

MASTER DEED

SOUTHPORT AT WALL

Scott Title Services, LLC
268 Broad Street
Red Bank, New Jersey 07701
732.842.9900/Voice 732.842.9911/Fax

PREPARED BY:
Michael S. Skea
MICHAEL S. SKEA
Attorney at Law
State of New Jersey

Chicago Title Ins Co
"Buckin Barn Re"
Roseland 07068
P-197-

MASTER DEED

COUNTY OF MONMOUTH	
CONSIDERATION _____	
RTF <i>Open</i>	AND RTF <i>Open</i>
DATE <i>2/19/89</i> BY <i>MS</i>	

This Master Deed made on this 1st Day of February, 19 89, by
Southport Development Group, Inc., a New Jersey Corporation, having its principal
office at 727-7 Joralemon Street, Township of Belleville, State of New Jersey,
(hereinafter referred to as "Grantor").

1. Definition of Terms

The definition of terms used in this Master Deed shall be governed by the
definitions set forth in N.J.S.A. 46:8B-3e (the "Condominium Act") unless
otherwise defined herein.

2. Submission of Land to the Condominium Act

The Grantor hereby submits the land (as hereinafter defined) to the provisions
of N.J.S.A. 46:8-1 et seq. of the laws of the State of New Jersey (The
Condominium Act) and pursuant thereto does hereby create and establish
thereon, a condominium to be known as Southport at Wall Condominiums,
(hereinafter referred to as the "Condominium").

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RECORDED
MONMOUTH COUNTY
CLERK'S OFFICE
NAME & CLERK
FREIGHT M.R.
CONDOMINIUM
FEB 22 1989
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3. The Land

The land consists of all that certain tract, lot, and parcel of land situate, lying and being in the Township of Wall, County of Monmouth and State of New Jersey, more particularly described in Exhibit "I-C" annexed hereto and made a part hereof.

4. Survey and Plans

A survey of the land is annexed hereto as Exhibit "I-B" and made a part hereof. A graphic description of the improvements erected on the land, showing and identifying the Common Elements, each unit and their respective locations and approximate dimensions, are annexed hereto as Exhibit "I-D" and made a part hereof.

Each unit is measured horizontally from the interior surface (but not including such surface) of the masonry block of all walls to the interior surface (but not including such surface) of the masonry block of all opposite walls and vertically from the lower surface (but not including such surface) of the roof rafters, structural members and sheathing, as the locations of such walls, floor and roof members.

Doors and windows which open from a unit are part of the unit. All fixtures located within a unit are part of said unit.

3)

5. Identification of Units

Exhibit "I-A" annexed hereto and made a part hereof, sets forth the proportionate undivided interest in the common elements appurtenant to each unit stated as percentages aggregating 100% and the identification of each unit as follows:

Bottom

The bottom of the unit is a horizontal plane through the lowest point of the interior surface of the unit floor extending in every direction to the point where it closes with the interior finished and unpainted surfaces of the four walls of the dwelling.

Top

The top of all units is a horizontal plane extending in every direction to the point where it closes with the interior finished and unpainted surfaces of the four walls of the dwelling.

Front

The front of the unit is a vertical plane along and coincident to the interior finished and unpainted surface of the front wall. It extends downward so that its lower limit coincides with the forward limit of the bottom. It extends upward so that its upper limit coincides with the forward limit of the top. It extends laterally, in each instance and closes with the sides.

Rear

The rear of the unit is a vertical plane along and coincident with the interior finished and unpainted surface of the rear wall. It extends downward so that its lower limit coincides with the rear limit of the bottom. It extends upward so that its upper limit coincides with the rear limit of the top. It extends laterally and closes with the sides.

Sides

The sides of each unit are vertical planes along and coincident with the interior finished and unpainted surface of the side walls and then extend upward and downward so as to close the area within the dwelling bounded by the bottom, top, front and rear of the unit.

Each unit also includes all appliances, fixtures, interior partitions and other improvements located within the unit and shall include the individual appurtenances which are exclusive to such unit although all or parts thereof may not be located within the unit.

Two (2) parking spaces will be conveyed with each unit in the Unit Deed.

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No pipes, wires, conduits or other public utility lines or installations constituting a part of the overall systems designed for the service of any particular single unit or for the entire building or buildings or other units therein nor any of the structural members or portions of any kind, including fixtures and appliances within the unit, which are not removable without jeopardizing the soundness, safety or usefulness of the remainder of the building shall be deemed to be a part of any unit, the same being deemed Common Elements as hereinafter defined. The word "unit" when used throughout this instrument shall be deemed to refer to each of the aforesaid units as herein described.

6. General and Limited Common Elements

All of the condominium property which is not part of the units as herein before described, shall comprise the General and Limited Common Elements.

The General Common Elements include by way of description but not by way of limitation, the following:

- a) All land described in Exhibit 1-C aforesaid, whether improved or unimproved;
- b) All private streets, driveways, curbs and sidewalks, subject to the easements and provisions set forth in Paragraph 16 hereof;
- c) The parking areas as shown within the lands, if applicable, use of which shall be subject to the Rules and Regulations;
- d) Lawn areas, shrubbery, conduits, utility lines and waterways, subject to the easements and provisions set forth in Paragraph 16 hereof;

- e) Public connections and meters for gas, electricity, telephone and water not owned by the public utility or other agencies providing such services;
- f) The roof, the foundations, footings, columns, girders, beams, supports, exterior or interior bearing or main walls and floors between units;
- g) Exterior lighting and other facilities necessary to the upkeep and safety of the building and grounds;
- h) Any easement or other right which may now or hereafter be granted for the benefit of the Unit Owner(s) or others for access to or use of the Common Elements not included within the Condominium which may be owned by the Association;
- i) All tangible personal property required exclusively for the operation, maintenance and administration of the Condominium which may be owned by the Association; and
- j) All other facilities or elements of any improvement within the Condominium necessary or convenient to the existence, management, operation, maintenance or safety of the Condominium or normally in common use.

7)

The Limited Common Elements, if any, shall be as graphically shown on Exhibits I-D aforesaid and shall include by way of description and not by way of limitation, any balcony, deck, terrace, patio, stoop or yard to which there is direct access from the interior of an appurtenant Unit(s) and shall be for the exclusive use of such Unit(s). Each Unit Owner's right to use the Limited Common Elements appurtenant to his unit or building may not be transferred apart from the conveyance of title to the unit. The Owners of a unit(s) to which a balcony, deck, terrace, patio, stoop or yard is attached or connected shall make repairs thereto caused by their own negligence, misuse or neglect and shall be responsible for all repairs, maintenance, cleaning or snow removal from any such balcony, deck, terrace, patio, stoop or yard.

7. Voting Rights

Each unit owner (including the Grantor, to the extent he owns any unit) shall be entitled to cast one vote at all meetings of the unit owners for each unit to which he holds title.

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

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8. Ownership and Use of Common Elements

The proportionate undivided interest of each unit owner in the common elements is set forth in Exhibit "I-A" annexed hereto and made a part hereof. Each unit owner with respect thereto shall be subject to and governed by the provisions of the Act, this Master Deed and the By-Laws and rules and regulations of the Association.

The Association shall have the authority to lease or rent or grant licenses or concessions with respect to the other parts of the common elements subject to the provisions of this Master Deed and the By-Laws of the Association.

9. Common Expenses

Each unit owner shall be required to pay his proportionate share of the expenses of maintenance, repair, reserves for replacement, administration and operation of the common elements which expenses are hereinafter referred to collectively as "common expenses".

Such proportionate share shall be the same as the proportionate, undivided interest of the unit owner in the common elements as set forth in Exhibit "I-A" hereof. Payment thereof shall be in such amount and at such times as may be provided in the By-Laws.

9)

The Association, on behalf of the unit owner, shall have a lien on each unit for unpaid common expenses assessed against such unit by the Association. All such liens shall be subordinate to real estate taxes and to the lien of a prior record first mortgage to which such unit is subject. If the bona fide unit owner shall default in his payment with respect to the common expenses, the Association shall have a lien against the unit owned by said unit owner which shall inure to the benefit of the Association. The liability of such unit owner for the payment of common expenses assessed against his unit accruing after a valid sale, transfer or conveyance of such unit shall terminate upon such sale, transfer or conveyance in accordance with and subject to the provisions of the By-Laws.

A Purchaser or Grantee of a unit shall be required to pay unpaid common expenses assessed against his unit prior to the acquisition by him of such unit, except that a mortgagee who acquires title to the mortgaged unit or a Purchaser at a foreclosure sale or by deed or proceeding in lieu of foreclosure shall not be liable for unpaid assessments pertaining to said unit and the unit shall not be subject to a lien for unpaid assessments applicable to a period prior to the acquisition of title to such unit by such mortgagee or purchaser at a foreclosure sale. In the event of a foreclosure by the Association of its lien on any unit for unpaid assessments and the proceeds of the foreclosure sale shall not be sufficient for the payment of such unpaid assessments, the unpaid balance shall be charged to all unit owners as a common expense.

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10. Rights of First MortgageesSection 1/Consents

The Association shall not, without the prior written consent of two-thirds of the first mortgagees (such vote being based upon one vote for each first mortgage held on each living unit by such first mortgagee) or Owners other than the Grantor herein of the individual condominium units, except as provided by statute in case of condemnation or substantial loss to the units and/or common elements of the condominium project:

- a) By act or omission, seek to abandon or terminate the condominium project;
- b) Change the pro rata interest or obligations of an "Individual" condominium unit for the purpose of:
 - i) Levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or
 - ii) Determining the pro rata share of ownership of each condominium unit in the common elements; or
- c) Partition or subdivide any condominium unit;

11)

- d) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause); or
- e) Use hazard insurance proceeds for losses to any condominium property (whether to units or common elements) for other than the repair, replacement or reconstruction of such condominium property.

Section 2/Taxes

All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual condominium units and not the condominium project as a whole.

Section 3/Damage

In the event of damage to or destruction of any condominium unit or portion thereof, or any part of the common elements, the first mortgagee of said condominium unit is entitled to timely written notice of any such damage or destruction.

While the developer maintains control of the executive board, he shall take no action which adversely affects a homeowners rights under N.J.A.C. 5:25-5.5. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

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No condominium unit owner or any other party shall have priority over any rights of the first mortgagee of said condominium unit pursuant to its mortgage with respect to the distribution of such condominium unit of any insurance proceeds.

Section 4/Condemnation

In the event condemnation of any unit or portion thereof, or any part of the common elements is made, the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the first mortgagee of said condominium unit is entitled to timely written notice of any such proceeding or proposed acquisition. No condominium unit owner or other party shall have priority over said first mortgage with respect to the distribution to such condominium unit of the proceeds of any award or settlement.

Section 5/Amenities

Amenities, if any, (such as recreational facilities) are a part of the condominium project and are covered by the mortgage at least to the same extent as are the common elements.

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Section 6/Notice of Default

A first mortgagee, upon notification to the Association, shall be entitled to written notification from the Association of any default in the performance by the condominium unit owner of any living unit upon which the first mortgagee holds a mortgage, of any obligation of said condominium unit owner created by the Master Deed or By-Laws which is not cured within sixty (60) days from such date of default.

Section 7/Management Agent

Any agreement for professional management of the condominium project, or any other contract providing for services of the developer, sponsor or builder may not exceed one (1) year and must provide for termination by either party without cause and without payment of a termination fee, on ninety (90) days or less written notice.

11. Common Surplus

The proportional ownership of unit owners of any common surplus shall be based upon their proportionate undivided interest in the common elements as indicated in Exhibit "1-A".

12. Administration of the Condominium

The administration of the condominium shall be by the Southport at Wall Condominium Association, Inc., (a New Jersey not-for-profit, non-stock membership corporation incorporated pursuant to Title 15A of the Revised Statutes of the State of New Jersey, the membership of which shall be comprised exclusively of the unit owners) in accordance with the provisions of the Condominium Act, this Master Deed, the By-Laws attached hereto as Exhibit "I-B" and made a part hereof, any other documents, amendments or supplements to the foregoing which may subsequently be required by an institutional mortgage lender, or by any governmental agency having regulatory jurisdiction over the condominium or by any title insurance company selected by the Grantor to insure title to any unit(s).

13. Amendments

This Master Deed may be amended or supplemented only by the acquiescence of unit owners owning a total of at least 75% of the units. Said acquiescence shall be indicated by vote, cast in person or by proxy at a meeting duly held in accordance with the provisions of the condominium by-laws.

15)

No such amendment or supplement shall be effective unless it is consented to in writing by any mortgagee holding a first mortgage on any unit in the condominium. Further, no such amendment or supplement shall be effective until recorded in the Office of the Clerk of the County of Monmouth, State of New Jersey.

The developer shall not be permitted to cast any votes held by him for unsold lots, parcels, units or interest for the purpose of amending the Master Deed, By-Laws or any other document for the purpose of changing the permitted use of a lot, parcel, unit or interest, or for the purpose of reducing the common elements or facilities.

14. Compliance by Unit Owners or Occupants

Each unit owner or occupant shall comply with the provisions of this Master Deed, the By-Laws of the Condominium Association, and with any amendments or supplements to the foregoing. Failure to comply with any such provisions, shall be grounds for injunctive relief by the Grantor, the Association and any other unit owner.

15. Restrictions

No unit shall be rented by the owners thereof for transient or hotel purposes, which shall be defined as rental for any period of less than six (6) months.

Nothing herein shall be construed to prohibit the reasonable adaptation of any unit for handicap use.

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16. Easements

Each unit shall have an easement in common with other units to use all pipes, wires, ducts, cables, conduits, public utility lines and all other common elements located in any of the other units or elsewhere on the condominium property and serving each unit. Each unit shall be subject to an easement in favor of other units to use the pipes, wires, ducts, cables, conduits, public utility lines and all other common elements located in such unit or elsewhere on the condominium property and serving other units. The Board of Directors shall have a right of access to each unit to inspect such unit, to remove violations therefrom and to maintain, repair or replace the common elements contained therein or elsewhere in the building. The above is to be done with notice at reasonable hours except in emergencies.

17. Waiver

No provision contained in this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

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18. Exhibits

The exhibits annexed hereto shall be deemed a part of this Master Deed and all of the terms, covenants, and provisions thereof are incorporated herein as fully as if set forth herein at length.

19. Gender

The use of the masculine gender in this Master Deed shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

20. Severability

If any provision of this Master Deed or any section, sentence, clause, phrase or word or the application thereof shall in any circumstance be judicially held in conflict with the laws of the State of New Jersey, then the said laws shall be deemed controlling and the validity of the remainder of this Master Deed and the application of any such provision, section, sentence, clause, phrase, or word in other circumstances shall not be affected thereby.

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This condominium may be terminated by the affirmative vote of eighty percent (80%) of the unit owners at a special meeting called in compliance with the provisions set forth in the By-Laws.

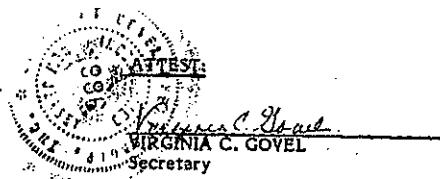
WITNESSETH the hand of William W. Gove, President of Southport Development Group, Inc., a New Jersey Corporation, the Grantor, the date and year first above written.

Southport Development Group, Inc.

A New Jersey Corporation

BY:

WILLIAM W. GOVEL
President



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STATE OF NEW JERSEY

ss

COUNTY OF MONMOUTH

BE IT REMEMBERED that on February 1, 1989, before me, the subscriber, Robert G. Beck, an Attorney at Law in the State of New Jersey, personally appeared William W. Gove, President of Southport Development Group, Inc., a New Jersey Corporation, who I am satisfied is the Sponsor of Southport at Wall Condominiums and who executed the within instrument on behalf of the sponsoring entity and thereupon acknowledged that he signed and delivered the same for the use and purpose therein expressed.



ROBERT G. BECK
AN ATTORNEY AT LAW
DE NEW JERSEY

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EXHIBIT 1-A

SCHEDULE OF PERCENTAGE INTEREST

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SCHEDULE OF PERCENTAGE INTEREST
FOR
SOUTHPORT AT WALL CONDOMINIUMS

<u>UNIT NUMBER</u>	<u>DESCRIPTION OF UNIT</u>	<u>PERCENTAGE INTEREST</u>	<u>PARKING SPACES IDENTIFICATION NO.</u>
A-1	TWO BEDROOM w/ 2 Parking Spaces	3.3333	A-1
A-2	TWO BEDROOM w/ 2 Parking Spaces	3.3333	A-2
A-3	TWO BEDROOM w/ 2 Parking Spaces	3.3333	A-3
A-4	TWO BEDROOM w/ 2 Parking Spaces	3.3333	A-4
B-1	TWO BEDROOM w/ 2 Parking Spaces	3.3333	B-1
B-2	TWO BEDROOM w/ 2 Parking Spaces	3.3333	B-2
B-3	TWO BEDROOM w/ 2 Parking Spaces	3.3333	B-3
B-4	TWO BEDROOM w/ 2 Parking Spaces	3.3333	B-4
C-1	TWO BEDROOM w/ 2 Parking Spaces	3.3333	C-1
C-2	TWO BEDROOM w/ 2 Parking Spaces	3.3333	C-2
C-3	TWO BEDROOM w/ 2 Parking Spaces	3.3333	C-3
C-4	TWO BEDROOM w/ 2 Parking Spaces	3.3333	C-4
D-1	TWO BEDROOM w/ 2 Parking Spaces	3.3333	D-1
D-2	TWO BEDROOM w/ 2 Parking Spaces	3.3333	D-2
D-3	TWO BEDROOM w/ 2 Parking Spaces	3.3333	D-3

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<u>UNIT NUMBER</u>	<u>DESCRIPTION OF UNIT</u>	<u>PERCENTAGE INTEREST</u>	<u>PARKING SPACE IDENTIFICATION NO.</u>
D-4	TWO BEDROOM w/ 2 Parking Spaces	3.3333	D-4
E-1	TWO BEDROOM w/ 2 Parking Spaces	3.3333	E-1
E-2	TWO BEDROOM w/ 2 Parking Spaces	3.3333	E-2
E-3	TWO BEDROOM w/ 2 Parking Spaces	3.3333	E-3
E-4	TWO BEDROOM w/ 2 Parking Spaces	3.3333	E-4
E-5	TWO BEDROOM w/ 2 Parking Spaces	3.3333	E-5
E-6	TWO BEDROOM w/ 2 Parking Spaces	3.3333	E-6
F-1	TWO BEDROOM w/ 2 Parking Spaces	3.3333	F-1
F-2	TWO BEDROOM w/ 2 Parking Spaces	3.3333	F-2
F-3	TWO BEDROOM w/ 2 Parking Spaces	3.3333	F-3
F-4	TWO BEDROOM w/ 2 Parking Spaces	3.3333	F-4
G-1	TWO BEDROOM w/ 2 Parking Spaces	3.3333	G-1
G-2	TWO BEDROOM w/ 2 Parking Spaces	3.3333	G-2
G-3	TWO BEDROOM w/ 2 Parking Spaces	3.3333	G-3
G-4	TWO BEDROOM w/ 2 Parking Spaces	3.3333	G-4

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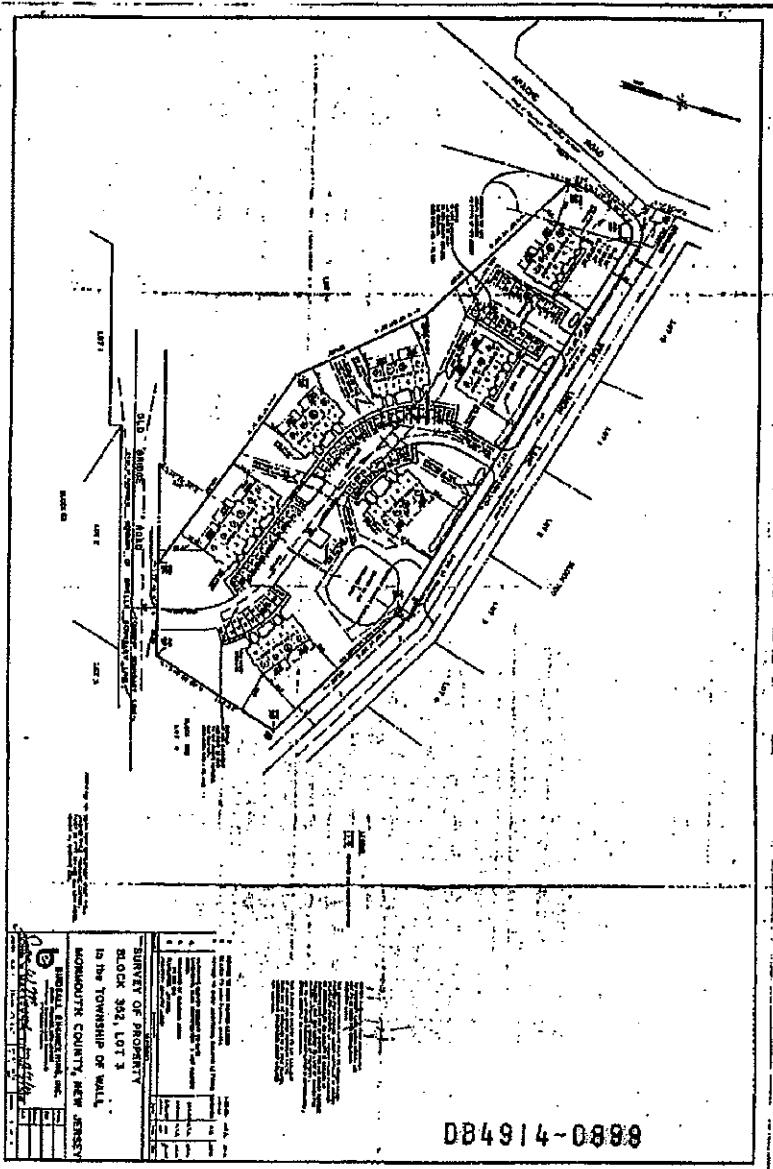
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EXHIBIT 1-B

SURVEY MAP OF PROPERTY

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DB4914-0898

EXHIBIT 1-C

LEGAL DESCRIPTION OF PROPERTY

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LEGAL DESCRIPTION

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Township of Wall, County of Monmouth, State of New Jersey, and more particularly described as follows:

BEGINNING at a point at the intersection of the southerly line of West Union Lane, at the easterly terminus of a curve, formed by the intersection of said West Union Lane, as widened, with the easterly line of Apache Road, as widened, and running thence:

- (1) South 76 degrees 10 minutes 50 seconds East 532.13 feet to a point; thence;
- (2) South 60 degrees 14 minutes 50 seconds East 213.26 feet to a point; thence;
- (3) South 14 degrees 24 minutes 20 seconds West 168.29 feet to a point; thence;
- (4) South 72 degrees 46 minutes 40 seconds West 113.00 feet to a point; thence;
- (5) North 71 degrees 53 minutes 01 seconds West 284.86 feet to a point; thence;
- (6) North 42 degrees 04 minutes 55 seconds West 174.00 feet to a point; thence;
- (7) North 60 degrees 44 minutes 04 seconds West 241.95 feet to a point; thence;
- (8) North 01 degrees 14 minutes 50 seconds West 028.94 feet to a point; thence;
- (9) North 23 degrees 26 minutes 20 seconds East 058.04 feet to a point; thence;
- (10) On a curve bearing to the right having a radius of 20.0 feet, an arc distance of 20.86 feet to the point and place of BEGINNING.

The above description is drawn in accordance with a map entitled "Proposed Minor Subdivision of Lot 1 and 3, Block 352 in the Township of Wall, Monmouth County, New Jersey" dated June 9, 1986 made by Birdsall Engineering, Inc..

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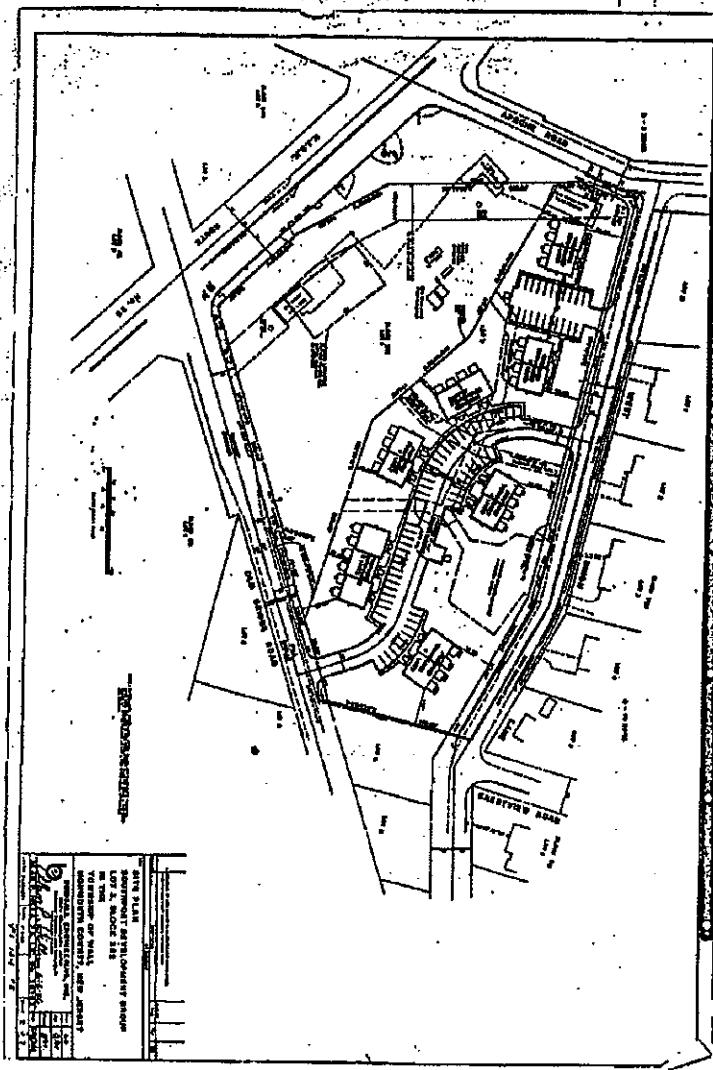
EXHIBIT 1-D

SITE AND FLOOR PLANS

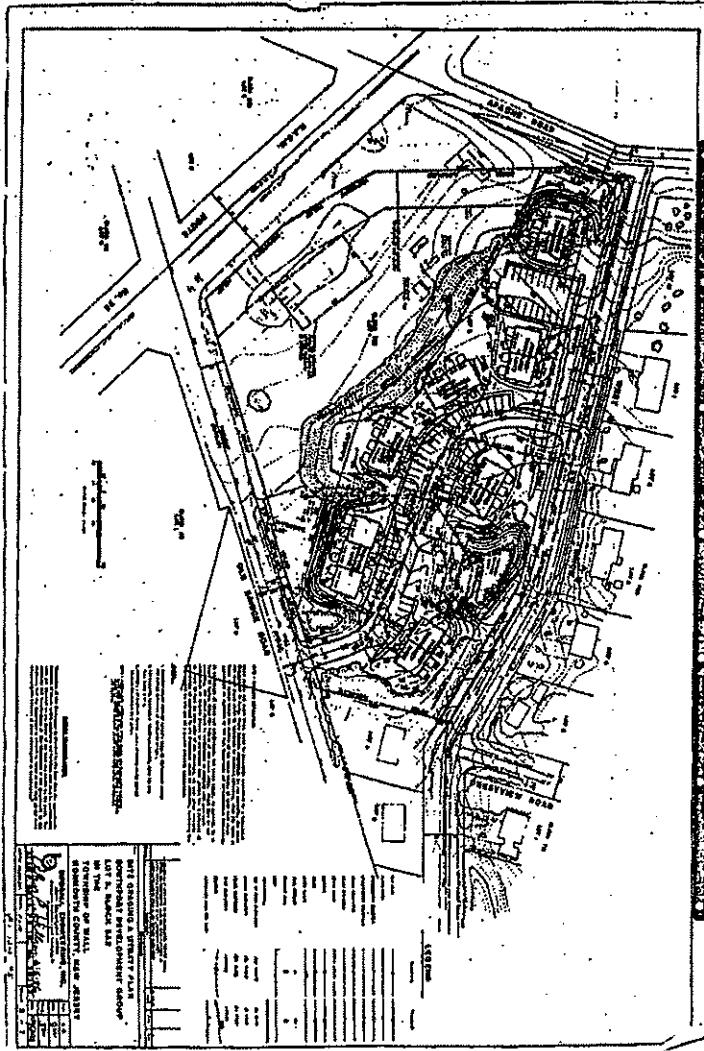
PLEASE NOTE ALL DIMENSIONS ON THE FOLLOWING FLOOR PLANS ARE APPROXIMATE AND SUBJECT TO CHANGE. ALL CHANGES MUST BE MADE BY AMENDMENT TO THIS MASTER DEED. MINOR CHANGES WILL AFFECT PERCENTAGE INTERESTS IN THE COMMON ELEMENTS AND AS A RESULT WILL ALTER THE MONTHLY MAINTENANCE FEES.

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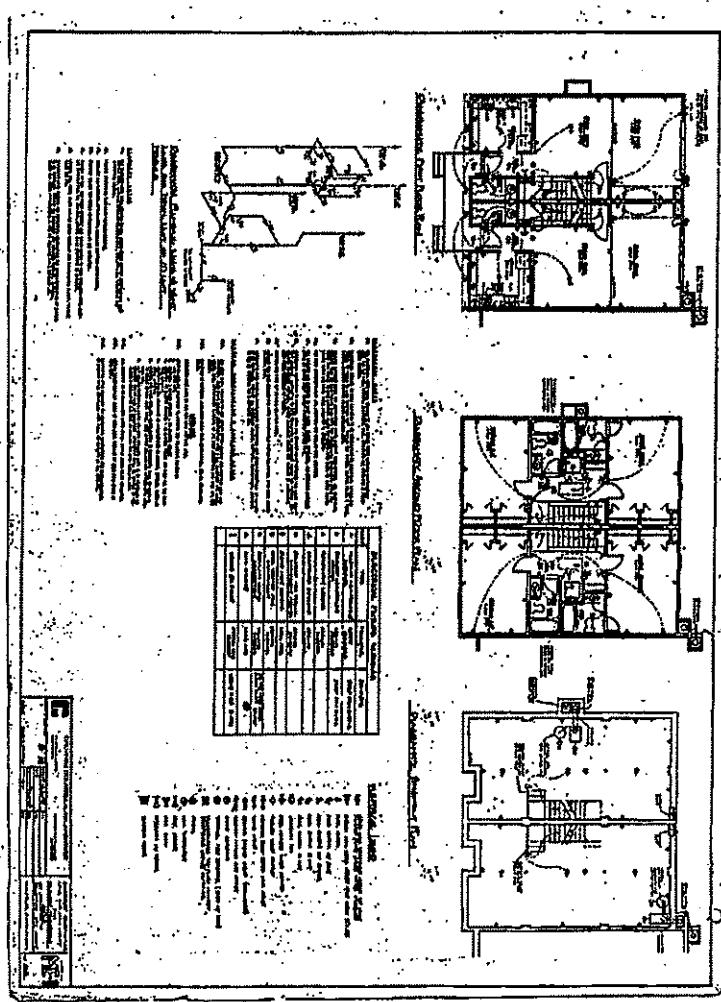
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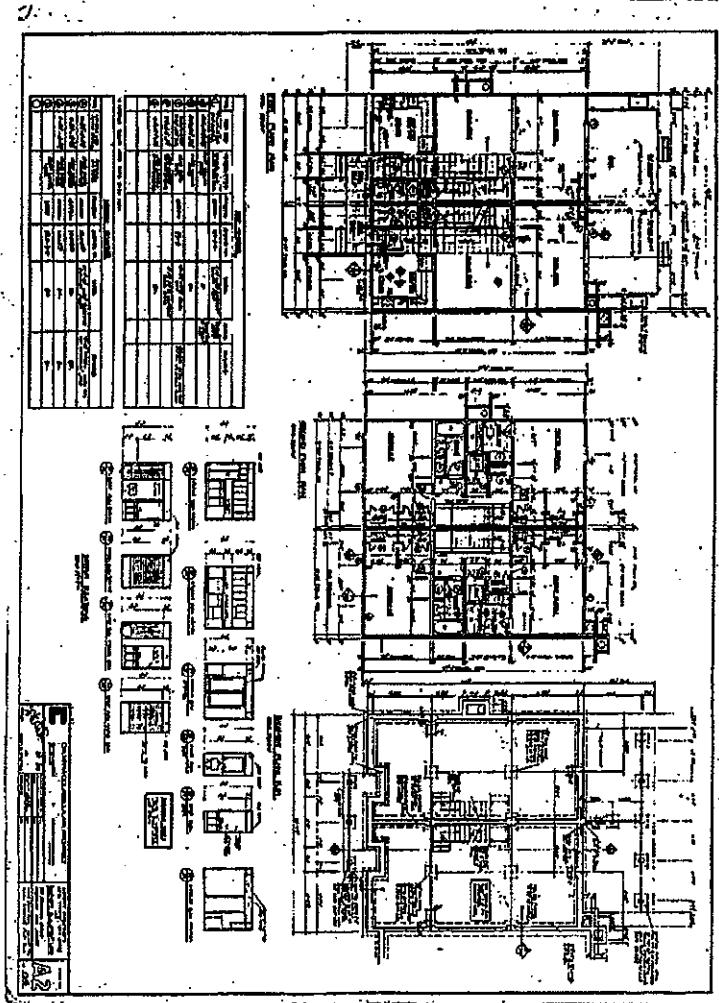
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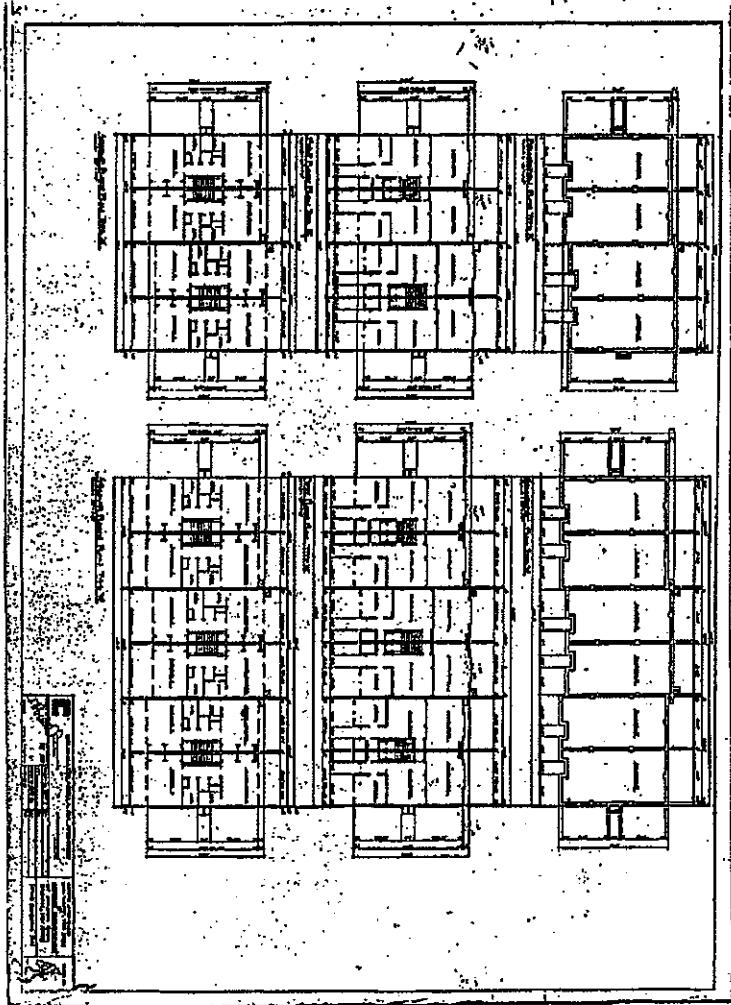
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EXHIBIT 1-E

BY-LAWS

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Prepared By:

Michael S. Skea
MICHAEL S. SKEA, ESQUIRE

BY-LAWS

OF

SOUTHPORT AT WALL CONDOMINIUMS

ARTICLE I

Section I/Nature of By-Laws

These By-Laws are intended to govern the administration of Southport at Wall Condominium Association, Inc., (hereinafter referred to as the "Association"), a non-profit Corporation organized under Title 15A of the Revised Statutes of New Jersey, together with the management and administration of the common elements of West Union Lane and Apache Road, Wall Township, New Jersey hereinafter referred to as Southport at Wall Condominiums which has been established by a Master Deed to which these By-Laws are appended to as Exhibit "I-E". Unless the context clearly indicates otherwise, all definitions set forth in N.J.S.A. 46:8B-3e are incorporated herein by reference.

ARTICLE II

Section I/Board of Directors

Initially, the affairs of the Association shall be governed by the Board of Directors who need not be the unit owners of Southport at Wall Condominiums. Thereafter, the affairs of the Association shall be governed by a Board of Directors comprised of five (5) individuals and elected by the unit owners. The decision of a majority of the directors shall prevail.

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2)

Membership in the Association shall be limited to the Owners or Co-Owners of units in the Condominium provided, that whenever title to a unit is vested in two (2) or more persons, such Co-Owners shall be entitled jointly to only one (1) vote for their particular vote for their particular unit as designated on the records of the Association.

Section 2/Powers of the Board of Directors

The property, affairs and business of the Association shall be managed by the Board of Directors, which shall have all those powers granted to it by law. In addition, it shall have the following powers herein granted or necessarily implied which it shall exercise in its sole discretion:

- a) Operation, care, upkeep and maintenance of the general common elements;
- b) Employment by contract or otherwise, a manager or an independent contractor to oversee, supervise and follow out the responsibilities of the Board. Said manager or said independent contractor shall be compensated upon such term or terms as the Board deems necessary and proper;
- c) Adoption and amendment of the rules and regulations covering the details of the operation and use of property;
- d) Purchasing or leasing or otherwise acquiring in the name of the Association or its designees, corporate or otherwise, on behalf of all unit owners, units offered for sale or lease by their Owners to the Board;

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3)

- e) Purchasing of units, regardless of type, at foreclosure or other judicial sales in the name of the Association or its designee, corporate or otherwise, on behalf of all dwelling unit owners;
- f) Selling, leasing, mortgaging (but not voting the votes appurtenant thereto) or otherwise dealing with units acquired by, and subleasing units leased by the Association or its designees, on behalf of all dwelling unit owners;
- g) Enforcing obligations of the unit owners, to allocate profits and expenses and to do anything and everything else necessary and proper for the sound management of the condominium, including the right to bring lawsuits to enforce the rules and regulations promulgated by the Board;
- h) Levying fines against the unit owners for violations of reasonable rules and regulations established by it to govern the conduct of the unit owners. No fine may be levied for more than \$5.00 for any one violation but for each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against the unit owner or unit owners involved as if the fine were a common charge owned by the particular unit owner or unit owners;
- i) Employing a managing agent and/or a manager for the Condominium at a compensation to be established by the Board, to perform such duties and services as the Board shall authorize, including but not limited to duties granted to the Board as set forth above.

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4)
The Board may delegate to the manager or managing agent such powers as may be necessary to carry out the function of the Board;

- j) Establishing rules and regulations for the use of the building storage areas as it sees fit, but it shall not be obligated to make such storage areas available to any unit owners;
- k) Employing any person, firm or corporation to repair, maintain and renovate all common elements;
- l) Employing professional counsel to obtain advice from persons, firms or corporations such as but not limited to landscape architects, recreation experts, architects, planners, biologists, lawyers and accountants;
- m) Employing or contracting for heating oil, electricity, gas or other forms of utilities, snow plowing or removal, painting, building, repairing, renovating and remodeling, if any;
- n) Employing all managerial personnel necessary or entering into managerial contracts for the efficient discharge of the duties of the Board of Directors hereunder. Those employees who handle or are responsible for the handling of monies shall be bonded by a fidelity bond. While the developer maintains a majority of representation on the Board of Directors, he shall post a fidelity bond or other guarantee acceptable to the Department of Community Affairs, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves;

5)

- o) Investigating, hiring, paying, supervising and discharging the personnel necessary to be employed in order to properly maintain and operate the condominium. Compensation for services of such employees shall be considered an operating expense of the Condominium;
- p) Coordinating the plans of owners and occupants of dwelling units for moving their personal effects into the condominium or out of it with a view towards scheduling such movements so that there shall be a minimum of inconvenience of other owners or occupants;
- q) Maintaining businesslike relations with owners or occupants whose service requests shall be received, considered and recorded in systematic fashion, in order to show the action taken with respect to each. As part of a continuing program, securing full performance by such owners or occupants of all such items and maintenance for which they are responsible;
- r) Causing the common elements of the Condominium to be maintained according to accepted standards, including but not limited to, interior and exterior cleaning, painting and decorating, plumbing, steam cleaning, carpentry and such other normal maintenance and repair work as may be necessary;
- s) Taking such action as may be necessary to comply promptly with any and all orders or requirements affecting the Association placed herein by any federal, state, county or municipal authority having jurisdiction thereover and order of the Board of Fire Underwriters or other similar bodies;
- t) Arranging for maintenance of roads, walkways and parking areas, if any;

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6)

- u) Arranging for removal of refuse from all buildings and common areas;
- v) Arranging for security protection as necessary;
- w) Placing and keeping in force all of the insurance coverages hereinafter described in Article IX hereof;
- x) Borrowing and repaying monies, giving notes, mortgages or other security upon such term or terms as it deems necessary;
- y) Investing and reinvesting monies due and to be used, collecting interest, dividends, capital gains, exercising rights, paying taxes, making and entering into contracts, insuring, entering into leases or concessions and passing good and marketable title without the necessity of any third party, seeing to the application of the funds, making and executing any and all proper affidavits for various purposes, including but not limited to, title to real estate, compromising any action without leave of Court, insuring its own liability for claims against it or for damages to the Association, including moral claims, and all powers contained herein and those necessary and incidental thereto; and
- z) Borrowing money on a real estate mortgage, passing title to real estate, or purchasing real estate shall be exercised by the Board with the assent of sixty-six and two-thirds (66-2/3) percent of the Members.

The powers herein granted or necessarily implied, shall be construed to favor the broadest discretion of the Board of Directors, except that the Board of Directors shall have the duty to exercise all of such powers as required by the law and by sub-paragraphs r), s), t), u), v) w) x) y) and z) of this Section 2 of Article II and shall be governed by the following with respect to its fiscal duties and responsibilities:

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(1) Common Expenses

The Board shall have the duty to collect as "common expenses" assessed against each dwelling unit owner, his, her or their heirs, administrators, successors and assigns, a proportionate part of the common expense of the entire condominium as provided in the Master Deed and in accordance with applicable law. The Board shall have the power to estimate the cost in advance on an annual basis and to give notice thereof to the individual unit owners in the manner herein provided and the same shall be a lien against each dwelling unit.

a) Liability for Assessments

All unit owners are obligated to pay the common charges assessed by the governing board at such times as the Board may determine. No unit owner may exempt himself from liability for any assessment for common charges by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit. However, no unit owner shall be liable for any assessment for common charges against his unit subsequent to a sale, transfer, or other conveyance by him of such unit made in accordance with the provisions of this Section. In all voluntary conveyances of units, the Grantee shall be jointly and severally liable with the Grantor for all unpaid assessments against the latter for his share of common expenses up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover against the Grantor for any amounts paid by the Grantee.

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8)
However, any such Grantee, or any mortgagee shall be entitled, within ten (10) days after making request therefore, to a certificate from the Board of Directors, or managing agent or manager, as the case may be, setting forth the amount of unpaid assessments pertaining to such unit, and in such event, any person other than the unit owner, who relies on such certificate shall be entitled to rely thereon and shall not be liable for any amounts in excess of the amount stated therein, a mortgagee or other purchaser of a unit at a foreclosure sale shall not be liable for nonpayment of any common charges assessed prior to the date of the foreclosure sale, and such unit shall not be subject to a lien for nonpayment of such charge.

b) Foreclosure of Liens for Unpaid Common Charges

It shall be the right and duty of the governing board to attempt to recover unpaid common charges, together with interest thereon, and expenses of the proceeding, including reasonable attorneys' fees, in an action brought against any unit owner in default of his obligation to pay the same or by foreclosure of the lien on any unit in respect to which such default occurred provided for in Section 46:8B-21 of the New Jersey Statutes. Any unpaid common expenses remaining uncollectable for more than sixty (60) days after such sheriff's sale may be assessed by the Board of Directors as common expenses to be collected from all unit owners including the purchaser who acquires title at the sheriff's sale, his successors and assigns.

9)

The Board of Directors, acting on behalf of all unit owners, shall have power to bid on and to purchase any unit offered for sale at a sheriff's sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. Suit to recover a money judgement for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding the pendency of a suit to recover a money judgement.

2) Notice

The Board shall give notice to each such unit owner in writing of the amount estimated by the Board, of common expenses for the management of the Association for the ensuing period, directed to the member of its last address known to the Board by ordinary mail. The said notice shall be conclusively presumed to have been delivered five (5) days after deposit in the United States mails.

In the event that no objection is made by the unit owners on or before the twentieth (20th) day after receipt of such notice, the amount shall be deemed to be conclusive and binding. If an annual assessment is not made by the Board as required, an assessment shall be presumed to have been made in the amount of the last prior year's assessment and monthly installments on such assessment shall be due upon each instalment payment date until changed by an amended assessment.

10)

In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board, provided that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of an immediate need or emergency.

The Condominium Association is established upon the sale of the first unit. The Sponsor is responsible for the monthly maintenance fees of all unsold units pending the sale of the final unit.

3) Acceleration of Assessment Installments Upon Default

If a member shall be in default in the payment of an installment upon an assessment, the Board may accelerate the remaining installments of the assessments upon notice to the member and the then unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the member, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

4) Interest and Counsel Fees

The Board, at its option, shall have the right in connection with the collection of this, or any other charge to impose an interest charge at the legal maximum if such payment is made after a certain date stated in such notice. In the event that the Board shall effectuate collection of said charges by report to Counsel, the Board may add to the aforesaid charge or charges a sum or sums of twenty (20%) percent of the gross amount due as counsel fees, in addition to such costs allowable by law.

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5) Bank Accounts

The depository of the Association shall be such a bank or banks within the State of New Jersey as shall be designated from time to time by the Board and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Board, provided that a management agreement may include among its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association.

6) Expenditure of Funds

The amount of monies for common expenses deemed necessary by the Board of Directors and the manner of expenditure thereof including but not limited to, the allocation thereof shall be a matter for the sole discretion of the Board.

7) Reserves

The Board shall not be obligated to expend all of the revenues collected in any accounting period, but must maintain a reasonable reserve for, among other things, emergencies, contingencies of bad weather or uncollected accounts. Said reserve fund or funds shall, however, be kept in interest bearing savings account(s). The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand, in a checking or petty cash account for the necessary discharge of its function.

8) Annual Audit

12)

The Board of Directors shall submit its books, records and memoranda to an annual audit by an independent public accountant who shall audit the same and render a report thereon in writing to the Board and in summary form to the members and such other persons, firms or corporations as may be entitled to same. While the developer maintains a majority of the Executive Board, he shall have an annual audit of Association funds prepared by an independent accountant, a copy of which shall be delivered to each unit owner within ninety (90) days of the expiration of the fiscal year of the Association. The audit shall cover the operating budget and reserve accounts.

9) Accounts

The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, of which all expenditures shall be common expenses:

a) Current Expenses. The classification shall include all receipts and expenditures within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, for replacements or to operations.

b) Reserve for Deferred Maintenance. This classification shall include funds for maintenance items that occur less frequently than annually;

13)

- c) Reserve for Replacement. This classification shall include funds for repair or replacement of the common elements required because of damages, depreciation or obsolescence;
- d) Capital Expenditures. This classification shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements;
- e) Operations. This classification shall include the gross revenues from the use of common elements and from other sources, if any. Only the additional direct expense required by any revenue producing operation will be charged to this account and any surplus from any operation shall be used to reduce the assessments for the current expenses for the year during which surplus is realized, or, at the discretion of the Board of Directors, in the year following the year in which the surplus is realized, losses from the operations shall be met by special assessments against members, which assessments may be made in advance in order to provide a working fund.
- f) While the Sponsor maintains a majority of the Board of Directors, it shall make no additions, alterations, improvements or purchases not contemplated in this Offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender or in the event of an emergency.

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Section 3/Election and Term of OfficeThe following will take place at a special meeting:

Within sixty (60) days after unit owners other than the developer own twenty-five (25%) percent or more of the units in a condominium that will be operated ultimately by an Association, the unit owners other than the developer shall be entitled to elect no less than twenty-five (25%) percent of the members of the Board of Directors or other form of administration of the Association.

Within sixty (60) days after conveyance of fifty (50%) percent of the lots, parcels, units or interests, not less than forty (40%) percent of the members of the Board of Directors shall be elected by the owners, other than the Sponsor.

Within sixty (60) days after conveyance of seventy-five percent (75%) of the lots, parcels, units or interests, the developer's control of the Board of Directors shall terminate at which time the owners, other than the Sponsor, shall elect an entire Board of Directors.

Notwithstanding the preceding three (3) paragraphs, the developer may retain one (1) member of the Board of Directors so long as there are any units remaining unsold in the regular course of business.

In calculating the above percentages, it is presumed that they are calculated on the basis of the entire number of units entitled to membership in the Association.

A developer may surrender control of the Board of Directors of the Association prior to the time as specified, provided the owners agree by a majority vote to assume control. Upon the assumption by the owners of the Board of Directors, the developer shall forthwith deliver to the Association all items and documents pertinent to the Association.

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These documents shall include, but not be limited to, a certified and true copy of the Master Deed and all its amendments thereto, documents of creation of the Association, By-Laws, Minute Book, including all minutes, any rules and regulations and accounting of Association funds, Association funds, all personal property, insurance policies, government permits, a membership roster and all contracts and agreements relative to the Association.

The Association, when controlled by the unit owners, shall not take any action that would be detrimental to the sales of units by the developer and shall continue the same level of maintenance, operation and services as immediately prior to their assumption of control, until the last unit is sold in the normal course of business.

From the time of conveyance of seventy-five percent (75%) of the lots, parcels, units or interests, until the last lot, parcel, unit or interest in the development is conveyed in the ordinary course of business the Master Deed, By-Laws or declaration of covenants and restrictions shall not require the affirmative vote of more than sixty-six and two-thirds percent (66-2/3) of the votes to be cast in order to amend the By-Laws or rules and regulations.

The developer shall not be permitted to cast any votes allocated to unsold lots, parcels, units or interests in order to amend the Master Deed, By-Laws, or any other document for the purpose of changing the permitted use of a lot, parcel, unit or interest, or for the purpose of reducing the common elements or facilities.

Section 4/Vacancies

On subsequent sale of a dwelling unit, the Owner thereof shall resign as a member of the Board and an election will be held as soon as possible to fill the vacancy. When the member of the Board of Directors who has been elected by unit owners, other than the Sponsor is removed or resigns, that vacancy shall be filled by a unit owner other than the Sponsor. Each person so elected shall be a member of the Board of Directors for the remainder of the term of the Director whose term he is filling until his successor shall be elected.

Section 5/Compensation

No member of the Board of Directors shall receive any compensation. However, Directors may be reimbursed for out-of-pocket expenses and may be compensated for services rendered to or for the condominium in any other capacity.

Section 6/Meeting of the Board of Directors

The first meeting of the Board of Directors following the first annual meeting of the unit owners shall be held within ten (10) days thereafter at such time and place as shall be fixed by the unit owners at their annual meetings and no notice shall be necessary. Thereafter, regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the members of the Board, but at least two (2) meetings shall be held each year.

Notice of regular meetings of the Board of Directors must be given to each member of the Board by mail or telegram at least three (3) business days prior to the day of the meeting. Special meetings of the Board may be called by the President (See Article III, Section 1) on three (3) business days notice to each member of the Board given by mail or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice at the written request of at least three (3) members of the Board. Any member of the Board may, at any time, waive notice of any meeting of the Board in writing and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by members of the Board at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof.

Section 7/Quorum of the Board of Directors:

At all meetings of the Board, a majority of the members thereof shall constitute a quorum for the transaction of business and the votes of a majority of the members of the Board present and voting at a meeting at which a quorum is present shall constitute a valid decision. If there is a tie, then the matter shall be submitted to arbitration. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be transacted without further notice.

Section 8/Non-Waiver

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

ARTICLE IIISection 1/Designation of Officers

The principal officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer. The Board may also appoint such other Assistant Treasurers and Assistant Secretaries as in their judgment may be necessary.

Section 2/Election of Officers

The officers of the Association shall be elected annually by the Board of Directors at the first Board of Directors meeting following each annual meeting and such officers shall hold office at the pleasure of the Board.

Section 3/Removal of Officers

Upon an affirmative vote of two-thirds (2/3's) majority of the members of the Board of Directors, any officer may be removed, either with or without cause and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors for such purpose.

Section 4/President

The President shall be the Chief Executive Officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors.

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20)
He shall have all of the general powers and duties which are usually vested in the Office of President of an Association, including but not limited to, the power to appoint committees from among the members of the Association from time to time as he may, in his discretion, deem appropriate to assist in the conduct of the affairs of the Association.

Section 5/Vice-President

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

Section 6/Secretary

The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incidental to the office of the Secretary.

Section 7/Treasurer

The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association.

21)

He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be authorized by the Board of Directors.

Section 8/Other Duties and Powers

The Officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

Section 9/Fidelity Bonds

While the developer maintains a majority of representation on the Board of Directors, he shall post a fidelity bond or other guarantee acceptable to the Department of Community Affairs, in an amount equal to the annual budget. If the Sponsor maintains control during the second and succeeding years, the bond or other guarantee shall include accumulated reserves.

Section 10/Compensation of Officers

The President and Vice-President shall not receive any compensation for their services except for out-of-pocket expenses but may be compensated for services rendered in any other capacity. The Secretary and Treasurer may be compensated for their services if the Board determines that such compensation is appropriate.

Section 11/Eligibility of Directors

Nothing herein contained shall prohibit a director from being an Officer.

ARTICLE IV
FISCAL YEAR

The fiscal year of the Association shall be on a calendar year basis.

ARTICLE V
MEETINGS OF THE UNIT OWNERS

Section 1/Time of Meetings

The Annual meeting of the unit owners shall be held during the first week of January at a place to be determined by the Board of Directors.

Section 2/Place of Meeting

The meeting of the unit owners shall be held at the principal office of the Association or at such other suitable place convenient to the unit owners as may be designated by the Board.

Section 3/Special Meetings

After the first annual or special meeting, special meetings of members may be called by the President whenever he deems such a meeting advisable and shall be called by the Secretary when so ordered by the Board of Directors to or upon the written request of members entitled to not less than thirty-three percent (33%) of all votes entitled to be cast at such meeting. Such request shall state the purpose or purposes of such meeting and the matter proposed to be acted on thereat. The Secretary shall give notice stating the purpose or purposes of the meeting to all members entitled to vote at such meeting.

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No special meeting may be called for any matter which is substantially the same as a matter voted upon at any meeting of the members held during the preceding twelve (12) months.

Section 4/Notice of Meeting

Except as otherwise provided by law, notice of each meeting of members whether annual or special, shall be given not less than ten (10) days, nor more than ninety (90) days before the day on which the meeting is to be held, to the representative of each unit owner at the address of its unit, by delivering a written or printed notice thereof to him personally or mailing such notice, postage prepaid.

Except where expressly required by law, no publication of any notice of a meeting of the members shall be required. Every such notice shall state the time and place of the meeting and shall state briefly the purposes thereof. Notice of any meeting of the members shall not be required to be given to any members who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the members shall not be required to be given, except when expressly required to be given.

Section 5/Quorum

At each meeting of the members, one-half of unit owners, present in person or represented by proxy, shall constitute a quorum for the transaction of business except where otherwise provided by law. In the absence of a quorum, the unit owners present in person or represented by proxy and entitled to vote, by majority vote, may adjourn the meeting from time to time, until a quorum shall be present and represented.

24)

At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at a meeting originally called.

Section 6/Organization

At each meeting of the Association, the President or in his absence, the Vice-President, or in the absence of both of them, a Chairman chosen by a majority vote of the unit owners present in person or represented by proxy and entitled to vote thereat, shall act as Chairman and the Secretary or in his absence a person whom the Chairman shall appoint, shall act as Secretary at the meeting.

Section 7/Conduct of the Meetings

The order of business at the annual meeting of the unit owners or at any special meeting as far as practicable shall be:

- a) Call of the roll and certifying the proxies;
- b) Proof of Notice of Meeting or Waiver of Notice;
- c) Reading and disposal of any unapproved minutes;
- d) Receiving reports of Officers;
- e) Receiving reports of Committees;
- f) Appointment of Judges of Election, if necessary;
- g) Election of Directors if necessary;
- h) Old business;
- i) New business;
- j) Adjournments.

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Section 8/Voting

- a) Each unit owner shall be entitled to one (1) vote.
- b) As used in these By-Laws, the term "Majority of the Owners" shall mean those owners holding 51% of the votes in accordance with the one vote per unit standard;
- c) Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "Majority of Owners" as defined in Section 2 of this Article shall constitute a quorum.
- d) Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

All proxies shall be in writing, signed by all individual owners of each unit or by his or their duly authorized representative(s) and delivered to the Secretary of the meeting, but no proxy shall be voted on after eleven (11) months from its date unless said proxy provides for a longer period. The election of Directors shall be by ballot. Unless demanded by at least twenty-five percent (25%) of the members present in person or by proxy at such meeting and entitled to vote thereat, or determined by the Chairman of the meeting to be advisable, the vote on any other question need not be by ballot.

ARTICLE VITITLE TO UNITS

Title to units may be taken in the name of an individual or in the names of two (2) or more persons as tenants in common or as joint tenants with right of survivorship, or in the name of a Corporation or Partnership, or in the name of a fiduciary. Any Officer of a corporate dwelling unit shall be eligible to serve on the Board of Directors.

ARTICLE VIICOVENANTS COMMITTEE

a) Purpose. The Board may establish a Covenants Committee, consisting of three members appointed by the Board, each to serve for a term of one year, in order to assure that the Condominium shall always be maintained in a manner:

1. Providing for visual harmony and soundness of repair;
2. Avoiding activities deleterious to the aesthetic or property values of the Condominium;
3. Furthering the comfort of the Unit Owners, their guests, invitees and lessees; and
4. Promoting the general welfare and safety of the condominium community.

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b) Powers.

The Covenants Committee shall regulate the external design, appearance, use and maintenance of the Common Elements in accordance with standards and guidelines contained in the Master Deeds or these By-Laws or otherwise adopted by the Board. The Covenants Committee shall have the power to issue a cease and desist request to a Unit Owner, his guests, invitees, or lessees whose actions are inconsistent with the provisions of the Condominium Act, the Master Deeds, the By-Laws, the Rules and Regulations or resolutions of the Board (upon petition of any Unit Owner or upon its own motion).

The Covenants Committee shall from time to time, as required, provide interpretations of the Master Deeds, Articles of Incorporation and By-Laws, Rules and Regulations and resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a Unit Owner or the Board. Any action, ruling or decision of the Covenants Committee may be appealed to the Board by any party deemed by the Board to have standing as an aggrieved party and a vote of a majority of the full authorized membership of the Board may modify or reverse any such action, ruling or decision.

c) Authority

The Covenants Committee shall have such additional duties, power and authority as the Board may from time to time provide by resolution including the right to impose fines pursuant to Section 2 of Article XI hereof. The Board may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case by case basis by a vote of a majority of its full authorized membership thereof.

The Covenants Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Rules and Regulations or by resolution of the Board. Notwithstanding the foregoing, no action may be taken by the Covenants Committee without giving the Unit Owner(s) involved at least ten (10) days prior written notice and affording him the opportunity to be heard, with or without counsel, with respect to the violations(s) asserted.

ARTICLE VIII
RULES OF CONDUCT

- a) No resident of the project shall post any advertisements, or posters of any kind in or on the project except as authorized by the Association.
- b) Residents shall exercise extreme care about making noise or when playing musical instruments, radios, television and amplifiers that may disturb other residents. Unit owners who keep domestic animals will abide by the Municipal Sanitary Regulations and not permit any domestic animals to commit waste upon the common elements.

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- c) It is prohibited to hang garments, rugs, etc., from the windows or to clean rugs, etc., by beating on the exterior part of the project.
- d) It is prohibited to throw garbage or trash outside the disposal installations provided for such purposes in the service areas.
- e) No owner, resident or lessee shall install wiring for electrical or telephone installation, television antenna, machines or air conditioning units, etc., on the exterior of the project or that protrude through the walls or the roof of the project except as authorized by the Association.

ARTICLE IX
INSURANCE

The Board of Directors, as insurance trustee for each of the dwelling unit owners, pursuant to N.J.S.A. 46:8B-14, shall be required to obtain and maintain to the extent obtainable, without prejudice to right of each unit owner to insure his own unit for his own benefit, the following insurance for loss by fire and other casualties and insurance against liability for personal injury and death for accidents occurring within the common areas:

30)

1) Physical Damage Insurance

Broad form insurance against loss by fire and against loss by lightning, windstorm, and other risks normally included within extended coverage, insuring all structural portions of the condominium property, together with all service machinery contained therein and covering the interest of the Association, the Board of Directors and all members and their mortgagees as their interests may appear in an amount equal to full replacement of the buildings, without deduction for depreciation; each of said policies shall contain a standard mortgagee clause in favor of each mortgagee of a dwelling unit and which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interests may appear, subject, however, to the payment provisions in favor of the Board of Directors, Workmen's Compensation insurance and such other insurance as the Board of Directors may determine.

All such policies shall provide that adjustment of loss shall be made by the Board of Directors.

All policies of physical damage insurance shall to the extent obtainable, contain waivers of subrogation and waivers from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of dwelling units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums shall be delivered to all mortgagees of dwelling units at least ten (10) days prior to expiration of the then current policies.

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2) Public Liability Insurance

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

Until the first meeting of the Board following the first annual meeting, such public liability insurance shall be in a single limit of \$1,000,000 covering all claims for personal injury or property damage arising out of any one occurrence. The Board shall review such limits once a year.

3) Directors and Officers Liability Insurance

Liability insurance indemnifying the Directors and Officers of the Association against the liability for errors and omissions occurring in connection with the performance of their duties, in an amount to be in the sole discretion of the Board.

4) Workers Compensation Insurance

Workers compensation and New Jersey disability benefits insurance as required by law.

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5) Water Damage

Water damage legal liability insurance.

6) Other Insurance

Such other Insurance as the Board may determine.

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

Unit Owners shall not be prohibited from carrying insurance for their own benefit provided that all such policies shall contain waivers of subrogation; and, further provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

The premiums for all insurance and fidelity bonds carried by the Association shall be a Common Expense and shall be borne by the Unit Owners in direct proportion to their respective percentage interests.

ARTICLE X

ADDITIONS, ALTERATIONS, OR IMPROVEMENTS BY THE BOARD

Whenever in the judgement of the Board of Directors, common areas shall require additions, alterations or improvements costing in excess of \$1,000 said alterations and improvements shall not be made unless they have been approved by a majority of the dwelling unit owners present and voting at a meeting at which a quorum is present.

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When said approval has been obtained, all dwelling unit owners shall be assessed for the cost thereof as a common charge. In the event of any emergency which could cause damage to any building(s) or part(s) thereof, the Board may expend sums in excess of \$1,000 to protect said building(s) or part(s) and the judgement of the Board shall be final.

ARTICLE XI

ADDITIONS, ALTERATIONS, OR IMPROVEMENTS BY THE UNIT OWNERS

No residential unit owner shall make any structural additions, structural partitions, wall changes or structural alteration or improvement in or to his unit without the prior written consent of the Board and the mortgagee of said unit.

Nothing herein shall be construed as to prohibit the reasonable adaptation of any unit for handicapped purposes.

The Board shall have the obligation to answer any written request by a dwelling unit owner for approval of a proposed structural addition, alteration, or improvement in such unit owner's unit within sixty (60) days after such request.

Failure to do so within the stipulated time shall constitute a consent by the Board to the proposed structural addition, alteration or improvement.

Any application to any municipal authority for a permit to make an addition, alteration or improvement in or to any dwelling unit shall be executed by the Board, only without however, incurring any liability on the part of the Board or any of them to any contractor, sub-contractor or material man on account of such additions, alterations or improvements, or to any person having any claim for injury to person or damage to property arising therefrom.

The provisions of this Section shall not apply to units owned by the Grantor until such units have been initially sold by the Grantor or to the recreation unit, if any. While the Sponsor maintains a majority of the Board of Directors, it shall make no additions, alterations, improvements or purchases not contemplated in this Offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender or in the event of an emergency.

ARTICLE XII
RIGHT OF ACCESS

Each unit owner shall grant a right of access to his unit to the Manager and or the Managing Agent and/or any other person authorized by the Board for the purpose of making inspections and for the purpose of correcting any condition originating in his unit and threatening another unit or common element or for the purpose of performing necessary installation, alterations or repairs to the electrical or mechanical services or other common element in his unit or elsewhere in the building within which the unit is located provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the unit owner.

In case of an emergency, such right of entry shall be immediate whether the unit owner is present at the time or not.

ARTICLE XIII
ELECTRICITY, GAS, WATER AND HEATING

Electricity and gas shall be supplied by the public utility company serving the area directly to each unit through a separate meter for each unit and each unit owner shall be required to pay the bills for electricity and consumed or used by his unit and in any limited common areas serving his unit.

The electricity and gas serving general common elements and grounds shall be metered and the Board shall pay all bills for electricity and gas consumed therein as a common expense. Charges for common area utilities, water and sewerage shall be paid by the Board as common expenses.

ARTICLE XIV
MORTGAGEES

Section 1/Notice to Association

An owner who mortgages his unit, shall notify the Association through the management unit, if any, or the President of the Board of Directors in the event there is no Management Agent, the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Units".

Section 2/Notice of Unpaid Assessments

The Association shall at the request of a mortgagee of a unit report any unpaid assessments due from the owner of such unit.

Section 3/Rights of First Mortgagors1) Consents

The Association shall not without the prior written consent of two-thirds of the first mortgagees (such vote being based upon one (1) vote for each first mortgage held on each living unit by such first mortgagee) or owners other than the Grantor herein of the individual condominium units, except as provided by statute in case of condemnation or substantial loss to the units and/or common elements of the condominium project:

- a) By act or omission, seek to abandon or terminate the condominium project;
- b) Change the pro rata interest or obligations of any individual condominium unit for the purpose of:
 - i) Levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or
 - ii) Determining the pro rata share of ownership of each condominium unit in the common elements;
- c) Partition or sub-divide any residential unit;
- d) By act or omission, seek to abandon, partition, sub-divide, encumber, sell or transfer the common elements. (The granting of easements of public utilities or for other public purposes consistent with the intended use of the common elements by the condominium shall not be deemed a transfer within the meaning of this clause); or

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e) Use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such condominium property.

2) Taxes

All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual condominium units and not to the condominium project as a whole.

3) Damage

In the event of damage to or destruction of any condominium unit or portion thereof, or any part of the common elements, the first mortgagee of said condominium unit is entitled to timely written notice of any such damage or destruction. No condominium unit owner or any other party shall have priority over any rights of the first mortgagee of said condominium unit pursuant to its mortgage with respect to the distribution to such condominium unit of any insurance proceeds.

4) Condemnation

In the event condemnation of any unit or portion thereof, or any part of the common elements, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the first mortgagee of said condominium unit is entitled to timely written notice of any such proceeding or proposed acquisition.

No condominium unit owner or other party shall have priority over said first mortgagee with respect to the distribution to such condominium unit of the proceeds of any award or settlement.

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5) Amenities

All amenities (such as recreational facilities - if available) are a part of the condominium project and are covered by the mortgage at least to the same extent as the common elements.

6) Notice of Default

A first mortgagee, upon notification to the Association, shall be entitled to written notification from the Association of any default in performance by the condominium unit owner of any living unit upon which the first mortgagee holds a mortgage, of any obligation of said condominium unit owner created by the Master Deed or By-Laws which is not cured within sixty (60) days from such date of default.

ARTICLE XV
MISCELLANEOUS

1) Examination of Books

Each unit owner and each mortgagee of a unit shall be permitted to examine the books of account of the Board of Directors at a reasonable time on business days.

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2) Financing Purchasing of Units by the Board of Directors

Acquisition of units, regardless of type, by the Board on behalf of all unit owners may be made from the working capital in the hands of the Board, or if such funds are insufficient, the Board may levy an assessment against each unit owner in proportion to his ownership in the common elements as a common charge, which assessment shall be enforceable in the same manner as common charges, or the Board may in its discretion borrow money to finance the acquisition of such units, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the unit itself together with the appurtenant interests thereto to be acquired by the Board. The Association cannot acquire any units while the Sponsor retains control of same.

3) Notices

All notices hereunder to the Association shall be sent by registered or certified mail to the Board in care of the President of the Association and/or to the Managing Agent if there is a Managing Agent. All notices to any unit owner shall be sent registered or certified mail to the building in which the unit is situated, or to such other address as may have been designated by him from time to time in writing to the Board. All notices shall be deemed to have been given when mailed except notice of change of address which shall be deemed to have been given when received.

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4. Waiver

No restrictions, conditions, obligations or covenants contained in these By-Laws shall be deemed to have been abrogated or waived by reason of the failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

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

ARTICLE XVI
AMENDMENTS

These By-Laws, or any individual sections of the By-Laws, may be altered or repealed, or new By-Laws may be made, at any meeting of the Association duly constituted for such purpose, a quorum being present by an affirmative vote of 66-2/3% of the votes entitled to be cast in person or by proxy, except that the first annual meeting may not be advanced and the first Board of Directors (including replacements in case of vacancies) may not be removed by reason of any such amendment or repeal.

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ARTICLE XVII
EXCULPABILITY OF BOARD, OFFICERS AND COMMITTEE MEMBERS

Neither the Board as a body, nor any member thereof, nor any Officer of the Association, nor member of the Covenants Committee shall be personally liable to any unit owner in any respect for any action or lack of action arising out of the execution of his office. Each unit owner shall be bound by the good faith actions of the Board and Officers of the Association in the execution of the duties of said Directors and Officers.

Unless acting in bad faith, no Director or Officer of the Association shall be liable to any unit owner or other person for misfeasance or malfeasance in the office. Nothing contained herein to the contrary, shall serve to exculpate members of the Board of Directors appointed by the Sponsor from their fiduciary responsibilities.

ARTICLE XVIII
CONFLICT

Anything to the contrary herein notwithstanding, if any provision of this instrument is in conflict with or contradiction of the New Jersey Condominium Act, or with the requirements of any other law, then the requirements of said Act shall be deemed controlling.

ARTICLE XIX
ARBITRATION

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

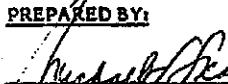
EXHIBIT 1-F

CERTIFICATE OF INCORPORATION

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PREPARED BY:


MICHAEL S. SKEA
Attorney at Law
State of New Jersey.

FILED

MAR 15 1988

JANE BURGIO
Secretary of State

CERTIFICATE OF INCORPORATION

OF

SOUTHPORT AT WALL CONDOMINIUM ASSOCIATION, INC.

We, the undersigned, William W. Govel, Virginia C. Govel, Herbert Greenhalgh, Beckie Nazzaretto and Julie Palma, acting as incorporators for a non-profit corporation under Title 15A of the New Jersey Statutes, do hereby adopt the following Certificate of Incorporation:

ARTICLE I

The name of the Corporation is the Southport at Wall Condominium Association, Inc.

ARTICLE II

The Corporation is a corporation not for profit.

ARTICLE III

The period of duration of the corporation is perpetual.

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2)

ARTICLE IV

The place of business of the Corporation or the place at which its activities will be conducted is Apache Road at West Union Lane, Wall Township, New Jersey.

ARTICLE V

The purposes for which the Corporation is organized are to provide for the maintenance, preservation, administration and management of the Southport at Wall Condominiums located at Apache Road at West Union Lane, Wall Township, New Jersey.

The Corporation is organized and operated solely for the administrative and managerial purposes, and no part of any net earnings shall inure to the benefit of any private member. If in any taxable year, the net income of the Corporation from all sources other than casualty insurance proceeds and other non-recurring items exceed the sum of:

- 1) Total common expenses for which payment has been made or liability incurred within the taxable year; and
- 2) Reasonable reserves for common expenses in the next succeeding taxable year, such excess shall be returned to unit owners, the share of each being in proportion to the amount of assessments for common expenses paid by him within the taxable year.

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3)

ARTICLE VI

To promote the health, safety, and welfare of the residents, the Corporation may as follows:

- 1) Exercise all of the powers and perform all of the duties of the Association as set forth in the Master Deed and in the By-Laws attached thereto, as those documents may from time to time, be amended;
- 2) Determine, levy, collect and enforce payment by any lawful means of all assessments for common charges, and pay such common charges as the same become due;
- 3) Engage the services of a professional corporate management agent and delegate to such agent any of the power or duties granted to the Association of a unit owner under the declaration or By-Laws other than the power to engage or discharge such agent the power to adopt, amend and repeal the provisions hereof, of the Master Deed, By-Laws, or rules and regulations of the Condominium; and
- 4) Have and exercise any and all rights, privileges and powers which may be held or exercised by non-profit corporations generally under Title 15A of the New Jersey Statutes, or by Associations of unit owners under the New Jersey Condominium Act.

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4)

ARTICLE VII

Each condominium unit shall have appurtenant thereto, a membership in the Corporation, which membership shall be held by the person or entity, or in common by the persons or entities owning such unit, except that no person or entity holding title to a unit as security for performance of an obligation shall acquire the membership appurtenant to such unit by virtue of such title ownership. In no event, may any membership be severed from the unit to which it is appurtenant.

ARTICLE VIII

Each unit owner in the Corporation shall be entitled to exercise one (1) vote.

ARTICLE IX

The affairs of the Corporation shall be managed initially by a governing board consisting of five (5) members. The names and post office addresses of the Board Members selected for the first year of existence of the Corporation are:

WILLIAM W. GOVEL	727 Joralemon Street Belleville, New Jersey
VIRGINIA C. GOVEL	727 Joralemon Street Belleville, New Jersey
HERBERT GREENHALGH	727 Joralemon Street Belleville, New Jersey
REBECCA NAZZARETTO	727 Joralemon Street Belleville, New Jersey
JULIE PALMA	727 Joralemon Street Belleville, New Jersey

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After all units are sold, the Board of Directors shall consist of five (5) members. At the first annual meeting, the members shall elect from among the members of the Corporation, five (5) Directors for a term of one (1) year. At each annual meeting thereafter, the members shall elect from among the membership five (5) Directors for a term of five (5) years.

ARTICLE X

The name and post office address of the resident agent of the Corporation on whom process against the corporation may be served is William W. Gove, 727 Jeromeon Street, Belleville, New Jersey.

ARTICLE XI

This Corporation may be dissolved at any time with the written consent of all the members thereto. On dissolution, the assets of the Corporation shall be dedicated to an appropriate municipality, public agency or authority to be used for purposes similar to those for which the Corporation is organized. In the event such dedication is not accepted, such assets shall be conveyed or assigned to any non-profit Corporation, Association, or other organization devoted to purposes similar to those for which this Corporation is organized.

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ARTICLE XII

The names and addresses of the incorporators are as follows:

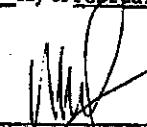
WILLIAM W. GOVEL	727 Joralemon Street Belleville, New Jersey
VIRGINIA C. GOVEL	727 Joralemon Street Belleville, New Jersey
HERBERT GREENHALGH	727 Joralemon Street Belleville, New Jersey
REBECCA NAZZARETTO	727 Joralemon Street Belleville, New Jersey
JULIE PALMA	727 Joralemon Street Belleville, New Jersey

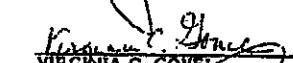
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ARTICLE XIII

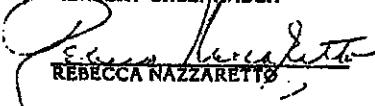
This Certificate of Incorporation may be amended by the affirmative vote of those members exercising not less than two thirds of the total voting power of the Corporation.

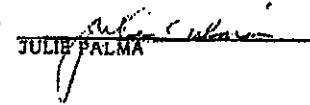
IN WITNESS WHEREOF, for the purpose of forming this non-profit Corporation under the laws of the State of New Jersey, we, the undersigned constituting the incorporators of this Corporation, have executed this Certificate of Incorporation on this 26th day of February, 1988.


WILLIAM W. GOVEL


VIRGINIA C. GOVEL


HERBERT GREENHALGH


REBECCA NAZZARETTO


JULIE PALMA

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STATE OF NEW JERSEY

SS:

COUNTY OF ESSEX

BE IT REMEMBERED that on this 26th Day of February, 1988, before me, the subscriber, Debra L. Della Valle, A Notary Public in the State of New Jersey, personally appeared before me, WILLIAM W. GOVEL, VIRGINIA C. GOVEL, HERBERT GREENHALGH, REBECCA NAZZARETTO and JULIE PALMA, who I am satisfied are the persons who signed the within instrument and thereupon they acknowledged that they signed and delivered the same as their act and deed for the uses and purposes therein expressed.



DEBRA L. DELLA VALLE
A Notary Public of New Jersey
My Commission Expires Aug. 31, 1989

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END OF DOCUMENT