

BY-LAWS
OF
SHANNON GREENE CONDOMINIUM AT KINGS GRANT II
CONDOMINIUM ASSOCIATION, INC.

ARTICLE I
NATURE OF BY-LAWS

SECTION 1. Purpose. These By-Laws are intended to govern the administration of the Shannon Greene Condominium at Kings Grant II Condominium Association, Inc., a non-profit corporation organized under Title 15A of the New Jersey Statutes Annotated, and provide for the management, administration, utilization and maintenance of the Common Elements described in the Master Deeds for any Phase which may now or hereafter be a part of Shannon Greene Condominium at Kings Grant II (hereinafter "Shannon Greene II").

SECTION 2. Definitions. Unless the context clearly indicates otherwise, all definitions set forth in the aforesaid Master Deeds or in N.J.S.A. 46:8B-3 are incorporated herein by reference.

SECTION 3. Fiscal Year. The fiscal year of the corporation shall be determined by the Board of Directors.

SECTION 4. Principal Office. The principal office of the corporation is located at Five Greentree Centre, Suite 213, Marlton, New Jersey 08053.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Members. Every person, firm, association, corporation, or other legal entity who is a record Owner or Co-Owner of the fee simple title to any Unit shall be a Member of the Association; 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 be a Member of the Association.

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.

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

SECTION 4. Rights of Membership. Every person who is entitled to membership in the Association, pursuant to the provisions of the Certificate of Incorporation and these By-Laws, shall be privileged to use and enjoy the General Common Elements, subject however 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) Dedicate or transfer all or part of the General Common Elements, other than any Building in which any Units are contained, as provided in Section 1(n) of Article V hereof.

SECTION 5. Beneficial Membership in the Maintenance Association. Every member of the Association shall be a non-voting beneficial member of the Maintenance Association. No beneficial member shall have the right to directly participate in the affairs of the Maintenance Association except through a Delegate of the Association as hereinafter set forth in Section 4 of Article VII.

SECTION 6. Class A Membership in the OSA. Every member of the Association shall be a voting member of the OSA and shall have one (1) vote for each Unit owned by such member. Such member shall have an ownership interest in and to the OSA Land equal to and in proportion with the number of votes which he holds all in accordance with the Declaration, Certificate of Incorporation, and By-Laws of the OSA.

SECTION 7. Suspension of Rights. The membership and voting rights of any Member may be suspended by the Board for any period during which any assessment against the Unit to which his membership is appurtenant remains unpaid; but upon payment of

such assessments, and any interest accrued thereon and the amount due as counsel fees, if any, pursuant to Section 10 of Article VI hereof, whether by check or cash, his rights and privileges shall be immediately and automatically restored. Further, if rules and regulations governing the use of the Common Elements and the conduct of persons thereon have been adopted and published, as authorized in the By-Laws, the rights and privileges of any person in violation thereof may be suspended at the discretion of the Board 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.

SECTION 8. Membership Fees. The Board will impose upon each Unit Owner, excluding the Declarant and Sponsor, upon acquisition of title to his Unit, a non-refundable fee for membership in the Association in an amount of one-sixth (1/6) of the annual current assessment against the Unit, which fee may be used for working capital or any other lawful purpose except that this fee shall not be considered as an advance payment of any regular assessment. The payment of such fee shall be a condition precedent to membership in the Association. Any unpaid membership fee shall be deemed a lien on the Unit in the same manner as any unpaid Common Expenses attributable to such Unit.

SECTION 9. Votes. Each Unit Owner shall be entitled to such vote(s) for each Unit to which he holds title as is provided in Paragraph 6 of the Master Deeds. 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 signs a proxy or purports 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 10. Proxies. Proxy ballots shall be permitted with respect to all elections of Directors, and all amendments to the Certificate of Incorporation, the Master Deeds, or these By-Laws, or any other matter which is to come before a meeting of the membership of the Association. All proxies shall be in writing, signed by all individual Unit Owners (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, at least 24 hours 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 its date unless said proxy provides for a longer period, not to exceed three (3) years from the date of 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

MEETINGS OF UNIT OWNERS

SECTION 1. Place of Meetings. All meetings of the Unit Owners of the Association shall be held at the Condominium or at such other place convenient to the members as may be designated by the Board.

SECTION 2. First Annual Meeting and Regular Annual Meetings. All annual meetings of the Unit Owners of the Association shall be held on the day and month of the year to be established by the Board, 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 Units ultimately planned to be included within the Condominium, 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 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 Unit Owners 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 Unit Owners may be called at any time by the President or shall be called by the Secretary when so ordered by the Board, or upon the written request of Members representing not 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 Unit Owners 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 Unit Owners held during the preceding twelve (12) 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 Unit Owners, whether annual or special, shall be given not less than ten (10) days, nor more than ninety (90) days before the day on which the meeting is to be held, to each Unit Owner at his last known address, by delivering a written or printed notice thereof to said Unit Owner, or by mailing such notice, postage prepaid. 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 Unit Owners shall not be required to have been sent to any Unit Owners who shall attend such meeting in person or by

proxy. Notice of any adjourned meeting of the Unit Owners shall not be required to be given except when expressly required by law. Except where otherwise expressly required by law, no publication of any notice of a meeting of Unit Owners shall be required.

SECTION 5. Quorum and Adjourned Meetings. At such meeting of the Unit Owners, persons (including Sponsor or Declarant or their respective representatives) holding ~~twenty-five (25%) percent of the total number of shares~~ present in person or by proxy, shall be sufficient to transact the transaction of business except where otherwise provided by law. In the absence of a quorum, the persons holding votes present in person or by proxy and entitled to vote, by majority vote, may, by majority vote, adjourn the meeting from time to time, until a quorum shall be present or represented. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting originally called.

SECTION 6. Organization. At each meeting of the Association, the President, or, in his absence, the Vice-President, or in the absence of both of them, a person chosen by a majority vote of the Unit Owners present in person or represented by proxy and entitled to vote thereat, shall act as a 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 Deeds or any law, and if

a quorum is present, then a majority of votes present, in person or by proxy, shall be sufficient on those matters which are to be voted on by the Unit Owners. The election of Directors shall be by ballot. Unless determined by a majority of the votes of the Unit Owners present at such meeting, in person or by proxy, or determined by the chairperson of the meeting to be advisable, the vote on any other question need not be by ballot.

SECTION 8. 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 Directors as hereinafter provided, together with all interest, 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 Unit Owners a vote by ballot shall be taken on any question, the chairperson of such meeting shall appoint two (2) Judges to act thereat with respect to such vote. Each Judge so appointed shall first subscribe an oath faithfully to execute the duties of a Judge at such meeting with strict impartiality and according to the best of his ability. Such Judges shall decide upon the qualifications of voters and shall report the number of votes represented at the meeting and entitled to vote on such question, shall conduct and accept the votes, and when the voting is completed, shall ascertain and report the number of votes respectively for and

against the questions; 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. Order of Business. The order of business at the annual meeting of the Unit Owners or at any special meetings insofar 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 and 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 Deeds, these By-Laws, and by law. Notwithstanding the foregoing, all of the duties and responsibilities set forth in Section 2 of Article V hereof, are irrevocably delegated to the Board of Trustees of the Maintenance Association.

SECTION 2. Number and Qualifications.

Until the first annual meeting of the membership of the Association, and thereafter until their successors shall have been elected and qualified, the Board shall consist of three (3) persons designated by the Sponsor, none of whom need be Unit Owners.

Thereafter, the Board shall consist of five (5) Directors (hereinafter referred to as Directors A, B, C, D and E). Within thirty (30) days after the Unit Owners other than Sponsor own twenty-five (25%) percent or more of the Units ultimately planned to be included within all phases of the Condominium, 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, Unit Owners other than Declarant or 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 Unit Owners other than Declarant or Sponsor own seventy-five (75%) percent or more Units ultimately planned to be included within the Condominium, 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 the Unit Owners other than Sponsor shall be entitled to vote for all of the Directors of the Board not theretofore elected by them, except that Sponsor shall be entitled to appoint Director E so long as Declarant or Sponsor owns one or more Units and holds same for sale in the ordinary course of business. Further, Sponsor shall have the right to relinquish control of any directorship at any time.

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 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. At the first annual meeting of the membership that is called after Unit Owners other than the Declarant or Sponsor ~~own seventy-five (75%) percent~~ or more Units, Directors A and B shall be elected by Unit Owners other than the Declarant or Sponsor, and Sponsor shall appoint Directors C, D and E. Directors A and B shall be elected for two

(2) year terms and Directors C, D and E shall be appointed to serve until their successors are elected at the special meeting held within sixty (60) days after seventy-five (75%) percent or more of Units ultimately planned to be included within all phase of the Condominium owned by Unit 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 Unit Owners other than Declarant or Sponsor (subject, however, to Sponsor's right 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.

The Directors shall hold office until their respective successors have been duly elected and qualified, or until removed in the manner elsewhere provided. If at any meeting for election of membership to the Board more than twice the number of candidates to be elected at such meeting are nominated, then, and in such event, there shall be two (2) ballots for membership. At the end of the first ballot, the field of nominees shall be reduced so that there are twice as many candidates as there are positions to be filled, with the persons receiving the fewest votes being eliminated from the ensuing ballot. A second ballot

shall be held, and on the second ballot, the persons receiving the most votes will be deemed to be elected in order to fill the vacant positions. If there are not more than twice the number of nominees for the number of positions to be filled, then there shall be one (1) ballot, with the persons receiving the most votes being elected in order to fill the vacancies on the Board. 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. After control of the Board of Directors has become vested in Directors elected by Unit Owners other than the Declarant or 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 Declarant or Sponsor or cause the Declarant or 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 Declarant or Sponsor for capital improvements.
- (b) The Association and its Board of Directors shall continue the same level of maintenance, operation and services as provided immediately prior to the

assumption of control of the Association and the Board of Directors by Unit Owners other than the Declarant or Sponsor.

- (c) In furtherance of the foregoing provisions, the Declarant or 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 Declarant or Sponsor as may be determined by the sole reasonable discretion of the Declarant or Sponsor, as the case may be.
- (d) The Declarant or Sponsor shall exercise their veto right, in their sole and absolute discretion, within ten (10) days after its receipt of 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 Declarant or Sponsor shall notify the Secretary of the Association of its exercise of its veto right and any such proposal or action shall be deemed null and void ab initio and of no further force or effect.

The aforementioned protective provisions shall be construed in accordance with and not in derogation of N.J.S.A. 46:8B-12.1 of the New Jersey Condominium Act and 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, and 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, and 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 Declarant or 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 reason other than the removal of a Director by a vote of the Unit Owners 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. 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 have been duly elected and qualified.

Notwithstanding the foregoing, until the first annual meeting of Unit Owners, 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 Declarant or Sponsor, whether same be appointed or elected.

SECTION 7. Meeting of the Board; Notices; Waiver of Notice.

The first annual meeting of the Board shall be held within ten (10) days after the first annual meeting of the Unit Owners and at such time and place as shall be fixed by a majority of the Board 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 Board, but at least two (2) meetings shall be held each year. Notice of regular meetings of the board shall be given to each Director by telephone, mail, or telegram at least three (3) days prior to the day of the meeting. Special meetings of the Board may be called by the President on three (3) days' notice to each Director given by telephone, 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 like manner and on like notice on the written request of at least

three (3) Directors. Any Director may, at any time, 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 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 right 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 Deeds 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. Non-Delegated Powers. All of the foregoing powers may be exercised by the Board and shall not be delegated to the Board of Trustees of the Maintenance Association or other entity:

- (a) Borrow and repay monies giving notes, mortgages or other security upon such term or terms as it deems necessary; and
- (b) 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
- (c) Grant and obtain easements, licenses and other property right with respect to contiguous lands; and
- (d) Purchase or lease or otherwise acquire in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners within the Condominium, Units offered for sale or lease or surrendered by their Owners to the Board; and
- (e) Purchase Units within the Condominium at foreclosure or other judicial sales in the name of the Association or

its designees, corporate or otherwise, on behalf of all Unit Owners; and

- (f) 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 Unit Owners; and
- (g) Bring and defend actions by or against more than one Unit Owner which are pertinent to the operation of the Condominium, the health, safety or general welfare of the Unit Owners, or any other legal action to which the Unit Owners may consent in accordance with these By-Laws; and
- (h) 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, which have not been delegated to the Board of Trustees or any other entity.

SECTION 2. Duties and Responsibilities. It shall be the affirmative and perpetual obligation and duty of the Board to perform the following all of which, together with all its powers, duties and responsibilities are hereby irrevocably delegated to the Board of Trustees of the Maintenance Association as the Board's attorney-in-fact and shall be coupled with an interest in the subject matter:

- (a) 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) Cause the General and Limited Common Elements to be maintained according to accepted standards and as set forth in the Master Deeds, including, but not limited to such maintenance, painting, replacement and repair work as may be necessary, lawn maintenance and clearing of snow from parking areas, 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

(c) Investigate, hire, pay, supervise and discharge the personnel, firm or corporation necessary to be employed, and provide the equipment and materials necessary in order to properly maintain, repair, renovate and operate the Common Elements; lay pipes or culverts; bury utilities; put up lights or poles; erect signs and traffic and safety controls of various sorts and maintain and renovate the Recreation Facility; and compensation for the services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Association; and

- (d) Employ or contract for water and sewer, electricity and gas or other forms of utilities, cable or master antenna television; and
- (e) 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 Deeds after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings; and
- (f) 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
- (g) 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 Property, together with all service machinery appurtenant thereto, and covering the interest of

the Association, the Board, the Sponsor, and all Unit Owners 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 Deeds. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board shall obtain a qualified appraisal of the full replacement value of the Units and Common Elements and the improvements located thereon, 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 Common Elements, and not arising by reason of any act or negligence of any individual Unit Owner. 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. Until the first meeting of the Board following the first annual meeting, such public liability insurance shall be in a single limit of \$1,000,000.00 covering all claims for personal injury or property damage arising out of any one occurrence. The Board shall review such limits once a year.

(iii) Directors and Officers Liability Insurance.

Liability insurance indemnifying the Directors and Officers of the Association together with all Committee Members, against the liability for errors and omissions occurring in connection with the performance of their duties, in an amount of at least \$1,000,000.00, with any deductible amount to be in the sole discretion of the Board.

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

(v) Water Damage. Water damage legal liability insurance.

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

All policies shall: (i) 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 any; (ii) 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 Deeds and these By-Laws; (iii) 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 (iv) provide that such policies may not be canceled without at least thirty (30) days prior written notice to all of the named insureds, including all Unit Owners and Institutional Lenders.

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

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 Owner.

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 direct proportion to their respective percentage of interests.

- (h) 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
- (i) To manage the fiscal affairs of the Association as hereinafter provided in Article VI.
- (j) Employ professional counsel and obtain advice from persons, firms, or corporations such as, but not limited to, landscape architects, architects, engineers and lawyers;
- (k) 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, provided, however, that no such Rule or Regulation shall conflict with any Rule or Regulation or other restriction promulgated by the OSA or Maintenance Association or applicable to its Members, all of which shall be deemed to control; and

- (l) Employ all managerial personnel necessary, or enter into a managerial contract for the efficient discharge of the duties of the Board hereunder; and
- (m) Secure full performance by Unit Owners or occupants of all items of maintenance for which they are responsible; and
- (n) 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
- (o) 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
- (p) 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 Deeds, Certificate of Incorporation, and these By-Laws; and

(g) Enforce obligations of the Unit Owners and do anything and everything else necessary and proper for the sound management of the Condominium, including the right to bring or defend lawsuits to enforce the terms, conditions, and restrictions contained in the Master Deeds, these By-Laws, or the Rules and Regulations.

ARTICLE VI

FISCAL MANAGEMENT

SECTION 1. Common Receipts. The Board shall have the duty to collect from each Unit Owner, his, her, or their, administrators, successors, and assigns, as "Common Receipts", the proportionate part of the Common Expenses assessed against such Unit Owner as provided in the Master Deeds, 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.

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

SECTION 4. Depositories. The depository of the Association shall be such a bank or banks as shall be designated from time to time by the Board and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such 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. 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:

- (a) 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.
- (b) Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.

- (c) 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.
- (d) 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.
- (e) 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.

The Board shall not be required to physically segregate the funds held in the above accounts but may,

in its sole discretion, maintain the funds in one or more consolidated accounts. As to each consolidated account, the division into the 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 revenues 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 and 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 Assessments for Capital Improvements. Anything to the contrary herein notwithstanding, neither Declarant, Sponsor nor any Institutional Lender for any Unit shall be required to pay any assessment 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 Declarant, Sponsor and that of every Institutional Lender. Notwithstanding the foregoing, the Declarant, Sponsor and Institutional Lenders shall be responsible for the installments of regular Common Expense assessments, or portions thereof, attributable to the completed Units for which they hold title during the time title is held. This includes that portion of same attributable to normal reserves for repair and replacement.

SECTION 8. Notice. The Board shall give notice to each Unit Owner, in writing, and to any Institutional Lender who requests same, of the amount estimated by the Board for Common Expenses for the management and operation of the Association for the next ensuing budget period, directed to the Unit Owner at his last known address by ordinary mail, or by hand delivery. Said notice shall be conclusively presumed to have been delivered five (5) days after deposit in the United States mails. If an annual Common Expense assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior year's assessment, increased by ten (10%) percent; and monthly installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual 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 met by reserve funds earmarked for such contingency.

SECTION 9. Acceleration of Assessment Installment Upon Default. If a Unit 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 Unit 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 no 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 Institutional Lender 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 ninety (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.

SECTION 10. Interest and Counsel Fees. The Board at its option shall have the right in connection with the collection of any Common Expense assessment, or other charge, to impose an interest or late charge at the legal maximum rate permitted by law if such payment is made after a date certain stated in such notice. 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 reasonable counsel fees, plus the reasonable costs for preparation, filing and discharge of the lien, in addition to such other costs as may be allowable by law.

- (a) In the case 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 attorney's 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 special fund to be applied to (1) the payment of unpaid litigation expenses; (2) refunding to the Unit Owners the cost and expenses of litigation advanced by them; (3) Common Charges, if the recovery thereof was the purpose of the litigation; (4) repair or reconstruction of the Common Elements if recovery of damages to same was the motivation for the litigation; and (5) any

amount not applied to (1), (2), (3) and (4) above shall be 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 6 of the Master Deeds or (ii) a set off against the common charges 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 XIV hereof.

(c) All Common Charges 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 the Unit Owner(s) succeeds in obtaining a judgment or order against the Association or 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 charges 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 Expense assessment 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. The Board shall submit the books, records, and memoranda of the Association to an annual audit by an independent certified public accountant who shall audit the same and render a report thereon in writing to the Board and in summary form to the Unit Owners and such Institutional Lenders or other persons, firms or corporations as may be entitled to same.

While the Developer maintains a majority of the executive board, he shall have an annual audit of association funds prepared by an independent accountant, a copy of which shall be delivered to each unit owner within ninety (90) days of the expiration of the fiscal year of the association. The audit shall cover the operating budget and reserve accounts.

SECTION 13. Examination of Books. Each Unit Owner shall be permitted to examine the books of account of the Board by

appointment at a reasonable time on business days, provided, however, that the Treasurer has been given at least ten (10) days prior written notice of the Unit Owner'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 but in no event less than an amount equal to the sum of 3 months assessments on all units completed, plus the association reserve funds. The premiums on such bonds shall be paid by the Association.

While the developer maintains a majority of representation on the executive board, he shall post a fidelity bond or other guarantee acceptable to the Agency, in an amount equal to the annual budget. ~~For the second and succeeding years,~~ the bond or other guarantee shall include ~~accumulated~~ reserves.

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 its judgment may be necessary. Any two (2) 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 a majority of the full number of Directors, any officer may be removed, either 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. Duties and Responsibilities of Officers.

- (a) 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. The President shall also be the appointed Delegate to represent the affairs of the Association at meetings of the Maintenance Association and shall be entitled to cast any vote to which the Association is entitled at any membership meeting of the Maintenance Association. In the absence of a binding directive on any matter to be voted upon at any such meeting of the Maintenance Association, the President may vote in his sole discretion on any issue in that manner which he deems to be in the best interests of the Association. The Board shall appoint such other Delegates to the Maintenance Association as are authorized to represent

it pursuant to the governing documents of the Maintenance Association.

- (b) 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.
- (c) 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.
- (d) The Treasurer shall have the responsibility for the custody of 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.

SECTION 5. 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 6. Eligibility of Directors. Nothing herein contained shall prohibit a Director from being an Officer.

ARTICLE VIII

COMPENSATION INDEMNIFICATION AND EXCULPABILITY 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, Director or Committee Member. The Secretary and/or Treasurer may be compensated for their services if the Board determines that such compensation is appropriate. Nothing herein stated shall prevent any Officer or 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 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 any 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. Exculpability. Unless acting in bad faith, neither the Board as a body nor any Director, Officer, or Committee Member shall be personally liable to any Unit Owner in any respect for any action or lack of action arising out of the execution of his office. Each Unit Owner shall be bound by the good faith actions of the Board, Officers and Committee Members of the Association, in the execution of the duties of said Directors, Officers and Committee Members. Nothing contained herein shall be construed so as to exculpate members of the Board of Directors appointed by the Sponsor from discharging their fiduciary responsibilities.

ARTICLE IX

ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE ASSOCIATION

Whenever, in the judgment of the Board, the Common Elements require improvements costing in excess of Twenty-Five Thousand (\$25,000.00) Dollars, said improvements shall not be made unless they have been approved by a majority of votes present in person or by proxy at a meeting of the Unit Owners at which a quorum is present. When said approval has been obtained, all Unit Owners benefiting from the same shall be assessed for the cost thereof as a Common Expense. In the event of any emergency which could

cause damage to any Building or part(s) thereof, the Board may expend sums in excess of Twenty-Five Thousand (\$25,000.00) Dollars to protect the said Building or part(s) and the judgment of the Board shall be final.

ARTICLE X

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 violation(s) of any Rule or Regulation of the Association or for any covenants or restrictions contained in the Master Deeds or By-Laws in such maximum amounts and in accordance with such due process procedures as may be established by the Board; 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 fine 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.

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

ARTICLE XI

AMENDMENTS

Subject to the restrictions in Section 7 of Article VI hereof, 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 held for such purpose, and previous to which written notice to the Unit Owners of the exact language of the amendment or of the repeal shall have been sent, a quorum being present, by an affirmative vote of fifty-one (51%) percent in number and in interest 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; (iii) the obligation or the proportionate responsibility for the payment of Common Expenses with respect to Units or the Common Elements may not be changed by reason of any such new By-Law, amendment or repeal; (iv) no such new By-Law, amendment or repeal shall in any way affect the Declarant or Sponsor, or their respective successors,

unless the Declarant or Sponsor, or their respective successors, has given its prior written consent thereto; or (v) no amendment shall revoke or diminish the delegation of any power or duty of the Board of the Association to the Board of Trustees of the Maintenance Association.

The Developer shall not be permitted to cast any votes held by him for unsold lots, parcels, units or interests for the purpose of amending the master deed, by-laws, or any other document for the purpose of changing the permitted use of a lot, parcel, unit or interest, or for the purpose of reducing the common elements or facilities.

ARTICLE XII

CONFLICT; INVALIDITY

SECTION 1. Conflict. Anything to the contrary herein notwithstanding, if any provision of these By-Laws is in conflict with or contradiction of the Master Deeds, the Articles of Incorporation or with the requirements of any law, then the requirements of said Master Deeds or law shall be deemed controlling.

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

ARTICLE XIII

NOTICE

Any notice required to be sent to any Unit Owner under the provisions of the Master Deeds 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 of 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.

ARTICLE XIV

ARBITRATION

Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in Burlington 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 "Shannon Greene Condominium at Kings Grant II Condominium Association, Inc."