upon all Unit Owners in order to make up such deficiency.

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

(x) Unit Owners shall not be prohibited from carrying insurance for their own benefit provided that all such policies shall contain waivers of subrogation; and further provided that the liability

of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owners.

(xi) The premiums for all insurance and fidelity bonds carried by the Association shall be a Common Expense and shall be borne by the Unit Owners in proportion to their respective obligations to pay Common Expenses.

(g) To manage the fiscal affairs of the Association as hereinafter provided in Article VI, and to prepare, prior to each annual meeting, a balance sheet, statement of income and budget for the Association reflecting the amounts intended to be necessary to meet the cost of operation and maintenance, etc.

#### ARTICLE VI - FISCAL MANAGEMENT

Section 1. Common Expense Assessments. The Board shall have the duty to collect from each Member, his, her or their heirs, administrators, successors, and assigns, as "Common Expense Assessments," the proportionate part of the Common Expenses assessed against each such Member as provided in the Master Deed, the Certificate of Incorporation, these By-laws, and in accordance with applicable law.

Section 2. Determination of Common Expenses. The amount of monies for Common Expenses deemed necessary by the Board and the manner of expenditure thereof, including but not limited to the allocation thereof, shall be a matter for the sole discretion

of the Board, except that any expenses for maintenance of Units shall be allocated only to those Units maintained.

Section 3. Disbursements. The Board shall take and hold the funds as collected and shall disburse the same for the purposes and in the manner set forth herein and as required by the Master Deed, Certificate of Incorporation, and applicable law.

Section 4. Depositories. The depository of the Association shall be such insured bank or savings and loan institution as shall be designated from time to time by the Board and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such parties as are authorized by the Board, provided that a management agreement may include among its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association, if the proper fidelity bond is furnished to the Association.

Section 5. Accounts. (a) The receipts and expenditures of the Association shall be common charges and Common Expenses respectively, and shall be credited and charged to accounts under the following classifications as the Board shall deem appropriate, all of which expenditures shall be Common Expenses:

- (i) Current expenses, which shall include expenditures within the year for which the budget is made, including reasonable allowances for contingencies and working funds. Current expenses shall not include expenditures chargeable to reserves. At the end of each year, the unexpended amount remaining in this

account shall be applied to reduce the assessments for current expenses for the succeeding year, or may be distributed to the Membership, as the Board shall determine.

- (ii) Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.
- (iii) Reserve for replacement, which shall include funds for repair or replacement of the Common Elements and those portions of the improvements located on the property which the Association is obligated to maintain or repair which is required because of damage, depreciation or obsolescence. The amounts in this account shall be allocated among each of the separate categories of replacement items.
- (iv) Reserves for capital improvements, which shall include the funds to be used for capital expenditures or for acquisition of additional personal property that will be part of the Common Elements.
- (v) Operations, which shall include all funds from the use of the Common Elements or from any other sources. Only the additional direct expense required by any revenue producing operation will be charged to this account, and any surplus from any operation or otherwise



shall be used to reduce the assessments for current expenses for the year during the one in which the surplus is realized, or at the discretion of the Board, in the year following the one in which the surplus is realized. Losses from operations or otherwise shall be met by special assessments against Unit Owners, which assessments may be made in advance in order to provide a working fund.

- (b) The Board shall not be required to physically segregate the funds held in the above accounts but may, in its sole discretion, maintain funds in one or more consolidated accounts. As to each consolidated account, the division into various accounts set forth above need be made only on the Association's records.

Section 6. Reserves. The Board shall not be obligated to expend all of the reserves collected in any accounting period, and must maintain reasonable reserves 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 that portion of the Common Expenses which is to be assessed against the Unit Owners as a capital contribution and is allocable to reserves for each separate item of capital improvement of and to said property. The amounts assessed and collected for the reserves shall be kept in one or more

interest-bearing savings accounts, or certificates of deposit shall not be utilized for any purpose other than that which was contemplated at the time of the assessment. 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 its functions.

Section 7. Exemption from Assessment for Capital Improvements. Anything to the contrary herein notwithstanding neither Sponsor, nor any successor to Sponsor, nor any Institutional Lender (except if the Institutional Lender holds title to the Unit) for any Unit shall be required to contribute or pay any sums or assessments for capital improvements whether by way of regular or Special Assessments or otherwise. Further, this provision may not be amended without the written consent of the Sponsor and that of every Institutional Lender who would otherwise be exempt from the payment of Common Expenses.

Section 8. Notice; Annual Assessment; Emergencies. (a) The Board shall give at least fifteen (15) days' advance notice to each Member, in writing, and to any Eligible Mortgage Holder, of the amount, estimated by the Board, of Common Expenses for the management and operation of the Association for the next ensuing period, directed to the Unit Owner at his last known address by ordinary mail, or by hand delivery. Said notice shall be conclusively presumed to have been delivered five (5) days after deposit in the United States mails.

(b) If an annual Common Expense assessment is not made required, an assessment shall be presumed to have been made in the

amount of the last prior year's assessment, and installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual Common Expense assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board, provided that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency which cannot be made by reserve funds earmarked for such contingency.

Section 9. Default; Late Payment; Acceleration of Assessment Installments Upon Default; Late Charges; Counsel Fees.

(a) If an Owner shall be in default in the payment of an installment upon a Common Expense Assessment, the Board may accelerate the remaining installments of the assessment and file a lien for such accelerated amount upon notice to the Owner, and if the delinquent installment has not been theretofore paid, the then unpaid balance of the Common Expense Assessment shall become due upon the date stated in the notice, which date shall not be less than five (5) days after delivery of the notice to the Unit Owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur. If such notice is given and default shall continue for a period of thirty (30) days, then the Board shall be required to accelerate the remaining installments of the Assessment upon similar notice to the Unit Owner, and to file a lien for such accelerated Assessment as permitted by law if the delinquent Assessment has not been heretofore paid. In such latter event, the Board may

also notify any Eligible Mortgage Holder holding a mortgage which encumbers the Unit affected by such default or publish appropriate notice of such delinquency to the Membership of the Association. If said default continues for a period of 90 days, then the Board shall foreclose the foregoing lien pursuant to law and/or commence a suit against the appropriate parties to collect said Assessment.

(b) The Board at its option shall have the right in connection with the collection of any Common Expense assessment, or other charge, to impose a late charge of any reasonable amount and/or interest not to exceed the maximum rate permitted by law. In the event that the Board shall effectuate collection of said Assessments or charges by resort to counsel, and/or the filing of a lien, the Board may add to the aforesaid Assessments or charges a sum or sums of twenty (20%) percent of the gross amount due as counsel fees, plus the reasonable costs for the preparation, filing and discharge of the lien, in addition to such other costs as may be allowable by law.

Section 10. Actions By or Against Association; Assessment of Expenses and Allocation of Awards. (a) In the cases of any action or proceeding brought or defended by the Association or the Board pursuant to the provisions of these By-laws, the reasonable costs and expenses of preparation and litigation, including attorneys fees, shall be a Common Expense allocated to all Unit Owners.

(b) Money judgments recovered by the Association in any action or proceeding brought hereunder, including costs, penalties or damages shall be deemed a special fund to be applied to (i) the

payment of unpaid litigation expenses; (ii) refunding to the Unit Owners the cost and expenses of litigation advanced by them; (iii) Common Expense Assessments, if the recovery thereof was the purpose of the litigation; (iv) repair or reconstruction of the Common Elements if recovery of damages to same was the motivation for the litigation; and (v) any amount not applied to (i), (ii), (iii) and (iv) above shall at the discretion of the Board be treated either as (i) a common surplus which shall be allocated and distributed pursuant to the provisions of paragraph 7 of the Master Deed or (ii) a set off against the Common Expense Assessments generally. Notwithstanding the foregoing, if a Unit Owner(s), the Board or any other person or legal entity affected by any such distribution, shall assert that the damages sustained or the diminution in value suffered by a Unit Owner(s) was disproportionate to his or their percentage of common interest, in that event the matter shall be submitted to binding arbitration to be decided in accordance with the procedures set forth in Article XV hereof.

(c) All Common Expense Assessments received and to be received by the Board, for the purpose of paying any judgment obtained against the Association or the Board and the right to receive such funds, shall constitute trust funds and the same shall be expended first for such purpose before expending any part of the same for any other purpose.

(d) In the event that a Unit Owner(s) succeed in obtaining a judgment or order against the Association or the Board, then in addition to any other sums to which said Owner(s)

would otherwise be entitled by such judgment or order, he or they shall also be entitled to the restitution or recovery of any sums paid to the Board as Common Expense Assessments for litigation expenses in relation to said action or proceeding.

Section 11. Power of Attorney to Institutional Lender. In the event the Board shall not cause the enforcement procedures provided in Section 9 above to be implemented within the time provided, any Institutional Lender for any Unit as to which there shall be such unpaid Common Expenses assessments is hereby irrevocably granted a power of attorney to commence such actions and to invoke such other remedies, all in the name of the Association. This power of attorney is expressly stipulated to be coupled with an interest in the subject matter.

Section 12. Annual Audit. While the Developer maintains a majority of representation on the Board, he shall have an annual audit of Association funds prepared by an independent accountant, a copy of which shall be delivered to each Unit Owner within 90 days of the expiration of the fiscal year of the Association. The audit shall cover the operating budget and reserve accounts. Thereafter, the Board shall submit the books, records and memoranda of the Association to an annual audit by an independent or certified public accountant who shall audit the same and render a report thereon in writing to the Board and in summary form to the Members and such Eligible Mortgage Holder or other persons, firms or corporations as may be entitled to same.

Section 13. Examination of Books. Each Member and each Eligible Mortgage Holder shall be permitted to examine the books

of account of the Board at a reasonable time on business days; provided, however, that the Treasurer has been given at least 10 days' prior written notice of the Member's desire to make such an examination.

Section 14. Fidelity Bonds. Fidelity bonds shall be required by the Board from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board. The premiums on such bonds shall be paid by the Association. In addition, until the expiration of any management contract entered into while the Sponsor maintains a majority of the Board, the Sponsor shall insure that a bond is in place or insurance purchased. Furthermore, while the Developer maintains a majority of representation on the Board, he shall post a fidelity bond or other guarantee acceptable to the Department of Community Affairs in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves.

#### ARTICLE VII - OFFICERS

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

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board at the first

Board of Directors meeting following each annual meeting and such officers shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of majority of the full number of Directors, any officer may be removed, with or without cause, after opportunity for a hearing, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the Office of President of an Association.

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

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

Section 7. Treasurer. The Treasurer shall have the responsibility for the Association funds and securities and shall



be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be authorized by the Board. These duties may be delegated to the Manager.

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

Section 9. Eligibility of Directors. Nothing herein contained shall prohibit a Director from being an officer.

ARTICLE VIII - COMPENSATION, INDEMNIFICATION AND EXCULPATION OF OFFICERS, DIRECTORS AND COMMITTEE MEMBERS

Section 1. Compensation. No compensation shall be paid to the President or the Vice President or any Director or Committee Member for acting as such Officer or Director. The Secretary and/or Treasurer may be compensated for their services if the Board determines that such compensation is appropriate, reasonable compensation for services rendered. Nothing herein stated shall prevent any Officer, Director or Committee Member from being reimbursed for out-of-pocket expenses or compensated for services rendered in any other capacity to or for the Association, provided, however, that any such expenses incurred or services rendered shall have been authorized in advance by the Board.

Section 2. Indemnification. Each Director, Officer or Committee Member of the Association, shall be indemnified by the Association against the actual amount of net loss, including counsel fees, reasonably incurred by or imposed upon him in

connection with any action, suit or proceeding to which he may be a party by reason of his being or having been a Director, Officer or Committee Member of the Association, or delegee, except as to matters for which he shall be ultimately found in such action to be liable for gross negligence or willful misconduct. In the event of a settlement of such case, 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 had not been guilty of gross negligence or willful misconduct.

Section 3. Exculpation. Unless acting in bad faith, neither the Board as a body nor any Director, Officer or Committee Member of the Association shall be personally liable to any Member in any respect for any action or lack of action arising out of the execution of his office. Each Member shall be bound by the good faith actions of the Board, Officers and Committee Members of the Association in the execution of the duties of said Directors, Officers and Committee Members. Nothing contained herein to the contrary shall serve to exculpate members of the Board appointed by the Sponsor from discharging their fiduciary responsibilities.

#### ARTICLE IX - FISCAL YEAR

The fiscal year of the Association shall be a calendar year basis, or upon such basis as the Board shall deem advisable.

#### ARTICLE X - IMPROVEMENTS BY THE ASSOCIATION; EMERGENCY EXPENDITURES; IMPROVEMENTS OR ADDITIONS BY SPONSOR

Whenever, in the judgment of the Board, the Common Elements require improvements costing in excess of \$10,000.00, said

improvements shall not be made unless they have been approved by a majority of votes at a meeting of the Association at which a quorum is present. When said approval has been obtained, all Unit Owners shall be assessed for the cost thereof as a Common Expense. In the event of any emergency which could cause damage to any portion of the Common Elements, the Board may expend sums in excess of \$10,000 to protect the Common Elements and the judgment of the Board shall be final. However, while the Sponsor maintains a majority of the Board of Directors, it shall make no additions, alterations, improvements or purchases not contemplated in this offering which would necessitate a Special Assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender or in the event of any emergency.

#### ARTICLE XI - MISCELLANEOUS

Section 1. Notices. Any notice required to be sent to any Unit Owner under the provisions of the Master Deed or Certificate of Incorporation or these By-laws shall be deemed to have been properly sent and notice thereby given, when mailed, by regular post with postage prepaid, addressed to the Unit Owner at the last known post office address of the person who appears as a member on the records of the Association at the time of such mailing. Notice to one or two or more co-owners of a Unit shall constitute notice to all co-owners. It shall be the obligation of every Unit Owner to immediately notify the Secretary of the Association in writing of any change of address. Valid notice may also be given to Unit Owners by (i) personal delivery to any occupant of said

Unit over 14 years of age or (ii) by affixing said notice to or sliding same under the front door of any Unit.

Section 2. Invalidity. The invalidity of any part of these By-laws shall not impair or affect in any manner the enforceability or affect the balance of the By-laws.

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

Section 4. Conflict. Anything to the contrary herein notwithstanding, if any provision of these By-Laws is in conflict with or contradiction of the Master Deed, the Certificate of Incorporation or with the requirements of any law, then the requirements of said Master Deed, Certificate of Incorporation or law shall be deemed controlling.

#### ARTICLE XII - AMENDMENTS

Subject to the restrictions in Section 4 of Article IV and Section 7 of Article VI, these By-laws, or any of them, may be altered or repealed, or new By-laws may be made, at any meeting of the Association duly constituted for such purpose, and prior to which written notice to Members of the exact language of the amendment or of the repeal shall have been sent, a quorum being present, by an affirmative vote of 51% of the votes entitled to be cast in person or by proxy, except that (i) the first annual meeting may not be advanced; (ii) the first Board (including replacements in case of vacancies) may not be enlarged or removed;

and (iii) the obligation or the proportionate responsibility for the payment of Common Expenses or the exemption therefrom may not be changed by reason of any such amendment or repeal. No such new By-law amendment or repeal shall in any way affect the Sponsor unless the Sponsor has given its prior written consent thereto. No amendment, repeal or new By-law need be recorded with the county recording office unless required to give effect to such amendment. The Sponsor shall not be permitted to cast any votes held by it for unsold lots, parcels, units or interest for the purpose of amending the Master Deed, By-laws or any other document for the purpose of changing the permitted use of a lot, parcel, unit or interest, or for the purpose of reducing the Common Elements or facilities.

#### ARTICLE XIII - ENFORCEMENT

Section 1. Enforcement. The Board shall have the power, at its sole option, to enforce the terms of this instrument or any Rule or Regulation promulgated pursuant thereto, by any or all of the following: self-help; sending notice to the offending party to cause certain things to be done or undone; restoring the Association to its original position and charging the breaching party with the entire cost or any part thereof; complaint to the duly constituted authorities; or by taking any other action before any court, summary or otherwise, as may be provided by law.

Section 2. Fines. The Board shall also have the power to levy fines against any Unit Owner(s) for violations(s) of any rules or regulation or restrictions contained in the Master Deed or By-laws except that no fine may be levied for more than \$10.00

for any one violation provided, however, that for each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against any Unit Owner(s) involved as if the fines were a Common Expense owed by the particular Unit Owner(s). Notwithstanding the foregoing, before any fine is imposed by the Board, the Unit Owner involved shall be given at least ten (10) days prior to written notice and afforded an opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

#### ARTICLE XIV - ARBITRATION

Any arbitration provided for in these By-laws shall be conducted before one arbitrator in Middlesex County, New Jersey by the American Arbitration Association, in accordance with its rules then obtaining and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. All expenses of arbitration hereunder including the fees and expenses of counsel and experts shall be Common Expenses.

#### ARTICLE XV - CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words "The Enclave at Edison Condominium Association, Inc."

0114k

# J. DiLeo Agency, Inc.

Insurance

315 Stelton Road  
Piscataway, NJ 08855-0762  
201 985-1000  
201 752-2100

A Subsidiary of  
Meeker Sharkey  
Financial Group, Inc.

April 12, 1988

Mr. Robert Karnell  
The Enclave at Edison, Inc.  
44 Stelton Road  
Piscataway, N.J. 08854

Re: Insurance Coverage  
The Enclave at Edison  
Condominium Association

Dear Mr. Karnell:

Based on the information in the Public Offering Statement and the valuation figures provided by your office, we believe the following insurance program to be adequate upon completion of Phase One:

Property Coverage for the common elements, including the applicable portion of the buildings, amounting to \$2,000,000.

General Liability  
\$1,000,000. limit per occurrence and aggregate for the policy period.

Non-Owned Automobile Liability  
\$1,000,000. limit per occurrence and aggregate for the policy period.

Fidelity Coverage for losses caused by employee dishonesty. \$200,000. limit per policy period.

Umbrella Liability  
\$5,000,000. limit per occurrence and aggregate for the policy period.

Workers' Compensation  
Statutory Coverage

Directors & Officers Liability  
\$1,000,000. limit per occurrence and aggregate for the policy period.

PROJECTED ESTIMATED ANNUAL PREMIUM: \$23,546.



Please note that these estimated premiums are projected figures and are not quotations. Insurance market conditions fluctuate unpredictably, so at a later date, these estimated premiums are subject to change.

Sincerely,



Greg Downs  
Account Executive

GD/bm

CC: Mr. Frank Anderson, The Karnell Group  
Mr. William J. Redmond, President, J. DiLeo Agency, Inc.  
Ms. Hariett Derman, Weiner & Hendler  
Mr. Michael Nudelman, Mid State Management



# J. DiLeo Agency, Inc. Insurance

1315 Stelton Road  
Piscataway, NJ 08855-0762  
201 985-1000  
201 752-2100

A Subsidiary of  
Meeker Sharkey  
Financial Group, Inc.

April 12, 1988

Mr. Robert Karnell  
The Enclave at Edison, Inc.  
44 Stelton Road  
Piscataway, N.J. 08854

Re: Insurance Coverage  
The Enclave at Edison  
Condominium Association

Dear Mr. Karnell:

Based on the information in the Public Offering Statement and the valuation figures provided by your office, we believe the following insurance program to be adequate upon completion of the entire project:

Property Coverage for the common elements, including the applicable portion of the buildings, amounting to \$4,500,000.

General Liability  
\$1,000,000. limit per occurrence and aggregate for the policy period.

Non-Owned Automobile Liability  
\$1,000,000. limit per occurrence and aggregate for the policy period.

Fidelity Coverage for losses caused by employee dishonesty. \$200,000. limit per policy period.

Umbrella Liability  
\$5,000,000. limit per occurrence and aggregate for the policy period.

Workers' Compensation  
Statutory Coverage

Directors & Officers Liability  
\$1,000,000. limit per occurrence and aggregate for the policy period.

PROJECTED ESTIMATED ANNUAL PREMIUM: \$30,896.



Please note that these estimated premiums are projected figures and are not quotations. Insurance market conditions fluctuate unpredictably, so at a later date, these estimated premiums are subject to change.

Sincerely,



Greg Downs  
Account Executive

GD/bm

CC: Mr. Frank Anderson, The Karnell Group  
Mr. William J. Redmond, President, J. DiLeo Agency, Inc.  
Ms. Harriett Derman, Weiner & Hendler  
Mr. Michael Nudelman, Mid State Management

# MIDSTATE MANAGEMENT

CORPORATION

201 Omni Drive • Somerville, New Jersey 08876 • (201) 874-6375

April 21, 1988

Mr. Robert Karnell  
The Karnell Group  
44 Stelton Road  
Suite 300  
Piscataway, New Jersey 08854

Dear Mr. Karnell:

The accompanying projected budget for The Enclave at Edison Condominium Association, for the first full year of operation, was prepared on the basis of assumptions and rationale provided by the Sponsor, proposed contracts for services from unaffiliated contractors and the operating experience of Midstate Management Corporation. The budget covers the projected costs of operating, maintaining and setting aside amounts as reserves for future replacement of the common elements. It is my opinion the estimates used in determining the operating budget including the reserve for future replacement of the common elements are adequate.

Since the projection is based upon assumptions and about circumstances and events that have not yet taken place, it is subject to variations that may arise as future events occur. Accordingly, we cannot give assurance that the projected budget will be attained. In addition, the underlying assumptions are based on current information and circumstances supplied by the Sponsor. Because circumstances may change and unanticipated events may occur subsequent to the date of this report, the assumptions and rationale must be reviewed in light of circumstances then prevailing.

Sincerely yours,

MIDSTATE MANAGEMENT CORP.



Michael Nudelman

MN/km  
enc.

THE ENCLAVE AT EDISON CONDOMINIUM ASSOCIATION, INC.  
 OPERATING BUDGET BASED ON FULL OCCUPANCY OF 86 UNITS  
 FOR THE FIRST FULL YEAR OF OPERATION

INCOME

Residential Assessments (\$195/mo. x 86 units)	\$201,240	
Total Income		<u>\$201,240</u>

OPERATING EXPENSES

Administrative

Bank Charges	260	
Telephone	300	
Office Supplies & Printing	1,137	
Management Fee	10,320	
Audit	2,000	
Legal	1,000	
Insurance	<u>31,000</u>	
Total Administrative		46,017

Grounds

Water	10,000	
Electric	6,000	
Lawn Maintenance	30,000	
Irrigation System	2,000	
Snow Clearing	15,000	
Garbage Removal	13,416	
Painting	15,000	
General Maintenance	<u>8,000</u>	
Total Grounds		99,416

Recreation

Pool Management	12,500	
Pool Supplies	1,000	
Pool Maintenance	1,000	
Community Building	<u>2,000</u>	
Total Recreation		<u>16,500</u>

Total Operating Expenses		161,933
Operating Contingency		5,000
Reserve for Replacement		<u>34,307</u>
Total Operating Expenses and Reserves		<u>\$201,240</u>

THE ENCLAVE AT EDISON CONDOMINIUM ASSOCIATION, INC.  
 OPERATING BUDGET BASED ON FULL OCCUPANCY OF 86 UNITS  
 FOR THE FIRST YEAR OF OPERATION

ANALYSIS OF REPLACEMENT RESERVE

<u>Description</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Useful Life</u>	<u>Replacement Fund</u>
Sanitary Sewer Laterals	2,700 Lin.Ft.	\$ 15.00	\$ 40,500	35 Yrs.	\$ 1,157
Parking areas and roads	15,000 Sq.Yds.	5.00	75,000	20 Yrs.	3,750
Sidewalks	13,500 Sq.Ft.	2.00	27,000	25 Yrs.	1,080
Curbs	7,000 Lin.Ft.	9.00	63,000	50 Yrs.	1,260
Roofs	172,000 Sq.Ft.	.75	129,000	25 Yrs.	5,160
Siding	113,000 Sq.Ft.	3.00	339,000	30 Yrs.	11,300
Tennis Courts	2 Courts	4000.00	8,000	8 Yrs.	1,000
Pool Equip	Lump Sum		10,000	10 Yrs.	1,000
Gutters and Downspouts	16,000 Lin.Ft.	2.00	32,000	20 Yrs.	1,600
Clubhouse	Lump Sum		180,000	40 Yrs.	4,500
Furnishings	Lump Sum		25,000	10 Yrs.	<u>2,500</u>
<b>TOTAL REPLACEMENT RESERVES</b>					<u><u>\$ 34,307</u></u>

THE ENCLAVE AT EDISON CONDOMINIUM ASSOCIATION, INC.  
ASSUMPTIONS SUPPORTING THE ESTIMATES USED IN  
THE PREPARATION OF THE OPERATING BUDGETS

ADMINISTRATIVE

Office Supplies & Printing: Expenses for the operation of the Association; stationery, postage, office supplies, photocopies, etc..

Management Fee: Fee to independent management company for administrative and supervisory services including assessment and collection of dues, negotiating and monitoring independent service contracts, financial accounting, etc..

Legal and Accounting: Based upon fees to independent consultants for legal counsel to the Board and for annual audit and review of the Association records and preparation of tax returns.

Insurance: Includes hazard and fire insurance on all common elements of the Association which includes the building exteriors on all units. General Liability, Umbrella Liability and Director's and Officer's Liability Insurance Policies will conform to the requirements identified in the Master Deed. In addition, there is a Workmen's Compensation policy based upon the minimum clerical payroll. The premiums for these policies are based upon an estimate from an independent insurance broker.

GROUNDS

Water: Annual cost of water service for fire hydrants and general use.

Electric: Cost of electricity for common area lighting.

Lawn Maintenance: Fee to independent contractor for lawn and landscape maintenance covering an eight month period.

Irrigation System: Opening and closing the system each year. Also, money for replacement of broken sprinkler heads and general maintenance.

Snow Clearing: Fee to independent contractor for snow removal and sanding of parking areas and walkways.

Garbage Removal: Fee to independent contractor for routine pick-up of household trash.

Painting: Fee to independent contractor for painting of all trim work.

General Maintenance: Allowance for materials and supplies needed to properly maintain the Association's common property.

RECREATION: Based on four months operation (June through September) of the pool including chemicals, electricity for lighting and filter system, maintenance of pool and cabanas, water testing, and lifeguards. Also, purchasing of pool furniture.

OPERATING CONTINGENCY: Money set aside to cover any unanticipated expenditure and/or capital improvements.

RESERVE FOR REPLACEMENT: The Association documents call for the establishment and accumulation of funds for the eventual replacement of certain common facilities. The funds should be budgeted, collected and set aside in the Association accounts on an annual basis. Each year during the budget process, the Association Board Members should review the replacement cost and useful life for reasonableness in determining the proper amount of funds to be set aside in that particular year.

# MIDSTATE MANAGEMENT

CORPORATION

201 Omni Drive • Somerville, New Jersey 08876 • (201) 874-6375

April 21, 1988

Mr. Robert Karnell  
The Karnell Group  
44 Stelton Road  
Suite 300  
Piscataway, New Jersey 08854

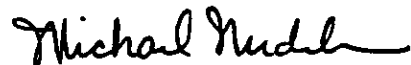
Dear Mr. Karnell:

The accompanying projected budget for The Enclave at Edison Condominium Association, Phase I, for the first full year of operation was prepared on the basis of assumptions and rationale provided by the Sponsor, proposed contracts for services from unaffiliated contractors and the operating experience of Midstate Management Corporation. The budget covers the projected costs of operating, maintaining and setting aside amounts as reserves for future replacement of the common elements. It is my opinion the estimates used in determining the operating budget including the reserve for future replacement of the common elements are adequate.

Since the projection is based upon assumptions and about circumstances and events that have not yet taken place, it is subject to variations that may arise as future events occur. Accordingly, we cannot give assurance that the projected budget will be attained. In addition, the underlying assumptions are based on current information and circumstances supplied by the Sponsor. Because circumstances may change and unanticipated events may occur subsequent to the date of this report, the assumptions and rationale must be reviewed in light of circumstances then prevailing.

Sincerely yours,

MIDSTATE MANAGEMENT CORP.



Michael Nudelman

MN/km  
enc.



THE ENCLAVE AT EDISON CONDOMINIUM ASSOCIATION, INC.  
 OPERATING BUDGET BASED ON FULL OCCUPANCY OF 35 UNITS  
 FOR THE FIRST FULL YEAR OF OPERATION  
 PHASE I

INCOME

Residential Assessments  
 (\$245/mo. x 35 units) \$102,900

Total Income \$102,900

OPERATING EXPENSES

Administrative

Bank Charges 260  
 Telephone 150  
 Office Supplies & Printing 138  
 Management Fee 9,000  
 Audit 1,000  
 Insurance 23,500

Total Administrative 34,048

Grounds

Water 4,000  
 Electric 2,400  
 Lawn Maintenance 12,200  
 Irrigation System 750  
 Snow Clearing 6,000  
 Garbage Removal 5,460  
 General Maintenance 3,000

Total Grounds 33,810

Recreation

Pool Management 12,500  
 Pool Supplies 1,000  
 Pool Maintenance 1,000

Total Recreation 14,500

Total Operating Expenses 82,358

Operating Contingency 2,000

Reserve for Replacement 18,542

Total Operating Expenses and Reserves \$102,900

THE ENCLAVE AT EDISON CONDOMINIUM ASSOCIATION, INC.  
 OPERATING BUDGET BASED ON FULL OCCUPANCY OF 35 UNITS  
 FOR THE FIRST YEAR OF OPERATION

PHASE I

ANALYSIS OF REPLACEMENT RESERVE

<u>Description</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Est. Useful Life</u>	<u>Replacement Fund</u>
Sanitary Sewer Laterals	1,099 Lin Ft.	\$15.00	\$ 16,485	35 Yrs.	\$ 471
Parking Areas and Roads	7,377 Sq.Yds.	5.00	36,885	20 Yrs.	1,845
Sidewalks	2,670 Sq.Ft.	2.00	5,240	25 Yrs.	210
Curbs	3,695 Lin.Ft.	9.00	33,255	50 Yrs.	665
Roofs	70,000 Sq.Ft.	.75	52,500	25 Yrs.	2,100
Siding	45,989 Sq.Ft.	3.00	137,967	30 Yrs.	4,599
Pool Equip.	Lump Sum		10,000	10 Yrs.	1,000
Gutters & Downspouts	6,512 Lin.Ft.	2.00	13,024	20 Yrs.	652
Clubhouse	Lump Sum		180,000	40 Yrs.	4,500
Furnishings	Lump Sum		25,000	10 Yrs.	<u>2,500</u>
<b>TOTAL REPLACEMENT RESERVES</b>					<b><u>\$ 18,542</u></b>

THE ENCLAVE AT EDISON CONDOMINIUM ASSOCIATION, INC.  
ASSUMPTIONS SUPPORTING THE ESTIMATES USED IN  
THE PREPARATION OF THE OPERATING BUDGETS  
PHASE I

ADMINISTRATIVE

Office Supplies & Printing: Expenses for the operation of the Association; stationery, postage, office supplies, photocopies, etc..

Management Fee: Fee to independent management company for administrative and supervisory services including assessment and collection of dues, negotiating and monitoring independent service contracts, financial accounting, etc..

Accounting: Based upon fees to independent consultants for annual audit and review of the Association records and preparation of tax returns.

Insurance: Includes hazard and fire insurance on all common elements of the Association which includes the building exteriors on all units. General Liability, Umbrella Liability and Director's and Officer's Liability Insurance Policies will conform to the requirements identified in the Master Deed. In addition, there is a Workmen's Compensation policy based upon the minimum clerical payroll. The premiums for these policies are based upon an estimate from an independent insurance broker.

GROUNDS

Water: Annual cost of water service for fire hydrants and general use.

Electric: Cost of electricity for common area lighting.

Lawn Maintenance: Fee to independent contractor for lawn and landscape maintenance covering an eight month period.

Irrigation System: Opening and closing the system each year. Also, money for replacement of broken sprinkler heads and general maintenance.

Snow Clearing: Fee to independent contractor for snow removal and sanding of parking areas and walkways.

Garbage Removal: Fee to independent contractor for routine pick-up of household trash.

General Maintenance: Allowance for materials and supplies needed to properly maintain the Association's common property.

RECREATION: Based on four months operation (June through September) of the pool including chemicals, electricity for lighting and filter system, maintenance of pool and cabanas, water testing, and lifeguards. Also, purchasing of pool furniture.

OPERATING CONTINGENCY: Money set aside to cover any unanticipated expenditure and/or capital improvements.

RESERVE FOR REPLACEMENT: The Association documents call for the establishment and accumulation of funds for the eventual replacement of certain common facilities. The funds should be budgeted, collected and set aside in the Association accounts on an annual basis. Each year during the budget process, the Association Board Members should review the replacement cost and useful life for reasonableness in determining the proper amount of funds to be set aside in that particular year.

CONDOMINIUM UNIT DEED

THIS DEED is made on \_\_\_\_\_, 198 ,

BETWEEN: The Enclave at Edison, Inc., a New Jersey corporation, having its principal office at 44 Stelton Road, Piscataway, New Jersey 08854, referred to as the Grantor,

AND:

about to reside at \_\_\_\_\_, Township of Edison, County of Middlesex and State of New Jersey, referred to as the Grantee.

The word "Grantee" shall mean all Grantees listed above.

TRANSFER OF OWNERSHIP AND PROPERTY

In return for the payment to the Grantor by the Grantee of \_\_\_\_\_ (\$ \_\_\_\_\_) Dollars, the Grantor grants and conveys to the Grantee a certain condominium Unit, located in the Township of Edison, County of Middlesex and State of New Jersey, specifically described as follows:

Unit \_\_\_\_\_ in Building \_\_\_\_\_, Phase \_\_\_\_\_, situated in The Enclave at Edison, a Condominium together with an undivided \_\_\_\_\_ percentage interest in the Common Elements of said Condominium (referred to in this Deed as the "Unit"). The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S. 46:09-1 et seq.) and the Planned Real Estate Development Full Disclosure Act (N.J.S. 45:22A-21 et seq.), as amended, and any applicable regulations adopted under either law. The conveyance evidenced by this Deed is also made in accordance with the terms, limitations, conditions, covenants, restrictions, easements, agreements and other provisions set forth in that certain Master Deed for The Enclave at Edison, a Condominium, dated \_\_\_\_\_ and recorded \_\_\_\_\_ in the office of the Clerk of Middlesex County in Book \_\_\_\_\_ of Deeds at Page \_\_\_\_\_, as the same may now or hereafter be lawfully amended. These amendments may alter the Grantee's percentage interest in the Common Elements of the Condominium and affect other rights of the Grantee, since if, as and when phases of additional Units are added, each Unit Owner's equal share of the percentage of Common Elements will decrease.

This Deed entitles the Grantee to have and to hold for its proper use and benefit forever the premises and all the premises are subject to as described in this document.

BEING a portion of the premises conveyed to the Grantor by Deed from Woodbrook Corners, Ltd., a New Jersey Limited Partnership, dated May 27, 1987, recorded May 29, 1987, in Deed Book 3617, page 855.

TAX MAP REFERENCE

The Unit is now designated as part of Lot \_\_\_\_\_ in Block \_\_\_\_\_ on the municipal tax map of the Township of \_\_\_\_\_ (or as Account No. \_\_\_\_\_).

(check if applicable) \_\_\_\_\_ No property tax identification number for the land is available at the time of this conveyance.

Being commonly known as \_\_\_\_\_

CONDITIONS

The Unit is subject to the conditions, restrictions, covenants, and agreements set forth in the Master Deed and Exhibits, including all terms, conditions, reservations, rights-of-way, air rights, easements and covenants of record, the Certificate of Incorporation and the By-Laws for The Enclave Condominium Association, Inc., and subject to easements and restrictions, if any, in effect as of the date of this Deed, such facts as an accurate survey and inspection of the premises may disclose; and ordinances, statutes and

PREPARED BY: \_\_\_\_\_  
HARRIET DERMAN, ESQ.

regulations of Municipal, County, State and Federal Governments, and their effect and possible added assessments for the year of sale as set or levied under N.J.S.A. 54:4-63.1, et seq.

#### CONDOMINIUM ASSOCIATION

The Grantee, for itself, its successors, heirs and assigns, agrees to become a member of THE ENCLAVE CONDOMINIUM ASSOCIATION, INC., and to abide by the By-Laws of the Association, and agrees to be subject to the provisions of the Master Deed and its amendments.

#### POWER OF ATTORNEY

By the acceptance of this Deed, the Grantee consents to any future amendments or revisions of the Master Deed or the By-laws of the Condominium Association (referred to in this Deed as the "Condominium Documents"), which may be required by the laws or governmental agencies of the State of New Jersey in connection with the sale of any property described in either of the Condominium Documents; and/or by any title insurance company insuring title to any portion of the Condominium at the Grantor's request; and/or by an Institutional Lender providing mortgage loans to Unit Owners; and/or because of the addition of Lands to the Condominium so as to add additional sections into and expand the Condominium to a maximum of 86 Units and to amend the percentage share of Common Elements owned by each Unit Owner.

If an amendment is required for any one of the reasons described above, then the Grantee expressly agrees that the Grantor is authorized, on behalf of the Grantee, to sign and record any document necessary to make the amendment effective. This authority is called a power of attorney and the Grantor, in exercising this authority, is referred to as the Grantee's attorney-in-fact. By this Deed, the Grantee designates the Grantor as having this authority. This power of attorney will be binding upon anyone who claims an interest in the Condominium Unit by or through the Grantee, such as a mortgagee, other lienholders, a purchaser, a tenant or someone with an interest acquired through a will or by operation of law. If an amendment is required for one of the reasons expressed, only the signature of the attorney-in-fact is required in order for the amendment to be effective. However, the Grantor may not exercise its authority as attorney-in-fact without a separate written consent of the Grantee if the amendment would substantially change the floor plan of the Condominium Unit, or the percentage interest in the Common Elements associated with the Condominium Unit, increase the financial obligations of the Grantee under the Condominium Documents, or reserve any additional special privileges for the Grantor.

The Grantee declares and acknowledges that this power of attorney is coupled with an interest in the subject matter. The Grantee understands that the Grantor has caused the Condominium Documents to be adopted, recorded and binding on the owners of all Units in the Condominium for the mutual benefit of the owners of all Units including the Grantor. The Grantor, as the Developer of the Condominium, the initial seller of all Units and the present owner of Units has an interest in the Condominium and in the amendment of the Condominium Documents under the circumstances described. For this reason, this power of attorney may not be revoked by the Grantee.

This power of attorney will be effective for a period of five years from the date the first Unit is conveyed to an individual purchaser.

#### PAYMENT

The Grantor has received the full payment from the Grantee.

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

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.

ATTEST: THE ENCLAVE AT EDISON, INC., a New Jersey Corporation

\_\_\_\_\_  
Wayne L. Karnell, Secretary

BY: \_\_\_\_\_  
Robert L. Karnell, President

WITNESS:

\_\_\_\_\_  
BY: \_\_\_\_\_ (L.S.)  
Grantee

\_\_\_\_\_  
BY: \_\_\_\_\_ (L.S.)  
Grantee

CORPORATE PROOF BY THE SUBSCRIBING WITNESS

STATE OF NEW JERSEY, COUNTY OF MIDDLESEX SS:

I CERTIFY that on \_\_\_\_\_, 198\_\_\_\_, Wayne L. Karnell personally came before me and this person acknowledged under oath, to my satisfaction, that: (a) this person is the secretary of The Enclave at Edison, Inc., a New Jersey Corporation, the corporation named in this Deed; (b) this person is the attesting witness to the signing of this Deed by the proper corporate officer who is Robert L. Karnell, the President of the corporation; (c) this Deed 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 Deed; (e) this person signed this proof to attest to the truth of these facts; (f) the full and actual consideration paid or to be paid for the transfer of title is \$ \_\_\_\_\_  
(Such consideration is defined in N.J.S.A. 46:15-5.)

\_\_\_\_\_  
WAYNE L. KARNELL

Signed and sworn to before me on \_\_\_\_\_, 198\_\_\_\_

\_\_\_\_\_  
Notary Public of the State of N.J.  
My commission expires:

CERTIFICATE OF ACKNOWLEDGMENT OF INDIVIDUAL

STATE OF NEW JERSEY:

SS:

COUNTY OF MIDDLESEX:

BE IT REMEMBERED, that on this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, before me, the subscriber, \_\_\_\_\_ personally appeared \_\_\_\_\_, 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.

\_\_\_\_\_  
Print Name and Title Below Signature

0215K

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DEED	:	Record and return to:
	:	
THE ENCLAVE AT EDISON, INC., a New Jersey Corporation,	:	WEINER, HENDLER & DERMAN, P.A.
	:	303 George Street
	:	P.O. Box 1367
Grantor,	:	New Brunswick, NJ 08903
	:	
TO	:	
	:	
	:	
Grantee.	:	
	:	
	:	
	:	

---



SUBSCRIPTION AND PURCHASE AGREEMENT

Name of Purchaser: \_\_\_\_\_  
Application No.: \_\_\_\_\_ Unit No.: \_\_\_\_\_ Building No.: \_\_\_\_\_ Phase: \_\_\_\_\_  
Percentage Interest in Common Elements: \_\_\_\_\_  
Mortgage Requested: \_\_\_\_\_ Purchase Price: \_\_\_\_\_  
Anticipated Closing Date: \_\_\_\_\_  
The Enclave at Edison, A Condominium  
To be occupied by Purchaser \_\_\_\_\_; Not to be occupied by  
Purchaser \_\_\_\_\_.

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0233k

SUBSCRIPTION AND PURCHASE AGREEMENT

THIS AGREEMENT, made the \_\_\_\_\_ day of \_\_\_\_\_, 198

BETWEEN The Enclave at Edison, Inc., a New Jersey Corporation  
having its offices at 44 Station Road, Piscataway, New Jersey  
08854, Seller,

and Buyer,

residing at:

in consideration of the sum of  
\$ \_\_\_\_\_ to be paid to the Seller by  
the Buyer, as provided in this Agreement, and also in  
consideration of the following covenants and agreements, the  
Seller agrees to sell and the Buyer agrees to purchase,  
Condominium Unit # \_\_\_\_\_, located in the Township of Edison,  
Middlesex County, New Jersey 08817, being more particularly  
described in the Master Deed creating The Enclave at Edison, A  
Condominium, further referred to as the Condominium in this  
Agreement, recorded in the Middlesex County Clerk's Office  
on \_\_\_\_\_, 198, in Deed Book \_\_\_\_\_, Page \_\_\_\_\_,  
together with an undivided \_\_\_\_\_ interest in the Condominium  
Common Elements. The Enclave at Edison Condominium Association,  
Inc., is referred to in this Contract as the Condominium  
Association. The property to be sold is sometimes referred to as  
the "Unit" or sometimes referred to as "the premises." A copy of  
the Master Deed is reproduced in the Public Offering Statement of  
the Condominium.

If the Unit has not yet been constructed, Seller warrants that it  
will be substantially similar to the \_\_\_\_\_ standard model.

CHECK ONE:

\_\_\_\_\_ Buyer intends to occupy the premises as his primary  
residence.

\_\_\_\_\_ Buyer does not intend to occupy the premises as his  
primary residence.

1. PAYMENT OF PURCHASE PRICE

By deposit, previously paid.....\$  
Upon signing of this agreement, to be on or before  
\_\_\_\_\_, for which this is also a receipt.....\$  
Additional deposit on or before \_\_\_\_\_.....\$  
On Delivery of Deed, in cash or certified check.....\$  
TOTAL.....\$

2. EXCLUSIONS -- All furniture, draperies, furnishings, lighting  
fixtures, optional appliances, special flooring, wallpaper, and  
all other devices such as radio and electronic equipment exhibited  
in the model Unit are for exhibition purposes only and are not  
included in this sale, unless expressly provided.

3. MORTGAGE PLACEMENT -- (a) The Buyer hereby appoints the  
Seller as his agent to arrange for and process a conventional  
mortgage in the sum of \$ \_\_\_\_\_ with interest at the  
prevailing rate at time of closing for \_\_\_\_\_ years and agrees  
to pay Seller \$ \_\_\_\_\_ for this service, payable \$ \_\_\_\_\_  
on signing of this contract and the balance on closing of title.  
The Buyer also agrees to sign an application for a mortgage loan  
and to furnish complete information regarding his finances and  
employment to the mortgage lending institution. If Buyer does not  
qualify for this mortgage loan, and upon notice of failure to

qualify, this contract shall be considered null and void upon the Seller's refunding to the Buyer the deposit less costs incurred for bank fees such as mortgage application fees, appraisals of the property, credit reports, processing fees, etc. unless Buyer requests the Seller to arrange for and process a conventional mortgage with another lending institution under the same terms and conditions as provided for under this paragraph. If the Buyer does not qualify for this re-application, then this contract shall be considered null and void upon the Seller's refunding to the Buyer the deposit less costs incurred for bank fees such as mortgage application fees, appraisals of the property, credit reports, processing fees, etc.

Seller cannot guarantee a mortgage loan to Buyer. If a mortgage commitment processed by the Seller has not been issued within 180 days of submission of mortgage application to the lending institution, unless such delay has been caused by the Buyer, then the Buyer or Seller shall have the option to cancel this contract upon written notice to the other party. This contract then shall be considered null and void and Seller shall refund to the Buyer the full amount of the Buyer's deposit, less costs incurred for bank fees such as mortgage application fees, appraisals of the property, credit report, processing fees, etc. If the Buyer appoints Seller as his agent to arrange for and process a conventional mortgage under this paragraph, Buyer may not thereafter give up the right to (waive) the mortgage contingency and instead pay cash unless all applications submitted to the lending institution have been denied, in which case the Buyer may then elect to waive the mortgage contingency and pay all cash at closing.

(b) ALL CASH TRANSACTION -- Despite anything to the contrary in this Agreement, in the event the Buyer has elected not to appoint the Seller to arrange for the above mentioned mortgage placement, the Buyer agrees to pay all cash and there shall be no mortgage contingency to his obligation under this Agreement and the purchase shall be considered a cash sale.

4. CLOSING CHARGES -- (a) Provided the mortgage financing has been obtained by the Seller and the mortgage placement fee has been paid by Buyer, Seller shall supply and provide, at Seller's own cost and expense, all legal services necessary to accomplish the mortgage closing. This shall include all other fees and expenses relating to the closing of the mortgage loan, the charges of the title insurance company for searches and preparation of the title binder, the costs for mortgagee title insurance premiums, deed and mortgage recording charges, appraisal and inspection fees as may be required by the lending institution, as well as fee for review of documents by the lending institution counsel. All bank charges known as "points," however, shall be paid by Buyer in addition to any other placement fees paid by Buyer. Buyer shall also pay all private mortgage insurance costs as may be required by the lending institution. Buyer shall also be responsible for escrow funds for taxes and insurance and maintenance fees. Also, Buyer shall pay for survey or survey certificate and costs of recording the Deed and, if applicable, the mortgage. A survey certificate may be purchased from Seller. SELLER AND/OR MORTGAGEE DO NOT SUPPLY OR PAY FOR AN ATTORNEY FOR THE BUYER. NEITHER SELLER'S ATTORNEY NOR MORTGAGEE'S ATTORNEY REPRESENTS BUYER AND BUYER IS ADVISED TO HAVE HIS OWN ATTORNEY, IF HE SO DESIRES. For purposes of closing, Buyer agrees to be present on the date, time and place designated by Seller. At the time of the closing, Buyer shall also present such additional documents as may be required by the lending institution. Seller shall have the option to supply the financing for the mortgage loan itself.

(b) BUYER SHALL PAY AT CLOSING ONE MONTH'S COMMON EXPENSE ASSESSMENT IN ADVANCE, PLUS THE PRO RATA PORTION OF THE COMMON EXPENSE ASSESSMENT FOR THE MONTH OF CLOSING. Seller shall supply

an Affidavit of Partial Exemption. Buyer shall also pay at closing a non-refundable membership fee to the Association in the amount of \$500.00 to be allocated in accordance with Paragraph 41.

(c) CASUALTY INSURANCE MAINTAINED BY THE ASSOCIATION DOES NOT PROTECT THE BUYER'S PERSONAL PROPERTY, AND LIABILITY INSURANCE MAINTAINED BY THE ASSOCIATION DOES NOT INSURE AGAINST THE ACTS OR OMISSIONS OF THE BUYER. THE BUYER IS ADVISED TO CONSULT WITH AN INSURANCE BROKER AS TO THE TYPES AND LIMITS OF INSURANCE WHICH BEST SUIT THE NEEDS OF THE BUYER.

5. REPRESENTATION BY A LAWYER -- Buyer knows that the law firm of Weiner, Hendler & Derman, P.A. represents the Seller and it may represent the Lender selected by Seller. Buyer knows that Weiner, Hendler & Derman, P.A. does not represent Buyer and that Buyer has the absolute right to choose his own lawyer to represent him.

6. TITLE -- Seller agrees to deliver a deed of bargain and sale, with covenant against grantor's acts, conveying good and marketable title, free and clear of all liens and encumbrances except the following:

(a) zoning and other restrictions of record and ordinances, which now or hereafter affect the Unit or the Condominium, provided that they do not presently prohibit the existing residential use of the Unit and are not presently violated by the Condominium structures and improvements;

(b) any easements referred to in the Public Offering Statement or the Master Deed for the Condominium or of record;

(c) any covenants, restrictions, reservations or agreements contained in or referred to in the Public Offering Statement or the Master Deed for the Condominium;

(d) any state of facts which an accurate survey or title search may disclose;

(e) any exception to affirmative insurance stated in the sample Unit owner's title insurance policy contained in the Public Offering Statement for the Condominium;

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

(g) the Condominium Master Deed, the By-laws of the Condominium Association, and the laws of the State of New Jersey.

Receipt of copies of the Master Deed and By-laws is hereby acknowledged. In the event the Seller shall be unable to deliver title as above, Buyer may terminate this agreement in which event Seller agrees to return to Buyer all sums paid on account of the purchase price plus survey and title costs as the full measure of Seller's liability. No amount expended for bank fees for mortgage application shall be refunded. Title shall be insurable at regular rates.

7. CLOSING OF TITLE -- The closing of title shall take place at the office of Weiner, Hendler & Derman, P.A., 303 George Street, P.O. Box 1367, New Brunswick, New Jersey 08903, and it is tentatively scheduled for \_\_\_\_\_, 198 , between 10 a.m. and 4 p.m. and a final closing date shall be set by Seller.

8. POSSESSION AND NO ESCROW -- Possession will be given upon closing and full payment of the balance of the monies called for under this agreement, together with all closing charges and escrows. Buyer agrees to sign a written request for issuance of a certificate of occupancy if requested to do so by Seller. Buyer further agrees to comply with all applicable requirements of a Unit owner in obtaining a certificate of occupancy. It is specifically understood and agreed by the parties that as to any uncompleted work as of date of closing, no money shall be withheld from the Seller (no escrow). All uncompleted work will be completed within a reasonable period of time by the Seller. The Buyer further agrees that he shall not enter into possession of the premises at any time, or for any reason, prior to the delivery of the deed. Completion shall be evidenced by Certificate of Occupancy issued by the Municipal Building Department of the Township of Edison.

9. ADJUSTMENTS -- Taxes and utility charges, if any, and such other items as are customarily adjusted at closing including but not limited to municipal water and sewer charges, shall be apportioned as of the date of closing, except if Buyer fails to close on the final closing date set by Seller under Section 7. If the Buyer fails to close on the final closing date provided under Section 7, the Buyer shall be responsible for the payment of all carrying charges such as taxes, insurance, interest, heat and maintenance costs, etc. for the Unit from this date until the date that the closing actually takes place.

The Township of Edison has the right to make local improvements which benefit the Unit and the Condominium. For example, this could include installation of a new sewer system, other utilities, road improvements or the like. The cost of the improvement would be charged against the property(ies) receiving the benefit of the improvement. This charge, known as an assessment, would be in addition to real estate taxes. The Seller does not know of any such improvement which is presently needed or contemplated.

If such a municipal improvement benefiting the Unit is completed prior to the date of closing, the Seller would pay the assessment, if any. The Seller may use the proceeds of closing to satisfy the assessment. If such a municipal improvement benefiting the Unit is not completed prior to the date of closing, the Buyer would be responsible to pay the assessment, if any.

10. FIRE AND OTHER CASUALTY -- Partial loss or damage to the premises by fire, storm, or other casualty between this date and the closing shall not void or impair this contract, but all such damage to the building by way of fire, storm, or other casualty is to be the responsibility of the Seller. In the event of substantial or total loss as a result of the hazards mentioned above, the Seller shall have the option to repair all damage at his own cost or to refund all deposit monies paid. In the event of loss or damage as a result of the hazards mentioned, the time for completion shall be extended for such time as may be reasonable to repair the damage, but not to exceed six months from the date of the casualty after which Buyer may cancel. Written notice of Seller's intention to repair such damage or return the deposit shall be delivered to Buyer within two months of the date of such casualty.

11. SUBORDINATION -- Buyer's rights under this agreement are expressly subordinated to any mortgage now on the premises or hereafter to be placed on the premises by Seller, or to any advances made on that mortgage. Any mortgage or lien encumbering the premises shall be satisfied by Seller from the proceeds of sale at the closing of title.

12. DEFAULT OF BUYER: DAMAGES -- The Buyer and the Seller specifically agree that if the Buyer commits or permits a default,

the damages which the Seller will suffer cannot be calculated in advance with any degree of mathematical certainty. However, in good faith, the Buyer and the Seller have agreed to estimate the amount of such damages which will reasonably compensate the Seller for a default. This is called "liquidated damages." Therefore, if Buyer fails to pay any additional monies when due or defaults in any of the conditions or covenants as provided, the sum or sums paid on account, not to exceed 10% of the purchase price, plus the cost of extras installed, may be retained by Seller as liquidated damages for the charges and expenses which Seller has sustained, and this Contract shall become null and void. If the Buyer shall fail to comply with, keep and perform any of the terms or provisions of this Agreement or shall make an assignment for the benefit of any creditors, or if the Buyer shall be declared bankrupt or insolvent or shall be placed under the control or in the custody of any court, then or in any of these events, this contract, at the option of the Seller, shall be terminated immediately. All payments made by the Buyer on account of this Contract and/or riders, not to exceed 10% of the purchase price, plus the cost of any extras installed, shall, at the option of Seller be retained by the Seller. This paragraph states all of Seller's remedies, and no other legal or equitable remedies shall be available. The Buyer agrees to pay all carrying charges, such as taxes, insurance, interest, heat, etc., if the closing date, as stated is delayed for any reason other than that delay caused by the Seller.

13. BUYER'S REPRESENTATIONS -- The Buyer represents as an inducement for Seller to enter into this Agreement that he is at least eighteen (18) years of age and that Buyer is not signing this Agreement as agent for any undisclosed principal. If Buyer has represented by indicating in the introductory paragraph of the Subscription and Purchase Agreement that he intends to occupy this premises as his primary residence, the purchase price to be paid by him is lower than if he were not to occupy the premises as his primary residence. Buyer represents that the information with respect to his occupancy is true and correct and acknowledges Seller's reliance on this information. Therefore, if Buyer's representations are incorrect, even if made incorrect because of changed circumstances or events beyond the control of Buyer, and Buyer does not occupy the premises as his primary residence, he shall be liable to Seller in an amount equal to the difference in the purchase price paid by Buyer and the purchase price Buyer would have paid had he indicated that he would not be occupying the premises as his primary residence. This promise shall survive the delivery of the deed.

14. NO CLOUD ON TITLE -- If the Buyer records or files this contract in any court or public office, this contract shall be cancelled and the Seller may keep all of the Buyer's deposit monies, not to exceed 10% of the purchase price plus the cost of any extras installed. If this agreement is cancelled for any reason, Buyer agrees to immediately return all copies to Seller.

15. ESCALATOR CLAUSE -- This section provides for a possible increase in the purchase price to be calculated as follows: If there is an increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers, New York, New York - Northeastern, New Jersey, for all items published by the "United States Department of Labor, Bureau of Labor, Bureau of Labor Statistics" (This is called the "C.P.I.") from (a) the month in which the initial deposit is made, which shall be called the "Base Index Number," and (b) the most recent published C.P.I. ninety (90) days prior to the date of closing, which shall be called "Current Index Number," the purchase price shall be increased as follows: The Current Index Number shall be divided by the Base Index Number. From the result of that division shall be subtracted the number 1 and any resulting positive number shall be the "percentage of increase." The result obtained when the percentage of increase is

multiplied by the purchase price shall be the increase in the purchase price to be paid by the Buyer under this Agreement and payable at closing by certified check. The Seller shall give the Buyer written notice of the increase in the purchase price at least sixty (60) days before the closing of title. Buyer shall have the power to reject the increase by notice to Seller by Certified Mail, within ten (10) days of written notice of the increase. Failure to object by the Buyer shall be considered as an acceptance of the increase. In the event of rejection, Seller shall promptly refund Buyer's deposit.

16. SELLER'S RESPONSIBILITY -- The Seller is a member of the Home Owners' Warranty Program and a specimen Limited Warranty - Home Warranty Agreement together with Approval Standards is attached to this Agreement, receipt of which is hereby acknowledged by Buyer. Seller warrants that this Unit is fit for its intended use. Seller warrants that the following shall be free from defect due to materials and workmanship for a period of one (1) year from the date of possession or closing, whichever occurs first: outbuildings, driveways, walkways, patios, retaining walls, and fences, if any. The Seller warrants the construction of common facilities for two (2) years from the date of completion of each such common facility. Seller warrants that all drainage is proper and adequate and all offsite improvements are free from defects for a period of one year from the date of construction. SELLER MAKES NO WARRANTIES WHATSOEVER REGARDING CONSUMER PRODUCTS FOR WHICH A WRITTEN MANUFACTURER'S WARRANTY IS AVAILABLE. BUYER ACKNOWLEDGES THAT HE HAS BEEN ADVISED BY SELLER PRIOR TO THE EXECUTION OF THIS AGREEMENT THAT WRITTEN MANUFACTURERS' WARRANTIES FOR ALL CONSUMER PRODUCTS INCLUDED IN THE DWELLING FOR WHICH THERE EXISTS A WRITTEN MANUFACTURER'S WARRANTY ARE AVAILABLE FOR BUYER'S INSPECTION AT SELLER'S SALES OFFICE. BUYER HAS BEEN GIVEN AN OPPORTUNITY TO INSPECT THE WARRANTIES PRIOR TO THE EXECUTION OF THIS AGREEMENT. This clause sets forth all warranties, and Seller makes no further warranties, express, general, limited or implied, except as set forth in this clause and in the Limited Warranty - Home Warranty Agreement referred to above together with the approval standards. By signing this Agreement, the Buyer acknowledges and agrees to the following statements:

- (a) That the Seller is not obligated to repair or replace any part of the Unit or other property which is the subject of this Agreement unless it is covered by one of the warranties listed above;
- (b) That the Seller has not made any promises or representations as to the condition of the Unit or other property which is the subject of this Agreement, except in this Paragraph 16;
- (c) That the Seller has not authorized anyone else to make any promise or representation as to the condition of the Unit or other property which is the subject of this Agreement, or to vary the provisions of this Paragraph 16;

The Seller also expressly disclaims liability for any consequential damages arising out of any breach of warranty. This means that the Seller will not be responsible if any person suffers an injury, or other property is damaged because of a defect in any warranted item. By signing this Agreement, the Buyer agrees that the Seller will not be liable for consequential damages. Paragraph 16 shall survive closing of title.



17. DELAY IN COMPLETION -- BUYER HEREBY RELEASES SELLER FROM ANY AND ALL LIABILITY WHATSOEVER CONCERNING ANY CHANGE, ADVERSE OR OTHERWISE, IN AND TO BUYER'S MORTGAGE COMMITMENT OR THE TERMS OF THAT COMMITMENT RESULTING FROM ANY DELAY IN COMPLETION OF THE DWELLING DESCRIBED IN THIS AGREEMENT, AS WELL AS EXPENSES FOR THE STORAGE OF BUYER'S FURNITURE OR OTHER PERSONAL PROPERTY OR SUBSTITUTED HOUSING. In the event completion of the Unit is delayed for any reason beyond Seller's control, for a period in excess of one hundred eighty (180) days from the date tentatively set for closing, for such reasons including but not limited to inclement weather, strikes, lock-outs, or other labor disputes affecting either Seller or Seller's suppliers of material or labor, delay in issuance of permits or inspections, acts of war, emergency proclamation, government regulation or for any other reason outside Seller's control, Buyer shall have the right to terminate this Contract. Termination shall be effected by serving written notice of cancellation upon the Seller within fifteen (15) days after the date which is one-hundred eighty (180) days following the date tentatively set for closing. In the event Buyer elects to cancel this Agreement, as described in the preceding sentence, Seller's sole obligation shall be to return Buyer's deposit without interest and this Agreement shall become null and void. Costs used for bank fees, such as application fees, credit reports and processing fees, are non-refundable.

18. COMPLETION -- The issuance of the certificate of occupancy, temporary or permanent, by the authorities having jurisdiction shall constitute final completion of all items of construction. The delivery of the deed and its acceptance by the Buyer shall constitute an acknowledgement by Buyer that the Unit is in good condition and that the requirements to be met by the Seller have been fully complied with by Seller, unless otherwise agreed in writing by the parties at the closing of title. If the certificate of occupancy, temporary or permanent, is not obtained prior to the final date set for closing through no fault of Seller, then the time for closing shall automatically be extended until after the certificate of occupancy has been obtained, and in accordance with the provisions of Section 17 which deals with delay in completion.

19. DEFAULT BY SELLER -- If the Seller does not build or complete the Unit or if the Seller cannot give the Buyer a marketable title, Seller's only responsibility will be to refund Buyer's deposit monies without interest. If title is found to be unmarketable, Buyer shall be reimbursed the cost of title searches and survey already paid or payable, if any. This paragraph states all of Buyer's remedies and no other legal or equitable remedies shall be available.

20. SIGNS -- The Buyers for themselves, their heirs and assigns, agree that for a period of three (3) years, or until the sale and Closing of 86 Units in this development, whichever occurs last, they will not place or cause to be placed, any sign or signs upon any part of the premises, advertising same for sale, rent or lease, for any other purpose whatsoever, without first obtaining written consent of the Seller. The Buyer and Seller agree that Seller's remedy of law would be inadequate if Buyer were to violate the terms of this provision. Seller shall have, in addition to any other rights or remedies, the right to specifically enforce this provision or obtain an injunction restraining the Purchaser from violating this clause and shall be entitled to reasonable legal fees thereby incurred. This provision shall survive the delivery of the Deed.

21. CONSTRUCTION AND CHANGES -- The Seller agrees to build the premises substantially similar to the model mentioned earlier in this contract. It may become necessary, however, for the Seller to substitute materials, in which case the substituted materials

will be of the same or better quality. It may also become necessary for the Seller to make certain changes in the construction of the premises. Any such changes will be in accordance with the local building code. Buyer agrees that all money due from or paid by Buyer for changes or extras shall not be cancellable or refundable for any reason whatsoever. Seller reserves the right to cancel any extra it cannot or does not supply and refund the money paid for same. Seller is expressly authorized to build the dwelling inverted from left to right (i.e., a "mirror image" of the model) in the event Seller deems it necessary. All selections and options shall be obtained through Seller or its designated sub-contractors or suppliers. Seller reserves the right to make selections of color or material for Buyer if selections are not made by Buyer within seven days of receipt of the executed Subscription and Purchase Agreement from Seller.

22. LICENSE -- The Buyer authorizes and grants to the Seller the right to enter into, upon, over, or under the premises conveyed until two years after the last sale of Seller's Units in the development has closed title for the Seller or his agents to complete the development project of which these premises are a part. With regard to the interior of each individual unit, this provision shall be effective for 2 years from the date of the closing of title of each such Unit. This provision shall survive the delivery of the Deed.

23. COLOR SELECTIONS, EXTRAS & OPTIONS -- All selections and options regarding colors or items regarding extras, if offered by Seller, shall be made, obtained and/or purchased through the Seller or its designated subcontractors or suppliers. Choices and selections shall be promptly made by the Buyer within seven (7) days from the date of this Subscription and Purchase Agreement and the selection shall be made from samples and lists submitted by the Seller. Buyer agrees to pay for options and extras upon selection of the option and extras. In the event Buyer fails to make such selections and choices of kinds of materials within the time period, Buyer shall be deemed to have waived the selection and choice of options and extras and the Seller may select them on behalf of the Buyer and complete the Unit. Selections not made during the seven (7) day period specified shall result in additional charges to the Buyer, not to exceed \$100 per requested change.

If the Buyer shall request any alteration in construction, or any other addition or other work, it will not be made unless agreed to, in writing, by the Seller and Buyer, at a price accepted by them and paid for in advance by the Buyer and in conformity with the Condominium Documents which contain restrictions upon the alterations of Units. No return of payment for extras installed shall be made in the event this Agreement is terminated.

24. MANUFACTURERS' WARRANTIES -- If a company or person manufacturing or supplying materials or products to be used in the construction of the Unit offers a written warranty for such material or product, the Seller will not be responsible if that material or product is or becomes defective. The Buyer will have to process his claim to the company or person issuing the warranty. The Buyer can review all of the available warranties for materials or products to be installed in the Unit at the Seller's office.

25. INSULATION -- In accordance with the Federal Trade Commission requirements regarding insulation, the following is the rating and type of insulation to be used in the Unit:

- (a) Walls - 3-1/2" thick fiberglass batts, R-Value of R-13
- (b) Ceiling - 9" thick fiberglass batts, R-Value of R-30

(c) Only areas connecting the living area to the exterior area to be insulated.

26. FAILURE OF SELLER TO INSTALL STANDARDS, EXTRAS OR TO MAKE CHANGES -- If the Seller fails to install any standard feature and/or any extra ordered by the Buyer or if the Seller fails to make any change in construction ordered by the Buyer, the Seller's responsibility will be to give the Buyer a credit or allowance at the closing for the standard, extra or change which was ordered and paid for but not installed or made. The credit will equal the price the Buyer paid for the extra or changes or the allowance for the standard feature.

27. BUYER'S REPRESENTATION AS TO NO BROKER -- The Buyer represents that he has not engaged the services of any broker or real estate salesman in this transaction.

28. PRE-CLOSING INSPECTION -- Within seventy-two hours prior to the closing of title, Buyer shall perform a pre-closing inspection of the Unit with Seller or Seller's representative during normal business hours. At the time of inspection a list of items requiring completion, adjustment or repair will be compiled and signed by both Buyer and Seller. Seller agrees to complete the items on the list within a reasonable time thereafter and under no circumstances shall any money be held back from Seller for any incomplete items.

29. GENERAL PROVISIONS -- (a) Seller shall not be responsible for any change in color selections in the event the Buyer changes the color selections after they are initially made by Buyer in writing. In the event Seller fails to comply with the subsequent color change, Buyer agrees to be bound by the original color selection.

(b) This Agreement is binding on the Seller and the Buyer, their heirs, successors, and lawful assigns.

(c) Buyer shall have all utilities registered under his name as of the final closing date set under Paragraph 7. Seller has, as an incident to its approvals for development of the entire tract, posted performance guarantees with the County of Middlesex and Township of Edison to assure completion of those municipal improvements, both on site and off site, which the County and the Township will ultimately accept for future maintenance. Such municipal improvements include, but are not restricted to, streets, curbing, storm and sanitary sewers and easements incident thereto, drainage accommodations, recreation areas, etc. The Buyer agrees to accept, at the time of closing, a temporary Certificate of Occupancy which may be issued on the basis that all of the foregoing improvements have not to the time of closing been completed or accepted by the County or Township.

(d) At the time the Township of Edison determines whether to accept the municipal improvements and to release the Seller's performance bonds, the Township shall conduct a public hearing, which hearing will relate only and specifically to the Seller's having completed the municipal improvements required in a satisfactory manner. The Buyer acknowledges his understanding of these facts, and will rely only upon the contract covenants, warranties and guarantees with respect to Seller's performance under the terms of this agreement.

30. RECEIPT OF DOCUMENTS -- Buyer hereby acknowledges receipt of a copy of the specifications for the Unit to be constructed.

31. NOTICES -- All notices which must be given under this Contract are to be given either by (1) personal service, or (2) certified mail, return receipt requested, addressed to the other

party at the address specified above.

32. NO ASSIGNMENT -- This Agreement may not be assigned, transferred or recorded to any other party by the Buyer without the written consent of the Seller. If the Buyer does assign this Agreement without that written consent, the Seller can terminate the Agreement and keep the Buyer's deposit money not to exceed 10% of the purchase price, plus the costs of extras installed, as damages for breaching this contract.

33. CONTROLLING LAW -- This agreement shall be controlled and enforced solely in accordance with and governed by the laws of the State of New Jersey.

34. PRONOUNS -- It is understood that the masculine pronoun, singular number, as used throughout this contract, shall include the appropriate parties to this Agreement, whether singular or plural, masculine or feminine, whether individuals, partnerships, associations or corporations.

35. ENTIRE AGREEMENT -- This writing, and the application for registration with the Department of Community Affairs, and the exhibits attached, including amendments, contain the entire agreement between the Buyer and Seller, and no agent, representative, salesman or officer of the parties has authority to make or have made any statement, agreement, or representations, either oral or written in connection herewith, modifying, adding to or changing the terms and conditions of this agreement and no such modification or additional changes shall be effective. No dealing between the parties or their agents shall be permitted to contradict, vary, add to or modify the terms of this Agreement. Seller is not responsible or liable for any agreement, conditions or stipulations not specifically set forth relating to or affecting the property. No modification of this agreement shall be binding unless in writing and signed by the Buyer and Seller. No statements, agreements or representations, whether relating to title or otherwise, shall survive the execution and delivery of the Deed, unless specifically set forth in writing and delivered at the time of delivery of deed, or expressly so provided. If any portion of this Agreement is held to be illegal or invalid or unenforceable by a court, the remainder of this Agreement shall remain in effect as written. The captions in this Agreement are for convenience only. The captions are not to be considered when interpreting the meaning of any part of this Agreement.

36. NO JURY TRIAL -- Trial by jury in any action, proceeding or counterclaim arising of or from this agreement is hereby waived.

37. WAR CLAUSE -- It is agreed that if any law or governmental regulations are enacted in the time of war or national emergency, or for the purpose of national defense, which restricts or allocates material, labor or prices, or which makes the performance of this contract illegal or impractical, then at the option of the Seller, Seller may declare this contract null and void and no effect, and all deposit monies will be refunded to Buyer.

38. ESCROW OF DEPOSITS -- All deposits paid under this Agreement shall be held in a separate trust account in the name of Seller's attorney, Weiner, Hendler & Derman, A Professional Corporation, at First Fidelity Bank, Old New Brunswick Road, Piscataway, New Jersey, as escrow agent, until closing or termination of this agreement in accordance with its terms, unless or until a bond or other guarantee acceptable to the Division of Housing of the State Department of Community Affairs is provided. In the event a bond or other guarantee is acceptable as indicated, then the Buyer authorizes all deposit monies to be turned over to the Seller.

In no event shall the escrow be released before the expiration of the seven (7) day rescission (cancellation) period.

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

39. ESCROW FUNDS FOR TAXES AND ADVANCED INTEREST -- Buyer shall be responsible for escrow funds for taxes and advanced interest adjustments as may be required by the lending institution.

40. CLOSING -- For purposes of closing, Buyer agrees to be present on the date, time and place designated in Paragraph 7. Evidence of blanket condominium insurance coverage will be provided by the Seller.

41. MEMBERSHIP IN CONDOMINIUM ASSOCIATION -- Buyer of a condominium Unit hereby subscribes to membership in the Condominium Association, subject to the By-laws of the Association, which membership shall become automatic upon the closing of title. The Buyer will be a member of the Condominium Association for as long as the Buyer owns the Unit and will abide by the Association's By-laws, Rules and Regulations. The Unit and the Buyer's membership in the Association are subject to all the terms of the Condominium's Master Deed. Buyer shall pay at closing an initial membership fee of \$500.00, to be allocated to working capital, in accordance with the schedule to be fixed and determined by the By-laws of the Association.

42. CONDOMINIUM DOCUMENTS -- The Buyer agrees that this Agreement and the Buyer's ownership of the Unit are subject to the terms and provisions of the Master Deed of the Condominium, the Association's By-laws, Rules and Regulations (which are referred to in this Agreement as the "Condominium Documents") and any amendments to the Condominium Documents which may be lawfully adopted in the future. This means that the Unit, and its use, will be governed, regulated, and subject to the rights of others under any covenants, restrictions, rules, regulations, easements or agreements contained or referred to in the Condominium Documents. As owner of the Unit, the Buyer agrees to abide by the Condominium Documents and perform all obligations which they impose upon Unit owners of the Condominium. These include, by way of example, payment of all maintenance and special assessments which the Association charges to the Buyer. If any of the Condominium Documents are properly amended after the date of this Agreement, the Buyer agrees to abide by those amendments as if they were contained in the Condominium Documents on the date of this Agreement.

43. CHANGES TO CONDOMINIUM DOCUMENTS -- POWER OF ATTORNEY -- The Condominium Documents provide procedures for their amendment. They may be amended by the action of the Unit owners in the Condominium and/or their elected representative(s) to the Association. There is also a procedure for amendment of the Condominium Documents if an amendment is reasonably required by one of the following entities:

- (a) an institutional lender which has provided mortgage loans to Unit owners;
- (b) the title insurance company chosen by the Seller to provide title insurance policies to Unit owners; or
- (c) a governmental or quasi-governmental body or agency which has authority over the Condominium or the Association and the conduct of its affairs.

If an amendment is required by one of these entities, then the Buyer expressly agrees that the Seller is authorized, on behalf of the Buyer, to sign and record any document necessary to make the amendment effective. The Buyer also expressly agrees that the Seller is authorized to amend the Master Deed to add additional sections into and expand the Condominium to a maximum of 86 Units and to amend the percentage interest in Common Elements owned by each Unit Owner including Seller. Such authority is called a power of attorney and the Seller, in exercising this authority, is referred to as the Buyer's attorney-in-fact. The Deed to the Unit will contain a clause which legally designates the Seller as having this authority. The Buyer agrees to sign the Deed at the closing to evidence the giving of this authority. If the Seller requests, the Buyer also agrees to sign a separate document at the time of closing to evidence this power of attorney. This power of attorney given by the Buyer will also be binding upon anyone who claims an interest in the Unit by or through the Buyer, such as a Mortgagee, other Lienholders, a Purchaser, a Tenant or someone with an interest through a will or by operation of law. If an amendment is requested by one of the entities listed above under (a), (b), or (c), there will be no necessity for the Buyer to sign any other document for the amendment to be effective. However, the Seller may not exercise its authority as attorney-in-fact for the Buyer without a separate written consent of the Buyer if the amendment has any of the following effects:

- (1) the amendment substantially changes the floor plan of the Unit;
- (2) the amendment changes the percentage interest in the Common Elements associated with the Unit except with respect to the addition of Phases to complete the entire project;
- (3) the amendment increases the financial obligations of the Buyer under the Condominium Documents as owner of the Unit; or
- (4) reserves any special privileges for the Seller which are not already contained in the Condominium Documents.

The Buyer declares and acknowledges that this power of attorney is coupled with an interest in the subject matter. This means that the Seller has caused the Condominium Documents to be adopted, recorded and binding on the owners of all Units for the mutual benefit of the Owners of all Units. The Seller, as the Sponsor of the Condominium, the initial seller of all Units and the present owner of Units has an interest in the Condominium and in the amendment of the Condominium Documents under the circumstances described. For this reason, the Power of Attorney may not be revoked by the Buyer.

The power of attorney given by the Buyer to the Seller will be effective until five (5) years from the date the first Unit is conveyed to an individual purchaser.

44. MULTIPLE BUYERS -- If more than one person signs this Agreement as Buyer, then each person signing this Agreement will be jointly and severally liable. This means that each person is independently obligated to see that all promises of the Buyer are performed. This also means that the Seller may seek its remedies, in the event of a default, against all or any of the persons, as it so chooses. The term "Buyer," as used in this Agreement, is

intended to include all persons signing this Agreement as Buyer.

45. PUBLIC OFFERING STATEMENT -- Buyer hereby acknowledges receipt of a copy of the Enclave at Edison Public Offering Statement.

NOTICE TO BUYERS: YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH AN EXECUTED COPY WAS DELIVERED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID BY YOU SHALL BY PROMPTLY REFUNDED IN THEIR ENTIRETY.

IN WITNESS WHEREOF, the undersigned have caused this Contract to be signed and sealed or caused its corporate seal to be affixed to this Subscription and Purchase Agreement, signed by its proper officers, the day and year first above written.

ATTEST:

THE ENCLAVE AT EDISON, INC.  
a New Jersey Corporation  
(Seller)

\_\_\_\_\_  
Wayne Karnell, Secretary

BY: \_\_\_\_\_  
Robert Karnell, President

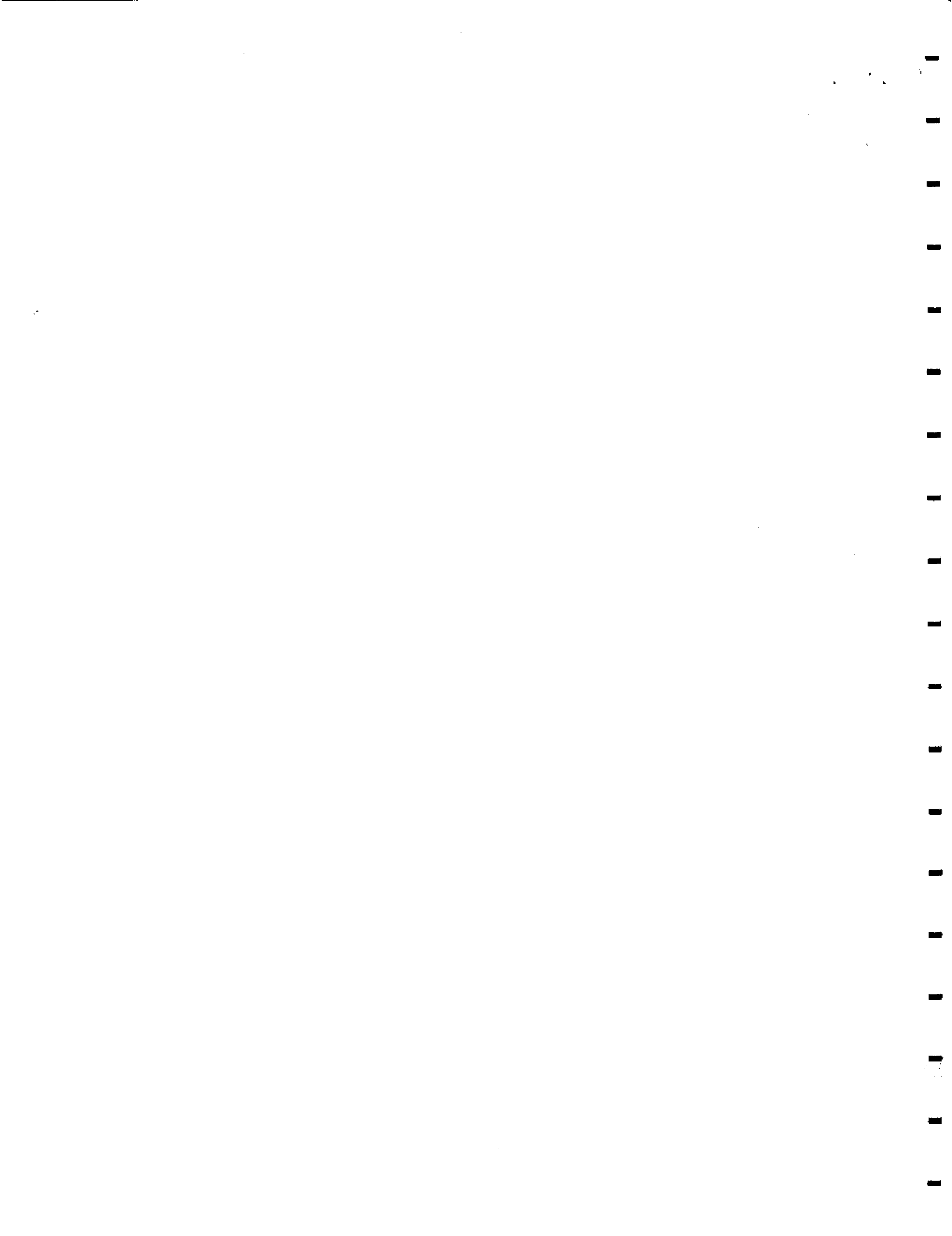
WITNESS FOR BUYER

\_\_\_\_\_ L.S.  
Buyer

\_\_\_\_\_ L.S.  
Buyer

0205k

J





**OWNER'S  
Information  
Sheet**

Your Title Insurance Policy is a legal contract between you and Chicago Title Insurance Company.

It applies only to a one- to-four family residential lot or a condominium unit. If your land is not either of these, contact us immediately.

The Policy insures you against certain risks to your land title. These risks are listed on page one of the Policy. The Policy is limited by:

- Exclusions on page 2.
- Exceptions on Schedule B.
- Conditions on page 2 and 3.

You should keep the Policy even if you transfer the title to your land.

If you want to make a claim, see Item 3 on the Conditions on page 2.

You do not owe any more premiums for the Policy.

This sheet is not your insurance Policy. It is only a brief outline of some of the important Policy features. The Policy explains in detail your rights and obligations and our rights and obligations. Since the Policy -- and not this sheet -- is the legal document

**YOU SHOULD READ THE POLICY VERY CAREFULLY**

If you have any questions about your Policy, contact the issuing office.



**Chicago Title  
Insurance Company**

111 West Washington Street  
Chicago, Illinois 60602

31 0092 81 0000

**Issuing Office:**  
LANCASTER TITLE AGENCY, INC.  
Agent for Chicago Title Insurance Company  
75 Paterson Street, P.O. Box 1306  
New Brunswick, New Jersey 08903  
(201) 249-3448 Fax: (201) 249-9855

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**SCHEDULE A**

OFFICE FILE NUMBER	POLICY NUMBER	DATE OF POLICY	AMOUNT OF INSURANCE
LTA 00000	31-0092-81-000000	Policy Date	\$000,000.00

The Policy Amount Will Automatically Increase by 10% of the Amount Shown Above on Each of the First Five Anniversaries of the Policy Date.

1. Name of Insured:

JOHN DOE AND MARY DOE, HIS WIFE  
by deed from The Enclave at Edison, Inc., a New Jersey Corporation, dated  
0000 00, 0000 and recorded 0000 00, 0000 in Deed Book 0000 page 000.

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

Fee Simple

Subject to:

Mortgage made by John Doe and Mary Doe, his wife, to Any Bank,  
dated 0000 00, 0000 and recorded 0000 00, 0000 in Mortgage Book 0000 page  
000.

SECURES: \$000,000.00

and the matters shown in Schedule B.

3. The land referred to in this policy is described as follows:

Township of Edison, County of Middlesex, State of New Jersey.  
(see description attached)

*NEW JERSEY*

fdf

DESCRIPTION

All that certain Condominium Unit, located in the Township of Edison, County of Middlesex and State of New Jersey, specifically described as follows:

BEING UNIT 00 BUILDING 0, situated in The Enclave at Edison, A Condominium, together with an undivided 0.00000 percentage interest in the Common Elements of said Condominium (referred to in this Deed as the "Condominium Unit"). The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46:8B-1 et seq.), and the Planned Real Estate Development Full Disclosure Act (N.J.S.A. 22A-21 et seq.), as amended, and any applicable regulation adopted under either law. The conveyance evidenced by this Deed is also made in accordance with the terms, limitations, conditions, covenants, restrictions, easements, agreements and other provisions set forth in that certain Master Deed for The Enclave at Edison, A Condominium, dated 00000 00, 0000 and recorded in the Office of the Clerk of Middlesex County in Book 0000 of Deeds at Page 000, as the same may now or hereafter be lawfully amended.

SPECIMEN

**OWNER'S FORM  
SCHEDULE B**

Policy Number 31-0092-81-000000

**EXCEPTIONS**

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

**Special Exception:** The mortgage, if any, referred to in Item 2 of Schedule A.

**FOR INFORMATION ONLY:**

NOTE: Taxes paid to and including 000000 quarter 1988.

1. Easements or claims of easements, not shown by the public records.
2. Rights of Public Service Electric and Gas Company and New Jersey Bell Telephone Company under grant from Woodbrook Corners, a New Jersey Limited Partnership, dated August 16, 1983 and recorded March 8, 1984 in Deed Book 3341 page 90.
3. Subject to 100 foot wide Defense Plant Corporation (Now Texas Eastern) pipeline easement recorded in Deed Book 1241 page 436.
4. Rights of the State of New Jersey under Stream Encroachment Permit dated March 31, 1987 and recorded April 7, 1987 in Wetlands Book 2 page 700.
5. Rights of Middlesex Water Company under grant from The Enclave at Edison, Inc., dated February 4, 1988 and recorded February 11, 1988 in Deed Book 3680 page 978.
6. Terms, provisions, conditions, restrictions and easements contained in the Master Deed and By-Laws of The Enclave at Edison, A Condominium, recorded 000 0, 0000 in Deed Book 0000 page 000, as the same may be now or hereafter lawfully amended; but the policy will insure the premises forms a part of a validly created Condominium pursuant to N.J.S.A. 46:8B-1 et seq.
7. Based upon a survey certification made by Name of Surveyor, dated 000000 00, 0000, the Company hereby insures you against loss or damage which you suffer by reason of any encroachments, overlaps, boundary line disputes or easements, except as follows: 0000.

Countersigned

\_\_\_\_\_  
Authorized Signatory

Schedule B of this Policy consists of 1 pages.

**ENDORSEMENT**  
Attached to and forming a part of  
Title Insurance Policy No. 31-0092-02-000000

Issued by  
**CHICAGO TITLE INSURANCE COMPANY**

**ALTA ENDORSEMENT FORM 4—CONDOMINIUM**

The Company hereby insures against loss or damage by reason of:

- (1) The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the jurisdiction in which the units and its common elements are located.
- (2) The failure of the documents required by said condominium statutes to comply with the requirements of said statutes to the extent that such failure affects the title to the unit and its common elements.
- (3) Present violations of any restrictive covenants which restrict the use of the unit and its common elements and which are contained in the condominium documents. Said restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.
- (4) The priority of any lien for charges and assessments provided for in the condominium statutes and condominium documents over the lien of any insured mortgage identified in Schedule A.
- (5) The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
- (6) Any obligation to remove any improvements which exist at date of policy because of any present encroachment or because of any future unintentional encroachment of the common elements upon any unit or of any unit upon the common elements or another unit.
- (7) The failure of title by reason of a right of first refusal to purchase the unit and its common elements which was exercised or could have been exercised at date of policy.

This endorsement is made a part of the policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and prior endorsements, if any, nor does it extend the effective date of the policy and prior endorsements or increase the face amount thereof.

**CHICAGO TITLE INSURANCE COMPANY**

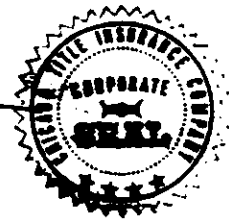
By:

*Richard J. Polley*  
President

ATTEST:

*Thomas J. Adams*  
Secretary

*[Signature]*  
Authorized Signatory



Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory.

# Conditions (continued)

- 4. Our Choices When You Notify Us of a Claim** After we receive your claim notice or in any other way learn of a matter for which we are liable, we can do one or more of the following:
- a. Pay the claim against your title.
  - b. Negotiate a settlement.
  - c. Prosecute or defend a court case related to the claim.
  - d. Pay the amount required by this Policy.
  - e. Take other action which will protect you.
  - f. Cancel this Policy by paying the Policy Amount then in force, and only those costs, attorneys' fees and expenses incurred up to that time which we are obligated to pay.
- 
- 5. Handling a Claim or Court Case** You must cooperate with us in handling any claim or court case and give us all relevant information. Unless you can show that payment was reasonable and necessary, we will not reimburse you for money you pay, or agree to pay:
- to settle disputes, or
  - to cover expenses and attorneys' fees
- We will repay you for all expenses that we approve in advance.
- When we prosecute or defend a court case, we have a right to choose the attorney. We can appeal any decision to the highest court. We do not have to pay your claim until your case is finally decided.
- 
- 6. Limitation of The Company's Liability**
- a. We will pay up to your actual loss or the Policy Amount in force when the claim is made — whichever is less.
  - b. If we remove the claim against your title within a reasonable time after receiving notice of it, we will have no further liability for it. If you cannot use any of your land because of a claim against your title, and you rent reasonable substitute land or facilities, we will repay you for your actual rent until:
    - the cause of the claim is removed, or
    - we settle your claim.
  - c. The Policy Amount will be reduced by all payments made under this Policy — except for costs, attorneys' fees and expenses.
  - d. The Policy Amount will be reduced by any amount we pay to our insured holder of any mortgage shown in this Policy or a later mortgage given by you.
  - e. If you do anything to affect any right of recovery you may have, we can subtract from our liability the amount by which you reduced the value of that right.
- 
- 7. Transfer of Your Rights** When we settle a claim, we have all the rights you had against any person or property related to the claim. You must transfer these rights to us when we ask, and you must not do anything to affect these rights. You must let us use your name in enforcing these rights.
- We will not be liable to you if we do not pursue these rights or if we do not recover any amount that might be recoverable.
- With the money we recover from enforcing these rights, we will pay whatever part of your loss we have not paid. We have a right to keep what is left.
- 
- 8. Our Liability Is Limited to this Policy** This Policy, plus any endorsements, is the entire contract between you and Chicago Title Insurance Company. Any title claim you make against us must be made under this Policy and is subject to its terms.

American  
Land Title  
Association  
  
Residential  
Title Insurance  
Policy



CHICAGO TITLE INSURANCE COMPANY

By

*Richard J. Miller*

President

Attest

*Thomas J. Adams*

Woodlands Developers, Inc.  
January 25, 1993  
Page Two

Flood Insurance should be purchased on those buildings located within a flood zone area. The maximum limit available through the National Flood Program is \$250,000 per building.

Fidelity coverage should be purchased to protect the Association from fraudulent and dishonest acts of its employees or Board Members. The limit obtained should be equal to three (3) months of the total income plus any accumulated reserves. Woodlands Developers, Inc. should be added to the Association's Fidelity Bond as additional insureds. Consideration should be given to increasing the limit as the Association's income grows.

Workers Compensation will provide coverage for injuries to employees during the course of their employment. Benefits are based on statutory requirements of the State of New Jersey. This is an auditable exposure based on the annual payroll of the employees of the Association.

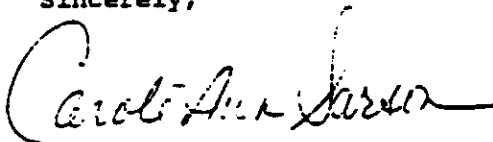
Directors & Officers coverage should be provided for the Officers of the Association. This coverage should include past and present Members of the Board, as well as Committee Persons.

Boiler & Machinery should include Comprehensive Boiler & Machinery coverage on a Broad Form Repair/Replacement Cost basis.

Finally, we recommend that each individual unit owner purchase his own insurance to protect his Personal Liability and Property. The most common type of policy is an HO-6 "Condominium Homeowners" Policy. Each homeowner will need to insure their personal contents, liability, decorations, and any upgrades, additions, or alterations they make to their home.

If the above insurance policies were placed in force, we would feel that the Association would be adequately insured. The projected annual insurance cost for this coverage would be \$20,570.

Sincerely,



Carole Ann Sarson, CIC, CPIW  
Account Executive  
Community Association Team

CAS:slb





JK

1st March

THIS AGREEMENT, MADE AND ENTERED INTO THIS 6th DAY OF February 1992, by and between: Enclave Condominium Association, a New Jersey non-profit corporation, with offices in the Town of Edison, County of Middlesex, State of New Jersey (hereinafter referred to as the "ASSOCIATION"),

AND

MIDSTATE MANAGEMENT CORPORATION, a New Jersey corporation, with offices at 201 Cnni Drive, Somerville, New Jersey 08876, (hereinafter referred to as the "Managing Agent").

WHEREAS, the Association is responsible for the administration, management and operation of that certain townhouse and/or condominium development known as Enclave Condominium Association, (hereinafter referred to as the "Development"); and

WHEREAS, the Association desires to engage the Managing Agent to perform all the management services required for the efficient administration, management, and operation of the Association, including but not limited to those authorized by the By-Laws of the Association and those hereinafter expressly set forth; and

WHEREAS, the Managing Agent possesses expertise in the administration, management and operation of townhouse and/or condominium developments.

NOW, THEREFORE, WITNESSETH, that in consideration of the premises and of the covenants hereinafter set forth and the sum of ONE DOLLAR (\$1.00) AND OTHER GOOD AND VALUABLE CONSIDERATION, in hand paid by the parties hereto, each to the other, simultaneously with the execution and delivery of this Agreement, receipt of which is hereby acknowledged, the parties hereto covenant and agree as follows:

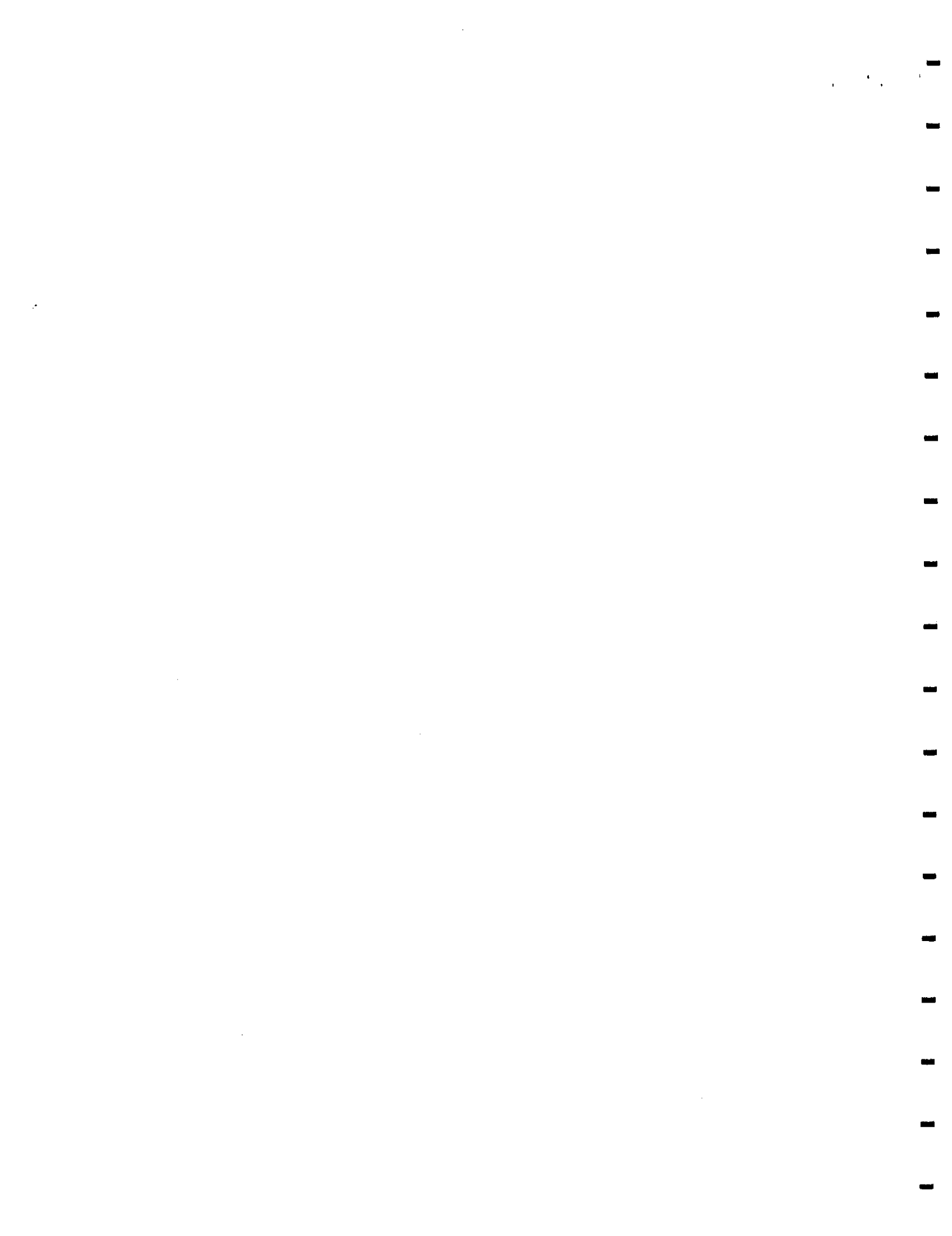
1. The Association herewith employs and appoints the Managing Agent as the exclusive agent for the administration, management, and operation of the Association and the Managing Agent herewith accepts said employment under and upon the terms and conditions hereinafter provided.

2. The responsibility of the Managing Agent for the administration, management, and operation of the Development shall commence March 1, 1992, and shall continue for two (2) years and shall automatically renew for an additional one year period, unless this Agreement is sooner terminated. Either party may terminate this Agreement without cause upon ninety (90) days prior written notice. This Agreement shall be deemed to be renewed unless either party on written notice to the other notifies of their intent to terminate the Agreement. Said Agreement shall be renewed at the same terms except that the per unit rate shall be adjusted annually.

3. The services to be rendered by the Managing Agent in connection with the administration, management, and operation of the Development and the Association are as follows:

(a) Subject to the approval of the Board of Trustees of the Association, cause to be selected, hired and supervised all persons necessary to be employed in order to properly maintain and operate the property, which employees in each instance shall be the employees of the Association, or an

Exhibit E to the Revisions  
To The Public Offering Statement



independent contractor, and not the employees of the Managing Agent. All wages, salaries, and other compensation paid to Association employees, including all items payable in respect with the payroll, such as, but not limited to unemployment insurance and social security, workmen's compensation, disability, medical and surgical plans now in existence or hereafter imposed or included in union agreements which the Managing Agent may enter into, shall be at the expense of the Association and considered as operating expenses of the Development. The Managing Agent will prepare and file all necessary reports and make required payments with respect to the unemployment insurance, disability and social security taxes. Anything to the contrary and notwithstanding, the Association will not be responsible for the payment of direct or indirect compensation to any employee, except in connection with services actually rendered on behalf of the Association and the Association shall have the right to audit the records of the Managing Agent with respect to any and all payroll or other expenses for which payment has been made by or requested of the Association.

(b) Cause to be purchased on behalf of the Association, all tools, equipment, supplies and materials as may be necessary and desirable for the maintenance and upkeep of the Association property. Such purchases shall be made by the Association or following the recommendation of the Board.

(c) Cause to be entered into contracts on behalf of the Association for lawn maintenance, snow removal, rubbish removal, painting, electricity, gas and other services or such of them that may be reasonably required. Such contracts shall be made in the name of the Association.

(d) Check all bills received by the Association for services, work and supplies ordered in connection with and for maintaining the property and pay all bills as and when same shall become due and payable.

(e) Collect on behalf of the Association all common expenses, charges, assessments, monies and debts which may become due to the Association and to take such action in the name of the Association as may be required for the collection of same. For such purposes, the Managing Agent may with prior approval of the Board of Trustees of the Association and at the expense of the Association, employ counsel designated by the Association for such purposes.

(f) Deposit all funds collected for the Association in a special account in the name of the Association.

(g) Consider, and when reasonable, tend to the complaints of unit owners. If the Managing Agent shall deem any such complaint unreasonable, it shall advise the unit owner and the Association of the complaint and the reason for the opinion that the complaint is unreasonable.

(h) Cooperate with the Association's accountants with regard to the annual audit of the books and accounts of the Association, including the annual report of the operation of the Association.

(i) Cooperate with the Association's accountants with regard to the preparation and filing on behalf of the Association of any governmental forms or returns.



(j) Cause to be prepared and send out all letters, reports and notices as may be reasonably requested by the Board of Trustees of the Association, including any newsletters or other publications which the Board directs.

(k) Cause all insurance required by law or otherwise to be carried and maintained in full force and effect. Make appropriate adjustments with said insurance companies and cause all said insurance proceeds to be paid promptly.

(l) Cause to be maintained the Association's membership list, prepare and give notice of the meetings to the Members and Directors of the Association, provided, however, that nothing herein shall require the Managing Agent to perform legal or accounting services.

(m) The Managing Agent will attend monthly Board Meetings. If the Association requests the Managing Agent to attend special Board Meetings or Committee Meetings, then the Managing Agent will receive payment at the rate of \$100.00 per hour portal-to-portal.

(n) Maintain records with respect to services and materials and expenses provided on behalf of the Association, which records will be sufficient to describe the services rendered and shall be kept in accordance with prevailing accounting procedures and shall identify the source and expenditure of all funds. Such record keeping excluding the cost of materials and supplies shall be kept at the Managing Agent's expense and shall be freely available for inspection by the Association's Officers and Trustees on a reasonable basis.

(o) Render to the Association a monthly statement of all collections and disbursements made on or before the 30th day of the next succeeding month. Such statement shall be prepared at the Managing Agent's expense.

(p) Assist the Board of Trustees in the preparation of an annual operating budget and reserve analysis.

(q) Generally, do all things deemed reasonable, necessary or desirable by the Board of Trustees of the Association to oversee the proper management of the Association's property.

4. All the purchases and expenditures made by the Managing Agent shall be expenses of the Association made out on behalf of and to the credit of the Association and the Management Agent shall not be required or obligated to advance any monies or credit on behalf of the Association.

In no event, however, shall the Managing Agent expend any sum in excess of \$500.00 per expenditure or \$5,000.00 in the aggregate on an annual basis unless said expenditure(s) are specifically authorized by (i) the Board of Trustees of the Association, or (ii) are included in the approved operating budget of the Association, or (iii) the same is immediately required by law or under circumstances where such expenditures are required to eliminate or prevent an emergent danger to life or limb or an eminent and substantial loss of, or danger to, the townhouse and/or condominium property in which cases, such expenditure(s) may be made by the Managing Agent, irrespective of the above limitations.



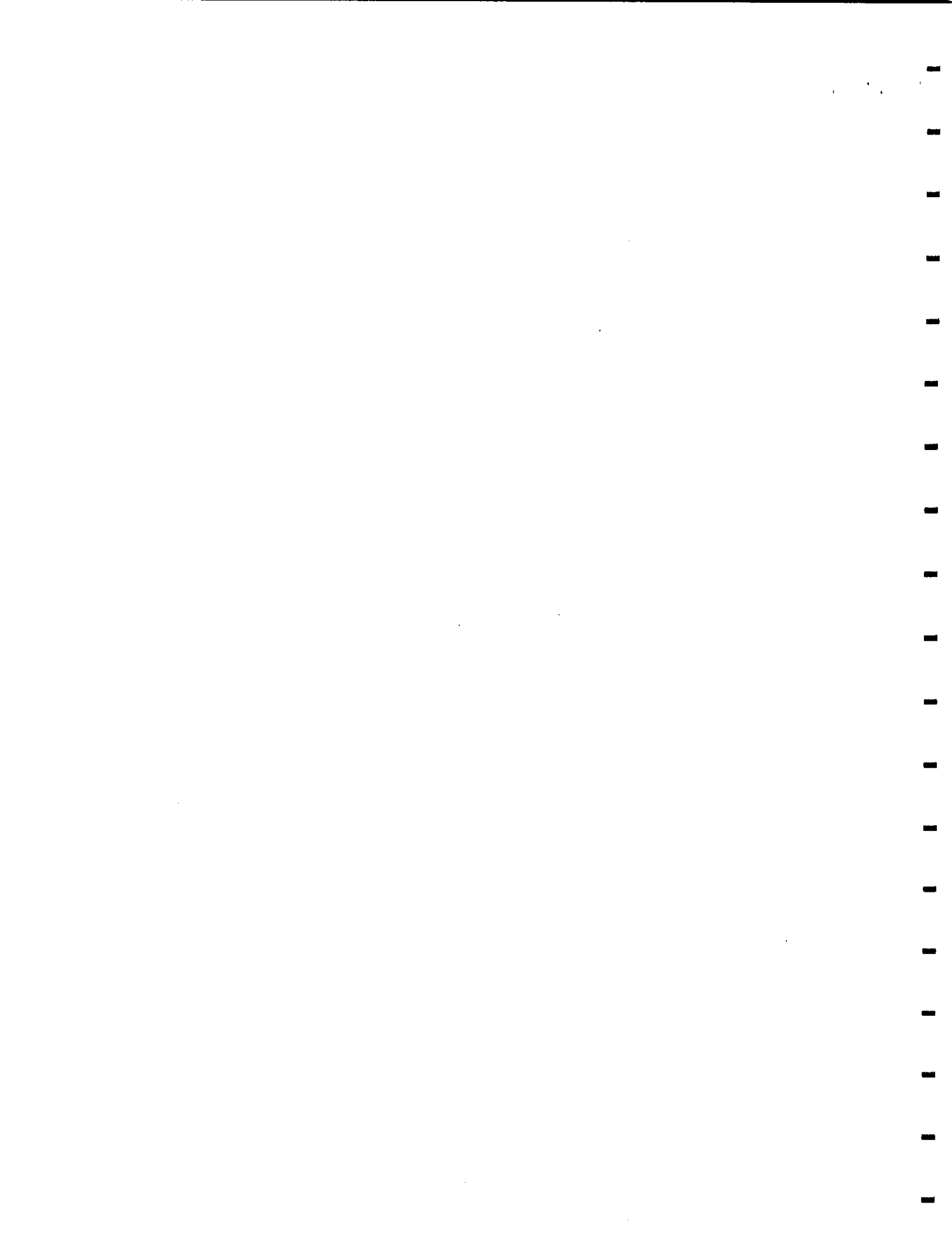
5. The Managing Agent is authorized on behalf of the Association to make all necessary disbursements for expenses incurred by the Managing Agent pursuant to any of the provisions of the Agreement, including the retention of legal counsel, accountants and other professional services as may be necessary subject to prior approval thereof by the Board of Trustees of the Association, and also including the payment of the Managing Agent's compensation as herein provided, and deduct the same from the collections made for the Association. In the event that any time there be insufficient funds in the custody of the Managing Agent from the current collections to pay such expenses, the Association agrees to supply the Managing Agent immediately with funds required to make such payments. The Association agrees to reimburse the Managing Agent upon demand for any disbursements which the Managing Agent may elect to advance for the account of the Association and for any monies which the Managing Agent becomes obligated and required to pay pursuant to any of the provisions of this Agreement. Nothing herein contained, however, shall be construed to obligate the Managing Agent to make such advances. The Managing Agent charges 20¢ per photocopy and the actual cost incurred for first-class postage or next day mail and \$2.00 per page for each fax transmitted.

6. The Association agrees to pay the Managing Agent for all services to be performed in connection with the administration, management, and operation of the Development at the rate of \$10.00 per unit per month payable by the fifteenth day of the following month with a minimum monthly fee of ~~\$750.00~~ \$500.00

7. The Managing Agent is and shall have general authority and the powers necessary to carry out the intent of this Agreement and to act therefore on behalf of the Association. In no event, shall the level of maintenance or general supervision provided by the Managing Agent be less than contemplated by the proposed budget set forth in the initial offering plan prepared by the Sponsor of the Development.

8. The Association agrees to carry such insurance as is required by the Master Deed and By-Laws and by the laws of the State of New Jersey and in each such policy of insurance, the Association agrees to designate the Managing Agent as a party insured with the Association.

9. (a) The Managing Agent shall not be liable to the Association for any loss or damage not caused by the Managing Agent's gross negligence or wilful misconduct or not caused by the Managing Agent's own failure to comply with its obligations hereunder. The Association will indemnify the Managing Agent against and hold the Managing Agent harmless from (i) any loss, damage, cost or expenses (including reasonable attorney's fees) sustained or incurred for injury to any person or property in or about and in connection with the townhouse and/or condominium property from any cause except the gross negligence or wilful misconduct of the Managing Agent and (ii) any liability, damage, penalties, costs or expenses, statutory or otherwise, for any acts properly performed by the Managing Agent pursuant to the instruction of the Association; provided in each of the foregoing instances, the Managing Agent promptly advised the Association of its receipt of information concerning any such injury and the amount of any such liability, damages, penalties, costs and expenses.





(b) The Association shall carry public liability insurance (with limits acceptable to the Managing Agent in its reasonable judgment), contractual liability insurance, specifically covering the indemnity provisions contained in subparagraph (a) hereof, workmen's compensation, employer's liability insurance and will include the Managing Agent as a party insured in the liability policy, and will deliver a copy of such liability policy to the Managing Agent or a certificate evidencing same.

10. In the event a petition in bankruptcy is filed by or against either the Association or the Managing Agent, or in the event that either shall make an assignment for the benefit of creditors or take advantage of any insolvency act, either party hereto may forthwith terminate this Agreement upon ten (10) days prior notice in writing to the other.

11. Notice which either party desires to give to the other, or is required to give to the other, under this Agreement shall be given by Certified Mail, Return Receipt Requested, and it shall be deemed given 72 hours after it shall have been deposited in the United States Mails, addressed to the party for whom it is intended as follows:

Enclave Condominium Association  
c/o Midstate Management Corporation  
201 Omni Drive  
Somerville, NJ 08876

and

Midstate Management Corporation  
201 Omni Drive  
Somerville, New Jersey 08876

12. The term "Managing Agent" as used in this Agreement shall include all corporate subsidiaries or affiliates of and successors in interest to the Managing Agent all of whom perform services in, or about the Development or the premises on which the Development is located arising out of or in connection with this Agreement.

13. This Agreement shall be binding upon each party's successors and/or assigns.

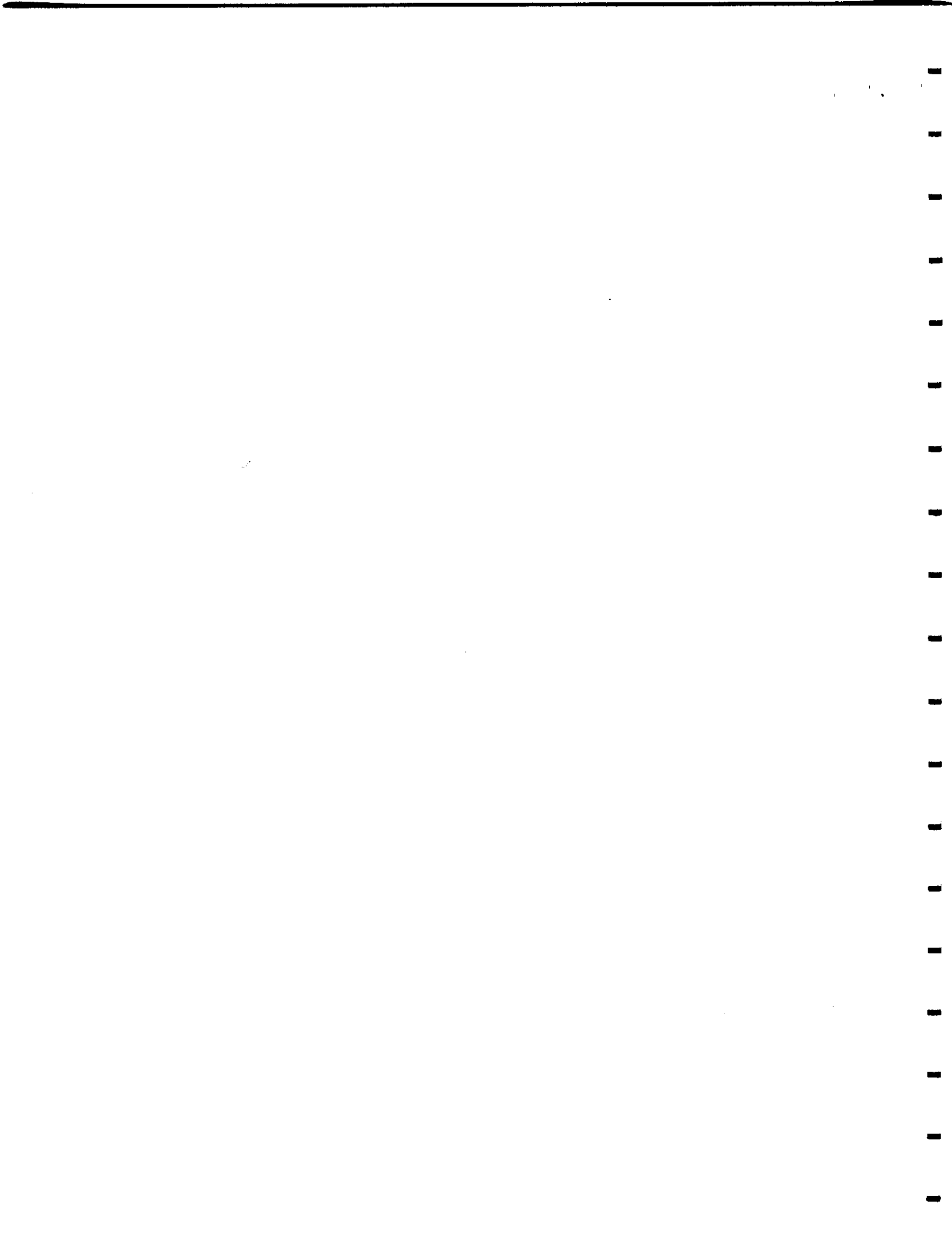
IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Enclave Condominium  
Association

By:   
Joe Glica

MIDSTATE MANAGEMENT CORP.

By:   
Michael Rudelman, President



CONDOMINIUM DEED

THIS DEED, is made on \_\_\_\_\_, 1993,

BETWEEN: WOODLAND DEVELOPERS, INC., A New Jersey Corporation,  
having offices at 317 Brick Boulevard, P.O. Box 1549,  
Bricktown, New Jersey 08723, referred to as the GRANTOR,

AND:

about to reside at  
Township of Edison, County of Middlesex and State of New  
Jersey, referred to as GRANTEE

WITNESSES, that for and in consideration of the sum of

\_\_\_\_\_ DOLLARS, the Grantor grants and conveys to the  
Grantee the following described real property, in fee simple,  
subject to the provisions of the New Jersey Condominium Act  
(N.J.S.A. 46:8B-1 et seq.), and the Planned Real Estate  
Development Full Disclosure Act (N.J.S. 45:22A-21 et seq.), their  
amendments and supplements, and to the provisions of the Master  
Deed of The Enclave at Edison, A Condominium,  
dated \_\_\_\_\_, 1993 recorded  
1993 in the Office of the Clerk of Middlesex County in Book \_\_\_\_\_  
of Deeds at page \_\_\_\_\_ as it may be lawfully amended from time to  
time.

BEING all that real property in the Township of Edison, County  
of Middlesex and State of New Jersey, more particularly described  
as follows:

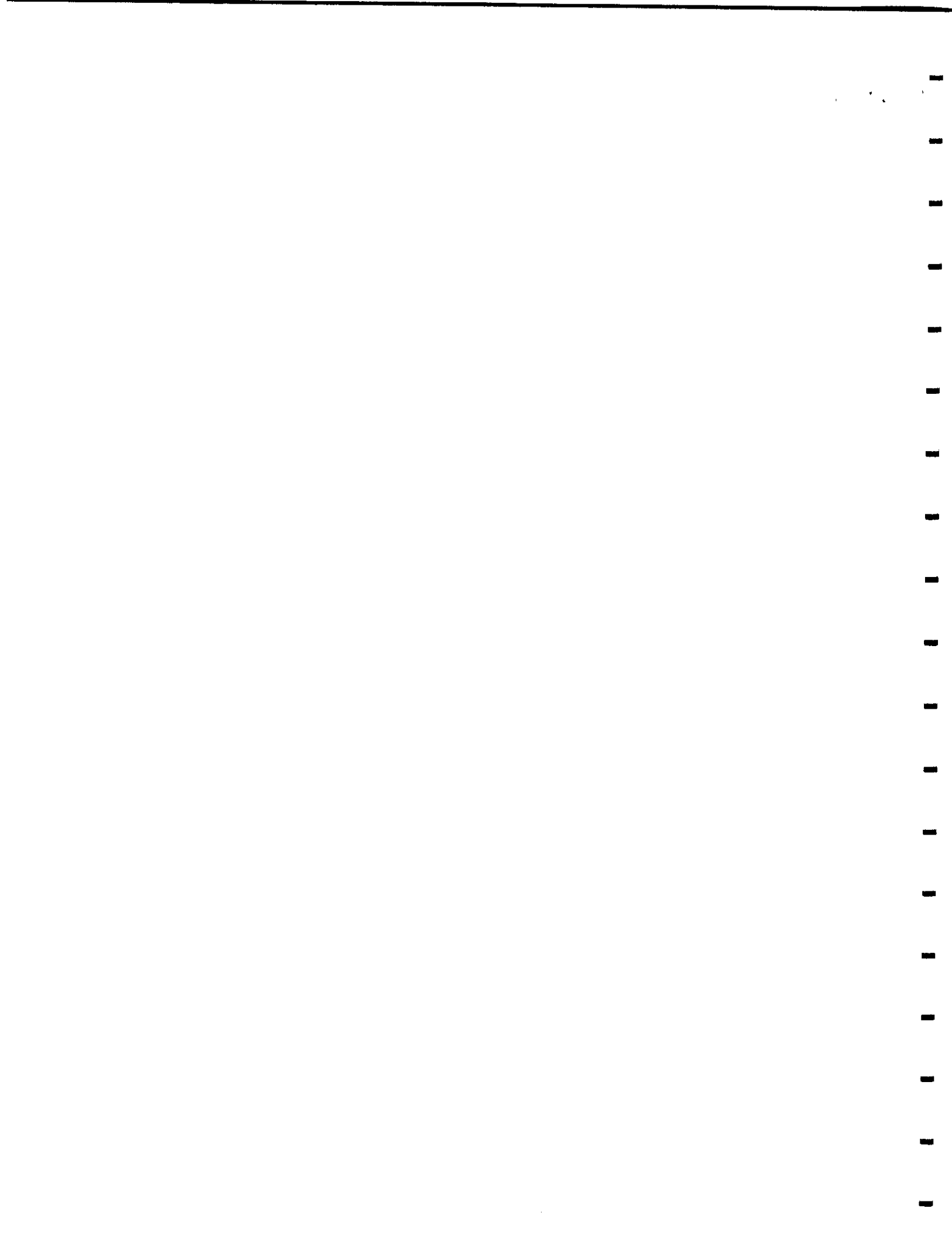
UNIT \_\_\_\_\_ in The Enclave at Edison, A Condominium, which Unit  
has been more specifically defined in the Master Deed, and which  
Unit is hereby conveyed in conformity with N.J.S. 46:8B-10 et  
seq., and includes the fee in an undivided \_\_\_\_\_ percent interest  
in the common elements of the Condominium as the common elements  
are defined in the Master Deed.

BEING also known as part of Lot \_\_\_\_\_ in Block \_\_\_\_\_ on the  
Tax Map of the Township of Edison.

BEING a portion of the premises conveyed to the Grantor by  
Deed from \_\_\_\_\_, dated \_\_\_\_\_,  
recorded in Deed Book \_\_\_\_\_, Page \_\_\_\_\_, Middlesex County Clerk's  
Office.

PREPARED BY: JANICE K. SCHERER, ESQ.

Exhibit F to the Revisions to the Public Offering Statement



SUBJECT to the conditions, easements, restrictions, covenants, and agreements set forth in the Master Deed, the Articles of Incorporation and the By-Laws for The Enclave Condominium Association, Inc. as amended.

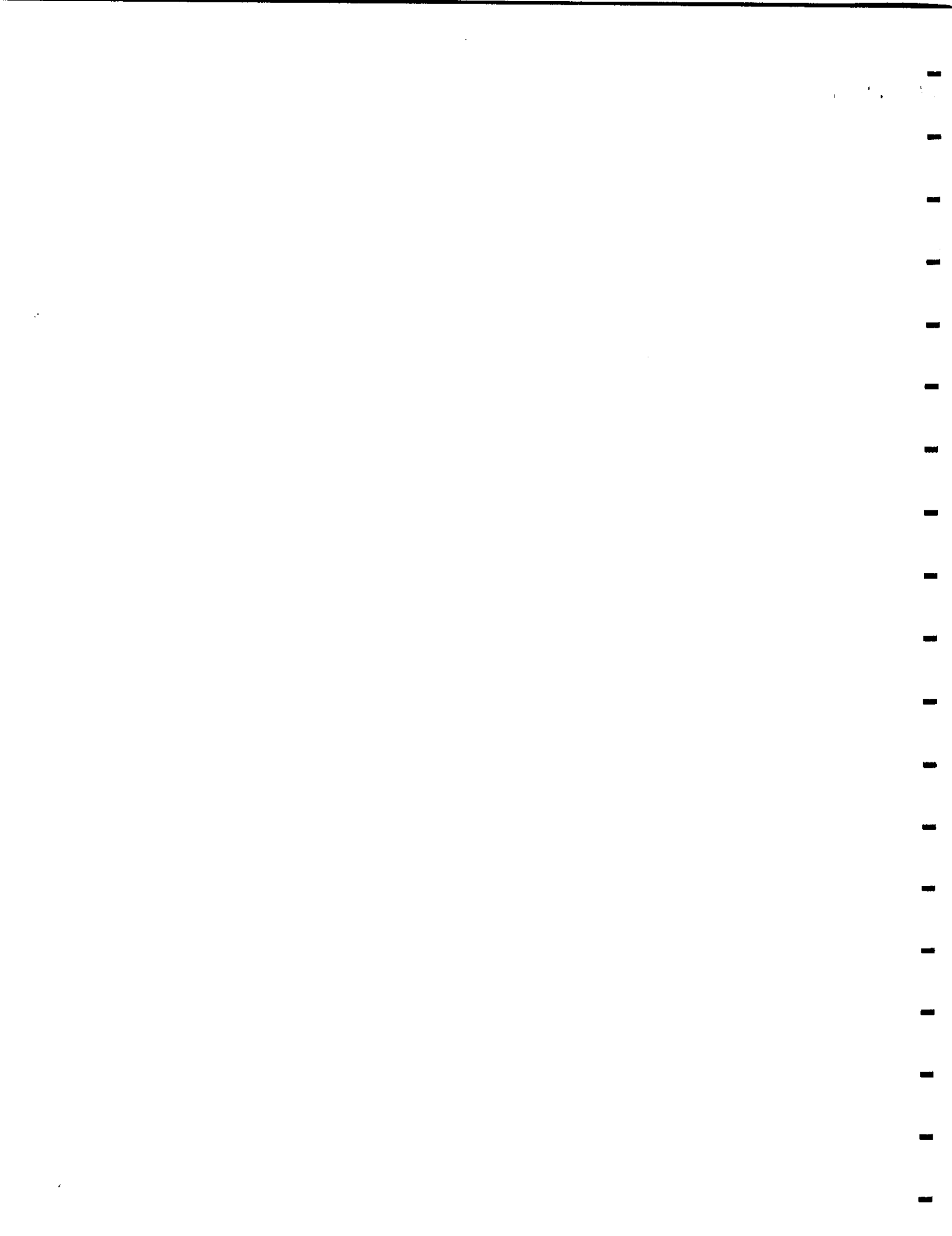
SUBJECT also to the Grantor's rights to enter into, upon, over or under the common elements conveyed until the expiration of two years from the date of the last conveyance of Grantor's Units in the Condominium to a Unit purchaser, and until Grantor's bond with the municipality has been released, but in no event for more than ten (10) years from the date of recording the Master Deed, for such purposes as may be reasonably necessary for the Grantor or his agents to complete the development project of which this Unit is a part. With regard to this individual Unit, this provision shall be effective for two years from the date of closing of title.

SUBJECT also to an irrevocable power of attorney granting to Seller herein the express right to execute, acknowledge, deliver and record any amendments or other documents evidencing consent to any and all amendments to the Master Deed, the By-Laws of the The Enclave Condominium Association, Inc. or any other documents which are contemplated by the Master Deed or By-Laws. These documents may be required by any bank, mortgage bank or other institutional lender designated by the seller to make mortgage loans on the Units or land, or by the laws and/or regulations of any governmental authority having jurisdiction with regard to the Condominium, all as set forth in the Master Deed. Said power of attorney shall be in effect until the last unit is conveyed or for a period of no longer than five (5) years from the date the first Unit is conveyed to an individual purchaser, or until the last unit is sold, whichever occurs first.

By acceptance of this Deed, the Grantee hereby irrevocably appoints and constitutes the Grantor as Grantee's attorney-in-fact to make any future amendments or revisions of the Master Deed, in accordance with, and subject to the limitations contained in, the power of attorney described in the Master Deed.

The Grantee, for themselves, their successors, heirs and assigns, agrees to become a member of the The Enclave Condominium Association, Inc.; to abide by the By-Laws of the Association; and agrees to be subject to the provisions of the Master Deed and its amendments.

The Grantor covenants that it has not done or executed or knowingly allowed to be done or executed, any act, deed or thing that would cause the premises conveyed, or any part of it to



be charged or encumbered in any manner except as referred to in this Deed.

IN WITNESS WHEREOF, the Grantor has caused the Deed to be signed as of the date at the top of the first page.

ATTEST: **WOODLAND DEVELOPERS, INC.**  
A New Jersey Corporation

\_\_\_\_\_  
Mark Fisch, Secretary

By: \_\_\_\_\_  
Erwin Fisch, President

STATE OF NEW JERSEY )  
                                  )  
COUNTY OF OCEAN      )

I certify that on \_\_\_\_\_, 1993, Mark Fisch, personally came before me and this person acknowledged under oath, to my satisfaction, that this person:

(a) this person is the Secretary of Woodlands Developers, 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 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

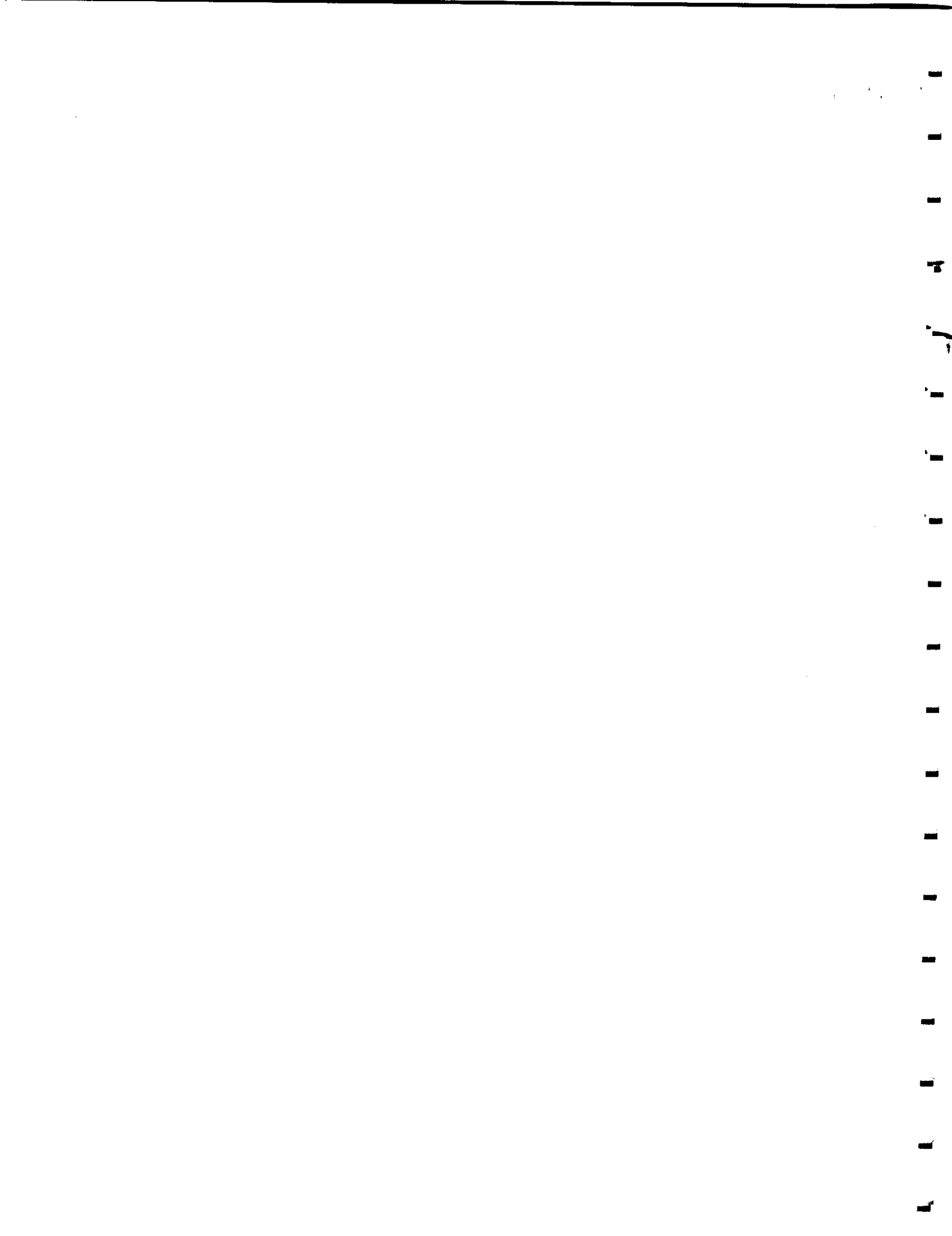
(e) this person signed this proof to attest to the truth of these facts.

\_\_\_\_\_  
Mark Fisch, Secretary

Sworn and Subscribed to  
before me this \_\_\_\_\_ day of \_\_\_\_\_  
, 1993.

\_\_\_\_\_  
NOTARY PUBLIC OF NEW JERSEY

WP+457 (Pgs. 36-38) DJG





**AGREEMENT OF SALE**

**THIS AGREEMENT is made on**

**, 199**

**Between:**

**WOODLAND DEVELOPERS, INC., a corporation of the State of New Jersey,  
317 Brick Boulevard, P.O. Box 1549, Bricktown, New Jersey, 08723,  
hereinafter referred to as the "Seller"**

**And**

**whose address is**

**hereinafter referred to as the "Buyer".**

**The words "Buyer" and "Seller" include all Buyers and Sellers listed above.**

**1. PURCHASE AGREEMENT:** The Seller agrees to sell and the Buyer agrees to buy the property described in this Agreement.

**2. PURCHASE PRICE:** The purchase price is \$

**3. PROPERTY:** The property to be sold consists of a condominium unit in a structure located at The Enclave at Edison project in the Township of Edison, County of Middlesex and State of New Jersey. The legal description is: Known and designated as \_\_\_\_\_

in The Enclave at Edison, A Condominium, together with undivided 1.1627 percentage interest in the common elements appurtenant to it, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions and other provisions of the Master Deed which has been or is about to be recorded in the Office of the Clerk of Middlesex County.

**4. PAYMENT OF PURCHASE PRICE:** The Buyer will pay the purchase price as follows:

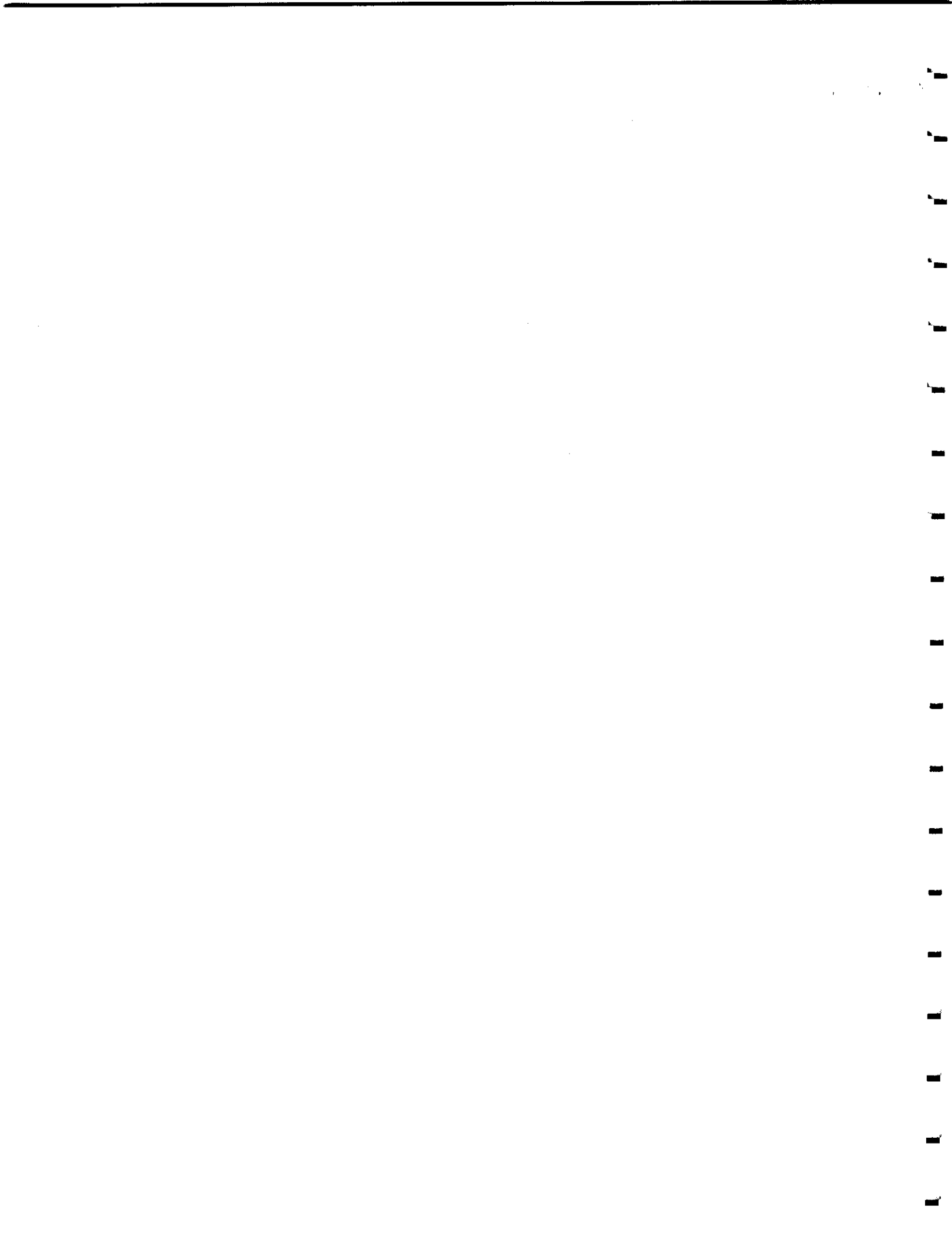
- (a) Initial deposit \$ \_\_\_\_\_
- (b) Previously paid or upon signing of this Agreement for which this shall be a receipt \$ \_\_\_\_\_
- (c) By additional payment on or before \_\_\_\_\_ \$ \_\_\_\_\_
- (d) By cash or certified check(s) at closing \$ \_\_\_\_\_

**TOTAL PURCHASE PRICE \$ \_\_\_\_\_**

All deposit monies or money paid under this Agreement shall be held in trust in the Union Center National Bank, Morris Avenue, Union New Jersey, account entitled "Woodland Developers, Inc. Trust Account", for at least the seven (7) days rescission period, and if this Agreement is not rescinded, for a further period of time until closing or termination of this Agreement. All accrued interest shall go the Seller. The escrow agent shall be Fisch & Fisch, Esq., 317 Brick Boulevard, Bricktown, NJ 08723.

**5. MORTGAGE CONTINGENCY:** This Agreement is contingent upon the ability of Buyer to secure a mortgage commitment from a lending institution of Seller's choice for a mortgage in the amount of \$ \_\_\_\_\_ for a term of \_\_\_\_\_ years within forty-five (45) days after full execution of this Agreement, at prevailing rates of interest and terms, as of the date of the issuance of the mortgage commitment. The buyer agrees to diligently pursue said mortgage commitment and Buyer's failure to do so may be deemed a default under this Agreement. In the event Buyer has not secured a mortgage commitment within said

**Exhibit G to the Revisions  
to the Public Offering Statement**



forty-five (45) day period. Buyer shall so notify the Seller in writing within fifteen (15) days after the expiration of this contingency period. In the event Buyer does not so notify Seller in writing that the Buyer has not obtained a mortgage commitment, Buyer shall have waived this contingency and the Seller will proceed with construction accordingly. In the event the Buyer is unable to secure a mortgage commitment within the period described above, and so notifies the Seller, then the Seller may, at its option, attempt to secure a mortgage commitment on behalf of Buyer, or Seller may, at its option, choose to take back a mortgage. In the event that the Seller attempts to secure a commitment on behalf of the Buyer, then the Seller must secure such commitment within forty-five (45) days of receipt of notification of Buyer's failure to receive a commitment, and same shall be at the same terms and conditions as that which was sought by the Buyers, and at prevailing rates of interest and points. The Buyer agrees to cooperate fully with the Seller by properly completing all forms and/or other documentation necessary for the Seller to attempt to procure a mortgage commitment on behalf of the Buyer. In the event the Seller chooses to take back a mortgage, Seller shall so notify Buyers within forty-five (45) days; and said mortgage shall be for the term of years, interest rate and points which are prevailing in the banking community as of the date of application.

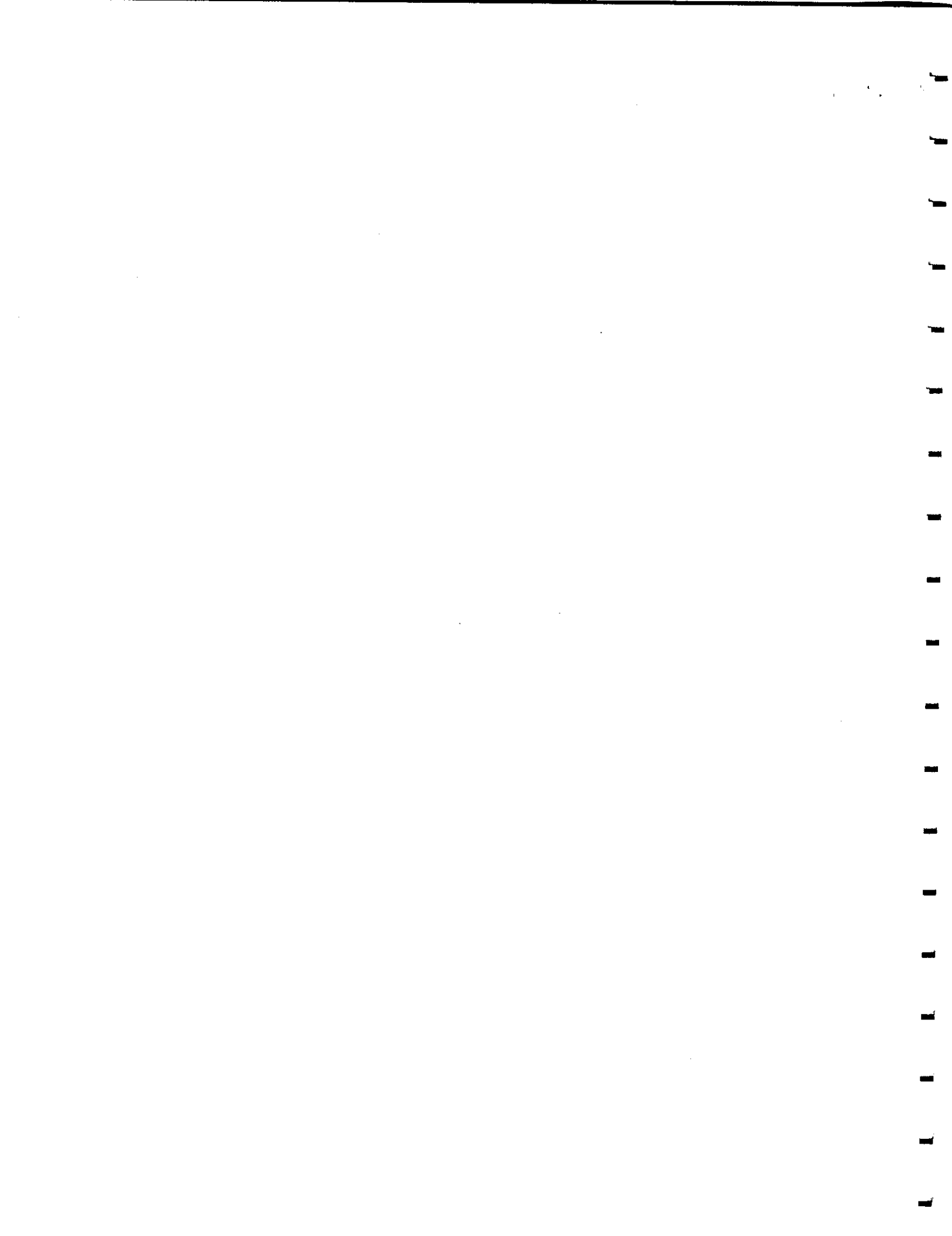
The Buyer agrees to make best efforts to obtain a mortgage commitment and fully cooperate with the applicable lender by promptly providing any requested documents and/or financial information necessary to process Buyer's mortgage loan. The Buyer will be solely responsible for any fees, charges or deposits of any kind imposed by a lender as a condition of considering an application, issuing or extending the commitment, or closing the loan. In the event a lender issues a commitment, the Buyer shall accept the commitment and shall promptly sign all documents, fulfill all conditions and otherwise comply with any directions issued by the lender. In the event Buyer fails to accept a commitment or fulfill any conditions contained in said commitment or comply with the Lender's directions, Buyer shall be in default hereunder. Upon receipt by the Buyer of a commitment, conditional or otherwise, this contingency will be deemed satisfied. Buyer shall be solely responsible to insure that the commitment is in effect on the date of closing and will pay any or all additional fees or charges and consent to any modification of the terms of the commitment, if so required by the Lender as a condition of permitting any necessary extension of the commitment. Buyer understands that Buyer must satisfy the applicable Lender's criteria as to credit worthiness and that in the event a commitment is issued, this contingency shall be satisfied despite the subsequent withdrawal of the commitment due to the Buyer's credit worthiness becoming unacceptable to the Lender. The Buyer represents that he has sufficient cash available, together with the proceeds of any mortgage being applied for, to complete this transaction.

6. **TIME AND PLACE OF CLOSING:** The closing date cannot be made final at this time. The Buyer and Seller agree to make \_\_\_\_\_, 199\_\_, the estimated date for closing. The closing will not be scheduled prior to this date without Buyer's written consent. Both parties will fully cooperate so the closing can take place on the estimated date. The closing will be held at the offices of Fisch & Fisch, 317 Brick Boulevard, Bricktown, NJ. In the event that the Buyer or its agents require the closing to take place other than at the office noted above, the Buyer shall pay the Seller the additional expense of \$400.00 if the closing is in New Jersey and a \$400.00 additional charge if outside of New Jersey.

7. **CLOSING FEES:** All charges in connection with the mortgage loan and closing of title, including the mortgagee's attorney's fees regarding the title search, preparation of necessary documents, mortgagee title insurance, recording deed and mortgage, survey certificate, appraisal fees, application fees, credit reports, prepaid taxes, insurance, etc. shall be paid by the Buyer. Seller will pay the realty transfer fee.

8. **SURVEY:** Seller will furnish to the Buyer a survey certificate with required certifications at a cost of \$300.00, if buyer requests same.

9. **TAXES:** Taxes for the current year are to be adjusted to the date of passing of title.



10. **IMPROVEMENT ASSESSMENTS:** The Seller agrees to pay all costs and assessments for all offsite improvements that have been proposed prior to closing, including street construction, sewer, water, gas, electricity and curbs. This clause shall survive closing and delivery of deed until all these assessments have been levied.

11. **METER CHARGES:** All meter charges and/or deposits for utilities shall be paid by Buyer at closing or as required by the Seller and/or utility companies.

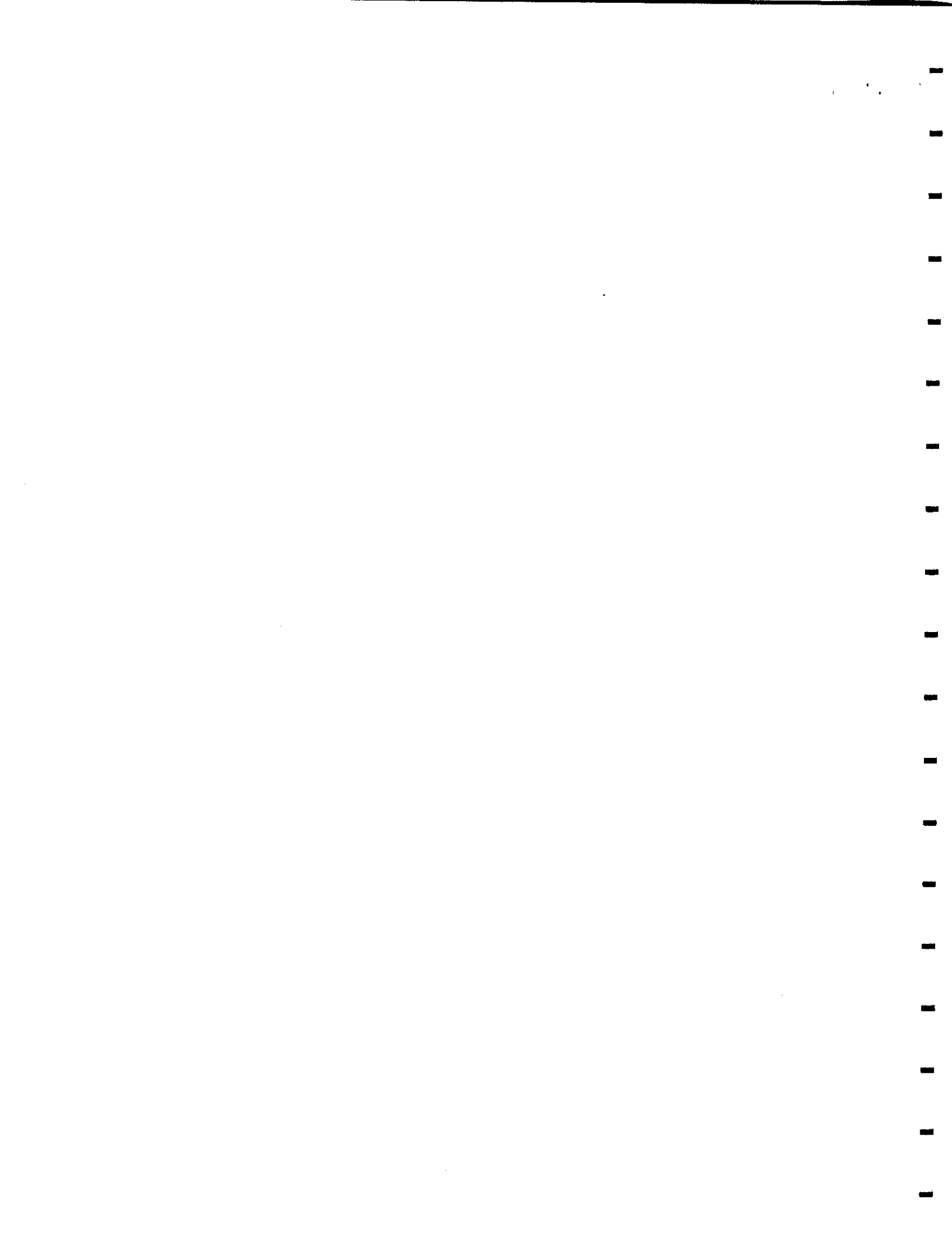
12. **PRE-CLOSING INSPECTION:** The Buyer shall have the right to inspect the property within three (3) days of the date fixed for closing. The Buyer must arrange this inspection with the Seller and it must take place within normal business hours on any weekday, unless otherwise agreed between Seller and Buyer.

13. **NO ESCROWS:** It is specifically understood and agreed that when closing of title is held, then and in that event no escrow shall be held or required by the Buyer other than as required by the Seller's lending institution. The Buyer agrees to accept a written guarantee from the Seller that the uncompleted work will be completed within a reasonable period of time by Seller.

14. **COMPLETION:** The Buyer promises and agrees, if the property shall not be completed and ready for occupancy on the date estimated for closing as provided in Paragraph 6 above, that the Buyer will accept the Deed and pay the consideration on such date as the dwelling shall be completed and ready for occupancy as provided below. Seller shall give a minimum of ten (10) days notice to Buyer of such date. For the purpose of such delivery and closing, the dwelling shall be deemed completed and ready for occupancy upon the procurement of an occupancy certificate, permanent or temporary, from the appropriate governmental agency. It shall be a default of Buyer to refuse to execute any requirement with respect to the issuance of a Certificate of Occupancy where Seller has complied with the terms of this Agreement and all requirements for the issuance of said Certificate of Occupancy. After written notification from Seller, if the Buyer does not close within ten (10) days of the date that closing can take place as stated in the notice from Seller and by virtue of the terms of this paragraph, then and in that event Buyer will pay to Seller, in addition to the purchase price and cost of extras or changes, the sum of \$150.00 per day until the date of closing, not to exceed ten per cent (10%) of the purchase price. However, if Buyer still does not close within sixty (60) days from said written notification, this shall constitute a default on the part of the Buyer.

15. **TEMPORARY CERTIFICATE OF OCCUPANCY:** Seller has, as an incident to its approvals for development of the entire tract, posted performance guarantees with the County of Middlesex and Township of Edison to assure completion of those municipal improvements, both onsite and offsite, which the County and the Township will ultimately accept for future maintenance. Such municipal improvements include, but are not restricted to, streets, curbing, storm and sanitary sewers and easements incident thereto, drainage accommodations, etc. The Buyer agrees to accept, at the time of closing, a temporary Certificate of Occupancy which may be issued on the basis that all the foregoing improvements have not, to the time of closing, been completed or accepted by the County or Township.

16. **DELAYS IN COMPLETION:** In the event completion is delayed due to inclement weather, strike, lockouts, or other labor disputes affecting either Seller or Seller's suppliers of materials or labor, delay in the issuance of permits, inspections, acts of war, or emergency proclamation, governmental regulations, or for any reason beyond Seller's control, it is agreed that the closing date in this Agreement will be extended until such time as the dwelling can be completed. The extended closing date is not to be beyond 180 days from the estimated closing date in Paragraph 6 or the date established in Paragraph 17 herein or the Buyer may terminate this Agreement and receive the return of all deposit monies, except for the costs of extras installed or purchased by Seller, within ten (10) business days of written request for same.



17. **FIRE & OTHER CASUALTY:** Partial loss or damage to the unit by fire, storm or other casualty between the date of this contract and the closing date, shall not void or impair this Agreement, but all such damage by way of fire, storm or other casualty is to be the responsibility of the Seller. In the event of substantial or total loss as a result of the hazards mentioned above, Seller shall have the option to repair all damage at its own cost or to cancel this Agreement and refund all deposit monies paid within ten (10) business days from time that Seller exercises its option to cancel this Agreement. In the event of loss or damage as a result of the hazards mentioned, the time for completion shall be extended for such time as may be reasonably required to repair the damage, but not to exceed six (6) months from the day of damage. The Seller shall provide the Buyer within sixty (60) days of the loss or damage notice whether Seller is going to cancel this Agreement or extend it. If the Seller is going to extend this Agreement, the notice shall state the new estimated date of completion. If the repairs which Seller has opted to complete are not completed within said six (6) months period or as extended by virtue of Paragraph 16 hereof, Buyer shall have the option of cancelling this Agreement and receiving a refund of all deposit monies within ten (10) business days of said cancellation.

18. **ESCALATION:** This Agreement is conditioned upon the ability of the Seller to complete the erection of the dwelling at existing costs for materials and on the existing scale of wages for labor. In the event there is an increase in the cost of materials or in the wage scale before closing, the Seller reserves the right to increase the sales price in such amount as it deems appropriate. Written notice of such increase shall be given to the Buyer, at his address in the contract, at least sixty (60) days prior to the date fixed for closing. The Buyer shall have ten (10) days after receipt of such notice to notify the Seller in writing of his intentions to cancel this Agreement; otherwise the increase of the sales price will be effective.

19. **MEMBERSHIP FEE:** Upon the closing of title, Buyer shall become a member of The Enclave at Edison Condominium Association, Inc. and shall pay at the closing a non-refundable membership fee of \$500.00 to be used as working capital and the prorated share of the membership assessment for the month of closing. The regular monthly maintenance fee shall commence on the first of the month following closing.

20. **MASTER DEED AND BY-LAWS:** The Deed to the property shall specifically provide that the premises are subject to and entitled to the benefits of the Master Deed and By-Laws, as amended, of The Enclave at Edison Condominium Association, Inc., which have been or are about to be recorded in the Middlesex County Clerk's Office.

21. **ROAD SURFACE:** At the time of closing, the Buyer will have suitable access to the property by way of a hard-surfaced road despite the fact that a finished road topping may have to be added later.

22. **LOCATION OF BUILDING:** The Seller may change the location of the building containing the units, change or reverse elevations as conditions, municipal ordinances and general planning may, in Seller's judgment require.

23. **PROPERTY LINES:** The Seller states that all buildings, driveways, and other improvements on the property are within its boundary lines. Also, to Seller's knowledge, no improvements on adjoining properties extend across the boundary lines of this property.

24. **OWNERSHIP:** The Seller agrees to transfer by a Bargain & Sale, Covenant against Grantor Deed and Affidavit of Title, and the Buyer agrees to accept ownership of the property free of all claims and rights of others except for:

(a) the rights of utility companies to maintain pipes, poles, cables and wires over, on and under the street, the part of the property next to the street or running to any building or other improvement on the property;





(b) recorded agreements which limit the use of the property, unless the agreements: (i) are presently violated; (ii) provided that the property would be forfeited if they were violated; or (iii) unreasonably limit the normal use of the property.

**25. TITLE INSURANCE:** Seller warrants that the ownership of the Buyer will be insurable at regular rates by Mid-State Abstract Co., 207 Hooper Avenue, P.O. Box 413, Toms River, New Jersey 08753 (908) 244-3000, or any title insurance company authorized to do business in New Jersey subject to the above exceptions. Transfer of title to the Buyers is made subject to the Master Deed and the Rules and Regulations contained in the Certificate of Incorporation and By-Laws of The Enclave at Edison Condominium Association, Inc..

**26. CONSTRUCTION WARRANTIES:** The construction warranties imposed upon Seller under the Planned Real Estate Development Full Disclosure Act, Chapter 419, P.L. 1977, N.J.S.A. 45:22a-21 et seq. are made a part of this Agreement and are as follows:

(a) The developer of a planned real estate development or retirement community shall warrant the construction of the unit or interest as provided in the New Home Warranty and Builder's Registration Act, NJS 46:3B-1 et seq.

(b) The developer of a planned real estate development or retirement community shall, in addition to the warranties required under the New Home Warranty and Builder's Registration Act (NJS 46:3B-1 et seq.), warrant the following to be free from defect to material and workmanship for a period of one (1) year from the date of possession or settlement: outbuildings, driveways, walkways, patios, retaining walls, and fences. The developer shall also warrant that all drainage is proper and adequate and that all offsite improvements are free from defects for a period of one (1) year from the date of construction.

(c) The developer shall warrant that all lots, parcels, units or interests are fit for their intended use.

(d) The developer of a planned real estate or retirement community shall warrant the construction of the common facilities for a period of two (2) years from the date of completion of each of the common facilities.

(e) The developer shall warrant that the common facilities are fit for their intended use.

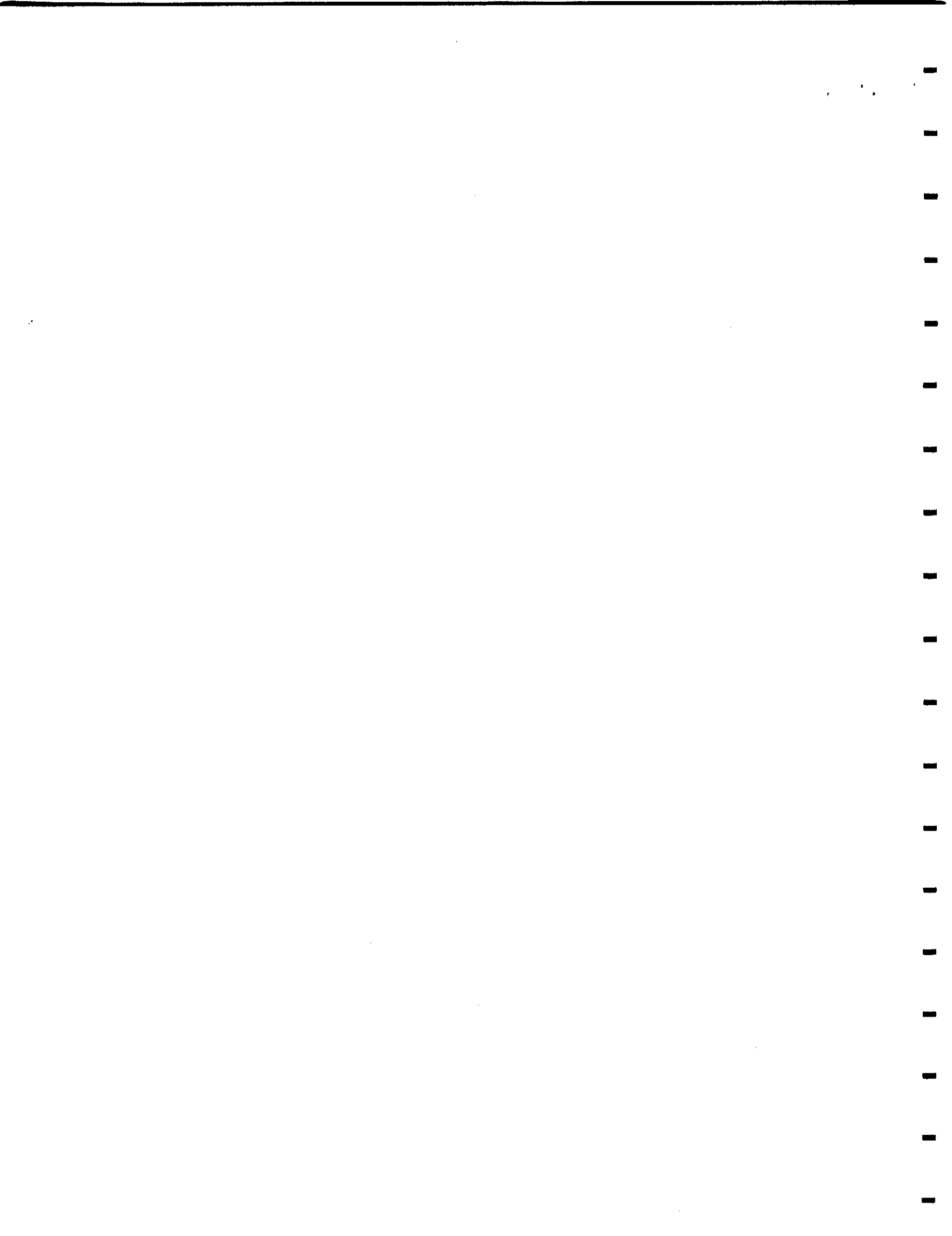
(f) The developer shall repair or correct any defect in construction, material or workmanship in the common facilities within a reasonable time after notification of the defect.

(g) The developer shall expressly warrant that any lot, parcel, unit, interest, or common facility will substantially conform to the Model, description or plans used to induce the Buyer to enter into a contract or agreement to purchase unless noted otherwise in the contract.

**27. MODEL FURNISHINGS:** It is expressly understood that the Model furnishings, decorations, wallpapers, shrubs, and other items are for display only and are not intended to be included in the sale.

**28. MATERIALS:** The Seller warrants that the above property will substantially conform to the model except such changes as noted on the model and sales literature. However, Seller may substitute at his discretion like or comparable components, appliances and/or materials of equal or greater value without prior notice to Buyer.

**29. SELECTION OF MATERIALS:** All selections and options regarding color, items or extras shall be made, obtained and/or purchased through the Seller or its designated subcontractors or suppliers. Installation regarding these items shall be completed by the Seller or his designates. The Seller will make available to the Buyer standard selections such as floor



coverings and appliance at are included with the purchase of the property. If the Buyer chooses to upgrade the standard selections, he must do so through Seller's supplier only. No allowances shall be made by Seller for any upgraded materials, plumbing fixtures, lighting fixtures, carpeting and/or other appliances not ordered through Seller's supplier. Choices and selections shall be made by Buyer within ten (10) days of notification by the Seller. Failure to make such selections and choices of color and kind of materials shall be deemed a waiver of such selection and the Seller may select the same for the Buyer and complete the dwelling.

**30. FIBERGLASS BATT:** Insulation will be in the exterior walls of heated spaces, ceilings of heated spaces that are below unheated spaces, and floors of heated spaces above unheated spaces. Ceiling insulation will be nine inches with an R-30 value, exterior wall insulation will be three inches with an R-13 value, and floor insulation will be six inches with an R-22 value.

**31. EXTRAS AND CHANGES:** It is understood and agreed that no extras and changes in the construction or in completion ordered by Buyer will be made unless authorized in writing by the Buyer at a cost and payment schedule agreed upon and approved by the parties in writing. The cost of extras, if installed or purchased by Seller, and changes, if made, are non-refundable except for willful or intentional breach by Seller.

**32. ATTORNEY:** The Buyer acknowledges that they have been specifically informed and are aware that Fisch & Fisch represents the Seller in this transaction solely. The Buyer also acknowledges that they are and have been made aware of their right to procure independent counsel of their own choosing to represent them.

**33. NOTICES:** All notices under this Contract must be in writing. The notices must be delivered personally or mailed by certified mail, return receipt requested, or by telegram to the other party at the address written in this Contract, or to that party's attorney.

**34. CLAIMS & DISPUTES:** All claims or disputes between Seller and Buyer arising out of, or in relation to this Contract or the breach thereof shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of American Arbitration Association then appertaining unless the parties mutually agree otherwise. Notice of the demand for arbitration shall be filed by either party with the American Arbitration Association and shall be made within a reasonable time after the dispute has arisen.

**35. LIQUIDATED DAMAGES:** It is specifically understood and agreed that any default of the Buyer under the terms of this Contract shall give Seller the option of retaining the deposit monies received hereunder, not exceeding ten per cent (10%) of the purchase price plus the cost of any extras installed or purchased by Seller, as liquidated damages. Liquidated damages represents a fixed amount of dollars that the Seller may retain in the event of Buyer's breach without the necessity of Seller having to establish or prove any actual damages resulting from Buyer's breach.

**36. SELLER'S LIABILITY:** The Buyer and Seller agree that the sole liability of the Seller under this Agreement shall be limited to the return of all deposit monies together with the cost of title searches and surveys.

**37. ASSIGNMENT AND RECORDING:** This Agreement may not be assigned or recorded by the Buyer without the written consent of the Seller. Any breach of this provision will entitle the Seller to cancel this Agreement, at its option, and to retain any deposit money paid by the Buyer under this Agreement, without further liability, provided the deposit retained does not exceed ten per cent (10%) of the purchase price.

**38. SUBORDINATION:** It is further agreed that this Agreement is subject and subordinate to any mortgage now or hereafter to be placed upon the property in favor of any lending institution for any sum of money loaned or to be loaned to the Seller for any purpose



under the terms of the mortgage. However, the mortgage shall be cancelled or the property shall be released from the mortgage at or before closing.

**39. NO BROKER:** Buyer represents that no real estate broker introduced the Seller or the property to Buyer other than a sales person employed by the Seller.

**40. ENTIRE AGREEMENT REPRESENTATIONS:** This writing and the application for Registration filed with the Bureau of Codes and Standards of the Department of Community Affairs contains the entire agreement between the Buyer and the Seller. No agent, representative, salesman or officer of the Seller or Buyer has authority to make or has made any statement, agreement or representation, either oral or written, in connection with this Agreement.

**41. BUYER ACKNOWLEDGMENT:** Buyer acknowledges that he has received the following documents prior to the execution of this Agreement: Public Offering Statement including the Master Deed.

**NOTICE TO PURCHASER:** YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT WAS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY AND ALL MONIES SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

SIGNED AND AGREED TO BY:

Attest:  
  
\_\_\_\_\_  
Steven Fisch, Secretary

**WOODLAND DEVELOPERS, INC.**  
  
by \_\_\_\_\_  
Mark Fisch, President

\_\_\_\_\_  
BUYER

\_\_\_\_\_  
BUYER



  
**First American Title Insurance Company**

**RESIDENTIAL TITLE INSURANCE**

One-To-Four Family Residences

S P E C I M E N (JOHN DOE) P O L I C Y

Policy No. 000000

**OWNER'S COVERAGE STATEMENT**

This policy insures your title to the land described in Schedule A—if that land is a one-to-four family residential lot or condominium unit.

Your insurance, as described in this Coverage Statement, is effective on the Policy Date shown in Schedule A.

Your insurance is limited by the following:

- Exclusions on page
- Exceptions in Schedule B
- Conditions on pages

We insure you against actual loss resulting from:

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

**COVERED TITLE RISKS**

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

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

**COMPANY'S DUTY TO DEFEND AGAINST COURT CASES**

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

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

This Policy is not complete without Schedules A and B.

(Witness clause optional)



*First American Title Insurance Company*

BY

*Parker S. Kennedy*

PRESIDENT

ATTEST

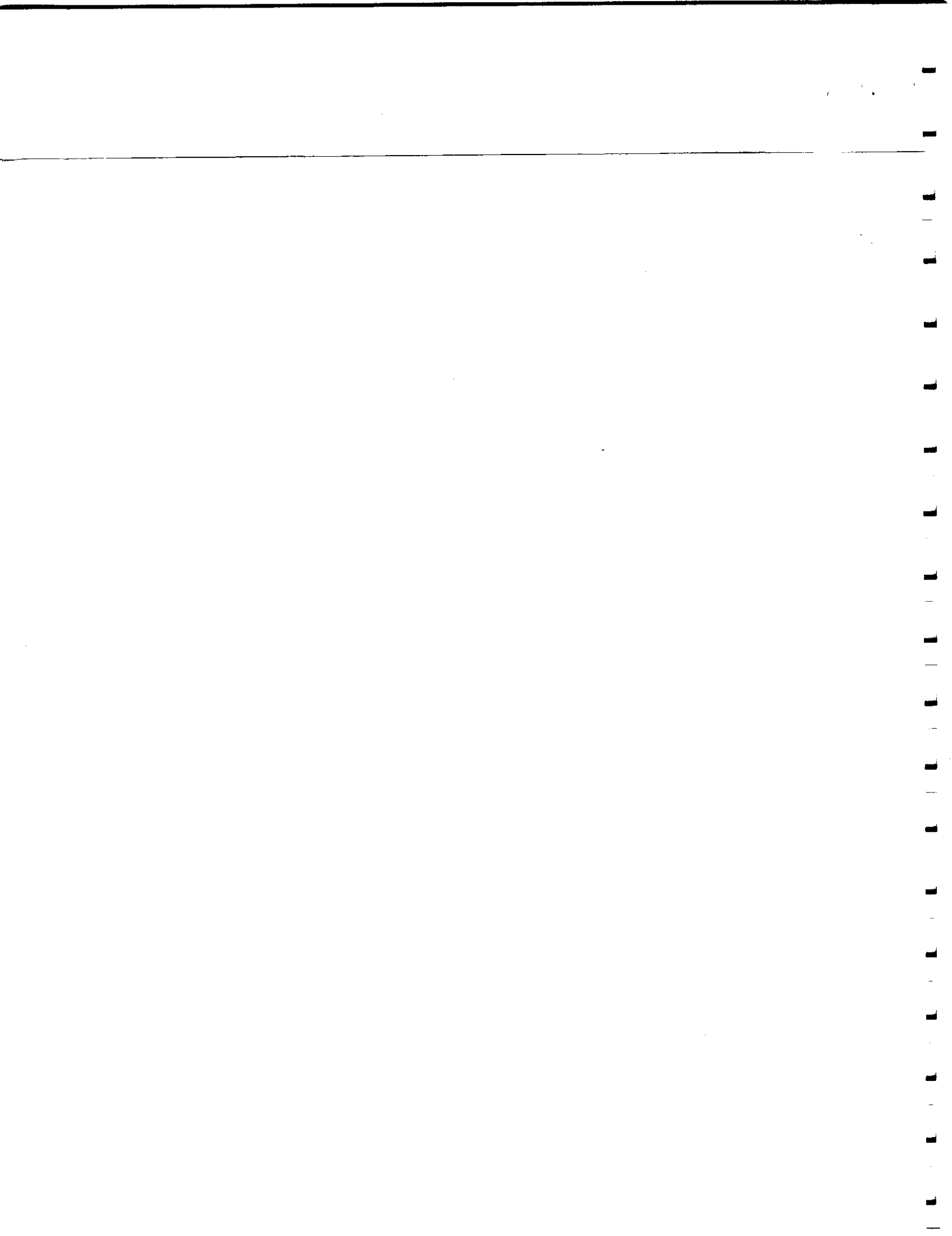
*William C. Zappala*

SECRETARY

Policy Page 1

FANI-70  
ALTA Residential Plain Language Policy

**EXHIBIT H TO THE REVISIONS TO THE  
PUBLIC OFFERING STATEMENT**





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

We may require you to answer questions under oath.

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

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

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

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

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

#### 5. HANDLING A CLAIM OR COURT CASE

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

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

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

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

- a. We will pay up to your actual loss or the Policy Amount in force when the claim is made—whichever is less.
- b. If we remove the claim against your title within a reasonable time after receiving notice of it, we will have no further liability for it.

If you cannot use any of your land because of a claim against your title, and you rent reasonable substitute land or facilities, we

will repay you for our actual rent until:

- the cause of the claim is removed or
  - we settle your claim
- c. The Policy Amount will be reduced by all payments made under this policy—except for costs, attorneys' fees and expenses.
  - d. The Policy Amount will be reduced by any amount we pay to our insured holder of any mortgage shown in this Policy or a later mortgage given by you.
  - e. If you do anything to affect any right of recovery you may have, we can subtract from our liability the amount by which you reduced the value of that right.

#### 7. TRANSFER OF YOUR RIGHTS

When we settle a claim, we have all the rights you had against any person or property related to the claim. You must transfer these rights to us when we ask, and you must not do anything to affect these rights. You must let us use your name in enforcing these rights.

We will not be liable to you if we do not pursue these rights or if we do not recover any amount that might be recoverable.

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

#### 8. ARBITRATION

If it is permitted in your state, you or the Company may demand arbitration.

The arbitration shall be binding on both you and the Company. The arbitration shall decide any matter in dispute between you and the Company.

The arbitration award may:

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

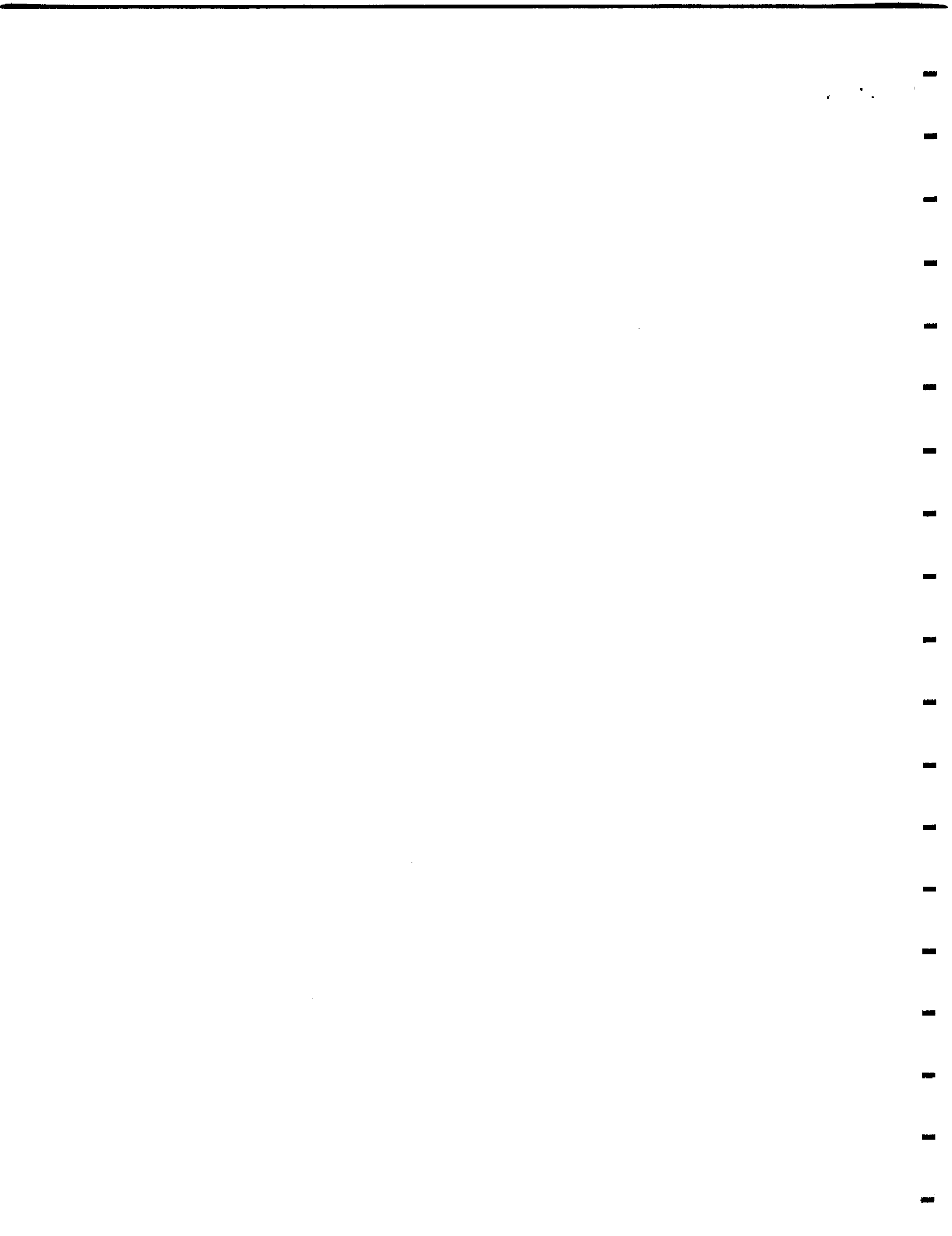
The arbitration shall be under the Title Insurance Arbitration Rules of the American Arbitration Association. You may choose current Rules or Rules in existence on Policy Date.

The law used in the arbitration is the law of the place where the property is located.

You can get a copy of the Rules from the Company.

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

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





*First American Title Insurance Company*

RESIDENTIAL TITLE INSURANCE POLICY  
One-To-Four Family Residences

OWNER'S INFORMATION SHEET

Your Title Insurance Policy is a legal contract between you and *First American Title Insurance Company*.

It applies only to a one-to-four family residential lot or condominium unit. If your land is not either of these, contact us immediately.

The Policy insures you against certain risks to your land title. These risks are listed on page one of the Policy. The Policy is limited by:

- Exclusions on page
- Exceptions on Schedule B
- Conditions on pages

You should keep the Policy even if you transfer the title to your land.

If you want to make a claim, see Item 3 under Conditions on page \_\_\_\_\_.

You do not owe any more premiums for the Policy.

This sheet is not your insurance Policy. It is only a brief outline of some of the important Policy features. The Policy explains in detail your rights and obligations and our rights and obligations. Since the Policy—and not this sheet—is the legal document, YOU SHOULD READ THE POLICY VERY CAREFULLY.

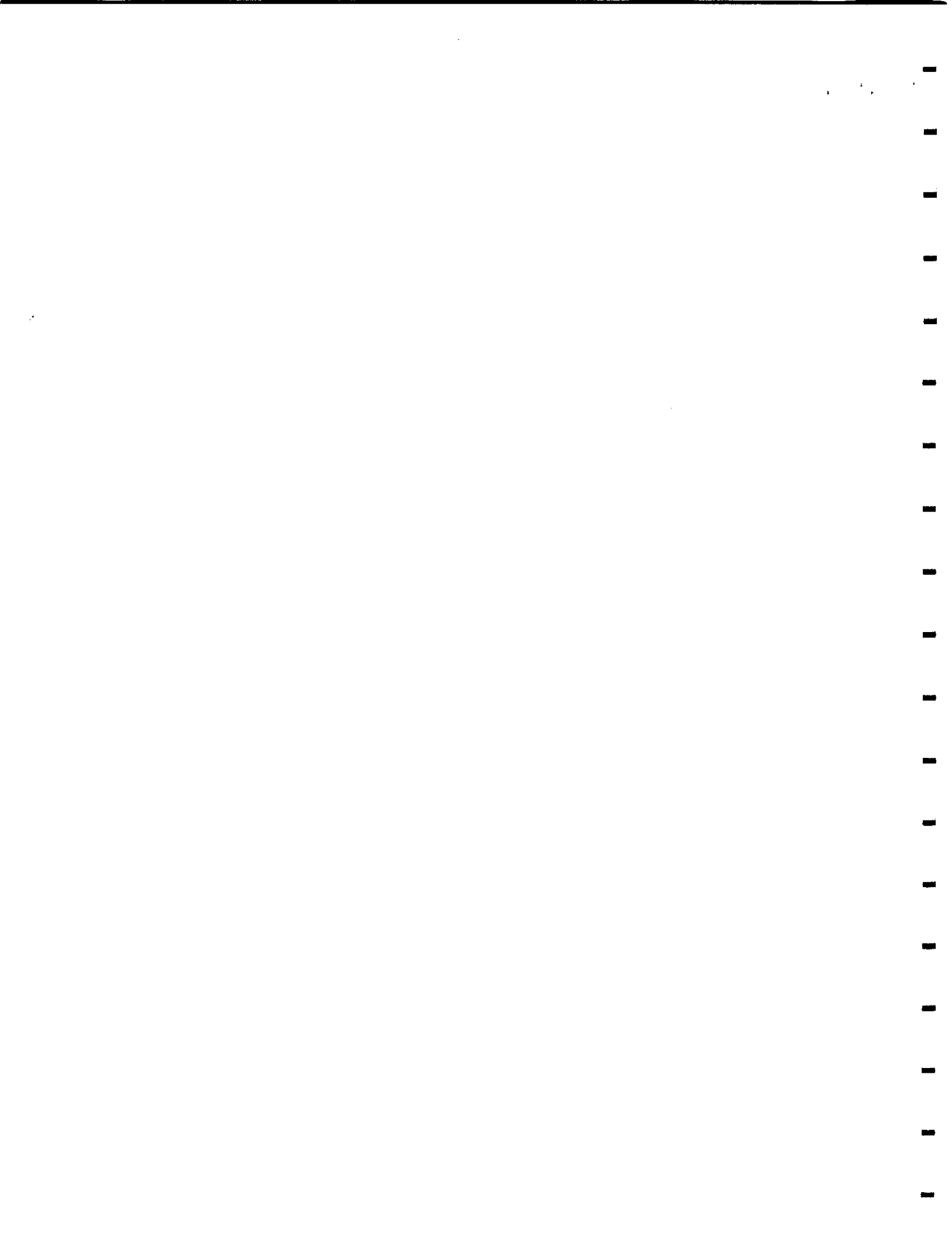
If you have any questions about your Policy, contact: First American Title Insurance Company, 517 Route One South, Suite 3102, Iselin, New Jersey 08830-3102.

*First American Title Insurance Company*



Mid-State Abstract Company  
207 Hooper Avenue  
P.O. Box 413  
Toms River, NJ 08783  
(908) 244-3000 Fax: (908) 244-3824  
Agent for:

*First American Title Insurance Company*



FANJ-61  
ALTA Owners Policy-1970  
10/21/67

**SCHEDULE A**

Title No. **MS-73489**  
Policy No. **000000**      Date of Policy **January , 1993**      Amount \$ **00.00**

**INSURED**

**JOHN DOE AND MARY DOE, HIS WIFE**

1. Title to the estate or interest covered by this policy at the date hereof is vested in

**JOHN DOE AND MARY DOE, HIS WIFE BY DEED FROM WOODLAND DEVELOPERS, INC.  
DATED JANUARY -, 1993 AND RECORDED JANUARY -, 1993 IN DEED BOOK 0000  
PAGE 000.**

2. The estate or interest in the land described or referred to in this Schedule covered by this policy is

**FEE SIMPLE**

3. The mortgage and assignments, if any, covered by this policy are described as follows:

**AMOUNT:                    \$00.00**  
**MORTGAGOR:                JOHN DOE AND MARY DOE, HIS WIFE**  
**MORTGAGEE:                ABC MORTGAGE COMPANY**  
**DATED:                     JANUARY -, 1993**  
**RECORDED:                 JANUARY -, 1993**  
**BOOK:                      0000**  
**PAGE:                        000**

**POLICY HEREBY AFFIRMATIVELY INSURES THAT THE ABOVE RECITED MORTGAGE IS A  
VALID FIRST LIEN ON THE PREMISES IN QUESTION.**

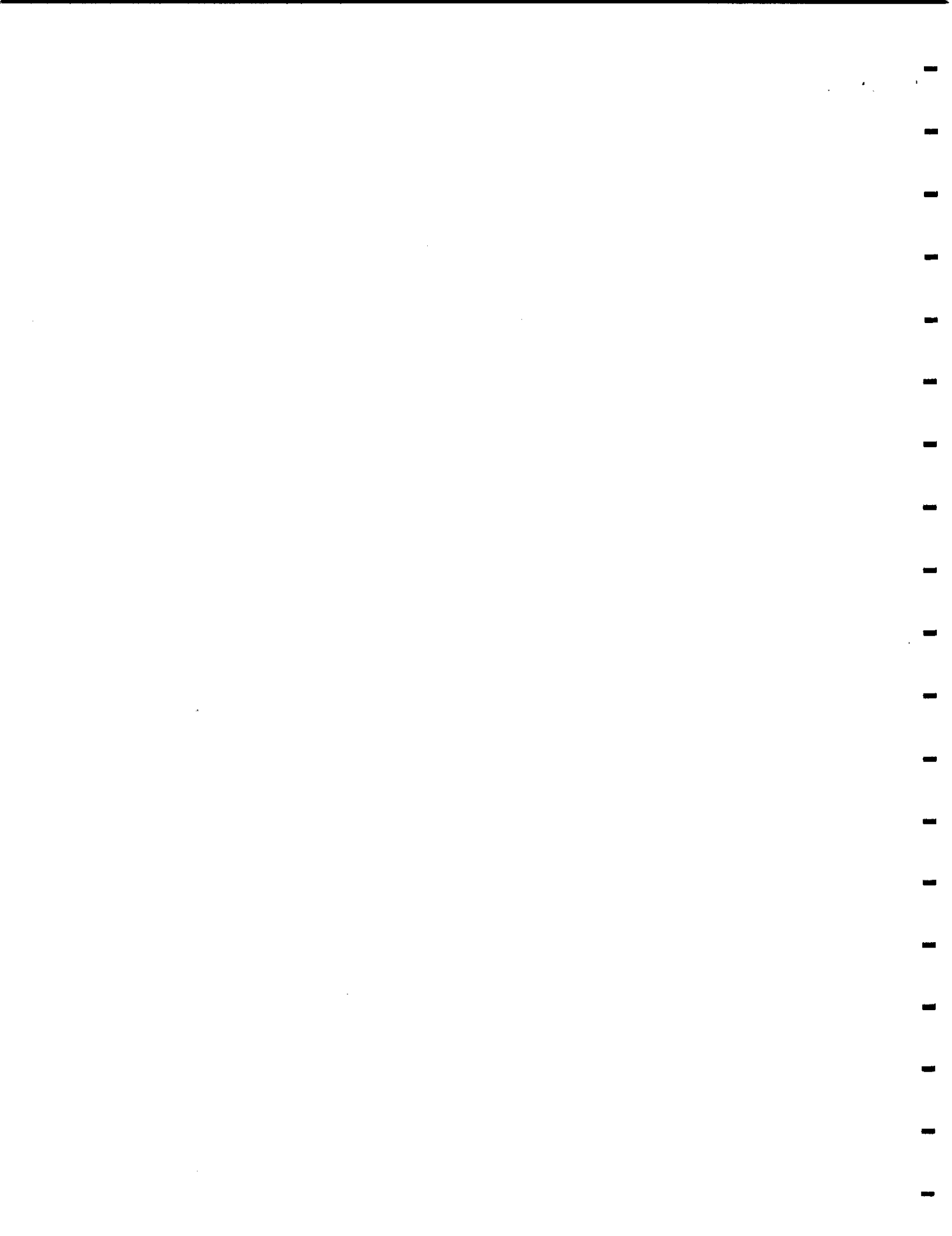


4. The land referred to in this policy is situated in the State of New Jersey,  
County of MIDDLESEX (TOWNSHIP OF EDISON) and is described as follows:

**ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND WITH THE BUILDINGS AND IMPROVEMENTS THEREON ERECTED, SITUATE, LYING AND BEING IN THE TOWNSHIP OF EDISON, COUNTY OF MIDDLESEX AND STATE OF NEW JERSEY:**

**BEING UNIT \_\_\_\_\_ BUILDING \_\_\_\_\_ IN THE ENCLAVE AT EDISON, A CONDOMINIUM, WHICH UNIT HAS BEEN MORE SPECIFICALLY DEFINED IN THE MASTER DEED, AND WHICH UNIT IS HEREBY CONVEYED IN CONFORMITY WITH N.J.S. 46:8B-10 ET SEQ., AND INCLUDES THE FEE IN AN UNDIVIDED . \_\_\_\_\_ PERCENT INTEREST IN THE COMMON ELEMENTS OF THE CONDOMINIUM AS THE COMMON ELEMENTS ARE DEFINED IN THE MASTER DEED OF THE ENCLAVE AT EDISON, A CONDOMINIUM, DATED OCTOBER 13, 1988 RECORDED OCTOBER 17, 1988 IN THE OFFICE OF THE CLERK OF MIDDLESEX COUNTY IN BOOK 3737 PAGE 437, ET SEQ. AS IT MAY BE LAWFULLY AMENDED FROM TIME TO TIME.**

**BEING CURRENTLY DESIGNATED AS LOT 63COXXX IN BLOCK 593 ON THE EDISON TOWNSHIP TAX MAP.**



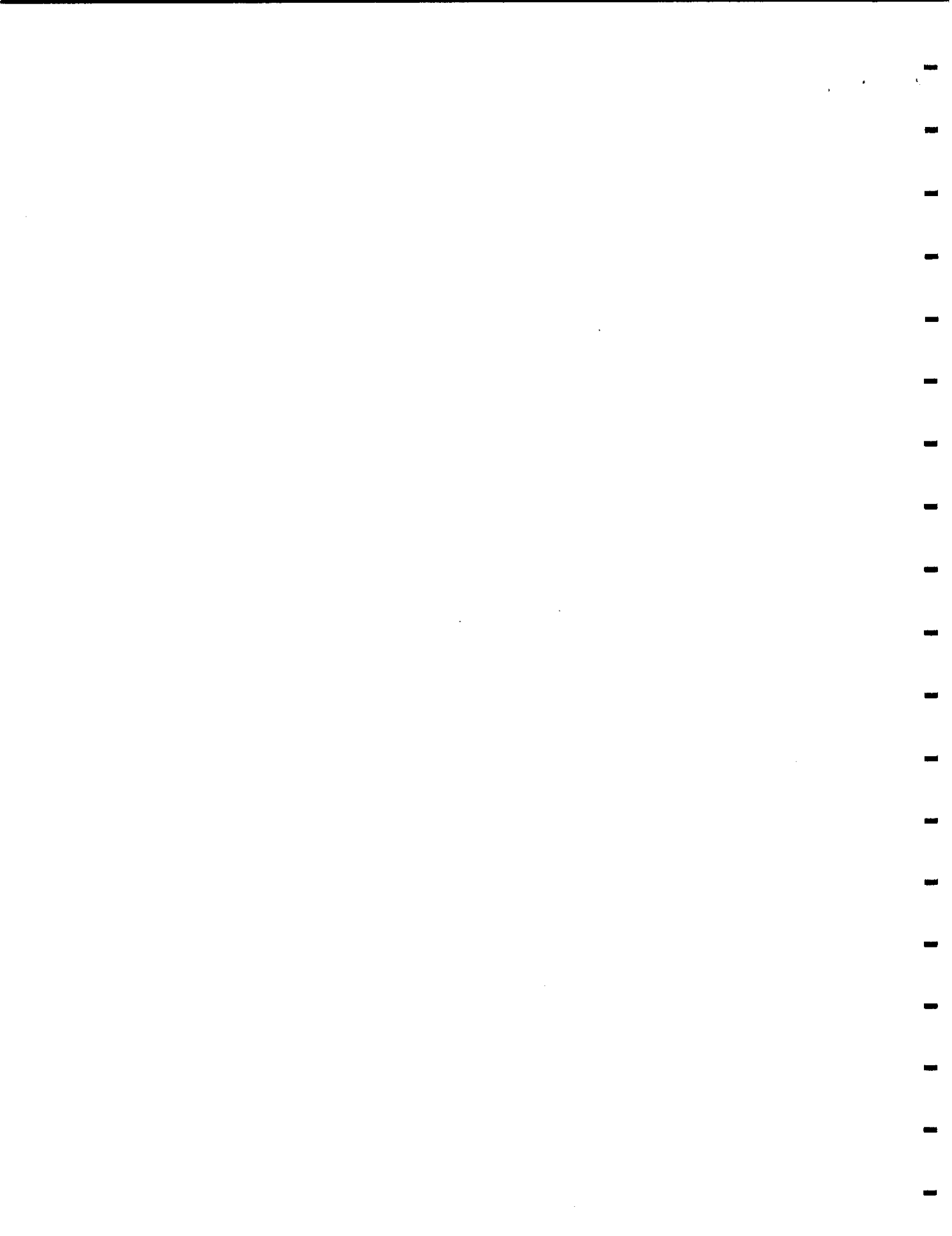


**SCHEDULE B  
PART 1**

**Policy No. 000000**

**This policy does not insure against loss or damage by reason of the following:**

- 1. ENCROACHMENTS, OVERLAPS, BOUNDARY LINE DISPUTES, AND ANY OTHER MATTERS WHICH WOULD BE DISCLOSED BY AN ACCURATE SURVEY AND INSPECTION OF THE PREMISES.**
- 2. TAXES FOR 1993. FIRST HALF PAID - SECOND HALF NOT YET DUE.**
- 3. DEED BOOK 3737 PAGE 437**  
**SAID RESTRICTIONS HAVE NOT BEEN VIOLATED NOR WILL A FUTURE VIOLATION CAUSE A FORFEITURE OR REVERSION OF TITLE.**
- 4. EASEMENT IN DEED BOOK 1241 PAGE 436**
- 5. EASEMENT IN DEED BOOK 1368 PAGE 474**
- 6. EASEMENT IN DEED BOOK 3341 PAGE 90**
- 7. EASEMENT IN DEED BOOK 3680 PAGE 978**
- 8. EASEMENT IN DEED BOOK 3735 PAGE 499**
- 9. EASEMENT IN DEED BOOK 3742 PAGE 92**
- 10. EASEMENT IN DEED BOOK 3860 PAGE 167**
- 11. RIGHTS OF ADJOINING OWNERS, TENANTS AND MORTGAGEES, TOGETHER WITH THE INSURED HEREUNDER, IN AND TO ALL PARTY WALLS.**
- 12. SUBJECT TO THE PROVISIONS OF THE CONDOMINIUM ACT (HORIZONTAL PROPERTY ACT) OF THE STATE OF NEW JERSEY, ITS AMENDMENTS AND SUPPLEMENTS.**



**SCHEDULE B  
PART 2**

Policy No. 000000

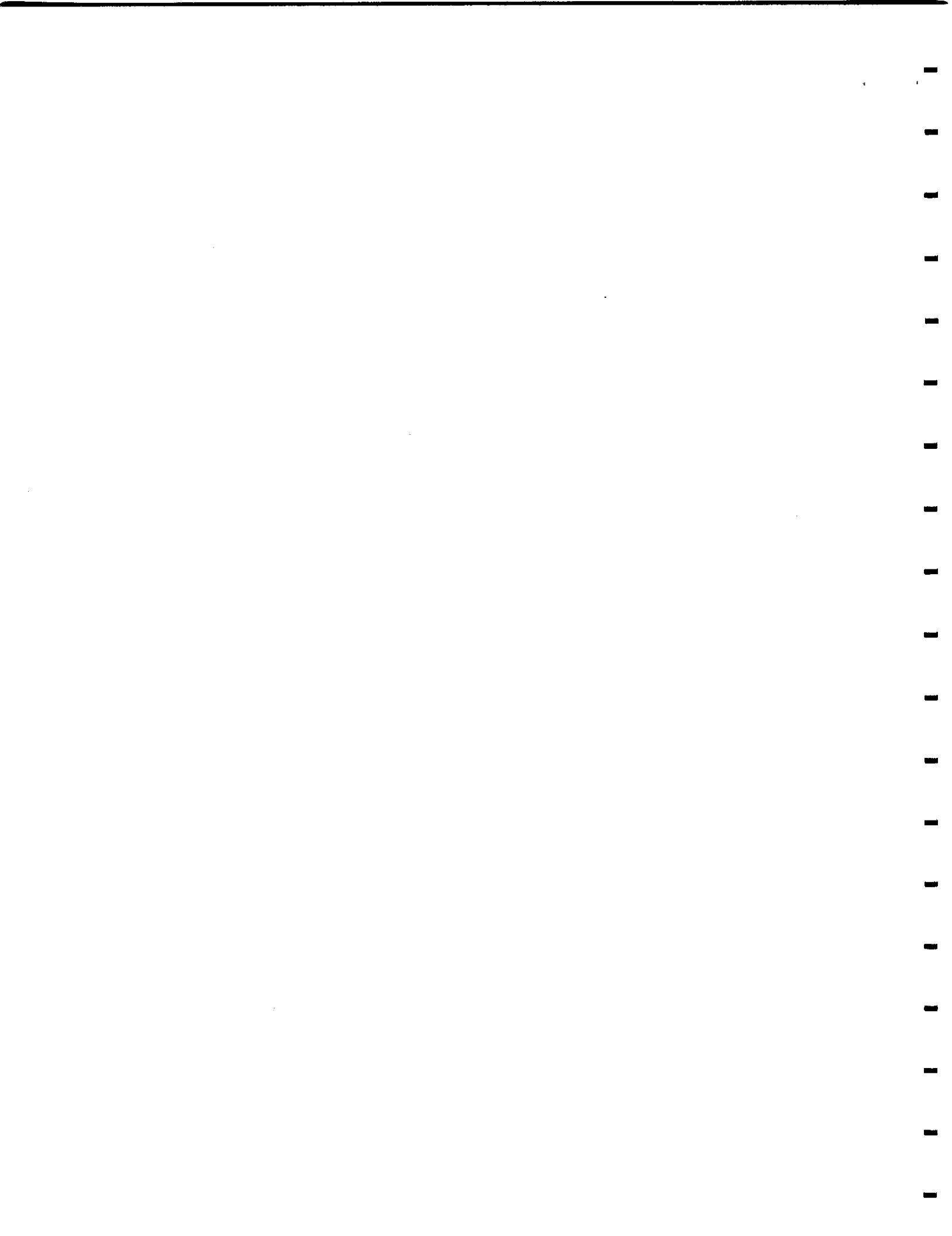
In addition to the matters set forth in Part 1 of this schedule, the title to the estate or interest in the land described or referred to in Schedule A is subject to the following matters, if any be shown, but the Company insures that such matters are subordinate to the lien or charge of the insured mortgage upon the estate or interest:

- N O N E -

Countersigned

Schedule B of this Policy  
consists of 4 pages.

\_\_\_\_\_  
Authorized Signatory



CONDOMINIUM ENDORSEMENT

Attached to and made a part of Policy No. 000000

The Company hereby insures against loss or damage by reason of:

- (1) The failure of the unit identified in Schedule A and its common elements to be a part of a condominium within the meaning of the condominium statutes of the jurisdiction in which the unit and its common elements are located.
- (2) The failure of the documents required by said condominium statutes to comply with the requirements of said statutes to the extent that such failure affects the title to the unit and its common elements.
- (3) Present violations of any restrictive covenants which restrict the use of the unit and its common elements and which are contained in the condominium documents. Said restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.
- (4) The priority of any lien for charges and assessments provided for in the condominium statutes and condominium documents over the lien of any insured mortgage identified in Schedule A.
- (5) The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
- (6) Any obligation to remove any improvements which exist at date of policy because of any present encroachment or because of any future unintentional encroachment of the common elements upon any unit or of any unit upon the common elements or another unit.
- (7) The failure of title by reason of a right of first refusal to purchase the unit and its common elements which was exercised or could have been exercised at date of policy.

This endorsement is made a part of the policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and prior endorsements, if any, nor does it extend the effective date of the policy and prior endorsements or increase the face amount thereof.

IN WITNESS WHEREOF, the Company has caused this Endorsement to be signed and sealed as of the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, to be valid when countersigned by an authorized officer or agent of the Company, all in accordance with its By-Laws.



*First American Title Insurance Company*

BY

PRESIDENT

COUNTERSIGNED

By: \_\_\_\_\_

Officer or Validating Agent

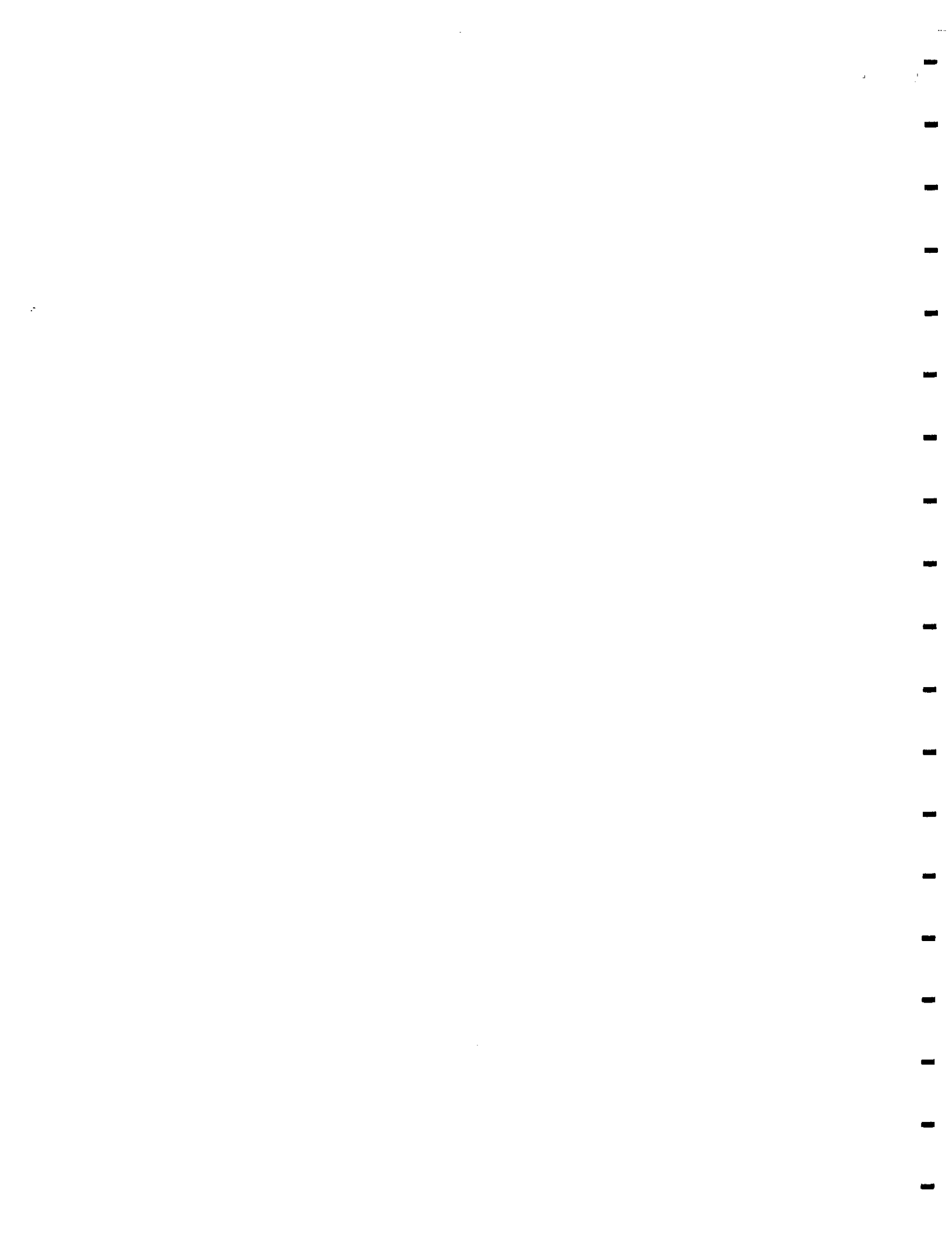


# Policy of Title Insurance



*First American Title Insurance Company*

NATIONAL HEADQUARTERS: 114 E. FIFTH ST., SANTA ANA, CA 92701 • (714) 558-3211





REVISIONS TO THE PUBLIC OFFERING STATEMENT

FILED BY

WOODLAND DEVELOPERS, INC.

317 Brick Boulevard  
P.O. Box 1549  
Bricktown, NJ 08723

located in the Township of Edison pursuant to the requirement of the Planned Real Estate Development Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), and the Rules and Regulations promulgated thereunder.

Designated as

THE ENCLAVE AT EDISON, A CONDOMINIUM

EFFECTIVE DATE: MAY 12, 1993  
R-2355A

- Changes Sponsor to Woodland Developers
- Holds new Sponsor harmless from prior construction (including Clubhouse & Pool)
- 1 Tennis Ct, not obligated for 2 - Built 2
- NO Health Trail



REVISIONS TO THE PUBLIC OFFERING STATEMENT  
FOR THE ENCLAVE AT EDISON, A CONDOMINIUM

The Enclave at Edison, A Condominium, has been purchased by Woodland Developers, Inc., a New Jersey corporation, 317 Brick Boulevard, P.O. Box 1549, Bricktown, New Jersey 08723, hereinafter "Sponsor." Sponsor proposes to complete the entire 86 unit community, of which 18 units have been previously constructed and conveyed, in accordance with the Offering Plan registered with the Department of Community Affairs on June 20, 1988, with the following changes:

1. The phasing plan will be eliminated, and an amendment to the Master Deed will be recorded to encompass the entire tract and all 86 units. It is estimated that at least one tennis court will be completed by July 1, 1996. The other tennis court may not be constructed by Sponsor. If the Sponsor chooses to construct the second tennis court, it is estimated to be completed by July 1, 1997. It is anticipated that the entire project will be completed by July 1, 1997.

The "Health Trail" described in Section 5, pages 17 and 18 of the Public Offering Statement will not be constructed due to the failure to receive necessary approval for its location on Wetlands.

Materials used will differ from those used by the previous Sponsor.

2. Section 13 of the Offering Plan is amended to substitute the form of contract attached hereto as Exhibit G, and the form of deed attached hereto as Exhibit F.



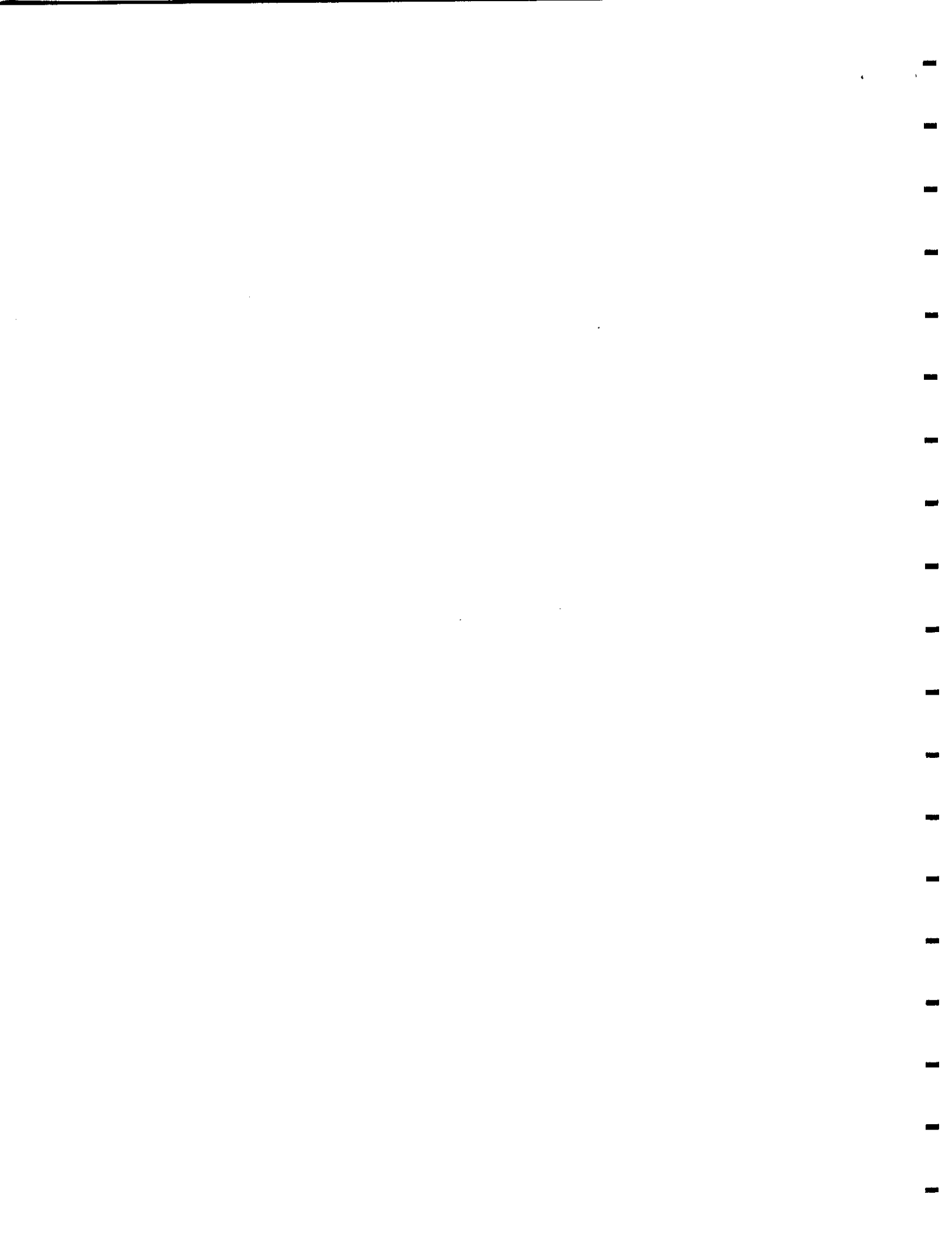
3. Section 14 is amended to provide that all deposits paid under contracts with purchasers will be held by Fisch and Fisch, Esqs., 317 Brick Boulevard, P.O. Box 1549, Bricktown, New Jersey 08723, escrow agents, in the Union Center National Bank, 2003 Morris Avenue, Union, New Jersey 07083, in a separate trust account, to be known as Woodland Developers, Inc. Trust Account, until closing or termination of the agreement in accordance with its terms. All interest accruing on deposits in the escrow account, if any, shall be the sole property of Sponsor and will not be credited to the account of or paid to the purchaser under any circumstances.

4. Sections 17 and 18 of the Offering Plan are amended to reflect the location adjacent to The Enclave of a planned unit development which may contain 1,045 apartment and condominium units, as well as an 86,000 square foot shopping center. Talmadge Road will cut through this adjacent community, to connect with that section of Talmadge Road providing access to The Enclave.

5. Sections 19 and 20 of the Offering Plan are updated as follows:

<u>Year</u>	<u>Tax Ratio</u>	<u>Tax Rate Per Hundred Dollars of Assessed Value</u>
1992	100%	1.72
1991	100%	1.63
1990	100%	1.63

The estimated taxes on each unit presently range from approximately \$4,000.00 to \$4,800.00.

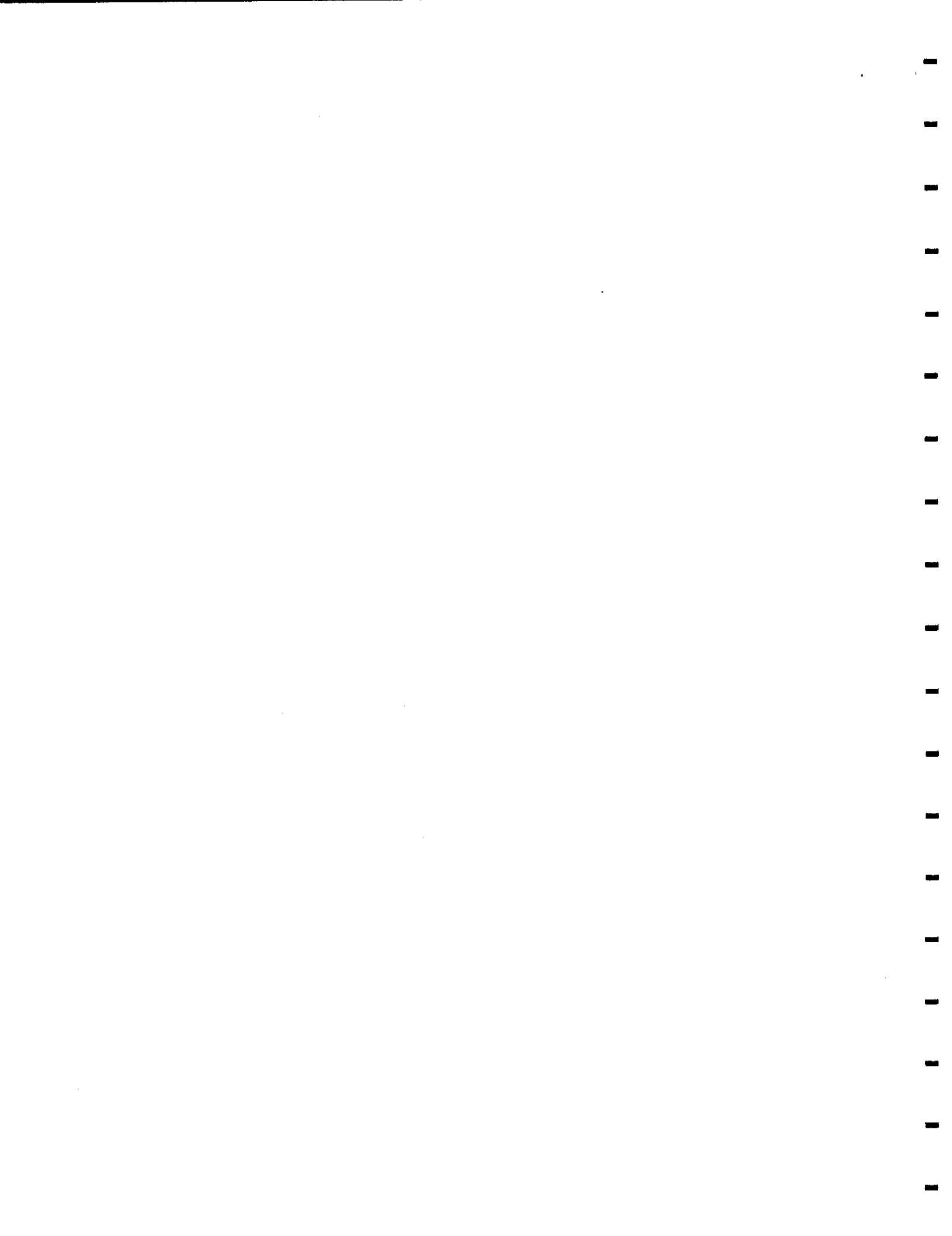


In addition to the \$500.00 non-refundable contribution to the Association's working capital, the purchaser shall also pay at closing the pro rata balance of the assessment for the month of closing.

6. Section 22 of the Offering Plan is amended to add the following:

AS TO THE EIGHTEEN (18) UNITS CONVEYED TO THIRD PARTY PURCHASERS AND COMMON FACILITIES CONSTRUCTED PRIOR TO THE DATE OF THIS AMENDMENT, DESPITE ANYTHING SET FORTH IN THIS SECTION 22, THE SPONSOR SHALL NOT BE SUBJECT TO ANY LIABILITY FOR MISREPRESENTATION OR ANY WARRANTY OBLIGATIONS FOR IMPROVEMENTS, BREACH OF FIDUCIARY OBLIGATIONS OR ANY OTHER ACTION OR OMISSION MADE BY OR ON BEHALF OF THE PREVIOUS SPONSOR, THE ENCLAVE AT EDISON, INC. ACCORDINGLY, THE SPONSOR SPECIFICALLY DISCLAIMS ANY OBLIGATION, LIABILITY OR WARRANTY ASSOCIATED WITH THE GENERAL COMMON ELEMENTS OR LIMITED COMMON ELEMENTS APPURTENANT TO AND/OR SERVING AND OR ASSOCIATED WITH THE BUILDINGS CONSTRUCTED BY THE ENCLAVE AT EDISON, INC. AND ANY ASSOCIATED IMPROVEMENTS THERETO, INCLUDING BUT NOT LIMITED TO THE COMMON FACILITIES.

Section 22 is further amended to omit Home Owners Warranty Corporation as the name of the corporation supplying the warranty coverage required by the New Jersey Home Warranty and Builders' Registration Act. (N.J.S.A. 46:3B-1 et seq.) Coverage will be supplied by Residential Warranty Corporation.





7. Section 28 of the Offering Plan is amended in that all units will be sold in accordance with the sample purchase contract attached to this Amendment as Exhibit G. Any term or provision of Section 28 which does not comply with Sponsor's method of sale as set forth in Exhibit G is hereby omitted.

The exhibits listed below amend those attached to the Public Offering Statement. For ease of reference, these exhibits have been designated with the same letters as the original documents for which they are amendments or substitutions.

- A. First Amendment to the Master Deed, and Declaration of Transfer of Special Sponsor's Rights.
- D. Proposed Operating Budget, Letter of Adequacy, and Letter of Insurance Adequacy.
- E. Management Agreement.
- F. Form of Deed.
- G. Sample Purchase Contract.
- H. Specimen Owners Title Policy.

(WP+ 498 p.43-46)



FIRST AMENDMENT TO THE MASTER DEED  
FOR THE ENCLAVE AT EDISON, A CONDOMINIUM

This First Amendment to the Master Deed made this \_\_\_\_ day of \_\_\_\_\_, 1993, by Woodland Developers, Inc., a New Jersey corporation, having its principal office at 317 Brick Boulevard, P.O. Box 1549, Bricktown, New Jersey 08723 (the "Sponsor").

WITNESSETH:

WHEREAS, The Enclave at Edison, A Condominium, was created by the recording of a Master Deed for The Enclave at Edison, A Condominium, in Book \_\_\_\_\_, Page \_\_\_\_\_, records of Middlesex County; and

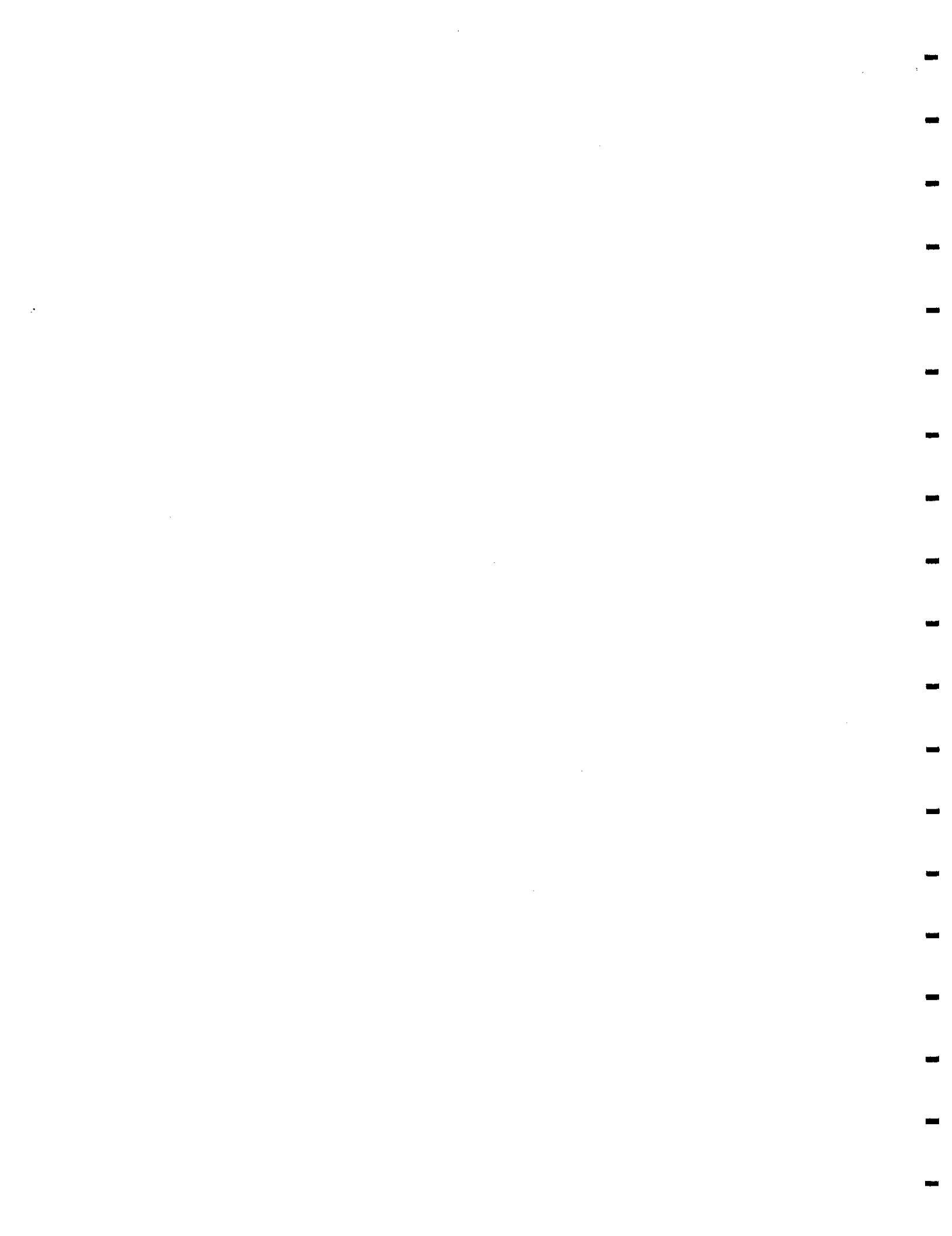
WHEREAS, Sponsor, Woodland Developers, Inc. has acquired title to the prior Sponsor's interest in the development and has succeeded to the rights of the previous Sponsor, The Enclave at Edison, Inc; and

WHEREAS, The Sponsor expressly reserved the right in the original Master Deed to further develop the condominium in additional phases as depicted in Exhibit "B" to the original Master Deed;

WHEREAS, it is the Sponsor's intention to add both Phases II and III to the Condominium; and

WHEREAS, Sponsor disclaims the liabilities of its predecessor;

NOW, THEREFORE, the Sponsor hereby amends and supplements the Master Deed as follows:



1. The Sponsor does hereby establish Phase II and III of the Condominium and incorporates 51 additional units, thereby increasing the total number of units to 86 units, as legally described in Exhibit A to the aforesaid Master Deed and as shown on Exhibit B to that Master Deed.

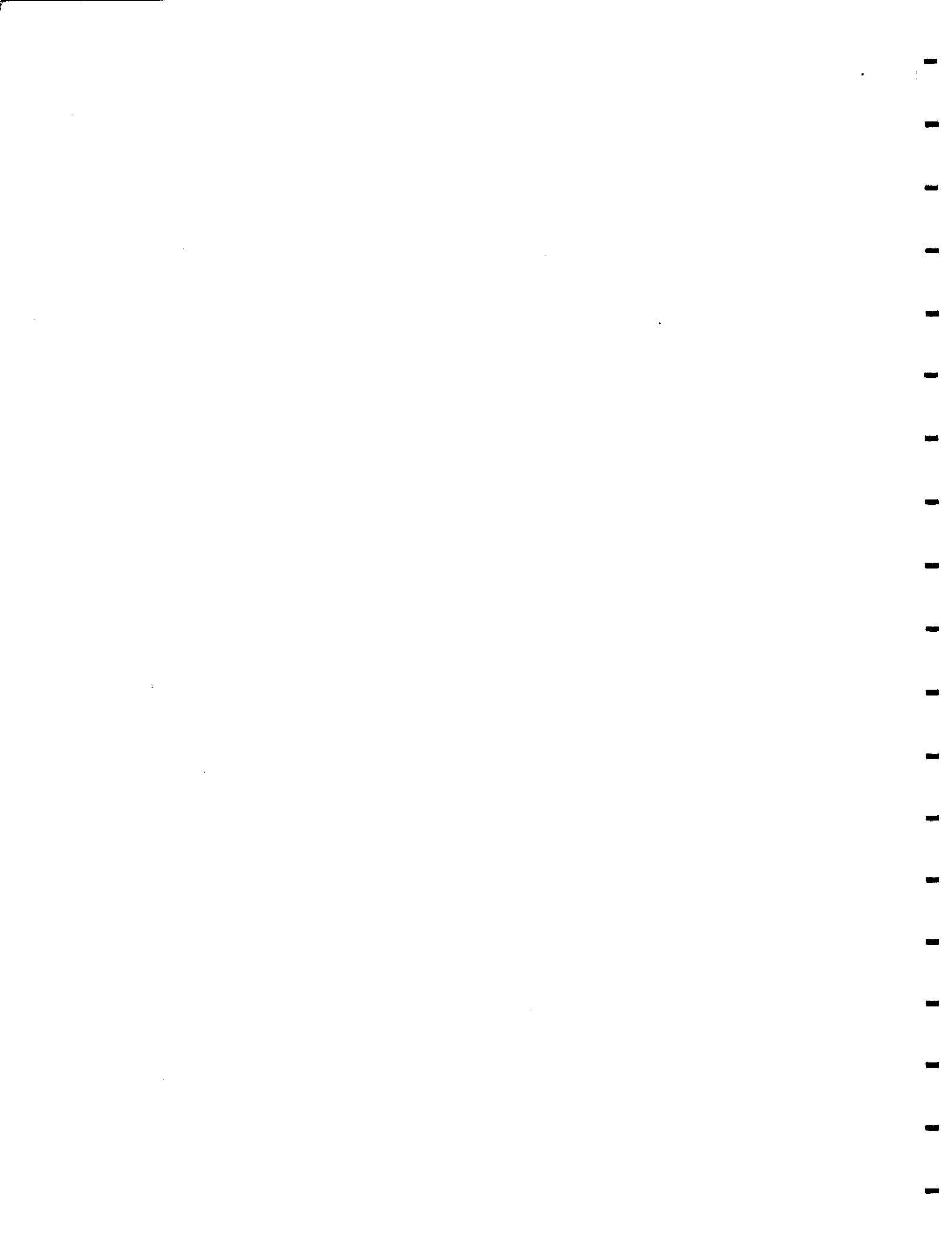
2. The Sponsor declares that such improvements are and shall be held, transferred, sold, leased, conveyed occupied and used subject to the covenants, restrictions, conditions, easements, charges, liens and provisions set forth in the Master Deed, as now or hereafter amended, all of which are incorporated by reference as though fully set forth herein.

3. Each unit shall own a percentage of the common elements as shown for 86 units in Exhibit D to the Master Deed.

4. Exhibit B is amended to reflect the fact that Sponsor may or may not construct the two tennis courts at Sponsor's discretion.

5. The following language shall be added to and shall become a part of the Master Deed for The Enclave at Edison, A Condominium:

AS TO THE EIGHTEEN (18) UNITS CONVEYED TO THIRD PARTY PURCHASERS AND COMMON FACILITIES CONSTRUCTED PRIOR TO THE DATE OF THIS AMENDMENT, THE SPONSOR SHALL NOT BE SUBJECT TO ANY LIABILITY FOR MISREPRESENTATION OR ANY WARRANTY OBLIGATIONS FOR IMPROVEMENTS, BREACH OF FIDUCIARY OBLIGATIONS OR ANY OTHER ACTION OR OMISSION MADE BY OR ON BEHALF OF THE PREVIOUS SPONSOR, THE ENCLAVE AT EDISON, INC. ACCORDINGLY, THE SPONSOR SPECIFICALLY DISCLAIMS ANY



OBLIGATION, LIABILITY OR WARRANTY ASSOCIATED WITH THE GENERAL COMMON ELEMENTS OR LIMITED COMMON ELEMENTS APPURTENANT TO AND/OR SERVING AND/OR ASSOCIATED WITH THE BUILDINGS CONSTRUCTED BY THE ENCLAVE AT EDISON, INC. AND ANY ASSOCIATED IMPROVEMENTS THERETO, INCLUDING BUT NOT LIMITED TO THE COMMON FACILITIES.

6. Except as amended herein, all other terms and conditions of the Master Deed shall remain in full force and effect.

IN WITNESS WHEREOF, the Sponsor has caused this instrument to be executed the day and year first above written, by its duly authorized President and the corporate seal affixed pursuant to a resolution duly adopted by its Board of Directors.

WOODLAND DEVELOPERS, INC.

\_\_\_\_\_  
Mark Fisch, Secretary

By: \_\_\_\_\_  
Erwin Fisch, President

WP+498 p. 47-49





DECLARATION OF TRANSFER OF SPECIAL SPONSOR'S RIGHTS

This Declaration of Transfer of Special Sponsor's Rights made this \_\_\_\_ day of \_\_\_\_\_, 1993, by Woodland Developers, Inc., a New Jersey corporation, having its principal office at 317 Brick Boulevard, P.O. Box 1549, Bricktown, New Jersey 08723 (the "Transferee").

WITNESSETH:

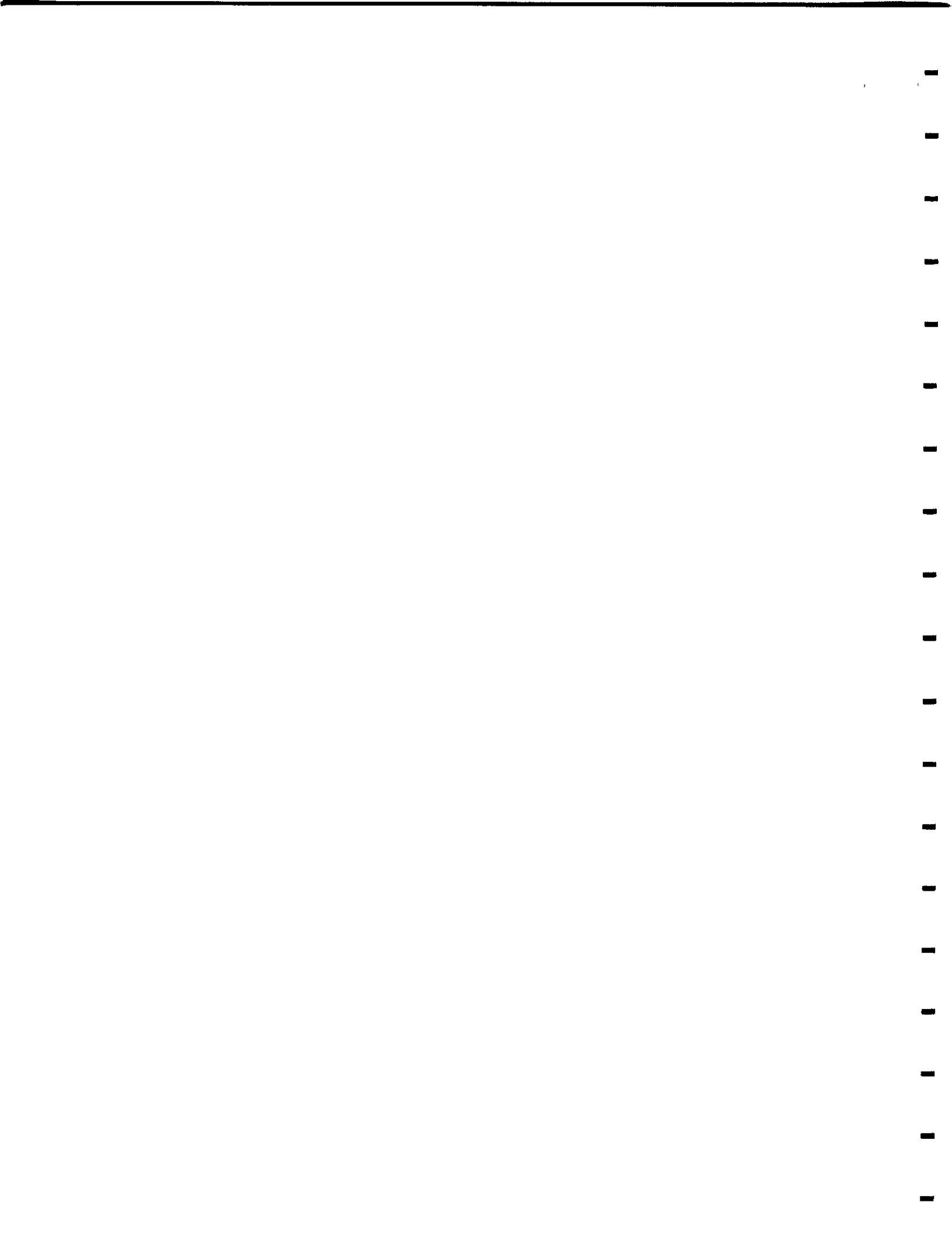
WHEREAS, the Transferee, has taken title to lands and premises known as The Enclave at Edison, a Condominium, and has succeeded to the rights of the previous Sponsor, The Enclave at Edison, Inc., by virtue of a deed to Transferee dated \_\_\_\_\_ and recorded in Deed Book \_\_\_\_\_, Page \_\_\_\_\_, records of Middlesex County; and

WHEREAS, the Master Deed for The Enclave at Edison, a Condominium, recorded at Book \_\_\_\_\_, Page \_\_\_\_\_ records of Middlesex County, ("Master Deed") provides in Section 29 that Special Sponsor's Rights must be transferred by a recorded instrument; and

WHEREAS, the Transferee plans to exercise such Special Sponsor Rights as are necessary to complete development of The Enclave at Edison, a Condominium;

NOW, THEREFORE, the Transferee declares that it hereby succeeds to all Special Sponsor Rights created or reserved to the Sponsor under the Master Deed,

IN WITNESS WHEREOF, the Sponsor has caused this instrument to be executed the day and year first above written, by its duly



authorized President and the corporate seal affixed pursuant to a resolution duly adopted by its Board of Directors.

WOODLAND DEVELOPERS, INC.

Mark Fisch, Secretary

By: Erwin Fisch, President

STATE OF NEW JERSEY )  
  )ss.  
COUNTY OF OCEAN      )

I certify that on \_\_\_\_\_, 1993, Mark Fisch personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person is the Secretary of Woodland Developers, 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 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

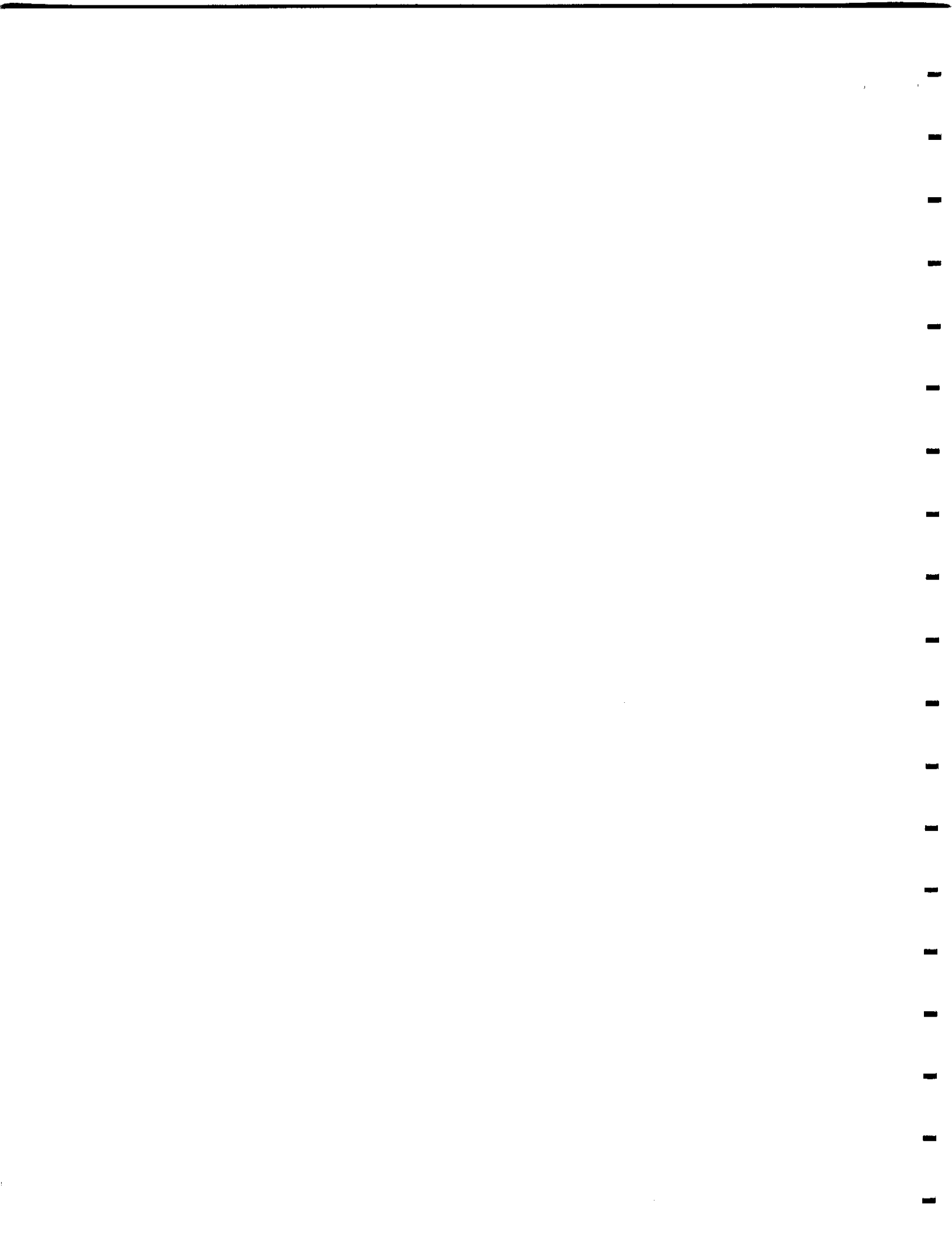
(e) this person signed this proof to attest to the truth of these facts.

Mark Fisch, Secretary

Sworn and Subscribed to before me this \_\_\_\_\_ day of \_\_\_\_\_, 1993.

NOTARY PUBLIC OF NEW JERSEY

WP+498 p. 40-41



THE ENCLAVE AT EDISON CONDOMINIUM ASSOCIATION, INC.  
 OPERATING BUDGET BASED ON FULL OCCUPANCY OF 86 UNITS  
 FOR THE FIRST FULL YEAR OF OPERATION

INCOME

Residential Assessments (\$205/month x 86 units)	\$ 211,560	
Total Income		<u>\$ 211,560</u>

OPERATING EXPENSES  
Administrative

Bank Charges	\$ 50	
Telephone	300	
Office Expense	3,263	
Management Fee	10,320	
Audit	2,500	
Legal	2,000	
Insurance	<u>22,000</u>	
Total Administrative		\$ 40,433

Grounds

Water	\$ 4,000	
Electric	10,000	
Lawn Maintenance	43,000	
Landscaping	5,000	
Irrigation System	2,000	
Snow Clearing	16,000	
Garbage Removal	10,320	
Painting	15,000	
General Maintenance	<u>10,000</u>	
Total Grounds		115,320

Recreation

Pool Management	12,500	
Pool Supplies	1,000	
Pool Maintenance	1,000	
Furnishings	<u>2,000</u>	
Total Recreation		<u>16,500</u>

Total Operating Expenses		\$ 172,253
Operating Contingency		5,000
Reserve for Replacement		<u>34,307</u>
TOTAL OPERATING EXPENSES AND RESERVES		<u>\$ 211,560</u>

/tlv (01/26/93)

Exhibit D to the Revisions to the Public Offering  
 Statement



THE ENCLAVE AT EDISON CONDOMINIUM ASSOCIATION, INC.  
 OPERATING BUDGET BASED ON FULL OCCUPANCY OF 86 UNITS  
 FOR THE FIRST YEAR OF OPERATION

ANALYSIS OF REPLACEMENT RESERVE

<u>Description</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Useful Life</u>	<u>Replacement Fund</u>
Sanitary Sewer Laterals	2,700 Lin.Ft.	\$ 15.00	\$ 40,500	35 Yrs.	\$ 1,157
Parking areas and roads	15,000 Sq.Yds.	5.00	75,000	20 Yrs.	3,750
Sidewalks	13,500 Sq.Ft.	2.00	27,000	25 Yrs.	1,080
Curbs	7,000 Lin.Ft.	9.00	63,000	50 Yrs.	1,260
Roofs	172,000 Sq.Ft.	.75	129,000	25 Yrs.	5,160
Siding	113,000 Sq.Ft.	3.00	339,000	30 Yrs.	11,300
Tennis Courts	2 Courts	4000.00	8,000	8 Yrs.	1,000
Pool Equip	Lump Sum		10,000	10 Yrs.	1,000
Gutters and Downspouts	16,000 Lin.Ft.	2.00	32,000	20 Yrs.	1,600
Clubhouse	Lump Sum		180,000	40 Yrs.	4,500
Furnishings	Lump Sum		25,000	10 Yrs.	<u>2,500</u>
<b>TOTAL REPLACEMENT RESERVES</b>					<u><u>\$ 34,307</u></u>

Exhibit D to the Revisions to the Public Offering Statement





*Neidich and Company*

ACCOUNTANTS AND AUDITORS

1163 Route 22 East  
Mountainside, N.J. 07092

Telephone (908) 654-7010

Fax (908) 654-4514

MICHAEL BECK  
PUBLIC ACCOUNTANT  
C. S. A. TARLOWE, CPA

February 26, 1993

The Enclave At Edison A Condominium  
P. O. Box 1349  
Briektown, New Jersey 08723

Gentlemen:

The accompanying projected budget of operating revenues and expenses and summary of significant forecast assumptions of The Enclave At Edison A Condominium for its first full fiscal year based on full occupancy is management's estimate of possible results of operations for the projection period. Accordingly, the projection reflects management's judgement, based on present circumstances, of a possible set of conditions and the most likely course of action should such conditions materialize.

We have reviewed the projected budget of operating revenues and expenses and summary of significant forecast assumptions used by management in preparation and presentation of the projections. We have no responsibility to update this report for events and circumstances after the date of this report.

Based on our review, we believe that the accompanying projection contains all significant disclosures necessary for an understanding of management's projection, that the underlying assumptions provide for a reasonable basis for management's projection, and that the projected budget is adequate for the purpose intended.

However, since a projection is based upon assumptions about circumstances and events that have not yet taken place, some assumptions inevitably will not materialize and unanticipated events and circumstances will occur. Because of this the actual results achieved during the projection will vary and the variation may be material. Therefore, we cannot give assurance that the projected budget will be attained.

Very truly yours,



CHARLES TARLOWE, CPA  
NEIDICH AND COMPANY

Mountainside, N.J.

Exhibit D to the Revisions to the Public Offering Statement



**BOWERS  
SCHUMANN  
& WELCH**

Route 31 North  
P.O. Box 978  
Washington, NJ 07862-0978  
908/689-1092  
Fax: 908/689-6647

**Insurance**

**Final**

January 25, 1993

Woodlands Developers, Inc.  
c/o Midstate Management  
405 Omni Drive  
Somerville, NJ 08876

RE: Letter of Adequacy  
The Enclave at Edison, Inc.

Gentlemen:

In accordance with your request, this letter verifies that we have reviewed the necessary insurance requirements for the above Association and believe the following coverages are adequate to properly insure this Association.

Property Insurance should be purchased, including "All Risk," Replacement Cost, and the Agreed Amount Endorsement. The \$1,000 Deductible should apply to all Property losses. The right of the insurance carrier to subrogate against the homeowner should be waived. Loss of Maintenance Fees should be included at 100% value with an "All Risk" form.

The Association's insurance policy covers the standard units with the basic features. This includes such items as bathroom fixtures, kitchen cabinets, built-in appliances, carpeting, partitioned walls, including the sheetrock and a base coat of paint. Any additions, alterations, upgrades, or options (such as wallpaper, lighting, and decorations) which are made by the homeowner or a prior owner is the homeowner's responsibility to insure.

Property evaluation should be based on the 100% completed construction cost which should be updated and reviewed annually by the Association. Optional coverages include Earthquake and Flood.

Liability should be written on a Broad Form Comprehensive General Liability basis for Common Elements. In addition, Cross Liability and Non-Owned & Hired Automobile coverages should be included.

Excess Liability insurance will provide excess coverage over the basic Broad Form Comprehensive General Liability limit. We recommend that Excess Liability be purchased.



*Where protecting your business...is our business.*

Exhibit D to the Revisions to the Public Offering Statement





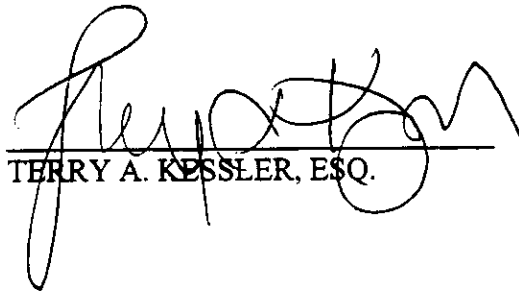
**ENCLAVE AT EDISON**

**ADDENDUM TO MASTER DEED AND BY-LAWS**

THIS ADDENDUM to the Master Deed and By-Laws is made this 17<sup>th</sup> day of March, 1998, by the Enclave at Edison, a New Jersey nonprofit corporation, having its offices at c/o Avitt Management, 160 Liberty Street, 3C, Post Office Box 4457, Metuchen, New Jersey 08840-4457, in the Township of Edison, County of Middlesex and the State of New Jersey, (hereinafter referred to as "the Association").

The Association does hereby add the following resolution as an Addendum to the Master Deed and By-Laws recorded in the Clerk's Office of Middlesex County in Deed Book 3737 at Page 437 on October 17, 1988. This addendum supercedes any previously recorded addendum with regard to parking to the extent there is a conflict in the terms of the regulations.

Prepared By:

  
TERRY A. KESSLER, ESQ.

98 APR 30 11:10:25  
BOOK 4495  
PAGE 257  
OFFICE OF THE CLERK  
MIDDLESEX COUNTY

RETURN TO

Record and Return:  
HILL WALLACK  
202 Carnegie Center  
Princeton, New Jersey 08543-5226

//



# PARKING REGULATIONS FOR ENCLAVE AT EDISON

## 1. PARKING REGULATIONS

The following regulations are hereby adopted

Board of Directors:

- a. At no time may any person park a "marked vehicle", "recycled vehicle", "anywhere on association property" or "oversized vehicle" or

### (1) "Abandoned Vehicle"

A vehicle will be considered an abandoned vehicle if it is parked in an unassigned parking space.

### (2) "Commercial Vehicle" Defined:

(a) A Commercial Vehicle is defined as a vehicle which contains one or more of the following:

- obtrusive visible lettering and/or graphics - this includes, but is not limited to, any lettering and/or graphics on any vehicle which use a space greater than 12 inches high x 24 inches long. No vehicle may have more than two areas containing lettering and/or graphics.
- ladders, tools, plows, or the like, on the exterior
- racks or equipment which is primarily utilized for the transportation of machinery and/or equipment
- any vehicle with more than two axles
- any vehicle with an overall length greater than sixteen (16) feet, an overall width greater than six (6) feet OR an overall height greater than eight (8) feet.

(b) The term Commercial Vehicle includes, but is not limited to: trailers, tractors, buses, livery and construction vehicles.

### (3) "Illegally Parked Vehicle" Defined:

(a) A vehicle is illegally parked if parked on any street within the development.

(b) A vehicle is illegally parked if it is not parked within the lined parking stalls or if the vehicle extends more than 36 inches beyond the end of the stall.

(c) A vehicle shall be deemed to be illegally parked if it is parked in violation of any Association, municipal, state or federal law or regulation.





- (d) A vehicle is illegally parked if it has an open cargo area AND
- (1) it contains cargo taller than the cargo bay walls;
  - (2) it contains cargo which is not contained to prevent spillage;
- OR
- (3) it contains cargo which is toxic, is offensive in smell, or in which in any way poses a hazard to the community or any persons living therein.

(4) "Inoperable Vehicle" Defined:

An Inoperable Vehicle is a vehicle which is physically unable to travel under its own power. Any vehicle which has a flat tire for more than 48 hours shall be deemed an Inoperable Vehicle. Any vehicle which is placed "on blocks" for any amount of time shall be deemed an Inoperable Vehicle.

(5) "Oversized Vehicle" Defined:

An Oversized Vehicle is defined as any vehicle with an overall length greater than sixteen (16) feet, an overall width greater than six (6) feet OR an overall height greater than eight (8) feet.

(6) "Recreational Vehicle" Defined:

A Recreational Vehicle is defined as any vehicle designed or intended to be used primarily for off-road travel or as a temporary or permanent residence. This definition includes, but is not limited to, mobile homes, boats, boat trailers, and snow mobiles.

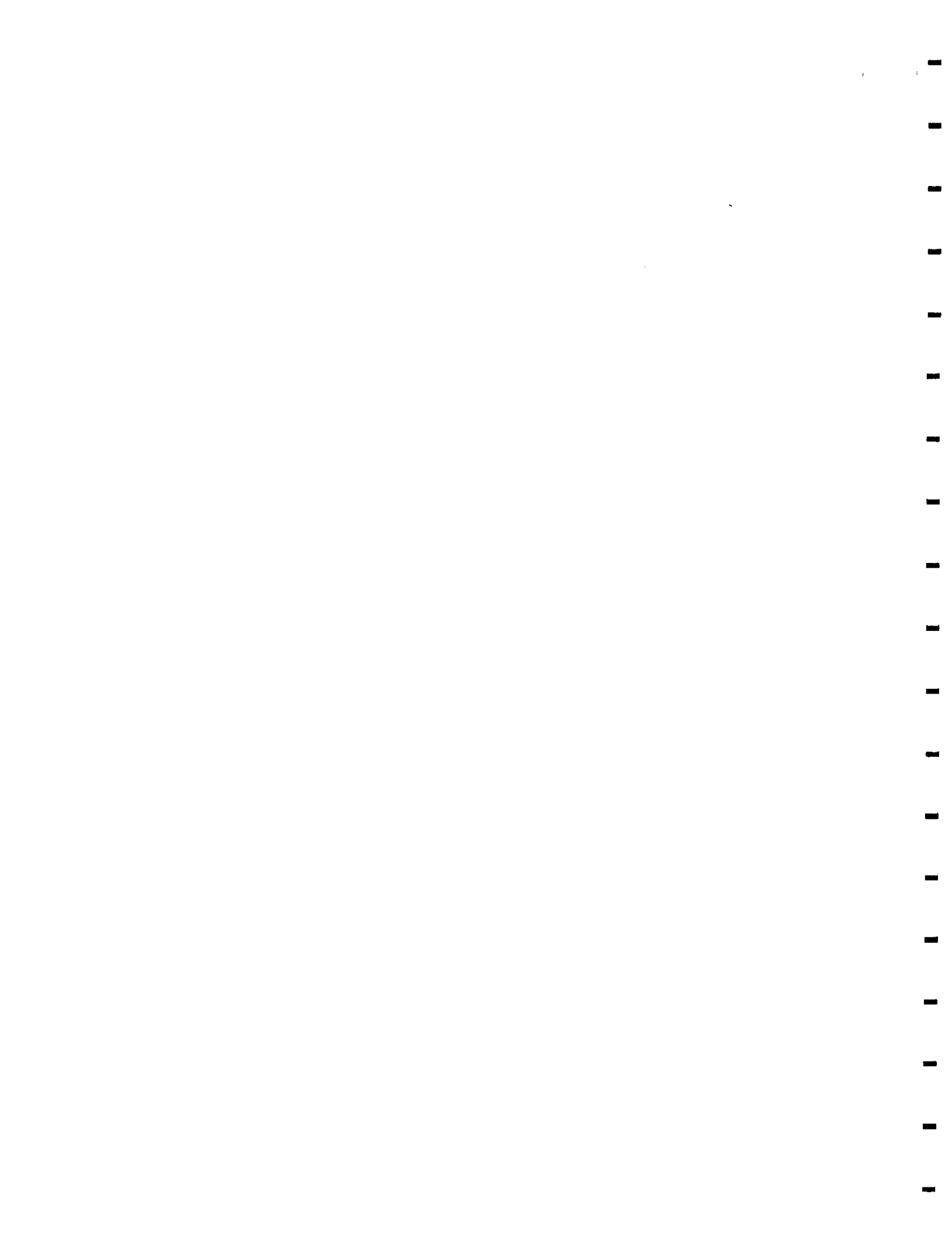
(7) "Unregistered Vehicle" Defined:

A vehicle shall be deemed to be unregistered if it does not have a valid registration sticker and/or a valid license plate. A vehicle which has a temporary inspection sticker shall not be considered an Unregistered Vehicle, provided that the temporary sticker has not expired. A vehicle which bears a temporary license plate shall not be considered an Unregistered Vehicle, provided that the temporary license plate has not expired. Any vehicle which is covered by a tarpaulin shall be rebuttably presumed to be an Unregistered Vehicle.

- c. Each and every spot is available on a first-come first-served basis. No such spot may be considered assigned to any unit. No such spot may be reserved.
- e. Any parking restriction may be waived by the Board of Directors upon application by a unit owner and/or tenant and upon a showing of good cause. Upon any application by a tenant, a copy shall be forwarded to the unit owner.

## 2. PARKING VIOLATIONS

Any vehicle which is parked in violation of the rules and regulations of the Association is



subject to towing and/or the imposition of fines by the Association.

a. TOWING

- (1) The costs of towing any vehicle parked in violation of any Association regulation shall be the responsibility of the vehicle owner.
- (2) **Any vehicle which creates an unsafe condition is subject to IMMEDIATE towing.** Any vehicle which is parked on association property in any location other than a marked parking space is deemed to be parked in an unsafe condition.
- (3) Neither the Association, the Board of Directors, nor the Managing agent shall be liable to the unit owner, the owner of the improperly parked vehicle, or to the person otherwise responsible for the vehicle for any damage and/or injuries which occur during or as a result of the removal of such vehicle from the property.
- (4) Upon having any vehicle towed from the property the Association will notify the Edison Police Department.

b. FINES

- (1) In the event of a violation, the violator shall be subject to a fine of \$25.00 for each day the violation exists.
- (2) In the event the violator is a guest of a resident, the resident shall be responsible for all fines incurred by his or her guest.
- (3) All fines incurred by a resident who is not a unit owner shall be the responsibility of the unit owner and all such fines shall be assessed to that unit owner.

c. CONTESTING A VIOLATION

Any person who receives a violation notice may appeal the alleged violation. All appeals are to be brought following the procedure set for other violation appeals. If instructions for appealing a violation notice are needed, a copy may be received by contacting the Association's managing agent.

This resolution is hereby adopted this \_\_\_\_\_ day of \_\_\_\_\_, 1998 by the Board of Directors of the Enclave at Edison Condominium Association.

\_\_\_\_\_



IN WITNESS WHEREOF, The Board of Directors of Enclave at Edison has executed this

document on the day and year first above written.

Attest:

ENCLAVE AT EDISON

VINCENT TRAINA  
~~Roberta Provda, Secretary~~

Robert Slatnick  
Robert Slatnick, President

STATE OF NEW JERSEY :

SS

COUNTY OF Middlesex

I certify that on March 17, 1998, Roberta Provda personally came before me and this person acknowledged under oath, to my satisfaction, that she is the Secretary of Enclave at Edison; is the attesting witness to the signing of this document by the proper corporate officer who is Robert Slatnick, the President of the corporation; This document was signed and delivered by the corporation as its voluntary act duly authorized by a proper Resolution of its Board of Directors; This person knows the proper seal of the corporation which was affixed to this document; and this person signed this proof to attest to the truth of these facts.

Vincent Traina  
~~Roberta Provda, Secretary~~

Subscribed and sworn to,  
before me, this 17 day  
of March, 1998.

[Signature]  
A Notary Public of New Jersey

My Commission Expires: GINGER D. PITACCO  
A Notary Public of New Jersey  
My Commission Expires August 11, 1998

Record and Return:  
HILL WALLACK  
202 Carnegie Center  
Princeton, New Jersey 08543-5226

RETURN TO

END OF DOCUMENT

15



Prepared By: Terry A. Kessler  
TERRY A. KESSLER, ESQ.

**AMENDMENT TO THE MASTER DEED AND BY-LAWS**  
**OF ENCLAVE AT EDISON CONDOMINIUM ASSOCIATION**

THIS AMENDMENT to the Master Deed and By-Laws is made this 12 day of March, 1997 by the Enclave at Edison Condominium Association, a New Jersey non-profit corporation, located in the Township of Edison, Middlesex County, New Jersey (hereinafter referred to as the "Association").

The Association at a meeting duly called pursuant to the Master Deed and By-laws voted to amend the Master Deed and By-Laws. Therefore, the Association does hereby amend its Master Deed and By-laws recorded in the Office of the Middlesex County Clerk in Deed Book 3737, at Page 437, on 10/17/88 as follows:

RETURN TO

Record and Return:  
  
HILL WALLACK  
202 Carnegie Center  
Princeton, NJ 08543-5226

RECEIVED/RECORDED  
MIDDLESEX COUNTY 05/06/97 150616  
CONSIDERATION \$1.00 TAX \$1.00  
DEED REC. FEE \$17.00  
INSTRUMENT DEED 6013 NAME S.J.

BK 4407 PG 594

BK 4407 PG 594

14





Prepared By:

*Terry A. Kessler*  
TERRY A. KESSLER, ESQ.

**AMENDMENT TO THE MASTER DEED AND BY-LAWS**  
**OF ENCLAVE AT EDISON CONDOMINIUM ASSOCIATION**

THIS AMENDMENT to the Master Deed and By-Laws is made this 12<sup>th</sup> day of November, 1996 by the Enclave at Edison Condominium Association, a New Jersey non-profit corporation, located in the Township of Edison, Middlesex County, New Jersey (hereinafter referred to as the "Association").

The Association at a meeting duly called pursuant to the Master Deed and By-laws on September 11, 1996 voted to amend certain sections of the Master Deed and By-Laws. Therefore, the Association does hereby amend its Master Deed and By-laws recorded in the Office of the Middlesex County Clerk in Deed Book 3737, at Page 437, on October 17, 1988 as follows:

RETURN TO

BK 4374 PG 375

Record and Return:  
Perl, Karpoff & Kessler, P.C.  
201 Omni Drive  
Somerville, NJ 08876

RECEIVED/RECORDED  
MIDDLESEX COUNTY 12/05/96 110042  
CONSIDERATION \$ .00 TAX \$ .00  
DEED REC. FEE \$30.00  
INSTRUMENT DEED 17592 NONE *AK*

BK 4374 PG 375



Article 12 of the Master Deed and Article XIII, section 2 of the By-Laws are amended to increase the maximum amount of the fine which may be levied for any one violation from \$10.00 to \$25.00.

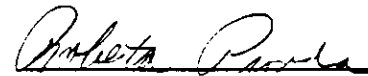
  
Robert Slatnick, President

STATE OF NEW JERSEY :


SS

COUNTY OF MIDDLESEX :

I certify that on March 12, 1997, Roberta Pardo personally came before me and this person acknowledged under oath, to my satisfaction, that he/she is the Secretary of Enclave at Edison Condominium Association and is the attesting witness to the signing of this document by the proper corporate officer who is, Robert Slatnick, the President of the corporation; This document was signed and delivered by the corporation as its voluntary act duly authorized by a proper Resolution of its Board of Directors; This person knows the proper seal of the corporation which was affixed to this document; and this person signed this proof to attest to the truth of these facts.

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

Subscribed and sworn to,  
before me, this 12 day  
of March, 1997.

  
\_\_\_\_\_  
A Notary Public of New Jersey  
My Commission Expires: \_\_\_\_\_

**GINGER D. PITACCIO**  
A Notary Public of New Jersey  
My Commission Expires August 11, 1998

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4163\0001\194796

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BK 4407 PG 595

16



## AMENDMENTS TO THE MASTER DEED

The following Articles have been amended and shall be replaced with the following:

12. RESTRICTIONS

a) no change

b) no change

c) No clothes poles, clothes trees or lines shall be installed or maintained. No clothes, sheets, blankets or laundry or any kind or other articles or plants or other hanging items, objects or devices shall be allowed to hang on or out or be attached to the outside of windows or window sills or exterior of any Building, including, but not limited to, railings or fences or in any parking areas. The hanging of plants and flowers in pots shall be permitted on fences.

d) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or on the Property. No visitor may bring any animal onto the property, including into a Unit. Notwithstanding the foregoing, one dog or cat is permitted per Unit, provided that such dog or cat is not kept, bred or maintained for any commercial purpose, is housed within the Unit, and when not in the Unit, is kept on a leash, and is otherwise kept in accordance with all applicable Rules and Regulations. No outside dog pens, runs or yards shall be permitted. Any unit owning two dogs or two cats on September 11, 1996 shall not be in violation of this prohibition however, if one animal expires, it can not be replaced. No pet is allowed to run free or can be tied in any



manner on any common or limited common area without the supervision of its owner.

e) No trailer, tractor, truck (commercial or unregistered), mobile home, recreation vehicles, boat, boat trailer or the like shall be stored or housed or parked on the Property, except that this restriction shall not apply to trucks and equipment stored on the Property by the Sponsor, the Association and/or management agent for use in maintaining the Property on any portion thereof. Unregistered, uninspected or other vehicles prohibited from use on the public streets shall not be parked, stored or otherwise kept on any common or limited common area. Sport utility vehicles shall be considered the same as an automobile. Repairing of cars anywhere on the property is prohibited. Washing and cleaning of permitted vehicles may be allowed subject to such regulations for same as may be deemed appropriate by the Board.

f) no change

g) no change

h) no change

i) No awnings, grills, balcony enclosures, fence, canopies, shutters, or external or visible radio, television or any type of communication aerial or antenna or cable of any sort shall be installed or affixed on or about the exterior of any building constructed or erected on the Property, or elsewhere on such Property. Without the prior written consent of the board. The Board may not withhold consent when such prohibit may be in conflict with any state or Federal Law or Regulation. No storage of any materials or personalty shall be permitted on front porches, patios, Limited Common Elements and





General Common Elements, on the Property, except that on the patios, Unit Owners may maintain chairs, tables and barbecues for recreational use on the patios. Such chairs, tables and barbecues shall mean outdoor casual furniture intended for summer use. Barbecues when used must be minimum of 5' away from the side of the Building and may be stored next to the building when cooled. Notwithstanding anything to the contrary, owners who have fireplaces may store firewood only in one metal hoop designed for that purpose.

j - q) no change

r) Nothing shall be done to any Unit or on or in the Common Elements which will impair the structural integrity of any Building or which will structurally change any Building. Water beds of such size and type whose weight may cause damage to any structure shall not be permitted. No Unit Owner (other than the Sponsor) may make any structural additions, alterations, or improvements in or to his Unit or in or to the Common Elements, without the prior written approval of the Board or impair any easement without the prior written consent of the Board. The Board shall have the obligation to answer any written request received by it from a Unit Owners for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit or on Common Elements within forty-five (45) days after receipt of such request, and failure to do so within the stipulated time shall constitute a denial of the proposal. Any application to any municipal authority for a permit to make an addition, alteration or improvement in or to any Unit must be approved by the Board and, if approved, shall



be executed by the Board and then be submitted by the Unit Owner. Such approval, however, shall not incur any liability on the part of the Association to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The Unit Owner shall furnish the Association with a copy of any such permit which he has procured. The provisions of this subparagraph shall not apply to Units owned by the Sponsor until such Units have been initially sold and conveyed.

The remainder of the Master Deed remains unchanged.

#### AMENDMENT TO BY-LAWS

#### ARTICLE IV - BOARD OF DIRECTORS

##### Section 3. Election and Term of Office.

a) *The following shall be added to the end of this paragraph:* If at any subsequent election it is determined that the terms of more than three Board Members shall expire on the same day, then at the next meeting of the members held for the purpose of electing directors, the two candidates receiving the greatest number of votes shall be elected to a term of three years and the other candidates elected for a period of two years.

b) The Directors shall hold office until their respective successors have been duly elected and qualified, or until removed in the manner elsewhere provided. At each election every member entitled to vote may cast one vote for each candidate of the member's choice up to the number of directors to be elected.



c) In the event of a tie vote in the election of directors, for the final seat to be filled, the Board shall be expanded to six (6) members and the candidates receiving the tie votes shall both be deemed elected for a period of two years. At the expiration of their term the board shall revert back to five members.

d) No person shall be permitted to serve as a Board Member during such time as his or her membership in the Association has been suspended for failure to pay assessments and/or fines or for any other reason provided for by the Master Deed and/or By-Laws, nor shall a suspended member be permitted to stand for election during this period of suspension.

Section 4. No change

#### ARTICLE XIII - ENFORCEMENT

Section 1. No change

Section 2. Fines. The Board shall have the right to levy fines for violation(s) of the Master Deed, the By-Laws and any other regulations provided that the fine be appropriate to the offense, administered fairly among all residents and in no case exceed the amount of fine permitted by the laws of the State of New Jersey, however, that for each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against any Unit Owner(s) involved as if the fines were a Common Expense owed by the particular Unit Owner(s). Notwithstanding the foregoing, before any fine is imposed by the Board, the Unit Owner involved shall be given at least ten (10) days prior written notice and afforded an opportunity to be



heard, with or without counsel, with respect to the violation(s) asserted.

STATE OF NEW JERSEY :

SS

COUNTY OF MIDDLESEX :

I certify that on November 13, 1996, Roberta Prada, personally came before me and this person acknowledged under oath, to my satisfaction, that he/she is the Secretary of Enclave at Edison Condominium Association and is the attesting witness to the signing of this document by the proper corporate officer who is, Robert Slomach, the President of the corporation; This document was signed and delivered by the corporation as its voluntary act duly authorized by a proper Resolution of its Board of Directors; This person knows the proper seal of the corporation which was affixed to this document; and this person signed this proof to attest to the truth of these facts.

Roberta Prada  
Secretary

Subscribed and sworn to,  
before me, this 13 day  
of November, 1996.

[Signature]  
A Notary Public of New Jersey  
My Commission Expires: \_\_\_\_\_

GINGER D. PITACCIO  
A Notary Public of New Jersey  
My Commission Expires August 11, 1998

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BK 4374 PG 381

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