

**BY-LAWS
OF
ROCK CREEK CROSSING CONDOMINIUM
ASSOCIATION, INC.**

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ROCK CREEK CROSSING
CONDOMINIUM ASSOCIATION, INC.

BY-LAWS

ARTICLE I
LOCATION OF OFFICE

SECTION 1.01. PRINCIPAL OFFICE. The principal office of Rock Creek Crossing Condominium Association, Inc. (the "Condominium Association") shall be located at 535 High Mountain Road, North Haledon, New Jersey 07508.

ARTICLE II
FISCAL YEAR

SECTION 2.01. FISCAL YEAR. The fiscal year of the Condominium Association shall be determined by the Board of Trustees.

ARTICLE III
MEMBERSHIP

SECTION 3.01. QUALIFICATIONS FOR MEMBERSHIP. Every Owner, including Grantor (Rock Creek Crossing, LLC), shall be a member of the Condominium Association; provided, however, that no Person shall be a member by reason of Ownership of lands used for governmental or quasi-governmental purposes or by reason of Ownership of any park, public land, road, easement, right of way, mineral interest or Mortgage. Each Owner, as defined in the preceding sentence, shall automatically be a member of the Condominium Association without the necessity of any further action on his part, and Condominium Association membership shall be appurtenant to and shall run with the property interest, Ownership of which qualifies the Owner thereof to membership. Membership may not be severed from, or in any way transferred, pledged, mortgaged, or alienated, except together with, the title to the property interest, Ownership of which qualifies the Owner thereof to membership, and then only to the transferee of title to said property interest. Any attempt to make a prohibited severance, transfer, pledge, Mortgage or alienation shall be void.

SECTION 3.02. ASSOCIATES. Every Person who is not an Owner, but who rightfully resides within the Condominium, shall be an Associate of the Condominium Association and as such shall be privileged to use the Common Elements, subject to these By-Laws, the Rules and Regulations and Certificate of Incorporation of the Condominium Association and the Master Deed and Declaration of Restrictive and Protective Covenants (the "Master Deed"). Associates shall not be entitled to vote at meetings of the members of the Condominium Association, but shall be required to register their names with the Secretary of the Condominium Association.

ARTICLE IV
VOTING RIGHTS

SECTION 4.01. ALIENATION. Immediately upon conveyance of any Condominium Unit within the Condominium, the Owners thereof shall become subject to the provisions hereof, as well as those contained in the Rules and Regulations of the Condominium Association and the Master Deed.

SECTION 4.02. ELECTION OF MEMBERS OF BOARD AND OTHER VOTES. The Condominium Association shall have one class of voting membership for the purpose of electing members of the Board of the Condominium Association and for the purpose of voting on all other questions. Except in accordance with the Period of Grantor's Control provisions of Paragraph C of this Section, all Owners (who are in good standing, as said phrase is defined in Paragraph F of this Section), and the Grantor, shall be entitled to one (1) unweighted vote for each Condominium Unit owned in all elections of Trustees; and as to all other questions, each Owner (who is in good standing), and the Grantor, shall be entitled to cast one (1) vote for each Condominium Unit owned, which vote shall be equal in weight to the percentage of interest in the Common Elements appurtenant to the Condominium Unit for which it is cast. The Grantor shall be entitled to cast all votes for Condominium Units owned by it, but the Grantor shall not be permitted to cast any votes held by it for unsold Condominium Units for the purpose of amending the Master Deed, By-Laws or any other document or for the purpose of changing the permitted use of a Condominium Unit or for the purpose of reducing the Common Elements.

A. **Joint or Common Ownership.** If any property interest, Ownership of which entitles the Owner thereof to vote, is held jointly or in common by more than one Person, the vote or votes for which such property interest is entitled shall also be held jointly or in common in the same manner. Any such vote or votes may be voted at any meeting of the members by any one of the Persons, unless another joint tenant or tenant in common seeks to vote the membership in person or by proxy. In the latter event, the written agreement, if any, which governs the manner in which the membership shall be voted, shall control if presented at the meeting. If there is no such agreement presented at the meeting, the majority in number of the joint tenants or tenants in common present shall control the manner of voting. If there is no majority, or if there are two or more joint tenants or tenants in common who seek to vote the membership differently, the membership shall, for the purpose of voting, be divided equally among the joint tenants or tenants in common.

B. **Proxy Voting.** Any Owner, including Grantor, may give a revocable written proxy to any Person authorizing the latter to cast the Owner's votes on any matter.

C. **Period of Grantor's Control.**

(1) Notwithstanding any other provisions of this Section to the contrary, Grantor shall have the right, at Grantor's option, to appoint all of the members of the Board and the officers of the Condominium Association and to manage and direct the business and affairs of the Condominium Association (except as limited by these By-Laws, the Master Deed and the Certificate of Incorporation of the Condominium Association) for a period of time determined as hereinafter provided (the "Period of Grantor's Control"), after which Period Grantor's rights to appoint all of the members of the Board and the officers of the Condominium Association and to manage and direct the business and affairs of the Condominium Association shall cease and terminate except to the extent of Grantor's voting rights according to the provisions of this

Section. The Period of Grantor's Control shall be limited, and control of the Condominium Association shall be surrendered by Grantor to the Owners, in the following manner:

(a) From and after the sixtieth (60th) day after the sale by Grantor of twenty-five (25%) percent of the Condominium Units within the Condominium to Owners (other than the Grantor), not less than twenty-five (25%) percent of the members of the Board shall be elected by votes not controlled by Grantor.

(b) From and after the sixtieth (60th) day after the sale by Grantor of fifty (50%) percent of the Condominium Units within the Condominium to Owners (other than the Grantor), not less than forty (40%) percent of the members of the Board shall be elected by votes not controlled by Grantor.

(c) From and after the sixtieth (60th) day after the sale by Grantor of seventy-five (75%) percent of the Condominium Units within the Condominium to Owners (other than the Grantor), the Period of Grantor's Control (including the right of Grantor to control the Board, appoint Officers of the Condominium Association and manage and direct the business and affairs of the Condominium Association) shall terminate, at which time the Owners shall elect the entire Board, which in turn shall appoint the Officers and shall manage and direct the business and affairs of the Condominium Association.

(2) Notwithstanding subsection C(1) above, Grantor may retain one (1) member of the Board so long as there are any Condominium Units remaining unsold in the regular course of business of Grantor.

(3) Notwithstanding anything in this Article to the contrary, if some, but not all of the Condominium Units have been conveyed by Grantor to Owners and none of the remaining Condominium Units are being constructed or offered for sale by Grantor in the ordinary course of business, the Owners shall be entitled to elect all of the members of the Board.

(4) Grantor may surrender control of the Board of the Condominium Association prior to the time as specified, provided a majority of the votes not controlled by Grantor vote to assume control.

(5) Within thirty (30) days after the Condominium Unit Owners other than the Grantor are entitled to elect a member or members of the Board, the Condominium Association shall call, and give not less than twenty (20) days, nor more than thirty (30) days, notice of a meeting of the Owners to elect the members of the Board. The meeting may be called and the notice given by any Owner other than the Grantor if the Condominium Association fails to do so.

(6) If Grantor holds one or more Condominium Units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Grantor:

(a) Assessment of the Grantor as a Condominium Unit Owner for capital improvements.

(b) Any action by the Condominium Association that would be detrimental to the sales of Condominium Units by Grantor. However, an increase in Assessments for common expenses without discrimination against the Grantor shall not be deemed to be detrimental to the sales of Condominium Units.

(7) While the Grantor is entitled to elect a majority of the Board Trustees, it shall make no additions, alterations, Improvements or purchases not contemplated in these By-Laws and the Master Deed which would necessitate a special Assessment or a substantial increase in the monthly Assessment unless required by a government agency, title insurance company, Mortgage lender or in the event of an emergency.

(8) Until the Owners assume control of the Board of the Condominium Association, the Grantor shall post a fidelity bond or other guarantee acceptable to the New Jersey Department of Community Affairs, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall cover accumulated reserves.

(9) While the Grantor maintains control of the Board of the Condominium Association, that is, the ability to elect more than fifty (50%) percent of the members of said Board, the Grantor shall procure an annual audit of the funds of the Condominium Association funds prepared by an independent accountant, a copy of which shall be delivered to each Condominium Unit Owner within 90 days of the expiration of the fiscal year of the Condominium Association. Said audit shall cover the operation budget and reserve accounts.

(10) Upon the assumption by the Owners of control of the Board of the Condominium Association, Grantor shall forthwith deliver to the Condominium Association all items and documents pertinent to the Condominium Association such as, but not limited to, a copy of the Master Deed, Certificate of Incorporation of the Condominium Association, By-Laws of the Condominium Association, and the Condominium Association's minute book, including all minutes, and any Rules and Regulations adopted by the Board of Trustees of the Condominium Association, an accounting of the Condominium Association funds, the Condominium Association funds, and all personal property, insurance policies, government permits, a membership roster and all contracts and agreements relative to the Condominium Association.

D. Non-Cumulative Voting. The exercise of the voting rights pursuant to these By-Laws, the Master Deed, and the Certificate of Incorporation of the Condominium Association shall be non-cumulative.

E. Mortgage of Condominium Unit. In the event that an Owner of a Condominium Unit shall mortgage his/her Unit, the lien of the mortgage shall be deemed to attach to the Owner's rights, privileges and obligations in the Condominium Association. Should the Owner be in default of any of the terms of the mortgage and should such default result in foreclosure thereof, the Owner's membership in the Condominium Association will automatically terminate and all of the rights, privileges and obligations of membership shall inure to the mortgagee, its assigns, and/or any subsequent Owner of the Unit.

F. Owner in Good Standing. An Owner shall be deemed to be in good standing if, and only if, by the day (the "Record Date") which is ten (10) days prior to the date of the meeting in question, he shall have fully paid all installments due for assessments made or levied against him and his

Unit by the Board as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and to his Unit. The Record Date set forth in these By-Laws for determining good standing for voting purposes, as well as any related requirement which may be established by the Board of Trustees, shall be deemed supplemental to, and not in derogation of, the record date provisions of N.J.S.A. 15A:5-7.

ARTICLE V
MEETINGS OF MEMBERS

SECTION 5.01. ANNUAL MEETING. There shall be a regular annual meeting of the members of the Condominium Association on the second Wednesday in October of each year at 8:00 p.m. at the principal office of the Condominium Association. Except as provided in the next sentence, no notice need be given of said regular annual meeting. Said regular annual meeting may be held at such other reasonable place or time (not more than thirty (30) days before or after the aforesaid date) as may be designated by notice of the Board given to the members not less than ten (10) nor more than sixty (60) days prior to the date fixed for said meeting.

All notices of meetings shall be addressed to each member as his address appears on the books of the Condominium Association.

The presence at any meeting, in person or by proxy, of members entitled to vote at least one-third of the total votes outstanding shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the members present, either in person or by proxy, may adjourn the meeting to a time not less than two (2) days nor more than thirty (30) days from the time set for the original meeting. In the event of such adjournment, the presence at such adjourned meeting, in person or by proxy, of members entitled to vote at least one-sixth of the total outstanding votes shall constitute a quorum.

The President of the Condominium Association, or in his absence the Vice President, shall call to order meetings of members and act as chairman of such meetings. In the absence of both said officers, any member entitled to vote thereat or any proxy of any such member may call the meeting to order, and a chairman of the meeting shall be elected. The Secretary of the Condominium Association, or in his absence the Assistant Secretary, shall be secretary of such meetings.

Except as provided otherwise in these By-Laws and the Master Deed, any action may be taken at any legally convened meeting of the members upon the affirmative vote of the members having a majority of the total votes present at such meeting in person or by proxy.

SECTION 5.02. SPECIAL MEETINGS. Special meetings may be called for any purpose at any time by the President, Vice President, Secretary, Treasurer, or by any two (2) or more members of the Board.

SECTION 5.03. MINUTES. The Secretary shall keep reasonably comprehensive minutes of each meeting of the membership showing the time and place, the members present, the subjects considered, the actions taken, the vote of the membership, and any other information required to be shown in the minutes by these By-Laws. Such minutes shall be made available to the public in the Condominium Association office, and shall be made available to all members, within thirty (30) days after the date of each such meeting.

ARTICLE VI
BOARD OF TRUSTEES

SECTION 6.01. BOARD OF TRUSTEES. The affairs of the Condominium Association shall be managed by a Board of Trustees composed of the three (3) persons named in the Certificate of Incorporation of the Condominium Association; provided, however, that, after the sale by the Grantor named in the Master Deed of twenty-five (25%) percent of the Condominium Units within the Condominium to Owners other than the Grantor, the number of members of the Board of Trustees shall be increased to five (5). The term of office for each Trustee shall be for one (1) year or until his successor is elected and qualified. In the event of a vacancy on the Board for any reason, the remaining members of the Board of Trustees shall appoint a successor to fill the vacancy until the next regular meeting of the membership, at which time the vacancy shall be filled for the unexpired term of the incumbent whose death, resignation, removal or disqualification created the vacancy; provided, however, in the event a member of the Board of Trustees who has been elected by members other than Grantor is removed or resigns, then that vacancy shall be filled by a Trustee elected by members other than Grantor. Members of the Board of Trustees need not be members of the Condominium Association.

SECTION 6.02. ELECTIONS OF TRUSTEES. Election of Persons to the Board of Trustees shall be by written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of Article IV hereof. The Persons receiving the largest number of votes shall be elected.

SECTION 6.03. NOMINATIONS. Nomination for election to the Board of Trustees may be made by the Nominating Committee, or by nomination by individual members present at the meeting, in person or by proxy, at which the election is held. The Nominating Committee shall consist of three individuals and shall include a Chairman, who shall be a member of the Board of Trustees. The Nominating Committee shall be appointed by the Board of Trustees.

SECTION 6.04. NOMINATING COMMITTEE. The Nominating Committee shall make as many nominations for election to the Board of Trustees as it shall in its discretion determine, but not less than the number of vacancies to be filled. Such nominations may be made from among members or non-members as the Committee in its discretion may determine.

Nominations may be placed on a written ballot and shall be made in advance of the time fixed for the mailing of such ballots to members.

SECTION 6.05. MEETINGS. Annual and special meetings shall be held as specified in Article V hereof, with notice given as provided in that Article. Elections for members of the Board of Trustees shall be held at either annual meetings or special meetings called for such purpose. If necessary to comply with the requirements set forth in Section 4.02 of Article IV hereof, relating to the turnover of control from the Grantor to the Owners, a special meeting may be held.

SECTION 6.06. BALLOTS. All elections to the Board of Trustees shall be made on written ballot which shall (i) describe the vacancies to be filled; (ii) set forth the names of those nominated by the Nominating Committee for such vacancies; and (iii) contain a space for a write-in vote by the members for each vacancy. Such ballots shall be prepared and mailed by the Secretary of the Condominium Association to the members at least fifteen (15) days in advance of the date set forth

thereon for their return which shall be a date not later than the day before the annual meeting or special meeting called for such election.

SECTION 6.07. NUMBER OF VOTES. Each member shall be entitled to cast as many votes for each candidate or nominee as they are entitled to exercise under the provisions of Article IV herein. Ballots returned to be voted by proxy shall be placed in a sealed envelope, on the outside of which shall appear the number of votes cast by the member, the name, address and signature of the member. Each ballot shall be signed by the member or the member's proxy. Each appointment of proxy shall be signed by the member and shall be filed with or prior to the ballot to be cast by the proxy so appointed. Proxies shall be delivered to the Condominium Association Secretary at the address set forth on the ballot.

Upon receipt of each return, the Secretary shall place the same in a safe or other secure place until the hour set for the meeting at which the election is to be held. At the time and place appointed for the election, the sealed envelopes containing the ballots shall be delivered by the Secretary, unopened, to an Election Committee of three (3) inspectors appointed by the Board of Trustees, none of whom shall be either a candidate or nominee. The Election Committee shall then adopt a procedure which shall establish:

- (a) the number of memberships outstanding and the voting power of each;
- (b) the members represented at the meeting;
- (c) the existence of a quorum;
- (d) the validity and effect of proxies;
- (e) the receipt of votes or consents; and
- (f) the hearing and determination of all challenges and questions arising in connection with the right to vote.

Such procedure shall be taken in such manner that the vote of any member or his proxy shall not be disclosed by the Election Committee to anyone.

The Election Committee, having first noted the members voting the votes which such members are entitled to cast, shall proceed to open the sealed envelopes, to count the ballots, tally the votes so counted and report the result to the Secretary, who in turn shall at the conclusion of the election, declare the names of the Trustees so elected and shall in due course give written advice to the members of the result.

If any ballot envelope is found to contain more than one ballot or a ballot should purport to cast more votes than those to which the member is entitled, the extra ballot or ballots shall be disqualified and shall not be counted. Immediately after the announcement of the results, unless a review of the procedure is immediately demanded by the members present, the ballots and the outside envelopes shall be destroyed by the Election Committee.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF TRUSTEES

SECTION 7.01. POWERS. The Board of Trustees shall have the power:

- (a) To call special meetings of members whenever it deems it necessary;
- (b) To appoint and remove at its pleasure all officers, agents, and employees of the Condominium Association, prescribe their duties, fix their compensation, and require from them such security or fidelity bond or other indemnity as it may deem expedient or prudent. Nothing in these By-Laws shall be construed to prohibit the employment of any member, officer, or Trustee of the Condominium Association in any capacity whatsoever;
- (c) To establish, levy, assess, and collect the Assessments or charges referred to in the Master Deed, including the right to collect Assessments in advance;
- (d) To adopt and publish Rules and Regulations governing the use of the Common Elements and Limited Common Elements and the personal conduct of the members and their guests thereon and to insure the Common Elements and Limited Common Elements within the legal boundaries of the Condominium;
- (e) To exercise for the Condominium Association all powers, duties and authority vested in or delegated to this Condominium Association by the Master Deed;
- (f) To authorize contracts with Persons, firms or corporations to carry out any of the functions, powers, duties and responsibilities delegated to it for the benefit of the Condominium Association.

SECTION 7.02. DUTIES. It shall be the duty of the Board of Trustees:

- (a) To cause to be kept a complete record of all its acts and corporate affairs and to present a report thereof to the members at the annual meeting or at any special meeting when so requested in writing by members.
- (b) To supervise all officers, agents and employees of the Condominium Association and to see that their duties and functions are properly discharged;
- (c) To fulfill those duties as more fully provided in the Master Deed applicable to the Condominium Property, including:
 - (1) To fix the amount of the Assessment against each Unit for each Assessment period at least thirty (30) days in advance of the date or period when the same is to become effective; and, at the same time;
 - (2) To prepare and maintain a roster of the properties and Assessments applicable thereto which shall be kept in the office of the Condominium Association and shall be open to inspection by any member; and, at the same time;

- (3) To send written notice of each Assessment to any Owner subject thereto;
- (d) To issue or cause an appropriate officer to issue, upon demand by any Person, a certificate setting forth whether any Assessment has been paid. Such certificate shall be conclusive evidence of any Assessment therein stated to have been paid.
- (e) Nothing contained herein to the contrary shall serve to exculpate members of the Board appointed by the Grantor from their fiduciary responsibilities.

ARTICLE VIII
MEETINGS OF TRUSTEES

SECTION 8.01. FIRST MEETING. After the organizational meeting of the Board of Trustees, the first meeting of the Board of Trustees shall be held no later than November 1, 1997 or sixty (60) days following the sale of twenty-five (25%) percent of the Condominium Units, whichever shall occur first.

SECTION 8.02. REGULAR MEETINGS. A regular meeting of the Board of Trustees shall, following the regular annual meeting of the members of the Condominium Association, be held on the second Wednesday of October of each calendar year, and at more frequent intervals as the Board in its discretion may deem expedient. Meetings may be adjourned by the Board to a date later than the times so stated. No notice need be given to the members of the Board of such regular meetings.

SECTION 8.03. SPECIAL MEETINGS. Special meetings of the Board of Trustees shall be held upon the call of the President or any officer of the Condominium Association or by the call of any two (2) or more members of the Board of Trustees. The President may call a special meeting to effectuate the transfer of power from the Grantor to the Condominium Unit Owners.

SECTION 8.04. BUSINESS TRANSACTED. The transaction of any business at any meeting of the Board of Trustees of the Condominium Association, however called and noticed, or wherever held, shall be valid, as though the meeting were duly held after regular call and notice, so long as a quorum is present, and so long as, either before or after the meeting, each Trustee signs a written waiver of notice, or a consent to the holding of the meeting, or an approval of the minutes thereof or of the resolution or act adopted at such meeting. All such waivers, consent or approvals shall be in writing and filed with the Secretary and made a part of the minutes of the meeting even though filed subsequent thereto.

SECTION 8.05. QUORUM. A majority of the Board of Trustees shall constitute a quorum thereof.

SECTION 8.06. OPEN MEETINGS OF TRUSTEES.

A. **Open Meetings.** All meetings of the Board of Trustees, except conference or working sessions at which no binding votes are taken shall be open to all members.

B. **Restrictions on Open Meetings.**

(1) Notwithstanding subsection A above, the Board of Trustees may exclude or restrict attendance at those meetings or portions of meetings dealing with the following:

- a. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- b. Any pending or anticipated litigation or contract negotiations;
- c. Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer; or
- d. Any matter involving the employment, promotion, discipline, or dismissal of a specific employee of the Condominium Association.

(2) At each open meeting of the Board, the participation of members in the proceedings or the provision of a public comment session shall be at the discretion of the Board of Trustees.

C. Minutes at Open Meetings. At each meeting of the Board required to be open to all members, minutes of the proceedings shall be taken, and copies of those minutes shall be made available to all members before the next open meeting of the Board.

The Secretary shall keep reasonably comprehensive minutes of each meeting of the Board showing the time and place, the members of the Board present, the subjects considered, the actions taken, the vote of each Board member, and any other information required to be shown in the minutes by these By-Laws. Such minutes shall be made available to the public in the Condominium Association office, and shall be made available to all members, within 30 days after the date of each such meeting.

SECTION 8.07. NOTICE REQUIREMENTS FOR OPEN MEETINGS.

A. Notice. Adequate notice of any open meeting of the Board shall, as provided for in subsection B below, be given to all members.

B. Adequate Notice. Adequate notice means written advance notice of at least 48 hours, giving the date, time, location and, to the extent known, the agenda of any regular, special, or rescheduled meeting of the Board. Such notice shall accurately state whether formal action may or may not be taken. The notice shall be:

- (1) Prominently posted in at least one place within the Condominium property reserved for such or similar announcements;
- (2) Mailed, telephoned, telegraphed, faxed, or hand delivered to at least two newspapers designated by the Board; and
- (3) Filed with the Condominium Association's Secretary or the administrative officer responsible for administering the Condominium Association's business office.

C. Annual Posting of Open Meetings. At least once each year, within seven (7) days following the annual meeting of the members of the Condominium Association, the Board shall cause there to be posted (and remain posted throughout the year), at those locations set forth in subsection B above, a notice of the regular meetings of the Board scheduled for the next year.

D. Emergency Meetings. In the event that a meeting of the Board of Trustees is required to deal with such matters of urgency and importance that delay, for the purpose of providing 48 hours advance notice, would result in substantial harm to the interests of the Condominium Association, the notice shall be deemed adequate if it is provided as soon as possible following the calling of the meeting.

ARTICLE IX OFFICERS

SECTION 9.01. OFFICERS. The officers of the Condominium Association shall be a President, a Vice President, a Secretary, and a Treasurer and such Assistant Secretaries and Assistant Treasurers as may be determined by resolution of the Board of Trustees. The President and the Vice President shall be members of the Board of Trustees.

SECTION 9.02. MANNER OF ELECTION. The officers shall be elected by a majority vote of the Board of Trustees and shall hold office at the pleasure of the Board of Trustees.

SECTION 9.03. PRESIDENT. The President shall preside at all Board meetings, and shall administer the enforcement of all Board resolutions, orders and policies and shall sign any and all notes, checks, contracts, Mortgages and other instruments.

SECTION 9.04. VICE PRESIDENT. The Vice President shall perform all the duties of the President in the absence of the President for any cause.

SECTION 9.05. SECRETARY. The Secretary shall be ex officio Secretary and Clerk of the Board of Trustees and at all meetings of the members shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. The Secretary shall sign all certificates of membership, keep the records of the Condominium Association and shall keep a roster of the names and addresses of all the members of the Condominium Association. Members shall have the duty to inform the Secretary of any change in address.

SECTION 9.06. TREASURER. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Condominium Association and shall disburse such funds as directed by resolution of the Board of Trustees, provided, however, that such resolution shall not be necessary for disbursements made in the usual course of business conducted within the budget limitations adopted by the Condominium Association. Such routine disbursements shall include by way of illustration but not of limitation: salaries and wages, payment of taxes assessed against the Common Elements, utility charges, insurance premiums service contract payments, stationery and postal charges, all of which shall be made against vouchers or invoices upon which the items, materials or services for which compensation is sought are clearly set forth. The Treasurer shall sign all checks and notes of the Condominium Association.

The foregoing right of indemnification shall be in addition to and not in limitation of all rights to which such persons may be entitled as a matter of law and shall inure to the benefit of the legal representatives of such person. Nothing contained herein to the contrary shall serve to exculpate members of Board appointed by the Grantor from liability for failure to perform their fiduciary responsibilities.

ARTICLE XI COMMITTEES

SECTION 11.01. STANDING COMMITTEES. The Standing Committees of the Condominium Association shall be appointed by the Board and shall include:

- (a) The Nominating Committee.
- (b) The Maintenance Committee.
- (c) The Audit Committee.
- (d) The Rules Committee.

At least one member of each Standing Committee shall be a member of the Board.

SECTION 11.02. THE NOMINATING COMMITTEE. The Nominating Committee shall have the duties and functions described in Article VI hereof.

SECTION 11.03. THE MAINTENANCE COMMITTEE. The Maintenance Committee shall advise the Board of Trustees on all matters pertaining to the maintenance, repair or improvement of the Common Elements of the Condominium Association, and shall perform such other functions as the Board in its discretion shall determine.

SECTION 11.04. THE AUDIT COMMITTEE. The Audit Committee shall supervise the annual audit of the Condominium Association's books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting. The Treasurer shall be an ex officio member of the committee.

SECTION 11.05. THE RULES COMMITTEE. The Rules Committee shall make recommendations to the Board relating to the amendments of the Rules and Regulations promulgated by the Board of Trustees pursuant to Section 16.06 of Article XVI of the Master Deed and Section 13.01 of these By-Laws; and shall perform such other functions as the Board in its discretion shall determine.

SECTION 11.06. OTHER COMMITTEES. The Board may in its discretion appoint other committees of the Condominium Association.

SECTION 11.07. DUTIES. It shall be the duty of each Committee to make, adopt and publish rules pertaining to the organization of each such committee, and to receive complaints from members on any matter involving Condominium Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other

Committee, Trustee or officer of the Condominium Association as is also responsible for the matter presented.

ARTICLE XII
COMMON EXPENSES AND COMMON SURPLUS

SECTION 12.01. COMMON EXPENSES. The Common Expenses of the Condominium Association shall be those expenses incurred by the Condominium Association through the exercise of its powers and authority and the performance of its duties, as provided in these By-Laws, the Certificate of Incorporation and the Rules and Regulations of the Condominium Association, the Master Deed, or as otherwise provided by law.

SECTION 12.02. COMMON EXPENSE ASSESSMENTS. The Condominium Association shall have the power and authority to levy Assessments and collect funds for the Common Expenses and the payment thereof. An Assessment is defined for purposes of this Section as that sum which must be levied (in the manner and against the property set forth below in this Section) in order to raise the total amount for which the levy in question is being made, and each individual Assessment shall be determined and apportioned according to Condominium Unit Percentage Interests of all Condominium Unit Owners, provided, however, pursuant to N.J.S.A. 46:8B-9(g) and (h) and N.J.S.A. 46:8B-17 the Association may impose additional fees or charges upon Condominium Unit Owners who derive a disproportionate benefit from the use of Common Elements. The Association shall levy an Assessment against each improved Condominium Unit for which a certificate of occupancy, temporary or permanent, has been issued and has not been revoked by the appropriate governmental authority; provided, however, that should the monthly amount to be paid by any Non-Market Unit Owner on account of principal, interest, taxes, insurance and condominium fees exceed any monthly housing expense limitation established by law or administrative regulation, the amount by which such monthly amount exceeds said monthly housing expense limitation shall be deducted from the monthly amount to be paid by said Non-Market Unit Owner and shall be added to the expenses assessed to all of the Market Unit Owners in the proportion that the Condominium Unit Percentage Interest of each Market-Unit Owner bears to the aggregate of the Condominium Unit Percentage Interests of all of the Market Unit Owners.

- A. Grantor shall not, either during or after the Period of Grantor's Control, be subject to Assessments or be required to pay any Assessments, dues or fees; provided, however, that when the Condominium Association has made a common expense assessment, the assessment shall be assessed against the Condominium Units individually owned and those under development by the Grantor or leased by the Grantor to third parties in proportion to the benefit derived by each Condominium Unit from items included in the budget. Grantor shall use its best efforts, through the application of Assessments, dues and fees paid by other members of the Condominium Association, to maintain the Condominium Association in a sound and solvent financial condition.
- B. Where the obligation to pay an Assessment first arises after the commencement of the Assessment period for which the Assessment was levied, the Assessment shall be pro-rated, as of the date when said obligation first arose, in proportion to the amount of the Assessment period remaining after said date.

- C. Prior to the beginning of each fiscal year, the Board shall estimate the Common Expenses to be incurred by the Condominium Association in exercising its powers and authority and performing its duties under these By-Laws and the Master Deed or as otherwise provided by law, including a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Assessments, which are in the aggregate sufficient to pay such estimated net charges, shall then be levied by the Board in accordance with and subject to the provisions of this Section 12.02. If the sums collected prove to be inadequate for any reason, including nonpayment of any individual Assessment, the Board may at any time and from time to time levy further Assessments in the same manner as aforesaid. All such regular Assessments shall be due and payable to the Condominium Association during the fiscal year in equal monthly installments on or before the first day of each month, or in such other reasonable and uniform manner as the Board may designate, subject, however, to the limitations of this Section. Any provisions of this Section 12.02 to the contrary notwithstanding, each original Condominium Unit Owner shall, at the closing of title on the initial purchase only of his/her Condominium Unit, pay to the Condominium Association as a contribution to the maintenance fund established by the Condominium Association pursuant to this Section 12.03 the following:
- (i) a non-refundable amount on account of, and equal to the sum of, the first three (3) full monthly installments on account of the regular monthly Assessment levied for his/her Condominium Unit for working capital purposes; and
 - (ii) a non-refundable pro-rata amount (on account of the regular monthly Assessment for his/her Condominium Unit) for the remainder of the month during which the closing occurs.
- D. In addition to the periodic Assessments authorized above, the Condominium Association may levy special Assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a Common Element or an Improvement or Eligible Capital Improvement (as defined in the Master Deed) upon the Common Elements or to meet any financial emergency of the Condominium Association.
- E. Assessments shall be both a personal obligation and a Lien against each Condominium Unit and all Improvements and Eligible Capital Improvements (as defined in the Master Deed) thereon. The Condominium Association may enforce payment of such Assessments in accordance with the provisions of this Article.
- F. The Board shall give written notice to each Owner of the amount estimated by the Board for the forthcoming budget year. Such notice shall be directed to the Owner at his/her last known address by ordinary mail or hand delivery.

SECTION 12.03. MAINTENANCE FUND. The Board shall establish a maintenance fund into which shall be deposited monies paid to the Condominium Association and from which disbursements shall be made in performing the functions of the Condominium Association as provided in the Master Deed or as otherwise provided by law. The maintenance fund of the Condominium Association must be used solely for purposes relating to the Common Elements (including the Limited Common Elements)

subject to the Restrictions of maintenance or operation set forth in the Master Deed, as it may from time to time be amended.

SECTION 12.04. LATE CHARGES. If any Assessment is not paid within ten (10) days after it is due, or within such longer period of time after it is due as the Board may determine, the Owner may be required by the Board to pay a late charge of five (5%) percent of the unpaid Assessment.

SECTION 12.05. UNPAID ASSESSMENTS AS PERSONAL LIABILITIES AND LIENS. The amount of any delinquent Assessment or charge assessed against any property and any late payment charge attributable thereto, plus interest on such charges at a rate of eighteen (18%) percent per annum simple interest, and the costs of collecting the same, including reasonable attorneys' fees, shall be both a personal liability of the Owner, enforceable in any court of competent jurisdiction, and a Lien upon such Condominium Unit and any Improvements or Eligible Capital Improvements (as defined in the Master Deed) thereon. Such Lien shall be prior to an applicable homestead exemption, if any. Such Lien may be foreclosed in the same manner as is provided in the laws of the State of New Jersey for the Foreclosure of Mortgage all unpaid Assessments, charges and expenses chargeable to the Unit shall be first paid out of the sales price in preference to any other Assessments or charges of whatever nature except: (1) Assessments, Liens and charges for taxes past due and unpaid on the Condominium Unit; and (2) payments due under a bona fide first Mortgage, duly recorded.

A certificate executed and acknowledged by any member of the Board or any officer of the Condominium Association, stating the indebtedness secured by such Lien, shall be conclusive upon the Condominium Association as to the amount of such indebtedness as of the date of the certificate, in favor of all Persons (as defined in the Master Deed) who rely thereon in good faith, and such certificate shall be furnished to any member upon request at a reasonable fee, as established by the Condominium Association.

SECTION 12.06. COMMON SURPLUS. The Common Surplus of the Condominium Association shall be the excess of all monies received by the Condominium Association in a fiscal year of the Condominium Association over the Common Expenses of the Condominium Association for a fiscal year of the Condominium Association.

SECTION 12.07. OWNERSHIP OF COMMON SURPLUS. The members of the Condominium Association shall own the Common Surplus according to the then current Unit Percentage Interest of each member as provided by these By-Laws and the Master Deed.

SECTION 12.08. DISTRIBUTION OF COMMON SURPLUS. The Condominium Association shall, upon a majority vote of the Board of Trustees, distribute the Common Surplus of the Condominium Association for any preceding fiscal year among the members pro rata according to the Unit Percentage Interest of each member current at the close of the fiscal year during which such Common Surplus accrued; provided, however, that nothing in this Section shall be construed so as to obligate the Condominium Association or its officers or the Board or its members to vote for, require, or make such a distribution.

SECTION 12.09. USE OF COMMON SURPLUS. Notwithstanding any provision of these By-Laws to the contrary, any payment made by the Condominium Association for any Common Expense shall be deemed to be drawn initially from the Common Surplus, if any, until exhausted, whether or not

said payment is actually made from funds identifiable as Common Surplus, and regardless of any Assessment made or contemplated.

SECTION 12.10. DISBURSAL UPON DISSOLUTION. Upon the termination of both the Condominium and the Condominium Association, the Common Surplus shall be distributed among the members pro rata according to the Unit Percentage Interest of each member current at the point in time immediately preceding the termination of the Condominium. Nothing in this Section shall be deemed to mandate the distribution of the Common Surplus upon a change in nature of the Condominium Association.

ARTICLE XIII
RESTRICTIONS ON OCCUPANCY,
ALIENATION AND ALTERATION

SECTION 13.01. RESTRICTIONS. Every Owner and occupant must comply with the terms of the Master Deed and these By-Laws, as well as such Rules and Regulations relating to the use, occupancy and operation of the Condominium (including the use, occupancy and operation of the Condominium Property and the Condominium Units) as may from time to time be adopted by the Board pursuant to the terms of Section 16.06F of the Master Deed and this Section. The following constitute restrictions relating to the use, occupancy and operation of the Condominium Units, as well as the right of alienation and the right of alteration of the Condominium Units:

A. Except for Grantor's use of one or more Units (as owner thereof or under a lease, use and occupancy or similar agreement) as models or sales/administrative offices in connection with the development, marketing and management of the Condominium, no part of a Condominium Unit shall be used other than as a single-family residential dwelling and for the common recreational purposes appertaining thereto. Nothing shall be done or kept in any Condominium Unit or in the Common Elements which will increase the rate of insurance for the building in which the Condominium Unit is located, or any other building or Condominium Unit, or the Common Elements (including the Limited Common Elements), or the contents thereof, without the prior written consent of the Board of Trustees. No Owner or occupant shall permit anything to be done or kept in his/her Condominium Unit or in the Common Elements (including the Limited Common Elements) which will result in the cancellation of insurance on any of the buildings, the Common Elements (including the Limited Common Elements), or any other Condominium Unit, or the contents thereof, or which would be in violation of any law. No waste (i.e., destruction or alteration or deteriorating action by a person rightfully in possession) shall be committed in any of the Common Elements (including the Limited Common Elements). No Owner or occupant shall take or cause to be taken any action within his/her Condominium Unit which would jeopardize the soundness or safety of, or adversely affect, any part of the Condominium property or the Common Elements (including the Limited Common Elements), or impair any easements or rights appurtenant thereto.

B. The following shall be governed by such Rules and Regulations as are from time to time promulgated by the Board pursuant to Section 16.06F of the Master Deed and this Section:

1. The posting of signs of any kind.
2. The keeping of pets of any kind.

3. The types of activity that may take place within any Condominium Unit or the Common Elements (including the Limited Common Elements).
4. The right to contract for or perform maintenance upon the Common Elements (including the Limited Common Elements).
5. The use of sidewalks, entrances, passages, courts and patios.
6. The use of exterior loudspeakers.
7. The use of floodlights.
8. The parking and storage of vehicles.
9. The handling of trash, rubbish, debris and garbage.
10. The treatment of windows of Units.
11. The use, occupancy and operation in general of the Units and the Common Elements (including the Limited Common Elements).

C. For a period of thirty (30) years, the resale and leasing of Non-Market Units, as defined in the Master Deed, shall be governed by the provisions of Articles V, VI, VII, VIII and IX of the Master Deed, and said period may under applicable law and regulation be extended by the Borough of Riverdale or other governmental agencies or entities beyond said period.

D. The resale and leasing of Non-Market Units shall also be subject to and governed by the provisions of:

1. Articles V, VI, VII, VIII and IX of the Master Deed, which give the New Jersey Council on Affordable Housing (the "Council"), the New Jersey Department of Community Affairs (the "Department"), the New Jersey Housing and Mortgage Finance Agency (the "Agency"), the Affordable Housing Agency of Riverdale (the "Authority") and/or the Condominium Association certain rights regarding the resales and leasing of every Non-Market Unit, including, but not limited to: the right of approval, the right to be notified of and be present at closing, the right to copies of documents of sale and lease agreements, the right to record the transfer of a Condominium Unit as final on the books and records, the right of the Authority to have the means to determine whether resales of Non-Market Units comply with the price restrictions on resales, and the right of the Authority to determine the qualifications of the purchasing Owners and occupants under the restrictions common to all Non-Market Units in the Condominium. Resales and leasing of Non-Market Units shall also be subject to and governed by the rules and regulations of the Authority and the Affordable Housing Agreement executed by and between the Authority and each Owner of a Non-Market Unit.

2. Article XI of the Master Deed, which relates to Breach or Default by an Owner.

E. Every Owner is, under Article X of the Master Deed, required: (1) to attempt to prevent the sale of his/her Condominium Unit pursuant to a Foreclosure decree, (2) to pay all taxes and Assessments made against his/her Condominium Unit, (3) to keep his/her Condominium Unit in good

repair, (4) to retain his/her Condominium Unit as a place of residence and not a place of business, (5) to comply with the rules relating to transfer of Ownership by inheritance or by operation of law, (6) to refrain from leasing or renting his/her Condominium Unit without the written consent of the Condominium Association, and, with respect to Non-Market Units, the and (7) to use his/her Condominium Unit in compliance with all laws, ordinances and the requirements of any governmental authority. In addition, every Owner is required to comply with the provisions of the Master Deed, the Condominium Association's Certificate of Incorporation, these By-Laws and the Rules and Regulations of the Condominium Association.

F. Except for the Limited Common Elements restricted to the use of specified Condominium Units to the exclusion of other Condominium Units, the Common Elements shall only be used for the furnishing of services and facilities for which they are reasonably intended and suited and which are incident to the use and occupancy of the Condominium Units.

G. In accordance with Section 5.07 of the Master Deed, no Condominium Unit may be leased or rented by the Owner to any other party without the prior written approval of the Condominium Association, and, with respect to Non-Market Units, the Authority.

ARTICLE XIV BOOKS AND PAPERS

SECTION 14.01. INSPECTION. All books, records, papers and files of the Condominium Association shall at all times during reasonable business hours, upon request, be open to the inspection of any member of the Condominium Association, as well as to any duly licensed attorney or certified public accountant representing any member of the Condominium Association or a Mortgagee having an interest in any portion of the Condominium.

ARTICLE XV CORPORATE SEAL

SECTION 15.01. SEAL. The Condominium Association shall have a seal in circular form having within its circumference the words "Rock Creek Crossing Condominium Association, Inc."

ARTICLE XVI AMENDMENTS

SECTION 16.01. AMENDMENTS. The provisions of these By-Laws may be amended by a majority of the votes cast by those members present personally or by proxy at any regular or special meeting, provided notice thereof shall have been given; provided, however, that those provisions of these By-Laws which are governed by the Certificate of Incorporation of the Condominium Association and the Master Deed applicable to the Condominium may not be amended except as provided in, or pursuant to amendment of, said Certificate of Incorporation of the Condominium Association and the Master Deed, and this limitation shall be applicable whether the specific By-Law under consideration for amendment is either stated to be or, if not so stated, is, in fact, subject to the provisions of either the Certificate of

Incorporation of the Master Deed. In any such case, the manner and period of Notice and the quorum requirements in such instruments set forth shall be controlling.

The Grantor shall not be permitted to cast any votes held by him for unsold Units for the purpose of amending these By-Laws or the Master Deed, for the purpose of changing the permitted use of any sold Unit, or for the purpose of reducing the total Common Elements affecting any sold Unit.

Notwithstanding anything herein to the contrary, for so long as the Grantor shall own one or more Unit unsold in the ordinary course of business and for ten (10) years thereafter:

(a) These By-Laws may not be amended without the Grantor's written consent if the effect of such amendment would be detrimental to any right or interest of Grantor.

(b) Grantor shall have the right to amend these By-Laws without the requirement of any vote approval or consent of any Unit Owner (or Mortgagee in the case of an amendment which does not affect the validity of the Lien of its Mortgage) for any lawful purpose, provided that such amendment is required by any title insurance company, Mortgage lender, prospective Mortgage lender, governmental authority or governmental agency, or is pursuant to the provisions of the Master Deed.

SECTION 16.02. CONFLICT. In the case of any conflict between any provision in the Master Deed and these By-Laws, the provisions of the Master Deed shall control.

ARTICLE XVII NOTICES

SECTION 17.01. NOTICE. Any notice required to be sent to any member under the provisions of these By-Laws and/or the Master Deed shall be deemed to be given upon mailing, postage prepaid, to the member at his last known address as shown on the records of the Condominium Association. Notice to a co-owner of a Unit shall constitute notice to all co-owners of said Unit. Notice indicating the time, place and purposes of each meeting shall be given not less than ten (10), nor more than sixty (60) days, before such meeting.

ARTICLE XVIII MISCELLANEOUS

SECTION 18.01. INVALIDITY. The invalidity of any provision of these By-Laws, whether by operation of law or otherwise, shall not affect or impair the enforceability or validity of the remaining provisions of these By-Laws.

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