

:10osaZE9o:so

SYLVIA POMOLLCI

uompowaostwinsong alopzany  
95111.91. nd £101 19L991 <sup>Q1</sup>A  
60010 a. 'awn dIIPQM \*VIM 18 RI  
dro ~~txv~~ immure opti  
XII, 020 47110.7=

WASHINGTON COUNTY CLERK

co

tv

unandopAap mica pa.1 paituald  
tr13141100tit IV INOISILLIIV3H  
10  
NOLLVIIVIDIG

**DECLARATION  
OF  
HEARTHSTONE AT WOODFIELD,  
a planned real estate development**

**DECLARATION  
OF  
HEARTHSTONE AT WOODFIELD,  
a planned real estate development**

**TABLE OF CONTENTS**

<b>ARTICLE I THE PROPERTY</b>	1
SECTION 1.01    THE PROPERTY. ....	1
<b>ARTICLE II PROPERTY SUBJECT TO THIS DECLARATION</b> .....	1
SECTION 2M 1    SUBMISSION OF PROPERTY .....	1
SECTION 2.02    SECTION 2.02. SUBMISSION OF OTHER PROPERTY. ....	1
SECTION 2.03    SECTION 2.03. TITLE TO COMMUNITY PROPERTY .....	1
<b>ARTICLE M DEFINITIONS</b> .....	2
SECTION 3.01    DEFINITIONS. ....	2
<b>ARTICLE IV APPLICABILITY</b> .....	4
SECTION 4.01    APPLICABILITY. ....	4
SECTION 4.02    INTERPRETATION OP DECLARATION <i>AND</i> BYLAWS. ....	5
<b>ARTICLE V DECLARATION PLAT</b> .....	5
SECTION 5.01    DECLARATION PLAT. ....	5
<b>ARTICLE VI UNITS</b> .....	5-
SECTION 6.01    NUMBER OF UNITS .....	5
SECTION 6.02    DESCRIPTION OF UNITS .....	8
<b>ARTICLE VII COMMON FACILITIES AND EXPENSES</b> .....	5
SECTION 7.01    COMMON FACILITIES. ....	5
SECTION 7.02    CONSTRUCTION AND TRANSFER OF COMMON FACILITIES. ....	5
SECTION 7.03    USE OF COMMON FACILITIES .....	6
SECTION 7.04    MAINTENANCE AND REPAIR OF COMMON FACILITIES. ....	6
SECTION 7.05    ALTERATION TO COMMON FACILITIES BY UNIT OWNER. ....	6
SECTION 7.06    COMMON EXPENSE LIABILITY. ....	6
SECTION 7.07    COMMON EXPENSE PERCENTAGE. ....	7
SECTION 7.08    CONVEYANCE OR ENCUMBRANCE OF COMMON FACILITIES .....	7
<b>ARTICLE VIII CONTROLLED FACILITIES</b> .....	7
SECTION 8.01    CONTROLLED FACILITIES.....	7
SECTION 8.02    MAINTENANCE AND REPAIR OF CONTROLLED FACILITIES. ....	7
<b>ARTICLE IX THE ASSOCIATION</b> .....	8
SECTION 9.01    SECTION 9.01. THE ASSOCIATION .....	8
SECTION 9.02    SECTION 9.02. MEMBERSHIP IN ASSOCIATION. ....	8
SECTION 9.03    CERTIFICATE OF VOTING. ....	9

SEcnoN 9.04 EXECUTIVE BOARD .....	10
SECTION 9.05 BUDGETS AND CAPITAL EXPENDITURES. ....	11
SECTION 9.06 ACTIONS AFFECTING THE DECLARANT .....	12
<b>ARTICLE X INSURANCE.....</b>	<b>12</b>
SECTION 10.01 LIABILITY. ....	12
SECTION 10.02 PROPERTY. ....	12
SECTION 10.03 GENERAL INSURANCE PROVISIONS. ....	<b>12</b>
SECTION 10.04 PROCEEDS FROM PROPERTY INSURANCE .....	13
SECTION 10.05 DISPOSITION OF INSURANCE PROCEEDS .....	13
SECTION 10.06 ASSOCIATION'S POWER TO COMPROMISE CLAIM. ....	13
SECTION 10.07 OTHER INSURANCE. ....	14
SECTION 10.08 LIMITATION OF LIABILITY .....	14
SECTION 10.09 USE OF UNIT AND INSURANCE PREMIUMS.....	
SECTION 10.10 UNIT OWNER INSURANCE. ....	14
<b>ARTICLE XI EASEMENTS AND DECLARANT RIGHTS .....</b>	<b>15</b>
SECTION 11.01 MURFS, PIPES AND CONDURRS. ....	15
SECTION 11.02 ASSOCIATION AND EXECUTIVE BOARD ACCESS. ....	15
SECTION 11.03 DECLARANTS AND BUILDER'S OFFICES, MODELS AND SIGNS. ....	15
SECTION 11.04 THE DECLARANT'S AND THE BUILDER'S EASEMENT FOR CONSTRUCTION__	16
SECTION 11.05 ENCROACHMENTS .....	16
SEcnoN 11.06 EASEMENTS AND LICENSES .....	16
SECTION 11.07 CONTINUING EASEMENTS AND DECLARANT RIGHTS. ....	16
<b>ARTICLE XII ASSESSMENT OF TAXES .....</b>	<b>16</b>
SECTION 12.01 ASSESSMENT OF TAXES. ....	16
<b>ARTICLE XIII UNIT OWNER OBLIGATIONS .....</b>	<b>17</b>
SECTION 13.01 ASSESSMENT OBLIGATION. ....	17
SECTION 13.02 COMMON EXPENSE ALLOCATION. ....	17
SECTION 13.03 AMOUNT OF ASSESSMENT.....	17
SECTION 13.04 TIME OF PAYMENT. ....	18
SECTION 13.05 EFFECT OF NON-PAYMENT OF ASSESSMENT. ....	18
SECTION 13.06 LIEN OF ASSESSMENTS.....	19
SECTION 13.07 METHOD OF ENFORCING COLLECTION OF ASSESSMENTS. ....	19
SEcnoN 13.08 UNPAID ASSESSMENTS AT THE TIME OF EXECUTION SALE AGAINST A UNIT.	19
SECTION 13.09 VOLUNTARY SALE OF A UNIT. ....	19
SECTION 13.10 MORTGAGE FORECLOSURE. ....	20
SECTION 13.11 SURPLUS FUNDS .....	20
SECTION 13.12 OWNERS' NEGLIGENCE. ....	20
SECTION 13.13 ASSIGNMENT OF ASSESSMENTS. ....	20
<b>ARTICLE XIV OWNERSHIP, TRANSFER AND LEASE OF UNITS; AGE LIMITATION , .....</b>	<b>21</b>
SECTION 14.01 USE AND TRANSFER OF UNITS .....	21
SECTION 14.02 LEASING OF UNITS. ....	22

<b>ARTICLE XV USE RESTRICTIONS AND MAINTENANCE OBLIGATIONS.....</b>	<b>23</b>
<b>SECTION 15.01 USE RESTRICTIONS AND MAINTENANCE OBLIGATIONS. ....</b>	<b>23</b>
<b>SECTION 15.02 MAINTENANCE OBLIGATIONS .....</b>	<b>25</b>
<b>ARTICLE XVI ARCHITECTURE REVIEW .....</b>	<b>26</b>
<b>SECTION 16.01 REGULATED ACTIVITIES. ....</b>	<b>26</b>
<b>SECTION 16.02 CONTENTS AND METHOD OF SUBMITTING AN APPLICATION; POWERS OF THE EXECUTIVE BOARD .....</b>	<b>26</b>
<b>SECTION 16.03 EXCLUSION FROM ARCHITECTURAL REVIEW .....</b>	<b>26</b>
<b>ARTICLE XVII COMPLIANCE AND DEFAULT .....</b>	<b>26</b>
<b>SECTION 17.01 COMPLIANCE AND DEFAULT: .....</b>	<b>27</b>
<b>SECTION 17.02 HEARING PROCEDURE .....</b>	<b>28</b>
<b>ARTICLE XVIII INDEMNIFICATION OF OFFICERS, EXECUTIVE BOARD AND COMMITTEE MEMBERS .....</b>	<b>28</b>
<b>SECTION 18.01 INDEMNIFICATION OF OFFICERS, EXECUTIVE BOARD AND COMMITTEE MEMBERS. ....</b>	<b>28</b>
<b>ARTICLE MC AMENDMENTS.....</b>	<b>29</b>
<b>SECTION 19.01 GENERALLY. ....</b>	<b>29</b>
<b>ARTICLE XX TERMINATION .....</b>	<b>30</b>
<b>SECTION 20.01 STATUTE. ....</b>	<b>30</b>
<b>SECTION 20.02 DESTRUCTION .....</b>	<b>30</b>
<b>SECTION 20.03 BY AGREEMENT. ....</b>	<b>30</b>
<b>SECTION 20.04 GENERAL PROVISIONS. ....</b>	<b>30</b>
<b>ARTICLE XXI NOTICE .....</b>	<b>30</b>
<b>SECTION 21.01 NOTICE. ....</b>	<b>31</b>
<b>ARTICLE XXII RIGHTS OF ELIGIBLE MORTGAGEES .....</b>	<b>31</b>
<b>SECTION 22.01 ELIGIBILITY. ....</b>	<b>31</b>
<b>SECTION 22.02 NOTICES TO ELIGIBLE MORTGAGEE.....</b>	<b>31</b>
<b>SECTION 22.03 ELIGIBLE MORTGAGEE APPROVAL .....</b>	<b>31</b>
<b>ARTICLE XXIII PROVISIONS BENEFITING THE BOROUGH .....</b>	<b>32</b>
<b>SECTION 23.01 MAINTENANCE.....</b>	<b>32</b>
<b>ARTICLE XXIV MISCELLANEOUS PROVISIONS .....</b>	<b>32</b>
<b>SECTION 24.01 SEVERABILITY .....</b>	<b>32</b>
<b>SECTION 24.02 Exclusions .....</b>	<b>32</b>
<b>SECTION 24.03 HEADINGS.....</b>	<b>32</b>
<b>SECTION 24.04 EFFECTIVE DATE. ....</b>	<b>32</b>
<b>SECTION 24.05 BINDING.....</b>	<b>33</b>

**EXHIBITS**

<i>Exhibit "A" Legal Description of the Property</i> .....	<b>1</b>
<i>Exhibit "B" Declaration Plat</i> .....	<b>2</b>
<i>Exhibit "C" Common Facilities</i> .....	<b>3</b>
<i>Exhibit "D" Controlled Facilities</i> .....	<b>4</b>
<i>Exhibit "E" Limited Common Facilities</i> .....	<b>5</b>
<i>Exhibit "F" Schedule of Easements</i> .....	<b>6</b>
<i>Exhibit "G" Common Expense Allocation</i> .....	<b>9</b>
<i>Exhibit "H" Schedule of Maintenance Obligations</i> .....	<b>10</b>

**DECLARATION  
OF  
HEARTHSTONE AT WOODFIELD,  
a planned community**

This Declaration (the "Declaration") is made this 02<sup>a</sup> 7<sup>1</sup> day of June, 2005, by PEMBERTON BOROUGH DEVELOPMENT GROUP, L.L.C., a New Jersey limited liability company, its successors, grantees and assigns other than ultimate unit purchasers (herein called the "Declarant").

**ARTICLE I  
The Property**

**Section 1.01 The Property.**

The Declarant is the owner of the real estate located in the Borough of Pemberton, County of Burlington, State of New Jersey and more fully described in Exhibit "A" (the legal description) (the "Property") and depicted on the planned community declaration plat that is more particularly described on Exhibit "B" attached hereto (the "Plat", the "Plans" or the "Declaration Plat"), together with the easements, rights and appurtenances belonging thereto.

**ARTICLE II  
Property Subject to this Declaration**

**Section 2.01 Submission of Property.**

The Declarant hereby acknowledges that the Property described in Exhibit "A", any improvements now or hereafter constructed thereon, and all easements, rights and appurtenances belonging thereto, are subject to the provisions of the New Jersey Planned Real Estate Development Full Disclosure Act, N.J.S.A. 45:22A-21 et seq. (herein called the "Act"), and The Declarant hereby creates a planned real estate development (the "Community"). The Declarant further acknowledges that the offer of the Units for sale requires, among other things, the filing of a registration statement and the distribution of a public offering statement in compliance with the Act.

**Section 2.02 Section 2.02. Submission of Other Property.**

Certain other lands may hereafter become subject to this Declaration. The Declarant shall have the right, but not the obligation, without the consent of the Association, any Unit Owner, Eligible Mortgagee, or any other party, to subject to this Declaration additional lands within the Community by way of a Supplemental Declaration duly recorded in the Office of the Burlington County Clerk.

**Section 2.03 Section 2.03. Title to Community Property.**

Declarant may retain the legal title to the whole or portions of the Property until such time as it has completed initial improvements thereon and until such time as, in the sole judgment of the Declarant, the Association is able to satisfactorily maintain same.

## **ARTICLE III Definitions**

### **Section 3.01 Definitions.**

The following terms when used herein and in the Bylaws (hereinafter defined) are to be defined according to the meanings ascribed to them by this Section 3.01. Any term used herein or in the Bylaws, which is not defined in this Section 3.01, but is defined in the Act, shall have the meaning ascribed to it by the Act.

- a "Assessments" - those levies, assessments or sums payable to the Association by the Owners of Units in the Community from time to time as provided herein or in the Act.
  - b "Association" or "Community Association" - an association of all Unit Owners within the Community organized under N.J.S.A. 45:22A-43.
  - c "Borough" - means Pemberton Borough, Burlington County, New Jersey.
  - d "Builder" — NVR, Inc., t/a Ryan Homes.
  - e "Bylaws" - the governing regulations as are adopted pursuant to the Act and this Declaration for the regulation and management of the Association by the Executive Board, including such amendments as may be adopted from time to time.
  - f "Common Elements" - the Common Facilities and Controlled Facilities.
  - g "Common Expenses" - all expenses incurred by or financial liabilities" of the Association, together with any allocation for reserves, including, but not limited to:
    - 1 expenses of administration, management, operation, maintenance, repair, insurance and replacement of the Common Elements;
    - 2 expenses or liabilities agreed upon as common by the Unit Owners; and
    - 3 expenses designated as common by provisions of the Act, this Declaration or the Bylaws.
  - h "Common Facilities" - all portions of the Community which are (or shall be) owned by or leased to the Association (other than the Units) including those facilities and components that are listed on Exhibit "C" attached hereto, as amended from time to time.
- "Controlled Facilities" - any portion of the Community that is not a Common Facility and is regulated, maintained, improved, repaired, replaced, managed, insured or controlled by the Association. The Controlled Facilities include the Units but only to the extent (i) maintained by the Association as provided in Exhibit 13" attached hereto, (ii)



regulated by the use restrictions in Article XVI hereof, or (iii) subject to those easements set forth in Article XII hereof.

j "Conveyance Unit" - a Unit which contains a completed Unit (as evidenced by a certificate of occupancy) and which has been conveyed by the Declarant or the Builder to a third party purchaser.

k "Declaration Plat" — the Plat prepared by Langan Engineering and Environmental Services, Inc., dated July 26, 2005, setting forth a description of the Community, attached hereto as Exhibit "B".

"Development Unit" - a Unit which is not a Conveyance Unit

m "Eligible Mortgagee" - any holder, insurer or guarantor of a first mortgage on one or more Units in the Community who shall have provided to the Association a written statement of its name, address and the Unit against which the mortgage it holds, insures or guarantees is a lien.

n "Executive Board" or "Board" - a board of natural individuals of the, number stated herein and in the Bylaws, who shall manage the business, operation and affairs of the Community on behalf of the Unit Owners and in compliance with and subject to the provisions of the Act.

o "General Common Expenses" - all Common Expenses other than Limited Common Expenses.

p "Limited Common Expense" - any Common Expense benefiting fewer than all of the Units.

q "Limited Common Facilities" - all those Common Facilities that are reserved for the use of fewer than all of the Unit Owners. In the Community, the Limited Common Facilities are those portions of the Community listed on Exhibit "E" attached hereto, as amended from time to time.

r "Person" - natural individual, corporation, partnership, association, trust or other legal entity or any combination thereof.

s "Plans" - those plats and plans for the Community prepared in accordance with the requirements of the Act or otherwise, as amended from time to time

t "Property" - defined in Section 1.01 and consists of the real estate, including all improvements thereon, and all easements, rights and appurtenances belonging thereto, which by this Declaration have been, or by amendment or supplement to this Declaration in the future is, submitted to the provisions of the Act.

u • "Recorded" - that an instrument has been duly entered of record in the Office of the Clerk of the County of Burlington, New Jersey.

v "Rules and Regulations" - the policies and procedures established from time to time by the Executive Board.

w "Special Declarant Rights" - are rights reserved for the benefit of the Declarant which include the rights to:

- 1 complete the improvements shown on the Plans;
- 2 maintain offices, signs and models;
- 3 use and grant easements through the Common Elements and Units for the purpose of making improvements within the Community;
- 4 appoint or remove an officer of the Community Association or an Executive Board member during the period of Declarant control;
- 5 modify the size, design and appearance of the dwelling located within the Unit(s); and
- 6 subdivide and/or convert Units into two or more Units and/or Common Elements

x "Unit" - a part of the Community designated for separate ownership or occupancy as described in Article VI and depicted on the Plans as an individual building lot. For the purposes of the allocation of Common Expenses, a Unit is deemed either a Development Unit or a Conveyance Unit.

y "Unit Owner" or "Owner" - the record-owner, whether one or more persons or entities, of fee simple title to any Unit which is or are part of the Community, but excluding those having such interest merely as security for the performance of an obligation.

In the event that any of the foregoing definitions requires amendment or supplement to - appropriately reflect the characteristics of the Community, the Declarant shall have the right to so amend and supplement the definitions of this Article. Such amendments shall not require the approval of the Executive Board, the Owners, or the Eligible Mortgagees.

#### **ARTICLE IV Applicability**

**Section 4.01 Applicability.** The Property against which this Declaration has been Recorded is subject to the provisions of the Act, the Bylaws and Rules and Regulations as may be issued by the Executive Board of the Association from time to time to govern the use and occupancy of the Property. Ownership, rental or occupancy of any of the Units in the Community shall be conclusively deemed to mean that the Unit Owner, tenant or occupant has accepted and ratified this Declaration, the Bylaws and the Rules and Regulations of the Association and will comply with them as they now exist or may be created, amended or supplemented in the future.

**Section 4.02 Interpretation of Declaration and Bylaws.** In the event of a conflict of interpretation between the provisions set forth in the Bylaws and this Declaration, this Declaration shall govern except to the extent this Declaration is inconsistent with the Act, in which case the Act will govern.

**ARTICLE V  
Declaration Plat**

**Section 5.01 Declaration Plat.** The Declaration Plat described in Exhibit "B" depicts the Property, the name of the Community, the location of the Units, the location of any Common Facilities and such other information-as is required by the Act.

**ARTICLE VI  
Units**

**Section 6.01 Number of Units.**  
The Community shall consist of one hundred forty-two (142) Units.

**Section 6.02 Description of Units.** Each Unit is shown on the Declaration Plat, which Declaration Plat may be amended from time to time. Each Unit consists of a Lot or parcel of land together with any improvements other than Common Facilities that are erected or installed on such lot, including, without limitation, a single family home.

**ARTICLE VII  
Common Facilities and Expenses**

**Section 7.01 Common Facilities.** The Common Facilities- are=identified on the Declaration Plat and Schedule of Common Facilities attached hereto as Exhibit "C".

**Section 7.02 Construction and Transfer of Common Facilities.**

a       The Declarant shall construct the Common Facilities and convey same to the Association no later than the conveyance of the last Unit in the Community. However, the Declarant reserves the right to convey the Common Facilities, in whole or in part, at any time prior to this event and in the event the Common Facilities are not substantially complete at the time of conveyance, the Declarant covenants that it shall substantially complete the Common Facilities being conveyed and shall provide, before such conveyance, security to insure completion of such Common Facilities. These Declarant obligations shall be a covenant running with the Property and shall be binding on the Declarant and on any successor in interest of the Declarant whether or not the successor succeeds to any Special Declarant Rights. Until such time as the Common Facilities are conveyed to the Association, they shall be owned by the Declarant.

b       The Declarant shall convey to the Association, and the Association shall accept, the Common Facilities by deed of bargain and sale with covenants against grantor's acts and/or bill of sale, as applicable, for no consideration.       Declarant shall be responsible for any transfer tax due and recording fees. Acceptance of the Common Facilities shall not constitute a

waiver of the Declarant's obligation to complete the Common Facilities. The deed of conveyance shall be executed by the Declarant and then Recorded. A time-stamped copy of the deed of conveyance or the Recorded copy of the deed shall be provided to the Association.

The Declarant shall be responsible for the real estate taxes on property designated to be Common Facilities, if any, until conveyed to the Association.

**Section 7.03 Use of Common Facilities.** Except as their use may otherwise be limited by this Declaration or the Bylaws or otherwise by the Executive Board pursuant to its powers, each Unit Owner, tenant and occupant of a Unit, and the family members and guests of such Unit Owner, tenant and occupant, may use the Common Facilities in common with all other Unit Owners and tenants or occupants of other Units and their respective family members and guests in accordance with the purposes for which they are intended without hindering or encroaching upon the lawful rights of the other Unit Owners. Unit Owners or occupants shall not obstruct the Common Facilities in any way including, but not limited to, interfering with any stormwater drainage. Owners or occupants may not store anything in or on the Common Facilities.

**Section 7.04 Maintenance and Repair of Common Facilities.** The Association shall be responsible, at its expense, for all maintenance, repair and replacement of all Common Facilities. The cost and expense of the foregoing shall be a General Common Expense and the Executive Board shall include in the General Common Expense budget of the Association as part of the Assessments reasonable reserves for periodic maintenance, repair and replacement of Common Facilities. However, with respect to any improvement or facility which is (or may become) a Common Facility, but has not yet been completed, the Declarant shall be responsible, at the Declarant's expense, for the repair thereof.

**Section 7.05 Alteration to Common Facilities By Unit Owner.** Without limiting the rights of the Declarant in connection with all construction and improvements to be made in or to the Community by the Declarant, no Unit Owner may make any improvements or alterations or do any work to any of the Common Facilities. No Unit Owner shall impair any Easement or hereditament therein without the unanimous consent of the Unit Owners affected thereby.

**Section 7.06 Common Expense Liability.**

a The Common Expenses incurred or to be incurred for the administration and governance of the Community; the maintenance, repair and replacement of any Controlled Facilities; the maintenance, repair, replacement, insurance, administration, management, operation and use of the Common Facilities and the making of any additions or improvements thereto; and the charges for common utility services, if any, shall be assessed by the Association against, and collected from, the Owners of Conveyance Units. Common Expenses benefiting fewer than all of the Conveyance Units may be assessed as Limited Common Expenses exclusively against the Conveyance Units benefited.

b Each Unit Owner, by accepting title to a Conveyance Unit, covenants and agrees to pay the Association his share of the Common Expenses and all Limited Common Expenses assessed against his Conveyance Unit. The obligation to pay Assessments is a covenant running with the Property, inseparable from each Conveyance Unit, and any

conveyance, lease, devise or other disposition or mortgage or other encumbrance of any Conveyance Unit shall extend to and include the Assessment liability, whether or not expressly referred to in the instrument effecting such transfer.

c No Owner of a Conveyance Unit may exempt himself from liability with respect to the payment of Assessments by waiver of the enjoyment of the right to use any of the Common Elements or by abandonment of their Unit or otherwise. The obligation to pay Assessments is absolute and unconditional and shall not be subject to set-offs or counterclaims.

d The-Declarant and the Builder are responsible for all costs to maintain a Development Unit until it becomes a Conveyance Unit.

Section 7.07 **Common Expense Percentage.** Except with respect to the subdivision or conversion of a Unit or as otherwise provided in the Act, the allocation of Common Expenses appurtenant to each Unit shall have a permanent character, shall be inseparable from each Unit and shall not be altered or changed except by the recording of an amendment to this Declaration, duly executed by all of the Unit Owners affected thereby and their Eligible Mortgagees.

Section 7.08 **Conveyance or Encumbrance of Common Facilities.** The Unit Owners may convey or encumber all or a portion of the Common Facilities by the vote of not less than 100% of all Unit Owners entitled to vote and the Eligible Mortgagees for at least two-thirds (2/3) of all Units.

#### ARTICLE VIII Controlled Facilities

Section 8.01 **Controlled Facilities.** The Controlled Facilities are subject to regulation by the Association as provided in this Declaration.

Section 8.02 **Maintenance and Repair of Controlled Facilities:** The Association shall have the obligation to maintain, repair and replace those portions of the Controlled Facilities identified on Exhibit "D" attached hereto; otherwise the Association will have no obligation for the maintenance, repair or replacement of Controlled Facilities. The Association shall not have the obligation to maintain Controlled Facilities that are Development Units.

#### ARTICLE IX The Association

##### Section 9.01 **Section 9.01. The Association**

The Association is the governing body for the Community and, except as otherwise provided in this Declaration, is responsible for administration and governance of the Community and, to the extent otherwise provided in this Declaration, the maintenance, repair, replacement, management, operation and administration of the Common Elements and the making of any additions or improvements thereto. The duties of the Association shall be undertaken as

provided herein, in the Act and in the Bylaws, but nothing herein contained shall be construed so as to preclude the Association from delegating any of these duties to a manager or agent or to any other person, firm or corporation, subject to the authority of the Association.

**Section 9.02 Section 9.02. Membership in Association.**

a Membership in the Association shall be limited to the Unit Owners including the Declarant and the Builder. Unit Owners, upon acceptance of a deed to a Unit, shall become members of the Association. The Declarant shall be a member of the Association with respect to any Unit(s) owned by the Declarant\_ The Builder shall-be a member °Lam Association with respect to any Unit(s) owned by the Builder.

b Every Unit Owner who shall be a member of the A4society shall be entitled to all of the rights and shall be bound by all of the obligations accompanying membership, provided that any Unit Owner who is holding the interest in a Unit merely as a security for the performance of an obligation shall not be a member.

c Each Unit in the Community shall have one (1) vote associated with such Unit. When more than one person holds an interest or interests in any Unit, all such persons shall be members, and the vote for such Unit shall be exercised as provided in Section 9.03 hereof and in the Bylaws, but in no event shall more than one (1) vote be cast with respect to any such Unit.

d Notwithstanding any provision of this Declaration to the contrary, no action shall be taken or adopted by the Association which would in any way affect, alter or modify any of the rights, privileges, powers, or options of the Declarant reserved herein without the prior written approval of the Declarant.

e Only those Unit Owners in good standing and entitled to vote shall be considered "Unit Owners" for purposes of obtaining a quorum, or determining the percentage of Unit Owners voting on a matter. A Unit Owner 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 iiy he shall have fully paid all Assessments made or levied against the Unit Owner's Unit by the Executive Board together with all interest, costs, attorneys' fees, penalties and other expenses, if any, properly chargeable to the Owner's Unit, at least five (5) days prior to the date fixed for such annual or special meeting.

f In the event that a Unit Owner shall lease or permit another to occupy his Unit in accordance with the provisions of this Declaration, the tenant or occupant shall be permitted to use the Common Facilities of the Association (subject however to such limitations

on such use as would be applicable to the Unit Owner) but shall not vote in the affairs of the Association, except as the Unit Owner may permit the tenant or occupant to exercise by the proxy vote of the member in accordance with the Bylaws.

g Every lawful transfer of title to a Unit shall include membership in the Association and, upon making such transfer, the previous Unit Owner's membership shall automatically terminate. Except as otherwise expressly provided, membership in the Association may not be assigned or transferred without the transfer of legal title to a Unit and any attempt at such assignment or transfer thereof shall be void and of no effect.

h Membership in the Association shall automatically terminate as to any member when such member sells, transfers or otherwise conveys his Unit.

### **Section 9.03 Certificate of Voting.**

The following shall apply to all Unit Owners other than the Declarant and the Builder. If a Unit is owned by one person, the Unit Owner's right to vote shall be established by the Recorded title to the Unit. If a Unit is owned by more than one person, the person entitled to cast a vote for the Unit shall be designated in a certificate signed by all of the record owners of the Unit and filed with the Secretary of the Association. If a Unit is owned by a corporation or partnership, the officer, partner or employee thereof, entitled to cast the votes of the Unit for the corporation or partnership shall be designated in a certificate for this purpose, signed by the president or vice-president, and (as to a corporation) attested by the secretary or assistant secretary of the corporation, and filed with the Secretary of the Association (the "Corporate Certificate"). The person designated in the Corporate Certificate, who is entitled to cast votes for a Unit shall be known as the "Voting Member." If the respective certificate is not on file with the Secretary of the Association for a Unit owned by more than one person or by a corporation or partnership, the votes of the Unit concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast votes for the Unit except if such Unit is owned by a husband and wife. The certificate shall be valid until revoked in writing by any owner of the Unit, or until superseded by a subsequent certificate, or until a change in the ownership of the Unit concerned. If a Unit is owned by husband and wife, the following three provisions are applicable to voting by such Unit:

a The Unit Owners may, but they shall not be required to, designate a Voting Member.

b If they do not designate a Voting Member, and both husband and wife are present at a meeting and are, unable to cast a unified single vote upon any matter requiring a vote, the vote attributable to their Unit shall be counted for purposes of a quorum but shall be deemed an abstention on the matter(s) subject to the vote.

c Where they do not designate a Voting Member and only one is present at a meeting, the person present may cast the vote for the Unit, without establishing the concurrence of the absent person, just as though he or she owned the Unit.

**Section 9.04 Executive Board.**

**a** Subject to the provisions of the Act, this Declaration and the Bylaws, the Executive Board shall have the power to act on behalf of the Association. The initial Executive Board shall consist of three (3) Directors. The initial Directors shall be appointed, removed and replaced from time to time by the Declarant without the necessity of obtaining resignations. The Declarant-appointed Directors shall be replaced with Unit Owners (or, if a Unit Owner is a corporation, the officer, director or employee thereof duly authorized by the corporation to serve on the corporation's behalf), other than the Declarant and/or the Builder, in accordance with the provisions of Subsection 9.04(b). The Executive Board after replacement with Unit Owners elected in accordance with Subsection 9.04(b), shall be comprised of five (5) Directors.

**b** For purposes of this Subsection (b), the term "First Election Meeting" shall mean the first meeting of the Association which shall occur no later than sixty (60) days after twenty-five percent (25%) of the Units are conveyed to Unit Owners other than the Declarant and the Builder. The term "Transitional Meeting" shall mean the meeting of the Association which shall be held no later than sixty (60) days after seventy-five percent (75%) of the Units are conveyed to Unit Owners other than the Declarant and the Builder. Subject to the right of the Declarant to alter the following procedure so as to have all or part of the transition process occur earlier than as hereafter described, the transition from a Board comprised solely of Directors appointed by the Declarant to a Board comprised solely of Directors elected by the Owners shall occur as follows:

- 1** • At the First Election Meeting, the Unit Owners (other than the Declarant) shall elect two (2) Unit Owners to serve on the Executive Board thereby creating a five (5) member Executive Board. Such two (2) elected Unit Owners shall serve until the next annual meeting of the Association which shall occur at least one hundred and eighty (180) days after the First Election Meeting (at which time, and at each annual meeting thereafter, such members shall be reelected or their successors elected by the Unit Owners other than the Declarant to serve annual terms).
  
- 2** At the Transitional Meeting, the Unit Owners (other than the Declarant) shall elect three (3) Unit Owners to serve as Directors who shall replace the remaining three (3) Directors appointed by the Declarant. The Directors elected pursuant to this Subsection shall serve until the next annual meeting of the Association at which the two (2) Directors elected pursuant to subsection (i) above are reelected or replaced, and the three (3) Directors elected pursuant to this Subsection (ii) shall be reelected or replaced; with each to serve one (1) year term.



- 3 Notwithstanding the foregoing, the Declarant shall have the right to appoint one additional non-voting member to the Board to serve until the Builder conveys the last Conveyance Unit to a third party purchaser. During the period this non-voting member is on the Executive Board, the Executive Board shall notify the Declarant in advance of all meetings of the Executive Board and the Association. This notice shall be delivered at the same time as notice of these meetings is delivered to the members of the Executive Board and/or the Owners, as the case may be, pursuant to the By-Laws.

For purposes of determining whether the period of Declarant control has terminated or whether Unit Owners other than the Declarant and/or the Builder are entitled to elect members of the Executive Board under this Section, the percentage of Units conveyed is presumed to be that percentage of all of the Units the Declarant reserves the right to create in the Community.

d **After the election held pursuant to Subsection 9.04 (b) above and for a** period of twenty-four (24) months after the Builder has conveyed the last Conveyance Unit in the Community to a third party purchaser, the Executive Board shall notify the Declarant in advance of all meetings of the Executive Board and the Association at the same time as notices' are given to the Executive Board members or the Unit Owners as the case may be. Until the Builder conveys the last Conveyance Unit in the Community to a third party purchaser, the Declarant shall be entitled to send a representative to observe all meetings of the Executive Board and Association.

**Section 9.05 Budgets and Capital Expenditures.**

By an affirmative vote of the Unit Owners in the Community having at least eighty • percent (80%) of votes in the Association, the Unit Owners may reject any budget or capital expenditure approved by the Executive Board within thirty (30) days after the approval.

**Section 9.06 Actions Affecting the Declarant.**

No action shall be taken by the Association or the Executive Board that would affect any right, privileges, powers and options of the Declarant under this Declaration, the Bylaws or the Act without the prior written approval of the Declarant.

**ARTICLE X  
Insurance**

**Section 10.01 Liability.**

**The Executive Board shall obtain or cause to be obtained** "broad-form" comprehensive general liability insurance and property damage insurance covering liability for loss or damage to persons or property in such amounts, against such risks and in such in rice Companies as the

Executive Board shall from time to time determine. Such insurance shall include protection against bodily injury and property damage that results from the operation, maintenance or use of the Common Facilities, any legal liability that results from lawsuits related to employment contracts to which the Association is a party, and such other risks as are customarily covered in similar projects. All liability insurance contracts shall contain severability of interest provisions or endorsements precluding the insurer's denial of a Unit Owner's claim because of negligent acts of the Association or other Unit Owners and cross liability endorsements to cover liabilities of the Association or the Unit Owners as a group to a Unit Owner.

**Section 10.02 Property.**

a • The Executive Board shall obtain-or cause to-be obtained-blanket "all-risk" hazard insurance coverage covering damage to property, insuring all structures and improvements, if any, erected in the Common Facilities including fixtures and equipment therein and thereof, and including all personal property owned by the Association (the "Insurable Property"). The Insurable Property shall be insured in and for the interest of the Association, the Executive Board, all Unit Owners and their mortgagees, as their interests may appear, in a company or companies acceptable to the standards set by the Executive Board in an amount equal to the maximum insurable replacement value, as determined annually by the Executive Board, with an "agreed amount endorsement" or its equivalent and an "Inflation Guard Endorsement" (provided these two endorsements are commonly available and required by prudent institutional mortgage investors in the area of the Community).

b In the event any portion of the Community is within a flood hazard area and insurance is available under the National Flood Insurance Program (the "NFIP"), or other successor agency, the Association:shall maintain a-flood insurance policy-on any buildings and other improvements covered by the Association's "all risk" hazard insurance described in Subsection 10.02a. and situated in such flood hazard area. Such flood hazard insurance coverage shallbe in an amount not less than the lesser of: (i) the maximum coverage available under the NFIP, or successor agency; for all buildings and other Insurable Property within any portion of the Community located within a designated flood hazard area; or (ii) 100% of current "replacement cost" of all such-buildings and other Insurable Property. .

**Section 10.03 General Insurance Provisions.**

a All policies purchased by the Association shall be for the benefit of the Association, Executive Board, all Unit Owners, and their mortgagees, as their interests may appear; however, the Association and the Unit Owners shall be named insureds and it shall not be necessary to name each Executive Board member or each individual Unit Owner. Mortgagee endorsements may be issued upon request. The Association shall maintain the appropriate insurance coverage as is required under the Act and the guidelines and regulations promulgated by the Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), HUD and the VA or their successors, including, without limitation, such fidelity bond coverage as is described in the Bylaws. The company or companies with whom the Executive Board shall place its insurance coverage, as provided in this Declaration, must be qualified and reputable companies, authorized to do business in the State of New Jersey'

and rated A, with a V financial size category by A. M. Best Company, Inc. in its "Key Rating Guide: Property Casualty" or a comparable rating if Best shall no longer be in existence. Premiums for such coverage and other expenses related to insurance shall be paid by the Executive Board and charged as a Common Expense. All policies shall provide that they may not be canceled or substantially modified, by any party, without at least thirty (30) days' prior written notice to the Association and to each first mortgagee listed in the insurance policies. In addition, policies shall provide for the following: recognition of any Insurance Trust Agreement; a waiver of the right of subrogation against Unit Owners individually and against members of their households; that the insurance is not prejudiced by any act or neglect of individual Unit Owners which is not in the control of such Owners collectively; and that the policy is primary in the event the Unit Owner has other insurance covering the same loss (all of which are generally provided by insurer in the form of a "Special Community Endorsement" or its equivalent). Policies shall be deposited with the Executive Board. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Association. The duty of the Executive Board shall be to receive such proceeds as are paid and hold the same for the purposes elsewhere stated herein, and for the benefit of the Association, the Unit Owners and their respective mortgagees as their interests may appear.

b The types and amounts of insurance coverage described in this Article X are minimum amounts current as of the date of this Declaration based upon the requirements of the Act and the standards established by FNMA and FHLMC. The Executive Board shall review, at least annually, all insurance coverage carried pursuant to this Declaration to evaluate such coverage with respect to its compliance with the Declaration and with respect to the then current requirements of the Act and, to the extent the Community is or will be subject to the approval of FNMA, FHLMC, HUD or VA, standards set by FNMA, FHLMC, HUD and VA, as well as with respect to what is reasonably appropriate coverage for projects comparable to the Property. In the event the Executive Board determines after such a review and evaluation that the insurance coverage required hereunder is not consistent with the requirements of the Act, the standards set by FNMA, FHLMC, HUD or VA or otherwise reasonably appropriate coverage when compared to coverage for projects comparable to the Property, the Executive Board shall have the power to deviate from the specific provisions of this Article X only to the extent of providing such consistent and reasonably appropriate coverage, provided the Executive Board shall provide the Owners and their mortgagees at least thirty (30) days' prior written notice of any such deviation.

• **Section 10.04 Proceeds From Property Insurance.**

Proceeds from property insurance policies shall be paid to the Association. The Association shall hold any insurance proceeds in trust for the Unit Owners and lien holders as their interests may appear.

**Section 10.05 Disposition of Insurance Proceeds.**

Any portion of the Common Facilities which is damaged or destroyed shall be repaired or replaced promptly in accordance with any applicable provisions of the Act.

**Section 10.06 Association's Power to Compromise Claim.**

The Executive Board is hereby irrevocably appointed agent for each Unit Owner and first lien Mortgagee for the purpose of settling claims arising under insurance

policies purchased by the Association, and to execute and deliver releases therefor, upon the payment of claims.

**Section 10.07 Other Insurance.**

The Executive Board shall also obtain the following insurance, coverages and endorsements as may be applicable to the Community, all premiums for which are to be charged as Common Expenses:

- a Workmen's Compensation Policy to meet the requirements of law.
- b Directors' and Officers' Liability.
- c Blanket fidelity bonds as required in the Bylaws for all members of the Executive Board, officers and employees of the Association and all other persons who handle or are responsible for funds of or administered by the Association.
- d Such other insurance as the Executive Board shall determine from time to time to be necessary or desirable.
- e If available, and where applicable, the Executive Board shall endeavor to obtain policies which provide that the insurer waives its right of subrogation as to any claims against Unit Owners and members of their households, the Association, the Executive Board and their respective servants, agents and guests.

**Section 10.08 Limitation of Liability.**

Notwithstanding the duty of the Executive Board to maintain and repair parts of the Common Elements, the Executive Board shall not be liable for injury or damage caused by the failure of the Executive Board to maintain or repair the same, except to the extent of the proceeds of insurance carried by the Executive Board and collected and received thereof.

**Section 10.09 Use of Unit and Insurance Premiums.**

No Unit shall be used, occupied or kept in a manner which will in any way increase the insurance premiums payable by the Association, without the prior written permission of the Executive Board, which permission, if given at all, shall be conditioned upon the Owner of such Unit being required to bear the full amount of such increase. To the extent that the use or occupancy of a Unit or the Common Elements (whether permitted or without the permission of the Association) increases any insurance premium payable by the Association, the Association shall have the right to charge the amount of such increase to the Owner of the Unit to which such increase is attributable. No Unit or any part of the Common Elements shall be used, occupied or kept in any manner which would violate any law, statute, ordinance or regulation of any governmental body or which would lead to the cancellation of any insurance policy or policies on the Property.

**Section 10.10 Unit Owner Insurance.**

Unit Owners shall have the obligation to maintain insurance of their own on their Units; such insurance to include coverage for damage or destruction by fire and other casualty to any Single-Family Home or other improvements erected or installed in or as part of a Unit and liability coverage for injuries to persons or damage to property occasioned by any use of the

Unit.

**ARTICLE XI**  
**Easements and Declarant Rights**

**Section 11.01 Utilities, Pipes and Conduits.**

The Property shall be subject to an easement for the present and future installation' maintenance repair and replacement of improvements and facilities for electric service, cable television service, telephone and other telecommunication service, water service, sewer service, storm water management system, natural *gas* distribution system, and other utility services and the facilities and appurtenances necessary to the same, which easement shall run in favor of the Declarant, the Association, the Borough, the entity or entities owning or operating these facilities and providing the aforementioned services and Unit Owners (as to those facilities installed by the Declarant, the Association or an entity providing services to the Unit). The Declarant and the Executive Board shall have the right to grant to third parties additional utility easements which are deemed reasonable by the Declarant or the Board in connection with the supply of utility services to the Units or the Common Facilities.

**Section 11.02 Association and Executive Board Access.**

a The Association and its Executive Board, officers, agents and employees, shall have the irrevocable right and easement to have access to each Unit as may be necessary (i) for the inspection, maintenance; repair or replacement of the Common Elements or the making of any addition or improvements thereto; or (ii) to make repairs to the Common Elements if such repairs are reasonably necessary for public safety or to prevent damage to the Common Elements; or (iii) to abate any violation of law, orders, rules or regulations of the Association or of any governmental authorities having jurisdiction thereof; or (iv) to perform maintenance and/or repairs to the Controlled Facilities.

b The Association and its Executive Board shall have the right to grant permits, licenses and easements over and through the Common Facilities for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance and operation' of the Community.

**Section 11.03 Declarant's and Builder's Offices, Models and Signs.**

The Declarant and the Builder reserve the right with respect to its marketing of Units to use the Common Facilities for the ingress and egress of itself, its officers, employees, agents, contractors and subcontractors and for prospective sale or rental of Units, including the right to park in parking spaces. The Declarant and the Builder shall also have the right, until the conveyance of the last Unit it owns, to erect *signs* and fences on the Common Facilities and on its Units. The Declarant and the Builder shall have the right from time to time to locate and relocate model Units and sales or rental office in connection with the marketing of Units. The rights reserved for the Declarant and the Builder by this Section shall remain in effect for as long as the Declarant and/or the Builder shall remain a Unit Owner in the Community. This section shall not be amended without the prior-written consent of the Declarant.

**Section 11.04 The Declarant's and the Builder's Easement for Construction.**

The Declarant and the Builder reserve the right and privilege without let or hindrance with respect to construction of improvements on the Units, the Common Elements of the Community and the lands to be conveyed and dedicated to the Borough (the "Borough Lands"), if any, to go upon any and all of the Units and the Common Elements for purposes of construction, reconstruction, maintenance, repair, renovation, replacement or correction of the Units, the Common Elements (including, without limitation, to change the grade of grounds or to install drainage control devices so as to control possible drainage or run off of storm water in connection with the development of the Property or adjacent land) or the Borough Lands. This section shall not be amended without the prior written consent of the Declarant.

**Section ~~11.05~~ Encroachments.**

If any portion of the Common Elements hereafter encroaches upon any Unit or if improvement on any Unit hereafter encroaches upon any other Unit or upon any portion of the Common Elements, as a result of settling or shifting of any building or buildings in which they are located or for other reasons, other than as a result of the purposeful or negligent act or omission of the Unit Owner of the encroaching Unit, or of the Association in the case of encroachments by the Common Elements, a valid easement appurtenant to the encroaching Units or Common Elements for the encroachment and for the maintenance of the same shall exist for so long as the encroachment shall exist.

**Section 11.06 Easements and Licenses.**

Attached to and made a part of this Declaration as Exhibit "F" is a Schedule of Easements which affect the Community.

**Section 11.07 Continuing Easements and Declarant Rights.**

Sections 11.01 through 1-1.06- shall run with the land and inure to the benefit of and be binding upon the Association, each Unit Owner, and each mortgagee, lessee, occupant or other person having any interest in any Unit or in the Common Elements at the time of reference.

**ARTICLE XII  
Assessment of Taxes**

**Section 12.01 Assessment of Taxes.**

Each Unit shall be assessed and taxed as a separate parcel of real estate and each Unit Owner is charged with the payment of all such taxes, municipal claims and liens assessed, liened or filed against his Unit.

ARTICLE XIII  
Unit Owner Obligations

Section 13.01 Assessment Obligation.

a Each Owner of a Conveyance Unit covenants and agrees to pay to the Association all Assessments including, but not limited to: (i) regular Assessments for General Common Expenses; (ii) special Assessments, such Assessments to be fixed, established and collected from time to time as hereinafter provided; (iii) delinquency assessments, as established from time to time by the Executive Board, against any Unit Owner whose Assessments are delinquent for a period exceeding ten (10) days after the due date ("Delinquency Assessments"); (iv) Limited Common Expense Assessments; (v)-any fines or interest charges; (vi)\_Assessments for what may from time to time be determined by the Association to be Common Expenses; and (vii) any costs incurred by the Association in achieving compliance by one or more Unit Owners with the obligations of Unit Owners under this Declaration (such costs being assessed specially as limited charges against the Unit Owner(s) who fail to comply),. including, but not limited to, court costs and/or attorneys' fees. Notwithstanding anything contained herein to the contrary, the Owner of a Development Unit shall not be responsible to pay any Assessment against the Development Unit until it becomes a Conveyance Unit.

b The obligation to pay Assessments is to be deemed to be a covenant running with the land. Each Assessment shall be separate for each Conveyance Unit and payable by the Owner thereof. The Assessments and costs of collection (including attorneys' fees) shall be a charge on the Conveyance Unit and shall be a continuing lien upon the Conveyance Unit from the time each Assessment or costs of collection become due. Each such Assessment and costs of collection as hereinafter provided and\_pursuant to the Act, shall also be the personal obligation of the Owner of the Conveyance"Unit at the time when the Assessment first became due.

c The Association shall have the right to assess as Limited Common Expenses charges against any one or more Conveyance Units to provide services which are 'exclusively for such Conveyance Units including, but not limited to, (i) the improvement and maintenance of any Common Facilities used principally by or benefiting the Owners of such Units, and (ii) maintenance, repair and replacement-of roofs of Controlled Facilities used principally by or benefiting the Owners of such Conveyance Units.

**Section 13.02 Common Expense Allocation.**

Each Conveyance Unit in the Community shall be assigned a percentage (the "Common Expense Percentage") which represents such Conveyance Unit's proportionate share of the Common Expenses of the Association. The Common Expense Percentage as allocated to each Conveyance Unit in the Community on Exhibit "G" attached hereto is established by multiplying one hundred (100) and the quotient resulting from dividing one (1) by the total of all Units in the Community.

Section 13.03 Amount of Assessment.

a After the Association first makes a General Common Expense Assessment, each Owner of a Conveyance Unit shall be legally obligated to pay a portion of the Common Expenses equal to an amount calculated on a monthly basis determined by multiplying the Common Expense Percentage of the Conveyance Unit by one-twelfth of the total Common Expenses for the Community based upon the then applicable annual Common Expense budget prepared by the Executive Board for the Community.

b Until such time as all Units that the Declarant reserves the right to include in the Community are included in the Community (if applicable) or the time for including additional Units expires, (1) the Assessments payable for the Conveyance Units shall be based on the amounts set forth in the budgets of the Association based on the number of Units which such budgets assume are included in the Community, and (ii) the annual budgets of the Association shall include an assumption of either (1) the number of Units as the Executive Board anticipates, in its reasonable judgment, will be included in the Community by the end of the fiscal year; (2) the average number of Units as the Executive Board anticipates, in its reasonable judgment, will be included in the Community throughout the course of the fiscal year; or (3) an assumed "buildout" number of Units included in the Community.

c Limited Common Expenses shall be assessed in accordance with Section 13.01(c) of this Declaration.

d No Owner of a Conveyance Unit may exempt himself from contributing toward such expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit owned by him or by set-off or counterclaim.

e The Builder shall cause to be collected at settlement from each purchaser buying a Conveyance Unit from the Builder, a non-refundable contribution to the Association in an amount equal to three times the current monthly assessment, which payment may be used by the Association (only after the transition of control of the Association from the Declarant to the Unit Owners) for such purposes (including, without limitation; being kept as reserves) deemed appropriate or desirable by the Executive Board.

#### Section 13.04 Time of Payment.

Except as otherwise provided in this Declaration, payment by the Unit Owner of his share of the expenses aforesaid shall be made at the discretion of the Executive Board, provided that all regular and special Assessments shall be declared by the Executive Board annually and payable on a monthly basis; provided, however, that the Executive Board shall have the right to bill Unit Owners on a monthly, quarterly or annual basis in which event payments by Unit Owners shall be made monthly, quarterly or annually, as the case may be. The failure of the Executive Board to formally declare any such annual Assessments shall result in the regular Assessment for the immediately preceding month (or, if applicable, quarter or year) being the payment of the Assessment due and payable for the next month (or, if applicable, quarter or year). -

#### Section 13.05 Effect of Non-Payment of Assessment.

In the event Assessments are not paid when and as required, the Executive Board may assess fines, Delinquency Assessments and the costs of collection (including attorney's fees) and



shall charge interest on any unpaid Assessment at the rate of fifteen percent (15%) per annum or such higher rate set by the Executive Board as permitted by the Act (with interest beginning to accrue thirty (30) days after the due date for the Assessment) and may seek a judgment for (i) that amount plus unpaid Delinquency Assessments and accrued and accruing interest, (ii) the amount of Assessments for the twelve (12) month period next following the due date of the last unpaid Assessment and (iii) any unpaid amount of any special Assessments which are payable in future installments.

**Section 13.06 Lien of Assessments.**

All Assessments and costs of collection thereof (including attorneys' fees), shall constitute a lien against said Unit in favor of the Association provided that Delinquency Assessments, all-fines, fees, charges, late charges, interest and costs of collection thereof (including attorneys' fees) shall be subordinate to the lien of any first mortgage on a Unit. Such lien shall be effective from and after the time the Assessment or charge becomes due subject to the any applicable limitations of the Act. Upon full payment of all sums secured by the lien and a preparation fee, the party making payment shall be entitled to a recordable satisfaction of lien to be recorded at his sole expense. Such lien of the Association shall have the priority accorded Association liens by applicable law.

**Section 13.07 Method of Enforcing Collection of Assessments.**

Any judgment against a Unit and its Owner shall be enforceable in the same **manner as is otherwise provided** by law. Reasonable attorneys' fees and court costs incurred by the Executive Board incident to the collection of any Assessments or the enforcement of any lien, together with all sums advanced and paid by the Executive Board for taxes and payments on account of superior liens which may be required to be advances by the Executive Board in order to protect its lien, shall be payable by the Owner and secured by such lien.

**Section 13.08 Unpaid Assessments at the Time of Execution Sale Against a Unit.**

**In the event that title to a Unit is transferred by Sheriffs sale pursuant to execution upon any lien against the Unit, the Executive Board may give notice in writing to the Sheriff of any unpaid Assessments which are a charge against the Unit, but have not been reduced to a lien, and the Sheriff shall pay the Assessments of which he has such notice out of the proceeds of the sale which remain in his hands for distribution after payment of all other claims which he is required by law to pay (including any claims of the Association given priority by the Act), but prior to any distribution of the balance to the former Unit Owner against whom the execution issued. The purchaser at such Sheriffs sale and the Unit involved, shall not be liable for unpaid Assessments, which became due prior to the Sheriffs sale of the Unit (except as provided under the Act). Any such unpaid Assessments which cannot be promptly collected from the former Owner may be reassessed by the Executive Board as a Common Expense to be collected from all the Unit Owners, including the purchaser or acquirer of title at the Sheriff's sale, his successors and assigns. To protect its right to collect unpaid Assessments which are a charge against a Unit, the Executive Board may, on behalf of the members of the Association, purchase the Unit at Sheriffs sale provided such action is authorized by the affirmative vote of the majority of the Executive Board, and if it does so purchase, the Executive Board shall thereafter have the power to sell, convey, mortgage or lease such Unit, to any person whatsoever.**

**Section 13.09 Voluntary Sale of a Unit.**

Upon the voluntary sale or conveyance of a Unit, or any other transfer, the Unit, by operation of law or otherwise, except a transfer described in Sections 13.08 or 13.10, and a transfer by Deed in lieu of foreclosure to a holder of a mortgage, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments for Common Expenses which are charges against the Unit as of the date of the sale, conveyance or transfer, but such joint and several liability shall be without prejudice to the right of the grantee to recover from the grantor, in the amount of any such unpaid Assessments which the grantee may pay, and until any such Assessments are paid, they shall continue to be a charge against the Unit, which may be enforced in the manner set forth in Section 13.07; provided, however, any person who shall have entered into a written agreement to purchase a Unit shall be entitled to obtain a written statement from the Treasurer setting forth the amount of unpaid Assessments charged against the Unit and its Owner, and if such statement does not reveal the full amount of the unpaid Assessments as of the date it is rendered, neither the purchaser nor the Unit after transfer thereof, shall be liable for the payment of the amount in excess of the unpaid Assessments shown on such statement.

**Section 13.10 Mortgage Foreclosure.**

If a mortgagee of a "first" mortgage of record or other purchaser of a Unit acquires title to such Unit as a result of foreclosure of the first mortgage, or by deed in lieu of foreclosure, such acquirer of title, his successors and assigns, shall be liable only for the share of Common Expenses or other charges by the Association pertaining to such Unit or chargeable to the former Unit Owner which have accrued for a period of no more than six (6) months prior to acquisition of title as a result of the foreclosure. Such unpaid share of the charges shall be deemed to be Common Expenses collectible from all of the remaining Unit Owners, including such acquirer, his successors and assigns.

**Section 13.11 Surplus Funds.**

Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any allocation to reserves shall be applied to future Common Expenses and/Or additional allocations to reserves as determined by the Executive Board for subsequent fiscal years, and shall not be refunded or credited to the Unit Owners.

**Section 13.12 Owners' Negligence.**

Each Unit Owner 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 by his act, omission or negligence or by the act, omission or negligence of his tenants, agents, guests or licensees, promptly upon receipt of the Association's statement therefor. Such reimbursement shall be considered an unpaid Assessment collectable in any manner provided herein in the case of unpaid and past due Assessments.

**Section 13.13 Assignment of Assessments.**

The Association may pledge or assign its right to collect and receive Assessments to a financial institution in order to secure a loan for the financing of the costs of maintaining, repairing or replacing any portion of the Common Facilities.

**ARTICLE XIV**  
**Ownership, Transfer and Lease of Units; Age Limitation**

**Section 14.01 Use and Transfer of Units.**

a - All Owners and residents of any Unit other than the Developer and the • Builder, agree by the acceptance of a deed to a Unit, to be bound by the covenants and restrictions contained herein, together with any rules and regulations which may be promulgated by the Board together with the Bylaws of the Association.

b **General Rule.** Pursuant to the provisions of the Federal Fair Housing Act (the "Fair Housing Act"), as amended from time to time hereafter, it is the declared policy of the Declarant and the Association to provide "housing for older persons" as that term is defined in 42 U.S.C.A. § 3607(b)(2)(C); in the Community. Accordingly, each and every Unit in the Community shall be occupied by at least one person who is fifty-five (55) years of age or older.

c **Exceptions.** The restrictions set forth in the prior paragraph is subject to the following limited exceptions:

- 1 A widow/widower under the age of 55 years, whose deceased spouse was 55 years of age or older and resided with such widow/widower in the Unit at the time of the spouse's death (the "Widow/Widower"), may remain in occupancy of the Unit; and
- 2 Any Adult Child, whose deceased parent was 55 years of age or older and resided with such widow/widower in the Unit at the time of the parent's death, for at least 180 days immediately preceding the date of death, may remain in occupancy of the Unit; and
- 3 Any Adult Child of a Widow/Widower (as defined above), who resided in the Unit at the time of the death of the spouse of the Widow/Widower, for at least 180 days immediately preceding the date of death, may remain in occupancy of the Unit.

d For purposes of this Declaration, an "Adult Child" is defined as a child, who is at least 18 years of age but under the age of 55 years, of an occupant of a Unit. Notwithstanding anything contained in this Section D to the contrary, the exceptions set forth in this Section B shall be available to an otherwise qualified occupant under the age of 55 if, when added together with any prior and pending exemptions permitted under this Subsection 14.01(D), at least 80% of the occupied Units in the Association shall continue to be occupied by at least one person who is 55 years of age or older. The Executive Board shall maintain a list of any exceptions being used under this Subsection 14.01(D).

e **Minors.** No person under the age of 18 shall be permitted to reside in any Unit, at any time, regardless of any such person's relation to a Unit Owner, however, nothing in this Article shall prohibit the temporary visitation and occupancy, not totaling more than ninety (90) days in any calendar year, of any Unit by the Unit Owner's family members who are under the age of 18.

f Monitoring Restrictions. The Executive Board shall adopt and promulgate rules and regulations to confirm and maintain the Association's compliance with the Fair Housing Act. The Executive Board is hereby expressly authorized; empowered and directed to conduct regular surveys and audits of the Unit Owners and other residents of the Association to ensure compliance with the provisions of this Article, and all Unit Owners shall complete such surveys promptly and completely upon receipt thereof.

g No transfer or grant of any Unit shall be made by any Owner or subsequent prospective purchaser or lease until the existing Owner who desires to transfer, makes full disclosure to the Executive Board in writing, of the name and address of the prospective purchaser or lessee, together with evidence that said prospective purchaser or lessee meets all qualifications set forth-herein. Said Owner who intends to sell, transfer, give, lease, assign any lot or living unit, shall, before entering into any binding agreement for such with any prospective purchaser, grantee, lessee or assignee, submit the evidence in writing as aforementioned to the Executive Board, which approval cannot be unreasonably withheld. The Executive board must act within ten (10) days of the Owner's submission to the Executive Board. In the event the Executive Board does not act within the time set forth hereinabove, the Executive Board will be deemed to have consented. In the event the Executive Board withholds its consent, the Executive Board shall have the reasons for its denial in writing and present same to the Owner at the time the Owner is informed of the Executive Board's decision. If the Owner is dissatisfied with the Executive Board's decision, the Owner may request a hearing before the Executive Board, with or without legal counsel present, which hearing will be scheduled by the Executive Board within 15 days of its written decision. All decisions of the Executive Board after the hearing shall, as with the initial decision, be in writing. The Executive Board must render said decision in writing within five (5) days of the scheduled hearing.

h • No transfer, sale, gift, lease, assignment, or grant shall be made of any Unit covered by these covenants and restrictions to any purchaser, lessee, transferee or grantee who intends to have as a permanent resident in the Unit a person under the age of nineteen (19). Furthermore, in the event Of any transfer or title by the operation of law, any occupant of such Unit must meet all of the requirements contained in Section 14.01 hereiA and likewise, no occupant may have or permit any person as a permanent resident under the age of nineteen (19).

#### **Section 14.02 Leasing of Units.**

a Declarant reserves the right to lease any and all of the Units owned by Declarant subject only to the provisions of this Section.

b No Unit Owner shall be permitted to lease his Unit unless such Unit Owner has complied with the relevant provisions of this Declaration, the Bylaws and any applicable Rules and Regulations, including, but not limited to Section 14.01. All leases must be in writing for a term not to be less than one (1) year and approved by the Association, which approval shall not be unreasonably withheld. All leases shall provide that the lessee shall be subject in all respects to the provisions of this Declaration, the Bylaws and the Rules and Regulations of the Community, as may from time to time be promulgated by the Executive Board. The leasing of a Unit shall not affect the liability of the Unit Owner with respect to his obligations under this Declaration, the Bylaws and any Rules and Regulations. The provisions of,

this paragraph shall not apply to the holder of a first mortgage lien on a Unit who acquires title thereto.

c In the event the Unit Owner shall fail to pay any charge or Assessment levied by the Executive Board against a leased Unit, and such failure to pay continues for ten (10) **days, the** Executive Board shall so notify the lessee of such Unit in writing of the amount due and, within fifteen (15) days after the date of such notice, the lessee shall pay to the Association the amount of such unpaid charges or Assessments, subject however to paragraph (d) of this Section. The amount of such unpaid charges or Assessments paid to the Association by lessee after the nonpayment by the Unit Owner shall be a credited against and shall offset the next monthly rental installment due to the Unit Owner following the payment by the lessee of such charges or Assessments to the Association.

d In no event shall the lessee be responsible to the Association for any amount of unpaid charges or Assessments during any one month in excess of one monthly rental installment.

e The inclusion of Subsections (c) and (d) of this Section in a lease or addendum to a lease for the rental of a Unit shall be a condition precedent to the approval of such lease by the Executive Board.

## ARTICLE XV

### Use Restrictions and Maintenance Obligations

Section 15.01 Use Restrictions and Maintenance Obligations. Each Conveyance Unit in the Community (other than those owned by the Declarant and/or the Builder) is subject to the provisions of this Article. The Association, through the Executive Board, has the authority to make Rules and Regulations and restrictions governing the use of Units in-addition to those contained herein.

a Each Unit shall be used for residential purposes only; provided, however, home occupations carried on the Unit are permitted only if (i) such use is incidental to **the Unit's primary residential use;** (ii) such use does **not violate any other restrictions applicable to Units;** (iii) **no employees, customers or clients visit the Unit;** and (iv) **the Unit Owner shall obtain prior approval from the Borough.**

b **Nothing shall be rebuilt, caused to be rebuilt or done in or to any part of the Property which will alter or cause any alteration to the Common Elements without the prior written approval of the Executive Board.**

c **Each Unit shall be maintained by its Owner or occupant in a safe, clean and sanitary manner and condition, in good order and repair and in accordance with all applicable restrictions, conditions, ordinances, codes and any Rules or Regulations which may be applicable hereunder or under law.**

d **No Unit Owner or occupant of any Unit shall carry on, or permit to be carried on, any practice on his Unit or on the Property which unreasonably interferes with the**

quiet enjoyment and proper use of another Unit or the Common Elements by the Unit Owner or occupant of any other Unit, or which creates or results in a hazard or nuisance on the Property..

e Unit Owners or occupants of any Unit may not obstruct the Common Elements in any way including, but not limited to, interfering with the stormwater management facilities. Unit Owners or occupants may not store anything in or on the Common Elements without the prior written approval of the Executive Board and, provided Declarant has not conveyed to third party purchasers all Units which Declarant has reserved the right to create in the Community, the Declarant.

f Except as permitted in Section 15.01(a), no commercial, industrial or professional activity as defined in the Borough Zoning Code shall be pursued on or in any Unit at any time. If zoning regulations change to expand the scope of activities that Unit Owners may pursue lawfully within the Unit, a Unit Owner may apply to the Executive Board for approval to commence the permitted use of his Unit. Each application shall be considered by the Executive Board on an individual basis. Once the Executive Board has given its approval to a particular use of a Unit, it may not revoke the approval as long as the nature and scope of the approved use remains unchanged. No Unit Owner shall permit its Unit to be used or occupied for any prohibited purpose.

g The Unit Owner of each Unit shall maintain the Unit in a manner satisfactory to the Association and in accordance with this Declaration and the Rules and Regulations. In the event that a Unit shall not *be* so maintained, the Association shall have the right to enter upon the Unit to maintain the same, after giving the Unit Owner at least fifteen (15) days' written notice to cure any maintenance problems or deficiencies. In the event that the Association exercises its right of entry for maintenance purposes, the Association shall have the right to assess the particular Unit Owner for the cost of such maintenance. The Association by its Executive Board shall have the right to establish Rules and Regulations governing the maintenance of any Unit.

h The garage of each Unit shall be used by the Unit Owner for the storage of each Unit Owner's passenger vehicles. No garage may be converted to living space. Each Unit Owner shall keep their garage free from excessive storage materials so that it is available for the housing of the Unit Owner's passenger vehicles: The Unit Owners are encouraged to keep their vehicles off the roadway, house their vehicles in their garages and keep their garage doors closed as much as possible.

i No swimming pools shall be erected or installed on any Unit.

j No tents, storage tanks or accessory buildings or structures shall be erected or permitted to remain on a Unit.

k No Unit Owner other than the Declarant or the Builder shall alter the Common Elements or change the exterior appearance of the improvements on its Unit, including patios, decks and landscaping, without the prior written approval of the Executive Board and compliance with all applicable provisions of this Declaration, the Bylaws and any Rules and Regulations promulgated by the Executive Board. Unit Owners may install, subject to any

applicable Rules and Regulations, annual plantings without Executive Board approval provided the Unit Owner shall maintain these annual plants at their sole cost and expense. The Executive Board may impose a Limited Common Expense Assessment for the maintenance of any approved plantings. No Unit Owner may make any exterior improvement to his Unit, notwithstanding the requisite written approval of the Executive Board, without first obtaining all approvals and permits required by the Borough.

l No fences, except underground fences or fences installed by the Declarant or the Builder, shall be permitted.

m No modification to any drainage swales constructed by the Declarant, the Builder, or the Association, whether located on the Common Elements or a Unit, shall be permitted without the written permission of the Declarant (if the Declarant still owns any Units), the Builder (if the Builder still owns any Units), the Association (if the Declarant and the Builder do not own any Units) and the Borough.

n Any exterior lighting not installed by the Declarant or the Builder shall (i) be subject to the prior written approval of the Executive Board (which approval shall not be unreasonably withheld, delayed or conditioned), and/or, (ii) in compliance with any specifications published by the Association for exterior lighting in the Community; and (iii) in compliance with all applicable Borough ordinances.

o No solar heating panels or similar installation shall be permitted on any ,  
Unit

p The existing paint colors on each dwelling shall be maintained to insure the architectural color harmony with adjoining dwellings and the entire community, unless otherwise approved by the Executive Board.

q No noxious or offensive activities shall be carried on or upon any Unit, nor shall anything be done thereon, which is or may, in the determination of the Executive Board, become an annoyance or nuisance to the other Unit Owners.

r All Units and improvements thereon shall be maintained in a neat and well appearing condition.

#### **Section 15.02 Maintenance Obligations**

a The maintenance obligations of each Unit Owner and the Association are set forth on the Schedule of Maintenance Obligations attached hereto as Exhibit "Tr".

b All of the costs incurred by the Association to complete the maintenance obligations set forth on Exhibit "H" shall be assessed against all of the Unit Owners as Common Expenses.

### **ARTICLE XVI**

## Architecture Review

### **Section 16.01 Regulated Activities.**

No building, wall or other structure or improvement including landscaping or plantings (except annual plantings), patios and decks, or any exterior addition or alteration to the Unit which changes the external appearance of the Unit's improvements shall be commenced, erected, installed or maintained upon the Unit before the Unit Owner submits to the Executive Board an application requesting the Executive Board's review and approval of such improvement, addition, or alteration. Notwithstanding anything contained in this Declaration to the contrary, privacy dwelling fences may be erected along the rear of the patio on a Unit with the prior approval of the Executive Board.

### **Section 16.02 Contents and Method of Submitting an Application; Powers of the Executive Board.**

a The Executive Board shall have the right to establish design criteria and standards for alterations, additions and improvements within the Property.

b Each Unit Owner shall submit to the Executive Board by United States mail or hand delivery, plans and specifications showing the nature, kind, shape, height, materials, finish, colors and location of the Unit Owner's proposed change, alteration or addition to the Unit. The submission shall contain proof of compliance with all applicable codes, laws and ordinances.

c The Executive Board shall have the right to request additional information, plans and materials concerning any proposed alterations, additions and improvements.

d The Executive Board shall review the plans to determine, *inter alia*, whether-they are harmonious and compatible with the Units in the-Community and consistent with the design criteria, if any, developed by the Executive Board.

e In the event the Executive Board fails to approve, with or without conditions, or deny the application within forty-five (45) days from the date all plans and specifications, including all additional information, plans and materials which may be requested by the Executive Board, have been submitted, approval will be deemed to have been denied.

f The Executive Board shall have the power to grant waivers from architectural design criteria and standards according to procedures and subject to the conditions established by the Executive Board.

### **Section 16.03 Exclusion from Architectural Review**

The provisions of this Article XVII shall not apply to the Declarant and/or the Builder.

## ARTICLE XVII Compliance and Default



**Section 17.01 Compliance and Default.**

a Each Unit Owner shall be governed by and shall comply strictly with the terms, covenants, conditions and restrictions of the Act, this Declaration, the Bylaws and the Rules and Regulations adopted pursuant thereto, and all ordinances and regulations of the Borough, as the same may be amended from time to time.

b The Executive Board shall have the power to adopt, amend and enforce compliance with such reasonable Rules and Regulations relative to the operation, use and occupancy of the Units and the Common Elements consistent with the provisions of this Declaration and the Act, including, but not limited to; such enforcement procedures and penalties for violations as the Executive Board shall deem appropriate. Any Rules and Regulations shall be adopted or amended, from time to time, by means of appropriate resolutions duly approved by the Executive Board in accordance with the Bylaws. A copy of Rules and Regulations and copies of any amendments thereto shall be delivered or mailed to each Unit Owner or occupant of a Unit promptly after the adoption thereof and shall become binding upon all Unit Owners, their successors in title and assigns, and occupants.

c Failure of the Unit Owner to comply with any provisions of the Act; this Declaration or any Rules and Regulations shall entitle the Association or Unit Owners to the remedies provided in this Declaration and the Act, and also to the following relief, none of which remedies shall be exclusive of any other remedies:

1 Suits: Failure to comply with the terms of the Act, this Declaration, Bylaws and the rules and regulations adopted pursuant thereto, as the same as they may be amended from time to time, shall entitle the Association or any aggrieved Unit Owner to sue for the recovery of damages or for injunctive relief, or both. Such relief shall not be exclusive of other remedies provided by law.

Costs and Attorneys' Fees: In any proceeding arising because Of an alleged failure of a Unit Owner to comply with the terms of the Act, the Declaration, the Bylaws and the rules and regulations adopted pursuant thereto, as the same as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding (including, but not limited to, court costs) and reasonable attorneys' fees; provided, however, that no attorneys' fees may be recovered against the Executive Board in any such action unless the court shall first expressly find that the Executive Board acted in bad faith.

d The failure of the Declarant, or the Executive Board, or any Unit Owner to enforce any covenant, restriction or other provision of the Act, this Declaration, the Bylaws or the Rules and Regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

**Section 17.02 Hearing Procedure.**

No Unit Owner shall have the right to object, challenge, commence any suit at law or in equity or take any other action under any act, power or authority now in force or hereafter to be enacted except after following such procedures as are established by the Executive Board by Rule or Regulation consistent with the provisions of this Section. The Executive Board, or a committee as may be appointed by the Executive Board, shall hear claims from Owners of alleged violations of the Declaration, Bylaws and rules and regulations (other than violations with respect to Assessment obligations) of the Association. The Executive Board or such committee shall hold a hearing on any such claim within thirty (30) days after the receipt by the Executive Board of a formal written notice of a claim from a Unit Owner. A decision shall be issued in writing by the Executive Board within ten (10) days after the conclusion of the hearing. The Executive Board shall have the right to establish various rules and procedures governing the operation and administration of the hearing process and the enforcement of the Declaration, Bylaws and Rules and Regulations, Unless the internal remedies provided by this Section and Rules and Regulations as may be promulgated by the Executive Board shall be expressly waived by the Association, or the Association fails or refuses to act, no action at law or in equity shall be commenced by any Unit Owner until such internal remedy is pursued to exhaustion. Any action by a Unit Owner against any other Unit Owner arising out of any term, covenant or condition contained in this Declaration, the Bylaws or any Rule or Regulation made pursuant thereto shall be subject to the same procedures. In hearings before the Executive Board or the committee designated by the Executive Board, all parties shall be entitled to be represented by counsel.

**ARTICLE XVIII**

**Indemnification of Officers,  
Executive Board and Committee Members**

**Section 18.01 Indemnification of Officers, Executive Board and Committee Members.**

The Association shall indemnify every Executive Board member, officer and committee member, his heirs, executors and administrators, against all loss, costs and expenses, including attorneys' fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been an Executive Board member, officer or a committee member, except as to matters as to which he 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 matter covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Executive Board member, officer or committee member in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Executive Board member, officer or committee member may be entitled. All liability, loss, damage, cost and expense 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 an Executive Board member, officer or a committee member of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of his membership in the Association.

**ARTICLE XIX**  
**Amendments**

**Section 19.01 Generally.**

Subject to the other provisions of this Declaration and the Act relative to amendment, this Declaration may be amended in following manner set forth below. No amendment shall be effective until recorded in the real estate records of the office of the Clerk of Burlington County:

a Before Any Conveyances: Prior to the transfer of any Conveyance Unit by the Builder to a Unit Owner, the Declarant may amend this Declaration in any legal fashion as the Declarant may deem appropriate. After such first transfer of title, the terms of the following subsections shall apply; provided, however, that any other provisions of this Declaration setting forth other conditions of amendment shall take precedence.

b Notice: Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the Executive Board in which a proposed amendment is considered, and shall be served upon all Unit Owners in the manner hereinafter provided for service of notices.

c Resolution: An amendment may be proposed by either the Executive Board or twenty percent (20%) of the Unit Owners. No resolution of the Executive Board adopting a proposed amendment shall be effective unless it has been adopted by the affirmative vote of at least sixty-seven percent (67%) of the Unit Owners.

d Agreement: In the alternative, an amendment may be, made by an agreement signed and acknowledged by at least sixty-seven percent (67%) of the Unit Owners in the manner required for the execution of a deed, and such amendment shall be effective when recorded.

e Proviso Regarding Amendments: Notwithstanding any of the other provisions of this Section 18.01, except as otherwise permitted by the Act and provided in this Declaration, no amendment may increase the number of Units or change the boundaries of any Unit, Common Expense Percentage or voting strength in the Association allocated to a Unit, or the uses to which any Unit is restricted without the unanimous consent of the Unit Owners and the consent of the Eligible Mortgagees to which at least two-thirds of the votes in the Association are allocated. No amendment of this Declaration or any action taken by the Association or its Executive Board, shall be made or taken which, in any way would affect any of the rights, privileges, powers and options of the Declarant, its successors or assigns unless the Declarant, or its successors or assigns shall join in the execution of such amendment or consent, in writing, to the action of the Association or Executive Board. No amendment of this Declaration or any action taken by the Association or its Executive Board, shall be made or taken which, in any way would affect any of the rights, privileges, powers and options of the Borough unless the Board of Supervisors of the Borough shall join in the execution of such amendment or consent, in writing, to the action of the Association or Executive Board.

f Execution and Recording: A copy of each amendment shall be attached to or included with a certificate, certifying that the amendment was duly adopted, which certificate -

shall be executed and acknowledged by the officers of the Executive Board with the formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are Recorded.

g Correcting Errors: If any amendment to this Declaration or the Bylaws is necessary in the judgment of the Executive Board to change, correct or supplement anything - appearing or failing to appear therein which is incorrect, defective or inconsistent with anything in either this Declaration, the Bylaws or the Act, or if such amendment is necessary to conform to the requirements of FNMA, FHLMC, HUD or VA with respect to "PUD" projects or to the requirements of the municipality in which the Community is located or to conform with laws governing "55 or Over Housing," including the Fair Housing Act, the Executive Board may, at any time and from time to time effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or part of the Property, upon receipt by the Executive Board of an opinion from independent counsel to the effect that the proposed amendment is permitted by the terms of this paragraph and by the Act.

## ARTICLE XX Termination

### **Section 20.01 Statute.**

**The Community may be terminated pursuant to any applicable provisions of the Act**

### **Section 20.02 Destruction.**

**In the event it is determined in the manner provided in the Act and the Bylaws that any Common Element shall not** be reconstructed after casualty, the Community will be thereby terminated as to such Common Element. The determination not to reconstruct after casualty shall be evidenced by a certificate of the Executive Board executed by the President and Secretary or Treasurer certifying as to the facts effecting the termination, which certificate shall become effective upon being recorded.

### Section 20.03 By Agreement.

The Community may be terminated at any time by an agreement, in writing, in the form of a **Deed of Revocation, executed by seventy-five (75%) of the Unit Owners. Such Deed of Revocation shall become effective upon being Recorded.**

### **Section 20.04 General Provisions.**

**Upon termination of the Community, each Unit Owner shall thereby become a tenant-in-common of the Property as provided in Section 5220 of the Act, and the mortgagee and lienor of a former Unit Owner shall have a mortgage and lien solely and exclusively upon the respective interest of such tenant in common in the Property after the termination; provided, however, each Unit Owner shall remain subject to the restrictions contained in Section 14.01 above.**

## ARTICLE XXI Notice

**Section 21.01 Notice.**

All notices required to be served upon Unit Owners pursuant to the Act, this Declaration or the Bylaws shall be sufficient if delivered to the Unit or mailed to the Unit Owner at the Unit mailing address by regular mail. The effective date of a notice shall be the date of delivery to the Unit in the case of actual delivery and a date five (5) days after deposit in the mail in the case of notice sent by mail.

**ARTICLE XXII  
Rights of Eligible Mortgagees**

**Section 22.01 Eligibility.**

A holder, insurer or guarantor of a first mortgage on a Unit in the Community shall be required to provide to the Association a statement of its name, address and the Unit against which it is the holder, insurer or guarantor of a first mortgage to be entitled to the rights set forth in this Article and elsewhere in this Declaration.

**Section 22.02 Notices to Eligible Mortgagee.**

Upon written request to the Association, identifying the name and address of the Eligible Mortgagee of the particular Unit, any Eligible Mortgagee shall be entitled to timely notice of:

- a Any condemnation loss or any casualty loss which affects a material portion of the Community or any Unit on which it is an Eligible Mortgagee;
- b Any delinquency in the payment of Assessments or charges owed by an Owner of a Unit or *any* other default in the performance by an Owner of the Unit against which the Eligible Mortgagee lien applies of any obligation under this Declaration, the Bylaws or any rules and regulations of the Association which delinquency or other default continues for a period of sixty (60) days;
- c Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- d Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 22.03 below.

**Section 22.03 Eligible Mortgagee Approval.**

- a Any restoration or repair of the Community, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Plans unless other action is approved by at least fifty-one percent (51%) of all Eligible Mortgagees.
- b Any election to terminate the legal status of the Community after substantial destruction or a substantial taking in condemnation of the Common Elements shall require the approval of at least fifty-one percent (51%) of all Eligible Mortgagees. Any other abandonment or termination of the Community by act or omission shall require the prior written approval of at least sixty-seven percent (67%) of all Eligible Mortgagees.

Any decision to establish self-management by the Association shall require the prior consent of at least sixty-seven percent (67%) of the Unit Owners and the approval of at least fifty-one percent (51%) of the Eligible Mortgagees.

d Any abandonment, partition, subdivision, encumbrance, sale or transfer of any of the Common Elements (except for granting easements for utilities or other public purposes consistent with the intended use of the Common Elements) by act or omission shall require the prior written approval of at least fifty-one percent (51%) of the Eligible Mortgagees.

### **ARTICLE XXIII Provisions Benefiting the Borough**

#### **Section 2101 Maintenance.**

The Borough shall be a third party beneficiary of the provisions of this Declaration that require the Association to maintain, repair and replace the Common Facilities or that empower the Association to enforce the provisions of this Declaration against the Unit Owners. In the event that the Association fails to fulfill its obligations hereunder with respect to the maintenance, repair and replacement of the Common Facilities or fails to enforce the provisions of this Declaration against the Unit Owners, the Borough may perform such obligations and/or enforce such provisions and the Borough shall be reimbursed by the Association for all expenses incurred in connection therewith. All rights provided herein to the Borough shall be enforceable at law or in equity, and all costs and attorneys' fees incurred by the Borough in enforcing its rights shall be included in the amount recoverable by the Borough.

### **ARTICLE WV Miscellaneous Provisions**

#### **Section 24.01 Severability.**

If any provisions of this Declaration are determined to be invalid, that determination shall not affect the validity or effect of the remaining provisions hereof or the Bylaws or any rules and regulations, all of which shall continue in effect as if such invalid provisions had not been included herein.

#### **Section 24.02 Exhibits.**

All exhibits attached hereto are deemed incorporated herein and made a part hereof

#### **Section 24.03 Headings.**

The headings herein are for reference purposes only and shall not affect the meaning or interpretation of this Declaration.

#### **Section 24.04 Effective Date.**

This Declaration shall become effective when it has been duly entered of record.

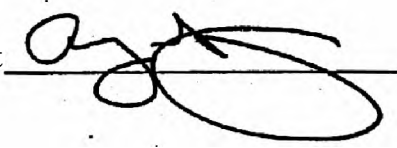
**Section 24.05 Binding.**

This Declaration shall inure to the benefit of and shall be binding upon the Declarant's successors or assigns.

IN WITNESS WHEREOF, the Declarant, has set its hand and seal the day and year first written above.

**PEMBERTON BOROUGH  
DEVELOP i GROUP LLC  
a New Jersey Limited liability Company**

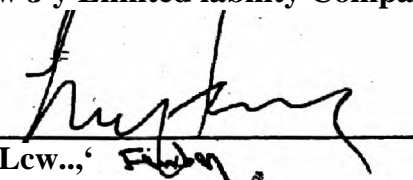
Attest



By:

Name: Lcw.,

Title: 7100,3\*Q\



COMMONWEALTH OF PENNSYLVANIA

SS.

COUNTY OF BUCKS •

Be it Remembered, that on this 3 day of TO 1, 2005, before me, a Notary Public in and for the State and County aforesaid, personally appeared Lenny Feinberg, who acknowledged himself to be Member of Pemberton Borough Development Group, LLC, a New Jersey limited liability company, and that he, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation as a Member.

Notary Public: <sup>1,\*</sup> d.e-x.z.

My Commission expires:

Notarial Seal  
Diane M. Scloski, Notary Public  
Chalfont Boro, Bucks County  
My Commission Expires Aug. 15, 2005

Merrber, PameytosniaAsscciniknot reb11ts1



**Exhibit "A"**  
**Legal Description of the Property**

August 30, 2004

Block 104; Lots 16 & 18  
Block 204, Lot 2  
Borough of Pemberton  
Burlington County, NJ  
LWR Job No. 11043

All that certain lot, tract or parcel of land situate in the Borough of Pemberton, County of Burlington, State of New Jersey bounded and described according to a Major Subdivision prepared by Lord, Worrell & Richter, Inc., dated July 10, 2002, revised-July 01, 2004 and more particularly described as follows:

*BEGINNING* at a point in the westerly line of Hanover Street (*66 feet wide*); said point being in the division line of Block 204, Lot 1 and Block 204, Lot 2; and running

- (1) South 19 degrees 51 minutes .40 seconds West, 108.00 feet along the westerly line of Hanover Street to a point in the division line of Block 204, Lots 3 and 4; thence
- (2) North 73 degrees 00 minutes 05 seconds West, 162.97 feet along said diirision line to a found concrete monument; thence
- (3) South 84 degrees 36 minutes 11 seconds West, 94.21 feet along the northerly line of Block 204, Lot 2 to a point; thence
- (4) North 73 degrees 07 minutes 15 seconds West, 259.55 feet along the line of Block 204, Lots 6 and 6.01 to a point; thence
- (5) South 79 degrees 08 minutes 48 seconds West, 163.07 feet along the line of Block 204, Lot 6 to a point; thence
- (6) South 20 degrees 59 minutes 45 seconds West, 348.28 feet along -the line of Block 204, Lets 7, 8, 9,10 and 11.08 to a point; thence
- (7) North 69 degrees 01 minute 15 seconds West, 124.96 feet along the northerly line of Lot 15 to a point; thence
- (8) South 20 degrees 59 minutes 45 seconds West, 193.79 feet along the westerly line of Block 204, Lot 15 to a point; thence

Block 104, Lots 16 & 18  
Block 204, Lots 2, 3 & 6  
Block 200, Lot 4  
Borough of Pemberton  
Burlington County, NJ  
August 30, 2004  
Page 2

- (9) North 67 degrees 30 minutes 14 seconds West, 150.64 feet along the northerly line of Block 204, Lot 1 to a point; thence
- (10) South 22 degrees 05 minutes. 15 seconds West, 228.72 feet along the lines of Block 200, Lots 1, 2 and 3 to a point; thence
- (11) South 67 degrees 14 minutes 45 seconds East, 165.87 feet along the southerly line of Lot 3, Block 200 to a point in the westerly line of Budd Avenue (*66 feet wide*); thence
- (12) South 22 degrees 05 minutes 15 seconds West, 66.00 feet along the westerly line of Budd Avenue to a point in the division line of Block 200.02, Lot 5; thence
- (13) North 67 degrees 14 minutes 45 seconds West, 165.87 feet along said division line of Lot 5 to a point; thence
- (14) South 22 degrees 05 minutes 15 seconds West, 282.75 feet along the line of westerly line of Block 200.02, Lots 5, 6, 6.01 and 7; thence
- (15) North 67 degrees 14 minutes 45 seconds West, 100.00 feet along the northerly line of Block 200.02, Lot 16.01 to a point; thence
- (16) South 22 degrees 05 minutes 15 seconds West, 230.00 feet along the westerly line of Block 200.01, Lots 16.01 to a point; thence
- (17) South 67 degrees 14 minutes 45 seconds East, 100.00 feet along the southerly line of said Lot 16.01 to a point; thence"
- (18) South 22 degrees 05 minutes 15 seconds West, 23.66 feet along the westerly line of Antis Street to a point, thence
- (19) North 68 degrees 50 minutes '00 seconds West, 834.79 feet along the northerly line of Lot 8, Block 104 to a point in the centerline of Rancocas Creek; thence
- (20) North 44 degrees 15 minutes 24 seconds West, 72.38 feet along the centerline of Rancocas Creek to a point; thence

Block 104, Lots 16 & 18  
Block 204, Lots 2, 3 & 6  
Block 200, Lot 4  
Borough of Pemberton  
Burlington County, NJ  
August 30, 2004  
Page <sup>3</sup>

- (21) North 82 degrees 15 minutes 24 seconds West, 93.41 feet along the centerline of Rancocas Creek to a point; thence
- (22) North 23 degrees 46 minutes 08 seconds East, 28133 feet along the easterly line of Lot 17, Block 104, to a found concrete monument; thence
- (23) North 66 degrees 32 minutes 23 seconds West, 732.76 feet along the northerly line of Lot 17, Block 104 to a found stone; thence
- (24) North 42 degrees 16 minutes 47 seconds East, 454.93 feet along the easterly line of Lot 19, Block 104 to a point; thence
- (25) North 58 degrees 59 minutes 45 seconds East, 193.00 feet along said line to a point; thence
- (26) South 89 degrees 45 minutes 15 seconds East, 514.80 feet along the southerly line of Lot 19, Block 104 to a point; thence
- (27) North 51 degrees 59 minutes 45 seconds East, 227.20 feet along said easterly line of Lot 19 to a point; *thence*
- (28) South 88 degrees 30 minutes 15 seconds East, 454.22 feet along the southerly line of Lot 19 to a point; thence
- (29) South 73 degrees 15 minutes 15 seconds East, 22730 feet along the southerly line Lot 19 to a point; thence
- (30) South 70 degrees 15 minutes 15 seconds East, 136.30 feet along the southerly line of Lot 19 to a point; thence
- (31) South 83 degrees 15 minutes 15 seconds East, 124.50 feet along said Lot 19 to a point; thence
- (32) South 89 degrees 42 minutes 15 seconds East, 70.20 feet along said Lot 19 to a point; thence

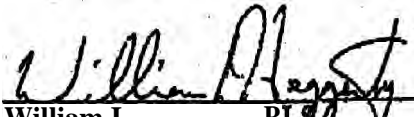
Block 104, Lots 16 & 18  
Block 204, Lots 2, 3 & 6  
Block 200, Lot 4  
Borough of Pemberton  
Burlington County, NJ  
August 30, 2004  
Page 4

(33) South 78 degrees 30 minutes 15 seconds East, 794.59 feet along the southerly line of Lot 19 and Lot 1, Block 264 to the point and *PLACE OF BEGINNING*.

Being Block 104, Lots 16 and 18 and Block 204, Lots 2, 3 and 6; Block 200, Lot 4 in the Borough of Pemberton, Burlington County, New Jersey.

Containing within said bounds 45.10 acres, more or less of land.

Premed by:

  
William I. Haggerty, PL# 11  
N.J. License No. 24GS 4100

PA2004W110431DesceemBorinks1044204Lots16115a2-030.Doe

**Exhibit "B"**  
**Declaration Nat**



## MANAGEMENT AGREEMENT

THIS AGREEMENT, made and entered into this 21<sup>st</sup> day of October, 2004 by and between the Board of Directors of (the "Association), not individually but on behalf of all of the owners from time to time in units in the Hearthstone At Woodfield Homeowners Association and on behalf of the association which is organized pursuant to the Condominium Act of the State of New Jersey (the "OWNERS"), and Property Management Consultants (the "AGENT"):

### RECITALS -

Under the provisions of the purchase contract with the purchaser of each unit, the Declaration of Ownership, and the Bylaws required under the provisions of the Condominium Act of the State of New Jersey, the OWNERS delegate the authority to manage the Association to an elected BOARD Of Directors of a not-for-profit corporation organized by the OWNERS; and

The BOARD, on behalf of the OWNERS, desires to employ the AGENT to manage the Condominium, and the AGENT desires to be employed to manage the Association:

#### IT IS AGREED:

1. The BOARD employs the AGENT exclusively to manage the Association for a period of one (1) year, beginning DATE TO BE ASSIGNED and thereafter for yearly periods from time to time, unless on or before sixty (60) days prior to the expiration of the initial term or on or before thirty (30) days prior to the expiration of any such renewal period, either party shall notify the other in writing that it eked to terminate this agreement, in which case this agreement shall be terminated at the end of that period.

2. The AGENT shall manage the Association to the extent, for a period, and upon the temp of *this* agreement. The AGENT shall perform the following services in the name of the BOARD, and the BOARD hereby gives the AGENT the authority and powers required to perform these services:

2.1 The AGENT shall collect and, as necessary, receipt for all monthly or other assessments and other charges due to the BOARD for operation of the Association and all rental or other payments from concessionaires, if any, provided that the AGENT shall have no responsibility for collection of delinquent assessments or other charges except sending notices of delinquency.

2.2 The AGENT shall maintain records showing all its receipts and expenditures relating to the Association and shall promptly submit to the BOARD a cash receipts and disbursements statement for *the* preceding month and a statement indicating the balance or deficit in the account on or before the 15th of the following month.

2.3 The AGENT shall prepare and submit to the BOARD, within 60 days prior to the end of the fiscal year, a recommended budget for the next year showing anticipated receipts and expenditures for such year.

2.4 The AGENT shall immediately prepare a working budget for Hearthstone at Woodfield to be submitted to the BOARD for review. Within 45 days after the end of fiscal year, the AGENT shall submit to the BOARD a summary of all receipts and expenditures relating to the Association for the preceding year, **provided** that this service shall not be construed to require the AGENT to supply an audit. Any audit required by the BOARD shall be prepared at its expense by accountants of its selection.

2.5 On the basil of the budget, job standards and wage rates previously approved by the BOARD, the AGENT shall hire, pay, negotiate collective bargaining agreements, if necessary, supervise, and discharge engineers, janitors, and other personnel required to maintain and operate the Association properly. All such personnel shall be employees of the Association. All salaries, taxes and other expenses payable on account of such employee shall be operating expenses of the Association.

2.6 Subject to the direction of the BOARD, the AGENT shall negotiate and execute on behalf of the BOARD contracts for water, electricity, gas, telephone, and other services *for* the common elements of the Association as may be necessary or advisable. The AGENT also shall purchase on behalf of the BOARD such equipment, tools, appliances, materials and supplies as are necessary for the proper operation and maintenance of the Association. All such purchases and contracts shall be in the name and at the expense of the BOARD

2.7 The AGENT shall pay from the funds of the BOARD all taxes, building and elevator inspection fees, water rates, and other government charges, and all other charges or obligations incurred by the BOARD with respect to the...maintenance or operation of the Association or incurred by the AGENT on behalf of the BOARD pursuant to the taint of this agreement or pursuant to other authority granted by the . BOARD.



2.8 The AGENT shall maintain appropriate records of all insurance coverage carried by the BOARD. The AGENT shall cooperate with the BOARD in investigating and reporting all accident or claims for damage relating to the ownership, operating and maintenance of the common elements of the Association, including any damage or destruction to them.

3.0 In discharging its responsibilities under paragraph 2 of this agreement, the AGENT shall not make any expenditures nor incur any nonrecurring contractual obligation exceeding \$500.00 without prior consent of the BOARD, provided that no such consent shall be required to repay any advances made by the AGENT under the terms of paragraphs 2.6, 5, 5.1 and 5.2. Notwithstanding these limitations, the AGENT may, on behalf of the BOARD without prior consent, expend any amount or incur a contractual obligation in any amount required to deal with emergency conditions which may involve a danger of life or property or may threaten the safety of the Association or the OWNERS and occupants or may threaten the suspensions of any necessary service to the Association.

4. Notwithstanding any other provision of this agreement, the AGENT has no authority or responsibility for maintenance of, or repairs to, individual dwelling units in the Association. Such maintenance and repair shall be the sole responsibility of the OWNERS individually. Each individual dwelling unit OWNER may contract with the AGENT on an individual basis for the provision of certain maintenance and other related services which will be paid for in accordance with the Agreement between the AGENT and the individual OWNER.

5. All monies collected by the AGENT on behalf of the BOARD shall be deposited in the Association account in a state or national bank where deposits are insured by the Federal Deposit Insurance Corporation separate and apart from AGENTS owner funds.

5.1 All expenses of association and management may be paid from the BOARD'S hinds administered by the AGENT, and the AGENT is authorized to pay any amounts owed to the AGENT by the BOARD from such account at any time without prior notice to the BOARD. The AGENT shall have no obligation to advance funds to the BOARD for any purpose whatsoever.

5.2 All AGENT'S employees who handle or who are responsible for the safekeeping of any monies of the BOARD shall be covered by a fidelity bond protecting the BOARD, such bond to be in an amount and with a company determined by the AGENT.

6. The BOARD shall pay the AGENT a management fee equal to 900.00 per month. The management fee shall be paid monthly in advance. No thither charge shall be made by the AGENT for the services of the Site Manager, its service pursuant to paragraph 2, and the other services of the AGENT'S professional staff, except as otherwise expressly provided in this' agreement.

6.1 If maintenance is required on the common area, and independent sub contractors are used, maintenance services will be billed at a rate of \$40.00 per hour, for any portion of the first hour and \$40.00 per man hour thereafter. Copies are .15 cents ppr copy, faxes are .35 cents per copy, postage, supplies and materials are billed at cost. Daily, routine maintenance will be paid by the AGENT from the Association operating account at an hourly wage approved by the designated BOARD Member. •

7. The BOARD shall designate a single individual who shall be authorized to deal with tht AGENT on any matter relating to the management of the condominium. The AGENT is directed not to accept direction or instructions with regard to the management of the Association from anyone else. In the absence of any other designation by the BOARD, the President of the BOARD shall have the authority.

8. The AGENT shall have no authority to make any structural changes in the Association or to make any other major alterations or additions in or to any building or equipment therein, except such emergency repairs as may be required because of danger of life or which are immediately necessary for the preservation and safety of the ASSOCIATION the safety of the OWNERS and occupants or are required to avoid the suspension of any necessary service to the Association.

9. The AGENT has no responsibility for the compliance of the Association or any of its equipment with the requirements of any ordinances, laws, rules or regulations (including those relating to the disposal of solid, liquid and gaseous wastes) of the City, County, State or Federal Government or any public authority or official thereof having jurisdiction over it, except complaints, warnings, notices or summonses received by it relating to such matters. The OWNERS represent that , to the best of their knowledge, the Association complies with all such requirements and authorizes the AGENT to disclose the ownership of the ASSOCIATION to any such officials and agree to indemnify and hold harmless the AGENT, its representatives, servants and employees, of and from all loss, cost, expenses and liability whatsoever which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinaeces, zules or regulations.

**THE BOARD SHALL:**

**10. Indemnify, defend and save the AGENT harmless from all suits in connection with the Association from liability for damage to property and injuries to or death of any employee or other person whomsoever, and carry at its own expense public liability, boiler, elevator liability (if elevators are part of the STRUCTURE ) and 'worker's compensation insurance naming the BOARD and the AGENT and adequate to protect their interests and in form, substance and amounts reasonable and satisfactory to the AGENT, and furnish to the AGENT certificates evidencing the existence of such insurance. Unless the BOARD shall provide such insurance and furnish such certificates within thirty (30) days from the date of this agreement, the AGENT may, but shall not be obligated io, place said insurance and charge the cost thereof to the account of the BOARD.**

**10.1 Pay all expenses incurred by the AGENT including, without limitation, attorney's fees for council employed to represent the AGENT or the BOARD in any proceeding or suit involving an alleged violation by the AGENT or the BOARD or both, of any constitutional provision, statute, ordinance, law or regulation of any governmental body pertaining to environmental protection, fair housing or fair emphyment, including, without limitation, those prohibiting or making illegal discrimination on the basis of race, creed, color, religion or national origin in the sale, rental or other disposition of housing or any services rendered in connection therewith or in connection with employment, practices (unless, in either case, the AGENT is fully adjudicated to have personally and, not in a representative capacity, violated such constitutional provision, statute, ordinance, law or regulation,) but nothing herein contained shall require the provision that the AGENT employ council to represent the BOARD in any such proceeding or suit The provision shall not apply if liability is due to negligent acts of AGENT, its representatives, servants or employees.**

**10.2 Indemnify, defend and save the AGENT harmless from all claims, investigations, and suits with respect to any alleged or actual violation of state or federal labor laws. The BOARD'S obligation under this paragraph 10.2 shall include the payment of all settlements, judgments , damages, liquidated expenses and attorney fees. This provision shall not apply if liability is due to negligent acts of AGENT, its representatives, servants or employees.**

**11. In the event it is alleged or charged that the Association or any equipment therein or any act of failure to act by the BOARD with respect to the Association or the sale, rental or other disposition thereof or the hiring of employees to manage it fails to comply with, or is in violation of, any of the requirements of any requirements of any constitutional provision, statute, ordinance, law or regulation of any governmental body or order or ruling of any public authority or official thereof having, or claiming to have, jurisdiction there over, and the AGENT, in its sole and absolute discretion, considers that the action or position of the BOARD with respect thereto may result In damage to liability to the AGENT, the AGENT shall have the right to cancel this agreement any time bywritten notice to the BOARD of its election to do so, which cancellation shall be effective upon the service of such notice. Such cancellation shall not release the indemnities of the BOARD set forth in paragraphs 9 and 10 above and shall not terminate any liability or obligation of the BOARD to the AGENT for any payment, reimbursement, or other sum of money then due and payable to the AGENT hereunder.**

**12. This agreement may be cancelled by the BOARD before the termination date specified in paragraph 1 on not less than ninety (90) days prior written notice to the AGENT, provided that such notice is accompanied by payment to the AGENT of a cancellation fee in an amount equal to twenty-five percent (25%) of the management fee which would accrue over the remainder of the stated term of the agreement. For this purpose the monthly management *fee* for the remainder of the stated term shall be presumed to be the same as the last month prior to service of the notice of cancellation.**

**13. Any notice required or permitted to be served hereunder may be served registered or certified mail or in person as follows;**

**13.1 If to the AGENT: PROPERTY MANAGEMENT CONSULTANTS  
15 N. SHORE ROAD  
MARMORA, NJ 08223**

**13.2 If to the BOARD, to the President of the BOARD at his or her home address. Either party may change the address for notice to the other party. Notice served by mail shall be deemed to have been served when deposited in the mails with proof of mailing or confirmed fax.**

**14. This agreement shall be binding upon and insure to the benefits of the successors and assigns of the AGENT and heirs, administrators, successors and assigns of the BOARD. Notwithstanding the preceding sentence, the AGENT shall not assign its interest under this agreement except in connection with the sale of all or substantially all of the assets of its business; in the event of such a sale, AGENT shall be released from all liability hereunder upon the express-assumption of such liability by its assignee,**

**WITNESS:**

---

---

---

**BOARD:**

---

---

---

---

---

**AGENT:**

**BY:**

\_\_\_\_\_ **TITLE:** \_\_\_\_\_

**BY:**

\_\_\_\_\_ **TITLE:** \_\_\_\_\_

**Exhibit "C"**  
**Common Facilities**

- 1. Common Areas**
- 2. Stormwater management facilities, including without limitation, the basin.**
- 3. Clubhouse**
- 4. Walking path**

**Exhibit "D"**  
**Controlled Facilities**

- 1. The Association shall be responsible for the maintenance, repair and replacement of the retaining wall located on unit nos. 1, 14, 15, 16, 18, 19, 22, 106 and 107.**
  
- 2. The Association shall be responsible for the maintenance, repair and replacement of the stormwater management facilities located on unit nos. 111 and 112.**

S

Sapliptqf 110WRIOD pantun  
WVl<sup>l</sup>a

**Exhibit "F"**  
**Schedule of Easements**

- 1. Rights or claims of parties in possession of the land not shown by the public record.**
  - 2. Easement, or claims of easements, not shown by the public records.**
  - 3. Any facts about the land which a correct survey would disclose, and which are not shown by the public record.**
  - 4. Any lien, arising now or later, for labor and material, not shown by the public record.**
  - 5. Liability for additional assessment for taxes in connection with new construction, pursuant to N.J.S.A. 54:4-63.1, et seq.**
  - 6. There are no municipal improvements benefiting the land which may result in a lien on the land which is not yet due and payable.**
  - 7. Right of Way as contained in Deed Book 1149, page 400.**
  - 8. Right of Way as contained in Deed Book 1992, page 831.**
  - 9. Right of Way as contained in Deed Book 3671, 339.**
  - 10. Flooding and drainage rights in any stream, water course-, drain or ditch.  
Note: Although environmental and land use regulation is beyond the scope of coverage afforded by the policy, we wish to call attention (for informational purposes only) to the fact that all or some portion of the premises in question may be affected by the provisions of the "Wetlands Act of 1970", N.J.S.A.13:9A-1 et seq., or the "Freshwater Wetlands Protection Act", N.J.S.A. 13:9B-1 et seq., or both.**
- The title company is not legally empowered to insure that the proposed transaction comports with the provisions of any land use or environmental statute or regulation or to provide affirmative insurance with respect to same.**
- 11. Rights of the State of New Jersey in land lying below the high water mark of Rancocas Creek.**
  - 12. No insurance will be issued covering any part of premises lying below the high water mark of Rancocas Creek.**
  - 13. The following as shown on Plan of Lots "Hearthstone at Woodfield — Phase I" filed on 10/1/04 as Map #4068353:**
    - a. 20 foot wide front building setback line;**

**Exhibit "G"**  
**Common Expense Allocation**

**Each Unit in the Community shall initially have a Common Expense Percentage of 0.70% which may be amended as provided in the Declaration.**



**Exhibit "H"**  
**Schedule of Maintenance Obligations**

**A. MAINTENANCE OBLIGATIONS OF UNIT OWNERS**

1. Each Unit Owner shall be required to maintain and repair their Unit in a neat, safe, sanitary and attractive condition, subject to the other ~~requirements~~ of this Declaration.

**B. MAINTENANCE OBLIGATIONS OF THE ASSOCIATION**

1. Maintenance of the common elements in good order and repair.
2. Mow all grass located in the open space areas and on each Unit.
3. Maintenance (including snow and ice removal), repair and replacement of the sidewalks, walking trail and driveways.
4. Maintenance, repair and replacement of the retaining walls.
5. Maintenance, repair and replacement of the emergency access area.
6. Maintenance of the street lights throughout the community.
7. Maintenance, repair and replacement of the stormwater management facilities
8. Maintenance, repair and replacement of the club house.

**HEARTHSTONE AT WOODFIELD HOMEOWNERS ASSOCIATION  
COMPLAINT FORM**

**COMPLAINANT INFORMATION:**

**NAME:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_ **PHONE #:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

**COMPLAINT ISSUED AGAINST:**

**CHECK ONE:**

**NAME:** \_\_\_\_\_ **General Complaint**

**ADDRESS:** \_\_\_\_\_ **Pet Policy Complaint**

**INCIDENT INFORMATION:**

**DATE OF OCCURRENCE:** \_\_\_\_\_ **- TIME OF OCCURRENCE:** \_\_\_\_\_

**WITNESSES (IF ANY):**

**NAME:** \_\_\_\_\_ **ADDRESS:** \_\_\_\_\_

**NAME:** \_\_\_\_\_ **ADDRESS:** \_\_\_\_\_

**SPECIFIC NATURE OF COMPLAINT:** \_\_\_\_\_

---

**CORRECTIVE ACTION TAKEN:**

**DATE RECEIVED:** \_\_\_\_\_ **REVIEWED BY:** \_\_\_\_\_

**NOTICE SENT TO LOT OWNER:** **YES DATE:** \_\_\_\_\_ **BY:** \_\_\_\_\_

\_\_\_\_\_ **NO**

The identity of the person making the complaint will be kept confidential when the first complaint is issued. However, if a second complaint is filed and a fine is issued, the Board of Directors reserves the right to contact you as a witness.

**Mail to:** \_\_\_\_\_

**HEARTHSTONE AT WOODFIELD HOMEOWNERS ASSOCIATION  
RESPONSE TO COMPLAINT FORM**

**NAME:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_ **PHONE #:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

**VIOLATION:** \_\_\_\_\_

**LOT OWNER RESPONSE TO ABOVE VIOLATION:** \_\_\_\_\_

---

---

---

---

---

---

---

---

---

---

**Mail to:** \_\_\_\_\_