

BY-LAWS OF THE KINGSBERRY ACRES CONDOMINIUM ASSOCIATION

ARTICLE I

APPLICABILITY, MEMBERSHIP

Section 1. APPLICABILITY. These By-Laws shall be applicable to the Kingsberry Acres Condominium Association, a non-profit corporation of the State of New Jersey, its members, and all common elements of the Kingsberry Acres Condominium as established by the Master Deed.

Section 2. OWNERS AS MEMBERS. All present and future owners of condominiums on lands in Franklin Township, Somerset County, New Jersey, which are subject to the Kingsberry Acres Master Deed, recorded in the County Clerk's Office of the County of Somerset, shall be members of the Kingsberry Acres Condominium Association. Acquisition, or occupancy of a condominium unit shall be conclusively deemed to mean that the said owner, resident or occupant has consented to and ratified these By-Laws or any amendments thereto.

Section 3. DEFINITIONS. The definitions set forth in the Kingsberry Acres Association Master Deed shall be applicable herein.

ARTICLE II

MEMBERSHIP, VOTING RIGHTS AND MEETINGS

Section 1. MEMBERSHIP. Every owner of a condominium unit which is subject to The Kingsberry Acres Condominium Master Deed shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any unit which is subject to the Master Deed. Ownership of a unit shall be the sole qualification for membership. Membership in the Association shall lapse and terminate when a member shall cease to be an owner. However, any delinquent assessments will still be the personal liability of said owner despite termination of membership.

Section 2. VOTING RIGHTS. The owner of each unit shall be entitled to one (1) vote. If there is more than one (1) owner of a unit the vote shall be apportioned proportionately. One co-owner of a unit shall be deemed to be authorized to cast the vote for that unit unless the Association is otherwise expressly advised in writing.

Section 3. PROXIES. Votes may be cast either in person or by proxy. Proxies must be in writing, and notice of same must be given to the Association in writing at least two (2)

days prior to any meeting at which said proxy is to be used.

Section 4. QUORUM. There shall be no quorum requirement. The members attending, in person or by proxy, a meeting duly called, shall be authorized to transact business at such meeting, except as otherwise provided herein.

Section 5. MEETINGS. Annual and special meetings of the Association shall be held at such convenient location as the Trustees may select and at such times fixed by the Trustees of the Association. The first annual meeting shall be held on a date to be fixed by the Board of Trustees.

Section 6. NOTICE OF MEETINGS. Written notice of annual meetings shall be given by the Secretary in a method deemed reasonable by the Association. Notice addressed to members at such addresses as may appear on the records of the Association shall be deemed sufficient for all purposes. Such written notice shall set forth the purpose(s) of the meeting, and shall be given not less than fifteen (15) days before the date of such meeting. Waiver of notice may be made by any member, in writing. Presence at the meeting shall be considered waiver of any formal notice to the member. Only matters set forth in such notice shall be considered at such meeting.

Section 7. MEMBERSHIP LIST. The secretary of the Association shall keep a complete list of members of the Association, together with their last known post office address. It shall be the members' responsibility to inform the Secretary of any changes in address or listing, and of the sale of any Unit. Said list shall be open for inspection to all members. The Secretary shall also keep current the minutes of the meetings of the Association, and the resolutions and books of the Association.

Section 8. SPECIAL MEETINGS. The President of the Association, if directed by the Trustees, shall call a special meeting. Notice of a special meeting shall state the purpose(s) thereof and be given no later than five (5) days before said meeting. No other meetings shall be called other than provided herein, except that, in the event two-thirds of all members desire to call a special meeting and they indicate their desire to call a special meeting to the Board of Trustees, the President shall be required to call said special meeting. Only matters set forth in such notice shall be considered at the meeting.

Section 9. MAJORITY OF VOTES. As used in these By-Laws majority means that number of votes which exceed 50% of all votes cast.

Section 10. VOTE REQUIRED. Except as otherwise provided herein, or in the Kingsberry Acres Condominium Master Deed, a majority of the votes cast at any meeting shall be determinative of the subject matter of the vote.

Section 11. 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, one-time

membership fee of \$100.00 for use by the Association as working capital. This fee shall be paid on each unit owned, so that if one owner owns five (5) units, he must pay five (5) such one-time membership fees. Said fee is separate from, and in addition to, assessments and charges referred to in these By-Laws and the Master Deed. Any unpaid membership fee shall be a lien and enforceable in the same manner as set forth in the Master Deed.

ARTICLE III

BOARD OF TRUSTEES

Section 1. REGULATED BY. The duties, selection of and term of the Board of Trustees shall be regulated by these By Laws and the Master Deed.

Section 2. ELECTION AND VACANCIES. The Board of Trustees shall be chosen by vote of the members of the Association at an annual or special meeting or by the Sponsor during the development period as provided hereinafter. The initial Board of Trustees shall consist of three persons designated by the Sponsor, none of whom need be Unit owners. There shall be a maximum of five (5) members of the Board to be elected in accordance with Section 5 herein. Election of members shall be by the following method:

Each member of the Association present at a meeting called for the purpose of electing Trustees in person or by proxy, shall have one (1) vote for each Trustee to be elected. The candidates receiving the greatest number of cumulative votes shall be deemed elected, depending on how many vacancies are being filled.

When a member of the Board of Trustees who has been elected by Unit owners other than Sponsor is removed or resigns, that vacancy shall be filled by a Unit owner other than Sponsor.

Section 3. TERM OF OFFICE. At the first annual meeting of the Association, after the unit owners have assumed control of the Board of Trustees from Sponsor, Two (2) Trustees shall be elected to serve three (3) years, two (2) shall be elected to serve two (2) years, and one (1) Trustee shall be elected to serve one (1) year. Thereafter, Trustees shall be elected for 3 year terms. The term of each Trustee shall commence at the annual meeting at which he or she is elected. Pending the first election of Trustees, the Trustees named in the Certificate of Incorporation shall preside.

Section 4. DEVELOPER'S PROTECTIVE PROVISIONS. After control of the Board of Directors has become vested in Trustees elected by lot owners other than the Developer, and so long as the Developer owns at least one (1) Lot and holds same for sale in the ordinary

course of business, the following shall apply:

- (a) Neither the Association or its Board of Trustees shall take any action that will impair or adversely affect the rights of the Developer nor cause the Developer to suffer any financial, legal, or other detriment, including but not limited to any direct or indirect interference with the sale of Lots, or the assessment of the Developer as a Lot owner, or otherwise, for capital improvements.
- (b) The Association and its Board of Trustees shall continue the same level of maintenance, operation and services provided immediately prior to such assumption of control of the Board.
- (c) In furtherance of the foregoing provisions, the Developer shall have the right to veto any and all actions of the Association or its Board of Trustees which the Developer in its sole judgement determines to be detrimental to Developer's interest.
- (d) The Developer 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 Trustees. In such event, the Developer 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.

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.A.A. 45:22A-21 et seq.

Section 5. CONTROL OF ASSOCIATION BY SPONSOR. Sponsor shall have control of the Association by the election of all Trustees during the period of development subject to the following limitations.

1. Within 60 days after conveyance of title to 25% of the units, the Board shall call an election on at least 20 and not more than 30 days' notice, to unit owners for the purpose of electing one (1) of the Trustees by the unit owners, other than the Sponsor.
2. Within 60 days after conveyance of title to 50% of the units, the Board shall call an election on at least 20 and not more than 30 days notice to unit owners for the purpose of election one (1) additional Trustee by the unit owners, other than Sponsor.
3. Within 60 days after conveyance of title to 75% of the units, the Board shall call an election, on at least 20 and not more than 30 days' notice to unit owners other than

sponsor, except that Sponsor reserves the right to elect one member of the Board of Trustees for so long as there are any units remaining unsold in the regular course of business, anything to the contrary notwithstanding.

Notwithstanding the foregoing, Sponsor shall have the right to turn over control of the Association to unit owners, other than Sponsor, prior to such time provided the owners agree by majority vote to assume control.

Section 6. REMOVAL OF TRUSTEE. A Trustee may be removed for good cause by a majority of Trustees, or with or without good cause by a two-thirds vote of all Association members.

Section 7. TRUSTEES MEETINGS. Meetings of the Board of Trustees shall be held at least three (3) times per year. Notice of the meetings shall be given to each Trustee personally at least five (5) days before the meeting, except that no separate notice need be given of regularly-scheduled meetings. Presence of three (3) Trustees shall be considered a quorum. Waiver of notice may be made by any Trustee, in writing. Presence at the meeting shall be considered waiver of any formal notice to the Trustee. After the unit owners have assumed control of the Association, A reasonable notice of Board meetings shall also be given to unit owners, in a manner as may be determined by the Board.

Section 8. NOMINATING COMMITTEE. A committee may be chosen to be known as the Nominating Committee and whose function shall be to submit a reasonable number of candidates for the vacancies in the Board of Trustees, not to be filled by Sponsor. Said list of candidates shall be submitted to the Board of Trustees at least fifteen (15) days prior to the annual election. Said number of candidates shall not be less than the number of vacancies in the Board of Trustees.

Except as provided in the Certificate of Incorporation, and for Trustees to be elected by Sponsor, all candidates for the Board of Trustees must either be a member of the Association, or an officer, servant, agent or employee of the Sponsor.

Section 9. DUTIES OF TRUSTEES.

I. The affairs of the Association shall be governed by the Board of Trustees, except as otherwise provided in the Kingsberry Acres Master Deed, Certificate of Incorporation, or in other Articles of these By-Laws. The Board of Trustees shall perform all the duties required of it by the Master Deed and shall have all powers granted by said Master Deed, including the following duties and powers without limitation:

(a) To maintain, care for, repair, reconstruct and protect the common elements, facilities and property of the Condominium, including, but not limited to all detention ponds, whether located wholly on the premises of the condominium or partially on adjoining premises, but servicing the condominium.

(b) To establish, levy, assess and collect assessments, both annual and special, including reasonable reserves, from the unit owners and to use said monies for the operation and maintenance of the common elements, facilities and property, to pay for all taxes, insurance and charges against said property.

(c) To buy, sell, mortgage, lease, rent, borrow or do any other act which may alter or change the assets of the Association, provided, however, that in the event the Association is desirous of substantially altering or changing the capital structure, or property ownership of the Association, then the Association members must consent to said act by a vote according to the provisions of Article II hereof.

(d) 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. In the event it is concluded by the Board of Trustees that a special assessment and/or increase in the annual assessment and monthly payments will be necessary, it may make such increase and/or special assessment in accordance with the Master Deed, and it shall notify the members of the Association by written notice of same, the need and the reason therefor, and the amounts thereof.

(e) To determine personnel requirements, duties and organization and to employ and dismiss all employees, agents, servants of the Association, and to determine the compensation therefor; to obtain Fidelity Bonds for all officers or employees of the Association handling or responsible for Association funds, and to provide fiduciary insurance protection for Association Trustees and officers.

(f) To collect delinquent assessments and to employ the provisions and powers set forth in the Master Deed and the New Jersey Condominium Act, N.J.S.A. 46:8b-1 et seq., to collect, foreclose, execute, or levy against a member or unit which is delinquent.

(g) To authorize and designate such officer or officers as may be required to execute and deliver any documents, contracts, deeds, mortgages, certificates, bonds, notes or other instruments of title or other documents of whatsoever nature as may be required in furtherance of the affairs of the Association.

(h) To keep detailed books of account and receipts and expenditures and to employ competent legal counsel and accountants as may be reasonable and necessary.

(i) To carry out the purposes of the Association as embodied in the Certificate of Incorporation, the Master Deed and these By-Laws.

(j) To insure against loss from fire, vandalism, or any other cause, on any common elements and facilities; and to maintain public liability insurance insuring the Association and its members against any claims arising from injuries or damages occurring on the common elements

and facilities, to obtain officers' and directors' or trustees' liability insurance, and to provide such additional insurance as may be appropriate.

(k) To pay taxes and assessments levied against the common elements.

(l) To enforce compliance with the Master Deed and to make and enforce compliance with such Rules and Regulations relative to the use and occupancy of the units, the operation and use of the common elements and facilities, and to amend the same from time to time as it deems reasonable and necessary. Such Rules and Regulations shall be binding on all owners, occupants, lessees, members, residents and guests, and which may include, although not be limited to, the suspension of the privileges of members and the right to the enjoyment of the common elements and facilities by the owners, members, guests, residents, occupants and lessees.

II. While the Sponsor maintains a majority of the Board of Trustees, it shall make no additions, alterations, improvements or purchases which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender or in the event of an emergency.

ARTICLE IV

OFFICERS

Section 1. OFFICERS. The officers of the Association shall be a President, Vice President, Secretary and Treasurer and other officers as the Board of Trustees may deem to be necessary and appropriate.

Section 2. HOW ELECTED. The officers shall be elected annually by the Board of Trustees at a meeting called for that purpose or at the Board's organizational meeting following its election by the members. A majority vote will be sufficient to elect an officer.

Section 3. PRESIDING OFFICER. The President shall preside at all meetings of the members.

Section 4. SECRETARY. The Secretary shall attend all meetings of the Association and Board of Trustees and shall record all votes and take minutes of the proceedings, and shall draft resolutions and include all proceedings in a Minutes Book and shall perform all other duties incident to the Office of Secretary.

Section 5. TREASURER. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees; provided however, that disbursements made in the ordinary course of business shall not need resolutions.

The treasurer shall keep proper books of account and cause annual audit of the Association's books to be made by a Certified Public Account at the completion of each fiscal year. The Treasurer shall supervise the preparation of an annual budget and an annual balance sheet and shall present same to the membership.

ARTICLE V

COMMITTEES

The Board of Trustees shall have the right to create such committees as it deems appropriate for the performance of any obligation, duty or responsibility hereunder and to choose and remove the members thereof, and unless otherwise provided herein, or in the Master deed, determine the terms of membership as it deems appropriate. Committee members need not be members of the Board of Trustees, but shall be members of the Association.

ARTICLE VI

FORFEITURE OF VOTING RIGHTS

MEMBER IN DEFAULT. In the event a member is in default of payment of general or special assessments, or is in violation of the Master Deed, By Laws or Association Rules and Regulations, his voting rights may be forfeited by the Board of Trustees until such default or violation is corrected. This forfeiture in no way relieves said member of any obligations and duties as set forth in the other provisions of these By Laws, or the provisions of the Master Deed.

ARTICLE VII

AMENDMENTS

AMENDMENTS TO BY LAWS. These By Laws may be amended at a regular or special meeting of the members, by majority vote, provided that those provisions of these By Laws are governed by the Certificate of Incorporation of this Association and may not be amended except as provided in said Certificate of Incorporation or applicable law; and, provided further that any matter stated herein to be, or which is in fact, governed by the Master Deed applicable to the Properties may not be amended except as provided in such Master Deed.

ARTICLE VIII

MISCELLANEOUS

Section 1. INDEMNIFICATION OF OFFICERS AND TRUSTEES. The Association shall indemnify every trustee and officer, his or her heirs, executors and administrators, against all loss, costs and expenses, including counsel fees, reasonably incurred by him or her in connection with any action, suit or proceedings to which he or she may be made a party by reason of his or her being or having been a Trustee or Officer of the Association except as to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct in the performance of his or her duty as such trustee or Officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Trustee or Officer shall be entitled. All liability, loss, damage, cost and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Association as common expenses provided, however, that nothing contained in this Article shall be deemed to obligate the Association to indemnify any member who is or has been a Trustee or Officer of the Association, with respect to any duties or obligations assumed or liability incurred by him or her under and by virtue of his or her membership in the Association or as an owner of a living unit. Nothing contained herein to the contrary shall serve to exculpate members of the Board of Trustees appointed by the Sponsor from their fiduciary responsibilities.

Section 2. REIMBURSEMENT BY MEMBERS. Each member shall be obligated to reimburse the Association for any expenses incurred by it in repairing or replacing any part or parts of the common elements damaged solely by the member's negligence or by the negligence of the member's tenants, agents, guests or licensees promptly upon receipt of the Associations' statement therefor and shall reimburse the Association for any expense incurred in securing compliance by such member with the Master Deed, By Laws or Association Rules and Regulations or in abating or curing such violation.

Section 3. RATIFICATION. Acquisition of, or occupancy of a condominium unit shall be conclusively deemed to mean that such owner or occupant consented to and has ratified these By Laws and the Master Deed, and all their appropriate and respective duties and obligations thereunder.

ARTICLE IX

ENFORCEMENT

Section 1. ENFORCEMENT. The Association shall have the power, at its sole option, to enforce the terms of this instrument or any rule or regulation promulgated pursuant thereto, by any or all of the following: self-help; 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 Association shall also have the power to levy fines against any Unit Owner(s) for violation(s) of any rule or regulation or use 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 but 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).

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 X

AMENDMENTS

Subject to the restrictions in Section 7 of Article VII 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 constituted for that purpose, and previous to which written notice to Unit Owners of the exact language of the amendment or of the repeal shall be 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 with respect to Units or the Common elements may not be changed by reason of any such amendment or repeal.

ARTICLE XI

CONFLICT: INVALIDITY

Section 1. CONFLICT. Anything to the contrary herein notwithstanding, if any provision of this Instrument is in conflict with or contradiction of the Master Deed, or with the requirements of any law, then the requirements of said Master Deed or law shall be deemed controlling.

Section. INVALIDITY. The invalidity of any part of these By Laws shall not impair or affect in any manner the enforceability or affect of the By Laws.

ARTICLE XII

NOTICE

Any notice required to be sent to any Unit Owner under the provisions of the Master Deed or Articles 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.

ARTICLE XIII

VOTING - SPONSOR

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.