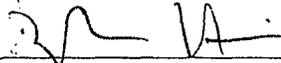


EXHIBIT A

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Dated June 1, 2000

Prepared By:



DOUGLAS HARRIS, ESQ.

Record & Return To:

Douglas Harris, Esq.  
Wilf & Silverman, Esqs.  
820 Morris Turnpike  
Suite 201  
Short Hills, New Jersey 07078

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

GLENMONT COMMONS

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DECLARATION OF COVENANTS CONDITIONS and RESTRICTIONS

FOR

THE GLENMONT COMMONS HOMEOWNER'S ASSOCIATION, INC.

THIS DECLARATION OF COVENANTS AND RESTRICTIONS, made this \_\_\_\_\_, 1999, by Glenmont Commons Developers, L.L.C., a Limited Liability Company of the State of New Jersey, having an address at 820 Morris Turnpike, Suite 301, Short Hills, New Jersey 07078 (hereinafter referred to as "Sponsor").

WHEREAS, the Sponsor owns in fee simple certain lands and premises in the Township of Parsippany-Troy Hills, Morris County, New Jersey, which are more particularly described in Exhibit A-1 attached hereto and made a part hereof, and which are hereinafter referred to as the "Property"; and

WHEREAS, the Developer desires to create a residential community upon the Entire Tract or a portion thereof, which is to be known as Glenmont Commons Townhomes (referred to as the "Development") to include two hundred and sixty-four (264) dwelling units (hereinafter collectively referred to as "Units") together with certain other improvements, all as more particularly shown on that certain Site Plan dated April 20, 1998, prepared by Joseph F. Barbieri and Associates, Inc., attached hereto and made a part hereof as Exhibit A-2, and as shown on those certain architectural drawings prepared by Steven M. Prawer, P.S., attached hereto and made a part hereof as Exhibit A-3; and

WHEREAS, the Glenmont Commons Homeowner's Association, Inc., a New Jersey non-profit corporation (hereinafter referred to as the "Association"), has been established as the homeowner's association to have the responsibility for the preservation, maintenance, administration, operation and management of the townhomes and other improvements intended for the common use and enjoyment of the residents of the townhome; and

WHEREAS, all Owners of Units in the Development will automatically be Members of the Association, and subject to the Declaration of Covenants and Restrictions and the Certificate of Incorporation and By-Laws of the Association;

NOW THEREFORE, The Developer declares that the Property described in the exhibit, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth;

AND FURTHER, The Developer hereby delegates and assigns to the Association the powers of owning, maintaining and administering the Development properties and facilities, administering and enforcing the covenants and restrictions, collecting and disbursing the assessments and charges hereinafter created, and promoting the recreation, health, safety, and welfare of the residents.

ARTICLE I

RECORDATION OF DECLARATION OF COVENANTS AND RESTRICTIONS

Upon recording of this Declaration of Covenants and Restrictions and the establishment of the Development thereby, the Sponsor shall be the owner of every Unit and shall have the right to sell and convey, lease, or otherwise dispose of each such Unit as it may deem appropriate in its sole discretion.

ARTICLE II

DEFINITIONS

(a) General. The following words and terms, when used in this Declaration of Covenants and Restrictions, the Certificate of Incorporation, or the By-Laws, shall have the following meanings, unless the context in which same are utilized clearly indicates otherwise.

(b) "Annual Common Expense Assessment" shall mean and refer to those assessments imposed upon the Unit Owner(s) as described in Article VII of this Declaration of Covenants and Restrictions.

(c) "Association" shall mean and refer to the Glenmont Commons Homeowner's Association, Inc., a New Jersey non-profit corporation, formed to administer, manage and operate the common affairs of the Unit Owners of the Development and to maintain, repair and replace the Common Facilities of the Development as provided in this Declaration of Covenants and Restrictions and the By-Laws.

(d) "Board" shall mean the Board of Trustees of the Association, and any reference herein or in the Certificate of Incorporation, By-Laws or Rules and Regulations to any power, duty, right of approval or any other right of the Association shall be deemed to refer to the Board and not the Membership of the Association, unless the context expressly indicates to the contrary.

(e) "Building" shall mean all the enclosed structures containing Units and structural improvements, appurtenant thereto, which are located on the lands described in Exhibit A-1 and shown on Exhibit A-2, respectively.

(f) "By-Laws" shall mean the By-Laws of the Association, a copy of which document is attached hereto and made a part hereof as Exhibit A-5, together with all future amendments or supplements thereto.

(g) "Capital Improvement Assessment" shall mean and refer to those assessments imposed upon the Unit Owner(s) as described in Article VII of this Declaration of Covenants and Restrictions.

(h) "Certificate of Incorporation" shall mean the Certificate of Incorporation of the Association, a copy of which is attached hereto and made a part hereof as Exhibit A-4, together with all future amendments or supplements thereto.

(i) "Common Facilities" shall mean "General Common Facilities" and "Limited Common Facilities."

(j) "Common Expenses" shall, subject to the provisions of Article VI hereof, mean all those expenses, including reserves, incurred or assessed by the Association, or its respective trustees, officers, agents or employees, in the lawful performance of their respective duties or powers.

(k) "Declaration" shall mean the Declaration of Covenants and Restrictions for Glenmont Commons, together with all future amendments and supplements thereto which are recorded in the Office of the Morris County Clerk.

(l) "Developer" shall refer to Glenmont Commons Developers, LLC, a New Jersey Limited Liability Corporation, its successors and assigns; provided however, that no successor or assignee of the Developer shall have any rights or obligations of the Developers hereunder unless such rights and obligations are specifically set forth by the Developer. Developer's rights hereunder shall cease when construction of the Units contemplated by the Development Plan is completed and all Lots and Units are conveyed to owners other than the Developer.

(m) "Eligible Mortgage Holder" shall mean and refer to any Institutional Lender who is the holder of a first mortgage encumbering any Unit and who has requested notice of any proposed action by the Association or the Unit Owners which requires the consent of a specified percentage of Eligible Mortgage Holders.

(n) "Emergency Assessment" shall mean and refer to those assessments imposed upon the Unit Owner(s) as described in Article VII of this Declaration of Covenants and Restrictions.

(o) "General Common Facilities" shall have the same meaning as "Common Facilities" except as same may be modified by the provisions of Article V hereof.

(p) "Institutional Lender" shall mean any bank, mortgage banker, trust company, insurance company, savings and loan association or other financial institution, pension fund, or governmental agency, which is the record owner of any mortgage loan which encumbers any Unit(s).

(q) "Lease" shall mean any agreement for the leasing or rental of any Unit in the Development.

(r) "Limited Common Facilities" shall have the same meaning as "limited Common Facilities" except as same may be modified by the provisions of Article V hereof.

(s) "Limited Common Expenses" shall mean Common Expenses for which some, but less than all of the Unit Owners are proportionately liable, including, but not limited to those expenses which are declared to be Limited Common Expenses by the provisions of this Declaration of Covenants and Restrictions or By-Laws.

(t) "Market Units" shall mean and refer to those Units available for sale to the general public.

(u) "Declaration of Covenants and Restrictions " shall mean the Declaration of Covenants and Restrictions for Glenmont Commons Townhomes, together with all future amendments and supplements thereto, which are recorded in the Office of the Morris County Clerk.

(v) "Member" shall mean all those Unit Owners who are Members of the Association, as provided in the Certificate of Incorporation.

(w) "Owner" or "Unit Owner" shall mean and refer to those persons or entities in whom record fee simple title to any Unit is vested, as shown in the records of the Morris County Clerk, including the Sponsor, unless the context expressly indicates otherwise, but, despite any applicable theory of mortgage, shall not mean or refer to any mortgagee or trustee under a deed of trust unless and until such mortgagee or trustee has acquired title to any such Unit pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure, nor shall the term "Unit Owner" refer to any lessee or tenant of a "Unit Owner".

(x) "Permitted Mortgage" shall mean and refer to any first mortgage lien encumbering a Unit, held by an Institutional Lender, or which is a purchase money mortgage held by the Seller of a Unit, or any mortgage lien which is expressly subordinate to any existing or future common expense liens imposed against a Unit by the Association.

(y) "Property" shall mean the Buildings, the land and premises described in Exhibits A-1 and A-2, and all improvements now or hereafter constructed in, upon, over or through such land and premises.

(z) "Remedial Assessment" shall mean and refer to those assessments imposed upon the Unit Owner(s) as described in Article VII of this Declaration of Covenants and Restrictions.

(aa) "Rules and Regulations" shall mean those Rules and Regulations of the Association as set forth in Exhibit A-13, attached hereto and made a part hereof, together with all future amendments and supplements thereto.

(bb) "Special Assessments" shall mean and refer to those assessments imposed upon the Unit Owner(s) as described in Article VII of this Declaration of Covenants and Restrictions.

(cc) "Sponsor" shall mean and refer to Glenmont Commons Developers, L.L.C., a New Jersey Limited Liability Company, its successors and assigns.

(dd) "Unit" shall mean a part of the Development designated and intended for independent ownership and use, regardless of type; all as more specifically described in Article IV hereof, and shall not be deemed to include any part of the General Common Facilities or Limited Common Facilities situated within or appurtenant to a Unit.

### ARTICLE III

#### PROPERTY SUBJECT TO THIS DECLARATION

The Development will include the lands described in Exhibit A-1 aforesaid, consisting of two hundred and sixty-four (264) Units of varying types, together with all appurtenant site improvements, all as shown on Exhibit A-2 aforesaid, and includes all rights, privileges, roads, waters and appurtenances thereto belonging or appertaining.

#### ARTICLE IV

##### DESCRIPTION OF UNITS

(a) The dimensions, area and location of the Buildings and all of the Units within the Development are shown graphically on Exhibit A-3. Each Unit is intended to contain all the space within the area bounded by the interior surface of its perimeter walls and its lowermost floor, including the lands on which it is situated and its uppermost ceiling as follows:

**BOTTOM:** The bottom is an imaginary horizontal plane through the lowest point of the interior surface of each portion of the lowermost subfloor, if any, within the Unit, including the lands on which it is situated, and extending in every direction, to the point where it closes with a side of such Unit.

**TOP:** The top is an imaginary horizontal plane along and coincident with the upper surface of the gypsum board or other material which forms the uppermost ceiling of the Unit and extending in every direction, to the point where it closes with every side of such Unit.

**SIDES:** The sides of each Unit are imaginary vertical planes along and coincident with the innermost surface of the studding of the perimeter walls. Where no wall exists, the side is an imaginary vertical plane along and coincident with the exterior surface of the windows or doors located on the perimeter of such Unit. The sides of each such Unit are bounded by the bottom and top of the Unit.

(b) Items Included in Unit. Each Unit, regardless of type, also includes all appliances, fixtures, doors, window panes, skylights (if purchased), interior walls and partitions, gypsum board and/or other facing material on the walls and ceilings thereof, the inner decorated and/or finished surface of the floors (including all flooring tile, ceramic tile, finished flooring, carpeting and padding) and all other improvements which are located within the boundaries of the Unit as set forth in Article IV, or which are exclusively appurtenant to a Unit, although all or part of the improvement may not be located within the boundaries of the Unit as set forth in Article IV. Such appurtenant improvements include the following, to the extent that they serve an individual Unit only and not any other Unit or any portion of the Common Facilities:

(i) So much of the common heating, plumbing, ventilating and air conditioning system as extends from the exterior into the Unit; and

(ii) All electrical wires which extend from the exterior into the Units, and fixtures, switches, outlets and circuit breakers; and

(iii) All master antenna or cable television wiring which extends from the exterior into the Unit; and

(iv) Any fireplace, chimney or flue; and

(v) All utility meters not owned by the public utility agency supplying the service; and

(vi) All equipment, appliances, machinery, mechanical or other systems, whether or not same are located within or without the Unit, including, but not limited to, the hot water heater, the heat pumps or HVAC units located on concrete pads upon the Common Facilities, and window or wall-sleeve air conditioning units, if any; and

(vii) All storage areas located within a Unit which provide exclusive storage for the Unit.

(c) Actions by Developer. While the developer maintains control of the Board, he shall take no action which adversely affects a homeowner's rights under N.J.A.C. 5:25-5.5. Claims relative to defects in Common Facilities shall be processed in accordance with N.J.A.C. 5:25-5.5.

(d) Interior Partitions. Interior partitions or nonbearing walls within the confines of each Unit may, from time to time, be removed or replaced, subject to the prior written approval of the Board. In the event a Unit Owner does remove or replace any or all such interior partitions or walls, no amendment of the Declaration of Covenants and Restrictions will be necessary or required. No Unit may be partitioned or subdivided without the prior written approval of any Permitted Mortgage Holder for such Unit and the Board. None of the foregoing approvals shall apply to Sponsor prior to the initial conveyance of any Units owned by it to another Unit Owner.

## ARTICLE V

### PROPERTY RIGHTS IN THE PROPERTY

(a) General Common Facilities. All appurtenances and facilities and other items which are not part of the Units hereinbefore described in Article IV, or part of the Limited Common Facilities hereinafter described in Article V(b) shall comprise the General Common Facilities, as graphically shown on Exhibit A-2 aforesaid. The General Common Facilities shall also include, by way of description, but not by way of limitation:

(i) All land described in Exhibit A-1 aforesaid, whether improved or unimproved, with the exception of the land under which the Unit is situated, which is part of the Unit;

(ii) All private street, curbs and sidewalks, subject to the easements and provisions set forth in Article X hereof;

(iii) The common parking areas located upon the lands described in Exhibit A-1 and as shown on Exhibit A-2, the use of which shall be subject to the Rules and Regulations of the Association;

- (iv) Any landscaped areas, shrubbery and plantings;
  - (v) Conduits, sewer laterals located under the building slabs, and other utility lines; and waterways, subject to the easements and provisions set forth in Article X hereof;
  - (vi) Public connections and meters for gas, electricity, telephone and water, not owned by the public utility or other agencies providing such services;
  - (vii) The roof, the foundations, footings, columns, girders, beams, supports, exterior or interior bearing or main walls and floors between Units;
  - (viii) Exterior lighting and other facilities necessary to the upkeep and safety of the building and grounds;
  - (ix) Any open equipment storage areas located within the Development for use by all Unit Owners, subject to the Rules and Regulations of the Association;
  - (x) 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 General or Limited Common Facilities not included within the Development, or for any other purpose;
  - (xi) All tangible personal property required exclusively for the operation, maintenance and administration of the Development, which may be owned by the Association; and
  - (xii) All other facilities or elements of any improvement within any Building or within the Unit necessary or convenient to the existence, management, operation, maintenance or safety of the Development or normally in common use.
- (b) Limited Common Facilities. The Limited Common Facilities shall be as graphically shown on Exhibit A-2, aforesaid, and shall include, but shall not be limited to, all of the following: Any balcony, terrace, patio, deck or lawn area immediately in front of or behind a Unit and the driveway to which there is direct access from the interior of a Unit. The Limited Common Facilities are for the exclusive use of the Unit. Each Unit Owner's right to use the Limited Common Facilities appurtenant to his Unit or Building may not be transferred apart from the conveyance of title to the Unit. Ordinary maintenance of the Limited Common Facilities, other than the lawn areas, shall be provided by the Unit Owner, at his sole cost and expense.
- (c) Reserved Common Facilities. The Board shall have the power, in its discretion, to: (i) designate certain General Common Facilities as "Reserved Common Facilities;" (ii) grant rights to use the Reserved Common Facilities on an exclusive basis for a specific time period to the Association and/or to any or less than all of the Unit Owners; and (iii) establish a reasonable sum of money to be charged to the reserving party for the use and maintenance of the Reserved Common Element. The designation by the Board of a General Common Element as "Reserved" shall not be construed as a sale or disposition of that Common Element.

ARTICLE VI

DETERMINATION OF COMMON EXPENSES  
AND VOTING RIGHTS

(a) Estate Acquired. The Owner of each Unit shall have such an estate therein as may be acquired by grant, by purchase or by operation of law, including an estate in fee simple;

(b) No Partition. Subject to the provisions of this Declaration of Covenants and Restrictions, the Certificate of Incorporation, and By-Laws, and any and all amendments thereto, the Common Facilities shall remain undivided and no Unit Owner(s) shall bring any action for partition or division thereof..

(c) Voting. Each Unit Owner in good standing shall be entitled to cast one (1) unweighted vote for each Unit to which he holds title. The Sponsor shall be entitled to cast all votes for Units owned by it, but the Sponsor shall not be permitted to cast any votes held by him for unsold Units for the purpose of amending the Declaration of Covenants and Restrictions, By-Laws or any other document, or for the purpose of changing the permitted use of a Unit or reducing the Common Facilities.

(d) Membership in the Association. Upon acceptance of a Deed to a Unit, each Unit Owner shall automatically become a Member of the Association, and shall be a Member for so long as he shall hold legal title to his Unit, subject to all provisions of this Declaration of Covenants and Restrictions, the Certificate of Incorporation, and the By-Laws and Rules and Regulations which may now or hereafter be established by the Association and any other documents, amendments or supplements thereto. The Sponsor shall be a Member of the Association with respect to all Units covered by this Declaration of Covenants and Restrictions and not yet conveyed to others.

(e) Compliance by Owners. Each owner or occupant of a Unit shall comply with, and shall assume ownership or occupancy subject to laws, rules and regulations of governmental authorities having jurisdiction over the Development, the provisions of this Declaration of Covenants and Restrictions, the Certificate of Incorporation, By-Laws, Rules and Regulations or any other documents, amendments or supplements to the foregoing as described in Paragraph (f) of this Article VI. Failure to comply with any of the foregoing shall be grounds for commencement of an action for the recovery of damages, or for injunctive relief, or both, by the Sponsor, the Association, or any Unit Owner, in any court or administrative tribunal having jurisdiction, against any person or persons, firm or corporation violating or attempting to violate or circumvent any of the aforesaid, and against any Unit Owner, to enforce any lien created by this Declaration of Covenants and Restrictions or any covenant contained herein. Failure by the Sponsor, the Association, or any Unit Owner to enforce any covenant herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to thereafter enforce the same.

ARTICLE VII

MAINTENANCE AND CAPITAL IMPROVEMENT ASSESSMENTS;  
LIEN FOR ASSESSMENTS

(a) General. Every Unit Owner, by acceptance of a deed or other conveyance for a Unit, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association all assessments and all fines and other charges contemplated herein or in the By-Laws. Each such assessment, together with interest therein, late charges, and cost of collection thereof, including reasonable attorney fees, shall be a continuing lien upon the Lot against which each such assessment is made and shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due.

(b) Liability for Assessments. No Unit Owner may waive or otherwise avoid liability for Common Expenses by non-use of the Common Facilities. Each assessment and all fines (if permitted by law) and other charges shall be a continuing lien upon the Unit against which it was made and shall also be the joint and several personal obligation of the Owner of such Unit at the time when the assessment, fine or other charge fell due, and of each subsequent record Owner of such Unit, except as otherwise contemplated by Article IX of this Declaration of Covenants and Restrictions or N.J.S. 46:8B-21, together with such interest thereon as may be permitted by law and cost of collection thereof (including reasonable attorney's fees). Liens for unpaid assessments, fines or other charges may be foreclosed by suit brought in the name of the Association (if permitted by law), in the same manner as a foreclosure of a mortgage on real property. Suit to recover a money judgment for unpaid assessments, fines or other charges may be maintained without waiving the lien securing the same.

(c) Annual Common Expense Assessments. It shall be an affirmative and perpetual obligation of the Board to fix Annual Common Expense Assessments, in an amount at least sufficient to maintain the exterior of the Buildings and to maintain and operate the Common Facilities, as contemplated by the Declaration of Covenants and Restrictions or By-Laws. The amount of monies for Annual Common Expenses of the Association deemed necessary by the Board, and the manner of expenditure thereof shall be a matter for the sole discretion of the Board.

(d) Notice of Annual Common Expense Assessments. The Board shall cause to be prepared annually, at least thirty (30) days in advance of the due date of the first Annual Common Expense Assessment installment, a list of Units and the Annual Common Expense Assessment applicable to each, according to the names of the Unit Owners. This list shall be kept in the Office of the Association and shall be open to inspection, upon request, by any Unit Owner. Written notice of the Annual Common Expense Assessments shall be sent by mail or delivered to every Unit Owner, as more particularly described in Article XV of the By-Laws.

(e) Use of Annual Common Expense Assessments. The Annual Common Expense Assessments shall be used exclusively for promoting the health, safety, pleasure and welfare of the

members of the Association, including, but not limited to: street lighting; refuse collection; snow clearing (from parking areas, roadways, driveways, sidewalks and walkways); landscaping of unimproved General Common Facilities; the maintenance and repair which is the responsibility of the Association pursuant to Article IX herein; payment of applicable taxes and insurance premiums; all costs and expenses incidental to the operation and administration of the Association and its Property; and such other items as may, from time to time, be deemed appropriate by the Board; provided that Annual Common Expense Assessments shall not be used for new capital improvements, subject to Article VII hereof.

(f) Allocation.

(i) The Annual Common Expense Assessment levied against each Unit shall be computed as follows: The General Common Expenses shall be allocated among all Units within the Development according to Article VI(d). The Limited Common Expenses for each type of Limited Common Element shall be allocated on a percentage basis.

(ii) Obligations of the Sponsor. Until conveyance of title to the first Unit, the Sponsor shall be solely responsible for all Common Expenses. Following the first conveyance, the Owners of Units to whom title shall have been conveyed shall be responsible for their proportionate share of all Common Expenses. Following conveyance of the first Unit, the Sponsor shall not be responsible for Common Expense payments for any Unit unless there is occupancy of a Unit by a contract purchaser prior to conveyance, or by a tenant of Sponsor.

(g) Annual Common Expense Assessment Not Made. If, after turnover of control of the Association to the Unit Owners, an Annual Common Expense Assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior year's assessment, and any installments of such annual assessments shall be due upon each installment payment date until a new Annual Common Expense Assessment is made.

(h) Due Dates of Annual Common Expense Assessment. Annual Common Expense Assessments shall be made for a yearly period, to be determined by the Board, and shall be payable in advance in monthly installments or in such other installments as may be established by the Board. Upon the conveyance of title to a Unit, the Unit Owner shall pay the pro-rata share of the installment then due, as well as any other fees required by the provisions of this Declaration of Covenants and Restrictions, the By-Laws, or the Certificate of Incorporation.

(i) Emergency Assessment. In the event the Annual Common Expense Assessment proves to be insufficient for an immediate need or emergency, the budget and assessment may be amended at any time by the Board and the Board may impose an Emergency Assessment. The determination of an immediate need or emergency shall be in the sole discretion of the Board.

(j) Special Assessments. In addition to the other Assessments herein authorized, the Board may levy, in any assessment year, a Special Common Expense Assessment, for the purpose of defraying, in whole or in part, the cost of any reconstruction, repair or replacement of an existing Common Element not determined by the

Board to constitute an emergency or immediate need but for which funds held in reserve are inadequate, or for any other lawful purpose, other than the construction or acquisition of new capital improvements, which shall be subject to Article VII(k) hereof. If, during any assessment year, a Special Common Expense Assessment exceeds in the aggregate the sum of \$10,000.00 (increased by the percentage of increase in the Consumer Price Index for all Urban Consumers since 1995), it must receive the assent of two-thirds (2/3) in interest of the affected Unit Owners in good standing. This vote shall be taken at a meeting duly called for this purpose. Written notice of such a meeting, stating the purpose of the meeting, the reason for and the amount of the special assessment, shall be sent to all Unit Owners no less than thirty (30) days in advance. The due date(s) of any Special Common Expense Assessment, or any installment(s) thereof, shall be fixed in the resolution authorizing the Special Common Expense Assessment. While the Sponsor maintains a majority on the Board of Trustees, it shall make no additions, alterations, improvements or purchases which necessitate a Special Common Expense Assessment or a substantial increase in the Annual Common Expense Assessment installments unless required by a governmental agency, title insurance company or Institutional Lender, or in the event of an emergency.

(k) Capital Improvement Assessment. In addition to the other Assessments herein authorized, the Board may levy, in any assessment year, a Capital Improvement Assessment, for the purpose of acquiring or constructing a new capital improvement, provided that the acquisition or construction of any new capital improvement, the cost of which exceeds the sum of \$10,000.00 (increased by the percentage of increase in the Consumer Price Index for all Urban Consumers since 1995), shall have been authorized by the assent of two-thirds (2/3) in interest of the affected Unit Owners in good standing. This vote shall be taken at a meeting duly called for this purpose. Written notice of such a meeting, stating the purpose of the meeting, shall be sent to all Unit Owners no less than thirty (30) days in advance. The due date(s) of any Capital Improvement Assessment, or any installment(s) thereof, shall be fixed in the resolution authorizing the Capital Improvement Assessment.

(l) Exemption for Capital Improvement Assessments. Neither Sponsor nor any Permitted Mortgage Holder shall be required to pay any Capital Improvement Assessments, unless the Sponsor and/or the Permitted Mortgage Holder voted for such capital improvement assessment. Further, this provision may not be amended without the written consent of Sponsor and every Permitted Mortgage Holder.

(m) Remedial Assessment. In addition to the other Assessments herein authorized, the Board may levy a Remedial Assessment against any individual Unit(s) in accordance with the provisions of Article IX hereof regarding Unit maintenance performed by the Association. The Board may also provide, by its Rules and Regulations, for ordinary maintenance and minor repairs and replacements to be furnished to Units by Association personnel or representatives and charged as a Remedial Assessment.

(n) Exemption. Despite anything to the contrary contained herein, in the event the Sponsor designates any Unit(s) deeded or to be deeded to the Association, without cost to the

Association, for the purpose of use by a residential building superintendent, said Unit(s) shall be exempt from Common Expense Assessments of any type for so long as the Association shall hold title thereto, and the costs of ownership of the Unit, including the proportionate responsibility for Common Expenses attributable to such Unit, shall be borne by the other Unit Owners in their proportionate share. The Sponsor will not cause the Association to acquire title to any Unit for so long as the Sponsor controls the Board of Trustees.

(o) Certificate of Payment. The Association shall, within ten (10) days after receipt of the written request of any Unit Owner, purchaser of any Unit, or of the Permitted Mortgage Holder for any Unit, furnish to that Unit Owner, purchaser or Permitted Mortgage Holder, a certificate in writing, signed by an officer of the Association, setting forth whether or not such Assessment, fine or other charge as would constitute a continuing lien against the Unit, pursuant to Article VII(b), has been paid. Such certificate shall constitute conclusive evidence of the payment of any Assessments therein stated to have been paid.

(p) Interest in Common Surplus. Any common surplus of the Association resulting from the excess of income over expenses shall be allocated among the Members, in the same manner as those expenses were assessed. Any common surplus of the Association resulting from the distribution of proceeds of liquidation of assets of the Association shall be allocated among the members of the Association, including the Sponsor, subject to an adjustment to reflect an appropriate credit for any initial contribution to working capital, if applicable, in accordance with general accounting principles.

## ARTICLE VIII

### MAINTENANCE RESPONSIBILITIES

(a) Responsibilities of Unit Owners. Each Unit Owner is responsible to perform all of the maintenance, repairs and replacements that may be required within the boundaries of his own Unit, at his own expense, and in accordance with the requirements of this Declaration of Covenants and Restrictions and the By-Laws and any Rules and Regulations of the Association. Unit Owners are responsible for all of the improvements appurtenant to their Units, as described in Article IV(b) herein, which are not located within the boundaries of his Unit, when the following conditions are met:

(i) the improvement is accessible without a breaking or intrusion into the Common Facilities or any other Unit; and

(ii) the improvement is not functionally connected with a Common Element or a component of an integrated system which serves more than one (1) Unit.

In addition, each Unit Owner shall be responsible to perform all of the cleaning, snow clearing and lawn maintenance that may be required for any Limited Common Element reserved for the exclusive use of his Unit, as such Limited Common Facilities are defined in Article V.

(b) Responsibilities of the Association. The Association shall furnish the maintenance, repairs and replacements that are required for the functioning of any common plumbing, common heating, common air-conditioning, common mechanical, common electrical or common water supply systems within a Building. It shall furnish all maintenance, repairs and replacements required for the General Common Facilities, as such are defined in Article II(g) herein, including but not limited to: the exterior and roofs of Buildings, the parking areas, roadways, driveways, sidewalks, walkways, General Common Element stairways and fences. Claims relative to defects in Common Facilities shall be processed in accordance with N.J.A.C. 5:25-5.5 regarding warranty coverage and claims. The Association shall also furnish the maintenance, repairs and replacements that are required for any improvement appurtenant to a Unit, as such improvements are defined in Article IV(b) herein, not located within the boundaries of the Unit, that does not meet the conditions set forth in Article IX(a). The expenses incurred by the Association in doing so shall be levied against the Owner of that Unit as a Remedial Assessment. In addition, except as otherwise provided by Article IX(c), the Association shall furnish all maintenance, repair and replacement of patios, balconies, terraces and decks which are Limited Common Facilities reserved for the exclusive use of certain Units, as defined in Article V, but the expenses incurred by the Association in doing so shall be levied against the Owner of that (those) Unit(s) as a Remedial Assessment.

(c) Rights of the Association. The Association may effect emergency repairs to any Unit which the Owner of that Unit has failed to perform, but the expenses incurred by the Association in doing so shall be levied against the Owner of that Unit as a Remedial Assessment. The Association may also effect non-emergency repairs within the boundaries of a Unit, which the Unit Owner has failed to perform, and charge the reasonable expenses of the repair to the Unit Owner as a Remedial Assessment, but only if (i) any such failure to maintain by the Unit Owner will have a material and adverse impact upon any other portion of the Development, and (ii) the Unit Owner(s) responsible for such maintenance, repair or replacement have failed to remedy the situation within sixty (60) days after written notice given by the Association to do so.

(d) Damage Due to Negligence, Omission or Misuse. If, due to the negligent act or omission of or misuse (whether authorized or unauthorized by the Unit Owner) by a Unit Owner, or a member of his family or household pet, or a guest, occupant or visitor, damage shall be caused to the Common Facilities, or to a Unit(s) owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, the Unit Owner so responsible shall pay for such damage as a Remedial Assessment and, in addition, be liable for any damages, liability, costs and expenses, including attorney's fees, caused by or arising out of such circumstances; and such maintenance, repairs and replacements to the Common Facilities or the Unit(s) shall be subject to the By-Laws and the Rules and Regulations.

#### ARTICLE IX

## EASEMENTS

(a) Unit Owner Easements. Every Unit Owner, his successors and assigns, shall have the following perpetual easements with respect to the Property:

(i) A non-exclusive easement in, upon, over, under, across and through the Common Facilities to keep, maintain, use, operate, repair and replace his Unit in its original position and in every subsequent position to which it changes by reason of the gradual forces of nature and the elements; and

(ii) An exclusive easement for the existence and continuance of any encroachment by his Unit upon any adjoining Unit or upon any Common Facilities, now existing or which may come into existence hereafter, as a result of construction, reconstruction, repair, shifting, settlement or movement of any portion of a Building or a Unit, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed as long as the Building stands; and

(iii) A non-exclusive easement for ingress and egress to his Unit in, upon, under, over, across and through the General Common Facilities; and

(iv) An exclusive easement to use and enjoy the surfaces of the main walls, (including any windows, skylights, doors, fireplace, and chimney therein), balconies, decks and/or patios, if any, ceilings, floors, stairway and foyer of his Unit; and

(v) An easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines, cable television systems, master antenna facilities or other General Common Facilities located within any of the other Units or Common Facilities and serving his Unit; and

(vi) A perpetual and non-exclusive easement in, over and through the General Common Facilities, to use the common facilities and recreational amenities within the Development, subject to the right of the Board to:

(1) promulgate Rules and Regulations for the use and enjoyment thereof; and

(2) suspend the enjoyment of any Unit Owner for any period during which any assessment, fine or other charge remains unpaid, or for any period during which any infraction of its published Rules and Regulations continues, it being understood that any suspension for either non-payment of any assessment or a breach of the Rules and Regulations of the Association shall not constitute a waiver or discharge of the Unit Owner's obligation to pay the assessment; and

(3) charge admission and other fees for the use by guests of the Common Facilities; and

(4) dedicate or transfer all or any part of the Common Facilities, other than the Buildings, to any Municipal, County, State, Federal or other public agency, authority or utility, for such purposes and subject to such conditions as may be agreed upon by the Unit Owners, provided that no such

dedication, transfer, or determination as to the purposes of or as to the conditions of such dedication or transfer shall become effective unless such dedication, transfer and determination as to the purpose and conditions thereof shall be authorized by the vote in person or by proxy of two-thirds (2/3) of all the votes eligible to be cast by the Unit Owners of the Association, and unless written notice of the proposed resolution authorizing such action is sent to every Unit Owner at least ninety (90) days in advance of the scheduled meeting at which such action is taken. A true copy of such resolution, together with a certificate of the result of the vote taken therein, shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association, and such certificate shall be annexed to any instrument of dedication or transfer affecting the Common Facilities other than the Buildings, prior to the recording thereof in the Office of the Morris County Clerk.

(b) Sponsor's Easements. The Sponsor, his respective successors and assigns, shall have the following easements with respect to the Property:

(i) A blanket and non-exclusive easement in, upon, through, under and across the Common Facilities for the purpose of construction, installation, maintenance and repair of any improvements to the Units or the Common Facilities, for ingress and egress for the use of all driveways, parking areas, and for the utilization of existing and future model Units for sales promotion and exhibition, until the expiration of two (2) years from the date the last Unit is sold and conveyed in the normal course of business. In addition, Sponsor hereby reserves the irrevocable right to enter into, upon, over or under any Unit for such purposes as may be reasonably necessary for the Sponsor or its agents to service such Unit or any part of the Building, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not; and

(ii) A perpetual, blanket and non-exclusive easement in, upon, over, under, across and through the Common Facilities for surface water runoff and drainage caused by natural forces and elements, grading, and/or improvements located upon the property. No individual Unit Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Development.

(c) Association Easements. The Property shall also be subject to the following easements:

(i) The Association shall have a perpetual exclusive easement for the maintenance of any Common Facilities, including those which presently or may hereafter encroach upon a Unit; and

(ii) The Association, through the Board or any manager, or managing agent, or their respective agents or employees, shall have the perpetual and non-exclusive right of access to each Unit (1) to inspect same, (2) to remedy any violations of the provisions of this Declaration of Covenants and Restrictions, the By-Laws or any Rules and Regulations of the Association, and (3) to perform any operations required in connection with its maintenance, repairs and replacements as set forth in Article IX

hereof; 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.

(d) Permitted Mortgage Holder Easements. Any Permitted Mortgage Holder, its officers, agents and employees, shall have a blanket, perpetual and non-exclusive easement to enter the Development or any part thereof to inspect the condition and repair of the Common Facilities, or any Units so encumbered by a first mortgage owned by it. This right shall be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to and with the permission of the Board and the Unit Owner.

(e) Utility Easements. A blanket, perpetual and non-exclusive easement in, upon, over, across and through the Common Facilities for the purpose of the installation, maintenance, repair, service and replacement of all sewer, water, power and telephone pipes, lines, mains, conduits, waters, poles, transformers, master television antennas and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility systems serving the property, which easement shall be for the benefit of any governmental agency, utility company or other entity which requires same for the purpose of furnishing one or more of the foregoing services.

(f) Governmental Easements. A blanket, perpetual and non-exclusive easement of unobstructed ingress and egress in, upon, over, across and through the Common Facilities to the Township of Parsippany-Troy Hills, its respective officers, agents and employees (but not the public in general) and all police, fire, and ambulance personnel in the proper performance of their respective duties (including, but not limited to, emergency repairs to a Unit or other repairs which the Unit Owner has failed to perform), and for repair and maintenance of the Common Facilities. Except in the event of emergencies, including the enforcement of traffic regulations in conformity with N.J.S.A. 39:5A-1, the rights accompanying the easements provided for in this subparagraph shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to and with the permission of the Unit Owner(s) directly affected thereby.

(g) Other Easements. The Property shall also be subject to the following easements:

(i) Any utility easements, and other easements and restrictions of record heretofore filed, or hereinafter filed by Sponsor; and

(ii) Where the entrance to a garage is from the Common Facilities, the right of any Unit Owner to free and unobstructed access to and from that Unit's garage.

#### ARTICLE X

#### BY-LAWS AND ADMINISTRATION; CHANGES IN DOCUMENTS; POWER OF ATTORNEY

(a) Administration of Common Facilities. The administration of the Common Facilities of the Development and all other common facilities shall be by the Association, in accordance with the provisions of this Declaration of Covenants and Restrictions, the Certificate of Incorporation, the By-Laws, the Rules and Regulations and of any other agreements, documents, amendments or supplements to the foregoing which may be duly adopted or subsequently be required by any Institutional Lender designated by the Sponsor, any governmental or quasi-governmental agency having regulatory jurisdiction over the Development, or by any title insurance company selected by Sponsor to insure title to any Unit(s).

(b) Sponsor's Power of Attorney. The Sponsor hereby reserves for itself, its successors and assigns, for a period of three (3) years from the date the first Unit is conveyed to any individual purchaser, or until it conveys title to the last Unit, whichever occurs first, the right to execute, on behalf of all contract purchasers, Unit Owners, mortgagees, other lienholders or parties claiming a legal or equitable interest in the Development, any such agreements, documents, amendments or supplements to the documents described in Article XI(a) which may be so required by any such governmental or quasi-governmental agency, Institutional Lender, or title insurance company designated by the Sponsor.

(i) Appointment. By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Development, each and every such contract purchaser, Unit Owner, mortgagee, lienholder or other party having a legal or equitable interest in the Development does automatically and irrevocably name, constitute, appoint and confirm the Sponsor, its successors and assigns, as attorney-in-fact for the purpose of executing such amended Declaration of Covenants and Restrictions and other instrument(s) necessary to effect the foregoing, subject to the limitations set forth herein.

(ii) Limitations. No such agreement, document, amendment, or supplements which adversely affects the value or substantially alters the floor plan of a Unit, or changes the percentage of the undivided interest in the Common Facilities, or substantially increases the financial obligations of the Unit Owner, or reserves any additional or special privileges for the Sponsor not previously reserved, shall be made without the prior written consent of the affected Unit Owner(s) and all owners of any mortgage(s) encumbering the affected Unit Owner(s). Any such agreement, document, amendment or supplement, which adversely affects the priority or validity of any mortgage which encumbers any Unit, shall not be made without the prior written consent of the owners of all such mortgages.

(iii) Duration. The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof, and the same shall run with the title to any and all Units and be binding upon the heirs, personal representatives, successors and assigns of any of the foregoing parties. Further, said power of attorney shall not be affected by the death or disability of any principal and are intended to deliver all right, title and interest of the principal in and to said powers. Said power of attorney shall be vested in the Sponsor, its successors and assigns, until the

initial conveyance of all Units or the expiration of same. Thereafter, said power of attorney shall automatically vest in the Association to be exercised by its Board of Trustees.

(c) Association's Power of Attorney. By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Development, each and every such contract purchaser, Unit Owner, mortgagee, lienholder or other party having a legal or equitable interest in the Development does automatically and irrevocably name, constitute, appoint and confirm the Association as attorney-in-fact for the following purposes: (1) to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners, to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise dispose of any such Units so acquired, or to sublease any Units so leased by the Association; (2) to prepare, execute and record any amendments to the Declaration of Covenants and Restrictions required under Article XV hereof; (3) to prepare, execute and record any amendments to the Declaration of Covenants and Restrictions required under Article XI(b) herein; and (4) to prepare, execute and record any amendments to the Declaration of Covenants and Restrictions made pursuant to Article XVII hereof.

## ARTICLE XI

### RESTRICTIONS

(a) General Covenants and Restrictions. The Development is subject to all covenants, restrictions and easements of record and to the following restrictions:

(i) No Unit, or Limited Common Element appurtenant to any Unit, except those Units used by Sponsor as sales offices, administrative offices or models, shall be used for any purpose other than as a private residence. No business, trade or profession shall be conducted in any Unit.

(ii) There shall be no obstruction of the Common Facilities, nor shall anything be stored in or upon the Common Facilities without the prior consent of the Board. The use by a Unit Owner of any designated storage area which is a Limited Common Element appurtenant to his Unit shall be subject to the Rules and Regulations promulgated by the Board of Trustees.

(iii) No animal, livestock or poultry of any kind will be raised, bred or kept in any Unit or in the Common Facilities. Dogs, cats or other household pets are permitted, not to exceed two (2) in the aggregate per Unit, provided that they are not kept, bred or maintained for any commercial purpose, and that they are housed within the Unit. No outside dog pens or yards will be permitted. Any such pet causing or creating a nuisance or unreasonable disturbance will be permanently removed from the property upon thirty (30) days written notice from the Association. All dogs, cats and similar animals will be leashed

or chained at all times, and will not be allowed to roam free. It will be the responsibility of the animal owner to clean up any excrement or debris left or caused by the animal and to prevent the animal from damaging trees or shrubs owned by the Association or other Unit Owners.

(iv) No vehicles of a size larger than a panel truck, and no mobile home or recreation vehicle or the like shall be parked within the Common Facilities except that those vehicles temporarily within the Development for the purpose of servicing the Development itself or one of the Units or Common Facilities shall be permitted without the written consent of the Board. However, the foregoing shall not apply to any vehicles or equipment stored on the Property by Sponsor and/or the Association for the purpose of constructing and/or maintaining the Property or any portion thereof.

(v) No portion of the Common Facilities or other portion of the Development shall be used or maintained for the dumping of rubbish or debris. Trash, garbage or other waste shall be kept in designated sanitary containers within the Development for weekly or more frequent collections.

(vi) No exterior loudspeakers other than as contained in portable radios or television sets shall be permitted, nor shall unshielded floodlights be installed in any exterior area of any Unit or any deck appurtenant thereto without the permission of the Board, except that Sponsor may install exterior floodlights for lighting Common Areas.

(vii) No signs (other than those of Sponsor), awnings, grills, balcony enclosures, fences, canopies, shutters, satellite dishes or radio or television antennae or aerials shall be erected or installed in or upon any Building, the Common Facilities or any part thereof without the prior written consent of the Board. Unit Owners shall not have the right to paint or otherwise decorate or change the appearance of any portion of the exterior of the Building or any parking areas without the prior written consent of the Board. This shall include, but not be limited to installation of storm doors or storm windows. Each Unit Owner is responsible to promptly report to the Board any defect or need of repairs, the responsibility for which is that of the Association.

(viii) In order to provide an orderly procedure in the case of title transfers, and to assist in the maintenance of a current, up-to-date roster of Unit Owners, each Unit Owner shall give the Secretary of the Association timely notice of his intent to list his Unit for sale, and, upon closing of title, shall forthwith notify such Secretary of the names and home addresses of the purchasers.

(ix) No Unit Owner or occupant shall build, plant, or maintain any matter or thing upon, in, over or under the Common Facilities without the prior written consent of the Board, unless permitted by the Rules and Regulations.

(x) No Unit Owner or occupant shall burn, chop or cut anything on, over or above the Common Facilities.

(xi) To the extent that equipment, facilities and fixtures within any Unit(s) shall be connected to similar equipment,

facilities or fixtures affecting or serving other Unit(s) or the Common Facilities, then the use thereof by the individual Owners shall be subject to this Declaration of Covenants and Restrictions, the By-Laws and the Rules and Regulations of the Association.

(xii) Nothing shall be done or kept in any Unit, or in or upon the Common Facilities, which will increase the rates of insurance of any Building or the contents thereof beyond the rates applicable for the Units without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his Unit, or in or upon the Common Facilities, which will result in the cancellation of insurance on any Building or the contents thereof, or which will be in violation of any law.

(xiii) No noxious or offensive activities shall be carried on, in or upon the Common Facilities or in any Unit, nor shall anything be done therein either willfully or negligently which may be or become an annoyance or nuisance to the other residents of the Development.

(xiv) No immoral, improper, offensive or unlawful use shall be made of any Unit; and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed.

(xv) Draperies, blinds, curtains or other window coverings must be installed by each Unit Owner on all windows of his Unit and must be maintained in said windows at all times, except as may be permitted otherwise by the Rules and Regulations. This provision shall not apply to the Sponsor.

(xvi) The Common Facilities shall be used only for the furnishing of the services and facilities for which they are reasonably intended and suited and which are incident to the use and occupancy of the Units.

(xvii) All property taxes, Special Assessments and other charges imposed by any taxing authority are to be separately assessed against and collected on each Unit as a single parcel.

(xviii) Each Owner shall pay for his own telephone and other utilities which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed or which serve the Common Facilities shall be treated as part of the Common Expenses.

(xix) No clothes poles, lines or clothes trees shall be installed or maintained, nor shall any laundry or other thing be hung out to dry outside of any Unit or elsewhere within the Development. The Owner of each Unit shall not cause or permit any clothes, sheets, blankets, laundry of any kind or other articles to be hung or displayed on the outside of windows or placed on the outside window sills, walls, railings, balconies or decks of any Building, or in any parking areas.

(xx) All Units must be heated to the extent necessary to prevent damage from freezing temperatures during the months of October through April, inclusive, regardless of whether or not occupied. Any Unit Owner failing to so heat his Unit shall be obligated to pay a Remedial Assessment for the costs of any damage caused to any portion of the Development due to his

neglect, or (if such damage is insured by the Association), for any deductible or other amount not received by the Association from the proceeds of the insurance.

(xxi) No firewood may be stored in any common stairway or landing, or in or on any parking space or parking area, or in or on any deck appurtenant to a Unit.

(xxii) All roadways within the Development shall remain private, and shall not be dedicated to the Township of Parsippany-Troy Hills.

(b) Restrictions on Alterations, Additions, Improvements.

(i) Nothing shall be done to any Unit, or on or in the Common Facilities, which will impair the structural integrity of any Building or which will structurally change any Building.

(ii) No Unit Owner (other than the Sponsor) may make any structural additions, alterations or improvements in or to his Unit, or in or to the Common Facilities, without the prior written approval of the Board. The Board shall have the obligation to answer any written request received by it from a Unit Owner for approval of a proposed structural addition, alteration or improvement to his Unit within forty-five (45) days after the receipt of such request, and failure to do so within the stipulated time shall constitute an approval of the proposal. Any application to any municipal authority for a permit to make an addition, alteration or improvement in or to any Unit must be reviewed by the Board and may then be submitted by the Unit Owner. Such approval, however, shall not incur any liability on the part of the Association to any contractor, subcontractor, or materialman on account of such addition, alteration, or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The Unit Owner(s) shall furnish the Board with a copy of any such permit which he has procured. The provisions of this Paragraph shall not apply to Units owned by the Sponsor until such Units have been initially sold and conveyed by the Sponsor.

(iii) Despite the foregoing, while the Sponsor maintains a majority on the Board of Trustees, it shall make no additions, alterations, improvements or purchases which would necessitate a Special Assessment or a substantial increase in the monthly Common Expense Assessment unless required by a governmental agency, title insurance company, Institutional Mortgage Lender, or in the event of any emergency.

(iv) Nothing contained herein shall be construed to prohibit the reasonable adaptation of any Unit for handicap use.

(c) Restrictions on Leasing. Except as hereinafter provided, no Unit shall be leased by the Owner thereof (except the Sponsor or a lender in possession of such Unit following a default in a first mortgage, a foreclosure proceeding or by any deed or other arrangement in lieu of foreclosure), or otherwise utilized for transient or hotel purposes, which shall be defined as (i) rental for any period less than one hundred eighty (180) days; or (ii) any rental where the occupants of the Unit are provided customary hotel services, such as room service for food and beverages, maid service, furnishing laundry and linen, and bellboy service. However, a Unit Owner (including the Sponsor)

may lease a Unit for less than one hundred eighty (180) days to a contract purchaser. No Unit Owner may lease less than an entire Unit.

Subject to the foregoing restrictions, the Unit Owners shall have the right to lease their Units provided that the lease is in writing and made subject to all provisions of this Declaration of Covenants and Restrictions, the By-Laws of the Association and other documents referred to herein, including the right of amendment reserved to Sponsor herein, and provided further that any failure of the lessee to fully comply with the terms and conditions of such documents shall constitute a material default under the lease and be grounds for termination and eviction.

In the event a tenant of a Unit fails to comply with the provisions of this Declaration of Covenants and Restrictions, the By-Laws or Rules and Regulations, then, in addition to all other remedies which it may have, the Association shall notify the Unit Owner of such violation(s) and demand that the same be remedied through the Unit Owner's efforts within thirty (30) days after such notice. If such violation(s) is not remedied within said thirty (30) day period, then the Unit Owner shall immediately thereafter, at his own cost and expense, institute and diligently prosecute an eviction action against his tenant on account of such violation(s). Such action shall not be compromised or settled without the prior written consent of the Association. In the event the Unit Owner fails to fulfill the foregoing obligation, then the Board shall have the right, but not the obligation, to institute and prosecute such action as attorney-in-fact for the Unit Owner and at the Unit Owner's sole cost and expense, including all legal fees incurred. Said costs and expenses shall be deemed to constitute a lien on the particular Unit involved, and collection thereof may be enforced by the Board in the same manner as the Board is entitled to enforce collection of Common Expenses. By acceptance of a deed to any Unit, each and every Unit Owner does thereby automatically and irrevocably name, constitute, appoint and confirm the Board as his attorney-in-fact for the purposes described in this Article.

(d) Fines. The Board shall have the power to make such Rules and Regulations as may be necessary to carry out the intent of these use restrictions, and shall have the right to bring law suits to enforce the Rules and Regulations so promulgated. If permitted by law, the Covenants Committee or the Board (whichever is applicable) shall further have the right to levy fines for violations of these regulations, provided that the fine for a single violation may not, under any circumstances, exceed \$25.00. Each day that a violation continues, after receipt of notice by the Unit Owner, may be considered as a separate violation. Any fine so levied shall be considered as a Common Expense to be levied against the particular Unit Owner involved, and collection may be enforced by the Board in the same manner as the Board is entitled to enforce collection of Common Expenses.

## ARTICLE XII

### DAMAGE OR DESTRUCTION TO PROPERTY

(a) Insurance. The Board shall obtain and continue in effect blanket property insurance on the Common Facilities, in an

amount equalling replacement value (exclusive of land, foundations or slabs, excavations and such other items as are usually excluded from insurance coverage), and without prejudice to the right of the Owner of any Unit to obtain individual Unit insurance at his own cost. In addition, the Board shall obtain and continue such other amounts of insurance as may be required by the provisions of the By-Laws. Premiums for all such insurance coverage obtained by the Board shall be a Common Expense, to be included in the Annual Common Expense Assessment.

(b) Disposition of Insurance Proceeds. If any insured improvements or any part thereof is damaged or destroyed by fire or other casualty, the repair, restoration or ultimate disposition of any insurance proceeds shall be in accordance with the provisions of this Article XIII.

(c) Insurance Proceeds Less than or Equal to \$25,000.00. If the insurance proceeds derived from such loss amount to \$25,000.00 or less, then the Board shall contract with any licensed contractor or contractors to rebuild or repair such damaged or destroyed portions of the insured improvements, in conformance with the original plans and specifications, or, if adherence to such original plans and specifications is impracticable, in the sole discretion of the Board, then in conformance with revised plans and specifications, provided such repairs or rebuilding shall be of a quality and kind substantially equivalent to the original construction. The Board shall accept bids only in specific amounts and shall not enter into any cost-plus or other sliding scale arrangement for compensation to the contractor.

(d) Insurance Proceeds Greater than \$25,000.00. If the insurance proceeds derived from such loss exceed \$25,000.00, all such insurance proceeds shall be paid directly to any Insurance Trustee as may be designated by the Board, as Trustee for all Permitted Mortgage Holders and all Unit Owners as their interests may then appear. Disbursement of such funds shall be made only upon the signatures of a majority of the members of the Board, in accordance with the following:

(i) Upon notification of the receipt of insurance proceeds by the Insurance Trustee, or at such earlier date as may be determined by the Board, the Board shall enter into a contract for a specific dollar amount, with a licensed contractor or contractors, for the repair or rebuilding of all of the damaged or destroyed portions of the insured improvements, as nearly as practicable, to the original plans and specifications thereof, and in accordance with all applicable building codes.

(ii) The Board shall enter into said contract with a licensed contractor or contractors, which contract shall have provisions for periodic disbursements of funds by the Insurance Trustee. Disbursement to the contractor shall be made subject to the prior presentation of an architect's certificate and contractor's requisition containing such provisions as may be appropriate under the circumstances and deemed suitable by the Board.

(iii) The Board shall employ a properly qualified party to supervise the repair and rebuilding, to insure that such work, services and supplies are of proper quality and that

construction is completed in a workmanlike manner and according to plans and specifications.

(e) Responsibility of Unit Owner. If the damage is only to those parts of a Unit for which the Unit Owner bears the responsibility for payment for and performance of maintenance and repair, then that Owner shall be responsible to bear the costs of and perform the reconstruction and repair, but the proceeds of any insurance on the affected part(s) of the Unit that may have been obtained by the Association shall be made available for such purpose. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

(f) Insurance Proceeds Insufficient. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for payment of the costs thereof are insufficient, assessments shall be made against all Owners whose Units were damaged or destroyed, in sufficient amounts to provide funds for the payment of such costs. The foregoing provisions of this subparagraph are applicable to the repairs and reconstruction to be undertaken by the Association, and do not cover damages to those portions of the Unit for which the responsibility of maintenance and repair is that of the Unit Owner, for which the costs and expenses must be borne by each Owner; provided, however, that any portion of the insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an individual Unit Owner shall be paid to said Unit Owner, or if there is a mortgage endorsement as to such Unit, then to the Unit Owner and mortgagee, jointly.

(g) Excess Insurance Proceeds. If the amount of available insurance proceeds should exceed the cost of any such reconstruction or repair, the excess shall be retained by the Association and applied by it to reduce the Common Expenses.

(h) Assignment to Permitted Mortgage Holder. In the event the Association determines not to repair or restore the damaged property in accordance with N.J.S. 46:8B-24, any insurance proceeds payable to a Unit Owner as a result of damage or destruction to his Unit and/or interest in the Common Facilities are hereby assigned and shall be paid to any appropriate mortgage holder(s) as their interests may appear, for application to the appropriate mortgage indebtedness, and the excess, if any, shall be paid to the appropriate Unit Owners, all in accordance with N.J.S. 46:8B-24.

### ARTICLE XIII

#### EMINENT DOMAIN

(a) General. This Article shall be deemed to be supplemental to and not in derogation of the provisions of N.J.S. 46:8B-25.

(b) Notice and Participation of Unit Owners. If any building, improvement or Common Element, or any part thereof, shall be taken, injured or destroyed by eminent domain, each Unit Owner affected shall be entitled to notice of such taking and to participate through the Association in the proceeding incident thereto.

(c) Allocation of Awards. Any awards made in connection with such proceedings shall be collected by the Association and applied or distributed by it in accordance with Article VI, unless the award or decree provides to the contrary.

If a part of the Common Facilities is acquired by eminent domain, the award must be paid to the Association, unless the decree provides that the Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Facilities among the Unit Owners affected.

(d) Reallocation Following Condemnation. (i) Units Rendered Uninhabitable. Upon acquisition by the condemning authority, each affected Unit's entire percentage interest and its liability for payment of Common Expenses shall be automatically reallocated to the remaining Units, on the same basis as their respective percentage interests and Common Expense liability were initially established, and the Association shall promptly prepare, execute, and record an amendment to the Declaration of Covenants and Restrictions reflecting the reallocations. Any remnant of a Unit, which has been rendered uninhabitable, remaining after a part of said Unit is taken shall thereafter be a Common facility.

(ii) Units Remaining Habitable. Upon acquisition by the condemning authority, the percentage interest and liability for Common Expenses of each affected Unit shall be that fraction, the numerator of which is the square footage of the Unit remaining after the taking, and the denominator of which is the aggregate square footage of all Units within the Development after the taking. The amount by which the percentage interest and corresponding liability of each affected Unit is reduced shall thereafter be proportionately reallocated to all Units within the Development.

#### ARTICLE XIV

##### PROTECTIVE PROVISIONS FOR THE BENEFIT OF ELIGIBLE MORTGAGE HOLDERS

(a) General. Despite anything to the contrary in this Declaration of Covenants and Restrictions, the By-Laws or Certificate of Incorporation, the provisions of this Article XV shall apply with respect to each Eligible Mortgage Holder.

(b) Notice. Any Eligible Mortgage Holder shall be entitled to timely written notice of:

(i) any condemnation or casualty loss that affects either a material portion of the Development or the Unit securing the Eligible Mortgage Holder's mortgage; and no Unit Owner or other party shall have priority over such Eligible Mortgage Holder

with respect to the distribution to such Unit(s) of the proceeds of any condemnation award or settlement in the event of condemnation, or with respect to the distribution to such Unit(s) of any insurance proceeds in the event of casualty loss;

(ii) any sixty (60) day delinquency in the payment of Common Expense assessment installments or other assessments or charges owed to the Association by a Unit Owner of any Unit upon which the Eligible Mortgage Holder holds a mortgage;

(iii) a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

(iv) any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

(c) Amendments Requiring Approval of 51% of Eligible Mortgage Holders. The prior written approval of at least fifty-one (51) percent of the Eligible Mortgage Holders is required for any material amendment to this Declaration of Covenants and Restrictions or to the By-Laws or Certificate of Incorporation, including, but not limited to, any amendment which would change any provision relating to: (i) voting rights; (ii) reserves for maintenance, repair, and replacement of Common Expenses; (iii) responsibility for maintenance and repairs; (iv) reallocation of interests in the General or Limited Common Facilities or rights to their use; (v) boundaries of any Unit; (vi) convertibility of Units into Common Facilities or vice versa; (vii) expansion or contraction of the Development, or the addition, annexation or withdrawal of land to or from the Development; (viii) insurance or fidelity bonds; (ix) leasing of Units; (x) imposition of any restrictions upon a Unit Owner's right to sell or transfer his or her Unit; (xi) a decision by the Association to establish self-management rather than professional management; (xii) restoration or repair of the Development (after damage, destruction or condemnation) in a manner other than that specified in this Declaration of Covenants and Restrictions; (xiii) any action to terminate the legal status of the Unit as a Townhome after substantial damage or condemnation occurs; or (xiv) any provisions that expressly benefit Eligible Mortgage Holders.

(d) Amendments Requiring Approval of 67% of Eligible Mortgage Holders. The prior written approval of at least sixty-seven (67) percent of the Eligible Mortgage Holders is required before the effectuation of any decision by the Unit Owners to terminate the legal status of the Unit as a Townhome, for reasons other than substantial destruction or condemnation of the Property.

(e) Approval of Non-Material Amendment. Any Eligible Mortgage Holder who requests same shall be entitled to receive thirty (30) days advance notice from the Association of any proposed non-material amendment to the Declaration of Covenants and Restrictions, the By-Laws or the Certificate of Incorporation, permitted by same, which notice shall include a copy of the proposed change; and any Eligible Mortgage Holder shall be deemed to have implicitly approved such change as proposed unless it states in a written response to the Association its objections or comments relative to such proposed change.

(f) No Partition. No Unit in the Development may be partitioned or subdivided without the prior written approval of any Eligible Mortgage Holder for such Unit.

(g) Common Expense Lien Subordinate. Any lien the Association may have on any Unit in the Development for the payment of Common Expense assessments attributable to each Unit is subordinate to the lien or equivalent security interest of any first mortgage on the Unit recorded prior to the date any such Common Expense assessment became due.

(h) Inspection of Records. Any Eligible Mortgage Holder shall, upon request: (i) be permitted to inspect the books and records of the Association during normal business hours; and (ii) receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association. The Association shall maintain current copies of the Declaration of Covenants and Restrictions, Certificate of Incorporation, By-Laws, Rules and Regulations, and any respective amendments thereto.

(i) Notice of Meetings. Upon request, any Eligible Mortgage Holder shall receive written notice of all meetings of the Association, and be permitted to designate a representative to attend all such meetings.

(j) Liability for Common Expense Assessments. Any Permitted Mortgage Holder holding a first mortgage lien on a Unit that obtains title to said Unit as a result of foreclosure of the first mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser in a foreclosure sale, or their respective successors and assigns, is not liable for the share of Common Expenses or other assessments by the Association pertaining to such Unit or chargeable to the former Unit Owner which became due prior to such acquisition of title. Such unpaid share of Common Expenses and other assessments shall be deemed to be Common Expenses collectible from all of the remaining Unit Owners, including such acquirer, his successors and assigns.

(k) Management Agreements. Any management agreement for the Development will be terminable by the Association, with or without cause, upon thirty (30) days prior written notice thereof, and the term of any such agreement shall not exceed one (1) year, but shall be renewable by agreement of the parties for successive one (1) year periods.

(l) Common Expense Default. Despite the absence of any express provision to such effect in the mortgage instrument, in the event that there is any default in the payment of any installment of a Common Expense assessment, either regular or special, with respect to any Unit, the Permitted Mortgage Holder of such Unit shall be entitled to declare such mortgage in default in the same manner that is permitted by such mortgage with respect to any default in the payment of real estate taxes.

## ARTICLE XV

### SPONSOR'S RIGHTS AND OBLIGATIONS

(a) Ratification, Confirmation and Approval of Agreements. The fact that some or all of the Officers, Trustees, Members or

employees of the Association and the Sponsor may be identical, and the fact that the Sponsor, or its nominees, have heretofore or may hereafter enter into agreements with the Association or with third parties, will not invalidate any such agreements, and the Association and its Members, from time to time, will be obligated to abide by and comply with the terms and conditions thereof. The purchase of a Unit, and the acceptance of the Deed therefor, by any party, shall constitute the ratification, confirmation and approval by such purchaser, his heirs, legal representatives, successors and assigns, of the propriety and legality of said agreement(s), or any other agreements authorized and permitted by this Declaration of Covenants and Restrictions, the Certificate of Incorporation or the By-Laws.

(b) Rights Reserved to Sponsor. Despite anything to the contrary herein or in the Certificate of Incorporation or By-Laws of the Association, the Sponsor hereby reserves for itself, its successors and assigns, for so long as it owns one or more Units in the Development, the right to sell, lease, mortgage, sublease or otherwise dispose of any unsold Units within the Development.

(c) Transfer of Special Sponsor's Rights. No special rights created or reserved to the Sponsor under this Declaration of Covenants and Restrictions ("Special Sponsor Rights") may be transferred, except by an instrument evidencing the transfer, recorded in the Office of the Clerk of Morris County, New Jersey. The instrument shall not be effective unless executed by the transferee.

(d) Liability of Transferor. Upon transfer of any such Special Sponsor Right, the liability of the transferor is as follows:

(i) A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations imposed upon him. Lack of privity does not deprive any Unit Owner of standing to bring an action to enforce any obligation of the transferor.

(ii) If a transferor retains any such Special Sponsor Right, or if a successor to any such Special Sponsor Right is an affiliate of the Sponsor, the transferor is subject to liability for all obligations and liabilities imposed on a Sponsor by law or by the Declaration of Covenants and Restrictions, arising after the transfer, and is jointly and severally liable with the successor for the liabilities and obligations of the successor which relate to the Development.

(iii) A transferor who retains no such Special Sponsor Rights has no liability for any act or omission or any breach of a contractual or warranty obligation arising from the exercise of any such Special Sponsor Right by a successor Sponsor who is not an affiliate of the transferor.

(e) Transfer of Rights Requested. Unless otherwise provided in a mortgage instrument or deed of trust, in case of foreclosure of a mortgage, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings of any Units owned by Sponsor in the Development, a person acquiring title to all the Units being foreclosed or sold, but only upon his request, succeeds to all such Special Sponsor Rights, or only to any such Special Sponsor Rights to maintain models, sales

offices and signs. The judgment or instrument conveying title shall provide for transfer of only the Special Sponsor Rights requested.

(f) Foreclosure, Bankruptcy, Receivership. Upon foreclosure, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings of all Units in the Development owned by the Sponsor:

(i) The Sponsor ceases to have any such Special Sponsor Rights; and

(ii) The period of Sponsor control terminates, unless the judgment or instrument conveying title provides for transfer of all such Special Sponsor Rights to a successor to Sponsor.

(g) Liability of Successors. The liabilities and obligations of persons who succeed to all Special Sponsor Rights are as follows:

(i) A successor to all such Special Sponsor Rights who is an affiliate of the Sponsor is subject to all obligations and liabilities imposed on any Sponsor by law or by the Declaration of Covenants and Restrictions.

(ii) A successor to all such Special Sponsor Rights, other than a successor described in Paragraphs (g)(iii) or (g)(iv) hereof who is not an affiliate of Sponsor, is subject to all obligations and liabilities imposed upon Sponsor by law or the Declaration of Covenants and Restrictions, but he is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Sponsor, or made before the Development was created, or for a breach of fiduciary obligation by any previous Sponsor.

(iii) A successor to only a Special Sponsor Right to maintain models, sales offices and signs, if he is not an affiliate of Sponsor, may not exercise any other Special Sponsor Right, but is not subject to any liability or obligation as a Sponsor.

(iv) A successor to all Special Sponsor Rights, who is not an affiliate of Sponsor, and who succeeded to those rights pursuant to a deed in lieu of foreclosure, or a judgment or instrument conveying title to Units under Paragraph (e) aforesaid, may declare his intention, in a recorded instrument, to hold those rights solely for transfer to another party. Thereafter, until transferring all such Special Sponsor Rights to any person acquiring title to any Unit owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than the right to control the Board for the duration of any period of Sponsor control, and any attempted exercise of those rights shall be void. So long as a successor may not exercise Special Rights under this subparagraph, he is not subject to any liability or obligation as a Sponsor, other than liability for the successor's acts or omissions under the Declaration of Covenants and Restrictions.

(h) Ineffectiveness. Nothing in this Article XVI subjects any successor to a Special Sponsor Right to any claims against, or other obligations of, a transferor, other than claims and

obligations arising under the Declaration of Covenants and Restrictions.

(i) Ownership of Unsold Homes. From and after the conveyance of title to the first Unit in any Building which has been made a part of the Association, and in the event there are unsold Units in such Building, the Sponsor shall be deemed to be the Owner of the unsold Units under the same terms and conditions as all other Owners. The obligation of the Sponsor to pay Association assessments, including reserves for a particular Unit in a Building, shall commence on the date that the Unit is issued a Certificate of Occupancy by the governing municipality. Sponsor shall not, however, be obligated to pay any maintenance fees or assessments for Common Expenses other than reserves for so long as Sponsor is providing any subsidy or guaranty to Owners of maintenance fees or assessments for common expenses. For purposes of this Paragraph, "unsold units" shall mean or refer to any units, title to which has not been transferred from the Sponsor.

## ARTICLE XVI

### GENERAL PROVISIONS

(a) Duration. The provisions of this Declaration of Covenants and Restrictions shall be perpetual in duration, shall run with and bind all of the land included in the Development, and shall inure to the benefit of and be enforceable by the Association and the Unit Owners, their respective successors, assigns, heirs, executors, administrators, and personal representatives, except that the covenants and restrictions set forth in Article XII shall have an initial term of forty (40) years from the date this Declaration of Covenants and Restrictions is recorded in the Office of the Morris County Clerk, at the end of which period such covenants and restrictions shall automatically be extended for successive periods of ten (10) years each, unless at least two-thirds (2/3) of the Unit Owners, at the time of expiration of the initial period, or of any extension period, shall sign an instrument or instruments (which may be in counterparts), in which they shall agree to change said Covenants and Restrictions in whole or in part; but no such agreement shall become binding unless written notice containing the terms of the proposed agreement is sent to every Owner at least ninety (90) days in advance of the action taken in authorizing said agreement; and, in such event, any changes concerning any such agreement shall not become effective and binding until the recording of the aforesaid fully executed instrument or instruments containing such agreement, and provided further, that in no event may the Common Facilities be conveyed to any third person, firm or corporation without the express consent, by ordinance, of the Township of Parsippany-Troy Hills.

(b) Amendment of Declaration of Covenants and Restrictions. This Declaration of Covenants and Restrictions may be amended at any time after the date thereof by a vote of at least fifty-one (51) percent of all Unit Owners, at any meeting of the Association duly held in accordance with the provisions of the By-Laws, provided, however, that any amendment so required under the provisions of Article XV shall also have the prior written approval of each Eligible Mortgage Holder, which approval shall

not be unreasonably withheld, and further, provided that any amendment, deed of revocation or other document regarding termination of the townhome form of ownership shall be governed by Paragraph (c) hereof. No amendment shall be effective until recorded in the Office of the County Clerk of Morris County, New Jersey. This paragraph is by way of supplement to, and not in derogation of, the powers of amendment reserved to Sponsor pursuant to Article XI hereof. In the alternative, an amendment may be made by an agreement, signed and acknowledged by all of the Unit Owners in the manner required for the execution of a Deed, and such amendment shall be effective when recorded in the Office of the Clerk of Morris County, New Jersey.

No amendment shall impair or adversely affect the rights of the Sponsor or cause the Sponsor to suffer any financial, legal, or other detriment, including, but not limited to any direct or indirect interference with the sale of Units, or the assessment of the Sponsor for capital improvements.

Despite the foregoing, the Sponsor shall not be permitted to cast any votes held by it for unsold Units for the purpose of amending this Declaration of Covenants and Restrictions, the By-Laws or any other document, for the purpose of changing the permitted use of a Unit or reducing the Common Facilities or facilities.

(c) Termination. Despite anything to the contrary contained herein, an amendment, deed of revocation, or other document shall be effective to terminate the townhome form of ownership upon the written approval of eighty (80) percent in interest of all non-Sponsor Unit Owners, and the written approval of the Sponsor for so long as it holds one (1) Unit for sale in the ordinary course of business.

(d) Enforcement. Enforcement of this Declaration of Covenants and Restrictions shall be by any appropriate proceeding in law or equity, in any court or administrative tribunal having jurisdiction against any person or persons, firm or corporation, violating or attempting to violate any covenant herein contained; either to restrain or enjoin such violation or threatened violation; or to recover damages; and against any Owner, to enforce any lien created by this Declaration of Covenants and Restrictions in any covenant herein contained. Failure by the Association or any Member thereof to enforce any covenant herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to thereafter enforce the same.

(e) Maintenance by Municipality. In the event the Development is not maintained in reasonable order and condition, the Township of Parsippany-Troy Hills shall have the right to enter upon and maintain the Development. The assumption of such maintenance responsibility shall be in accordance with the procedures set forth in N.J.S. 40:55D-43(c). Despite any limitations as to the applicability of N.J.S. 40:55D-43(b) and (c) aforesaid to the maintenance of "open space," the provisions of this paragraph shall be deemed to apply to all maintenance obligations as set forth in this Declaration of Covenants and Restrictions. The cost of such maintenance by the municipality shall be assessed pro-rata against the Owners of each Unit affected thereby, and shall become a lien and tax on each such Unit, and shall be enforceable by the Township of Parsippany-Troy Hills in the manner provided by law with respect to real estate taxes assessed directly against each such Unit.

Furthermore, the Township of Parsippany-Troy Hills shall have a continuing lien against each such Unit for its pro-rata share of all real estate taxes assessed against the Development.

(f) Validity. The invalidity of any provision of this Declaration of Covenants and Restrictions, the Certificate of Incorporation, or By-Laws of the Association shall not be deemed to impair or affect in any manner the validity or enforceability or affect the remainder of this Declaration of Covenants and Restrictions or said By-Laws, and, in such event, all of the other provisions of this Declaration of Covenants and Restrictions and said By-Laws shall continue in full force as if such invalid provisions had never been included.

(g) Waiver. No provision contained in this Declaration of Covenants and Restrictions 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.

(h) Gender. The use of the masculine gender in this Declaration of Covenants and Restrictions shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

(i) Rule Against Perpetuities. If any provision of this Declaration of Covenants and Restrictions or the By-Laws shall be interpreted to constitute a violation of the rule against perpetuities, then such provision shall be deemed to remain in effect until the death of the last survivor of the now living descendants of Robert F. Kennedy, deceased, former Senator of the State of New York, plus twenty-one (21) years thereafter.

## ARTICLE XVII

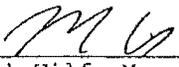
### EXHIBITS

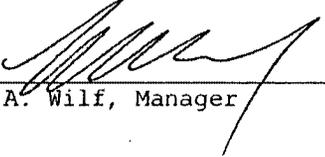
(a) Incorporated Exhibits. Attached hereto and made a part hereof are the following Exhibits:

- A-1 Legal Description of Property
- A-2 Survey Map of Property
- A-3 Architectural Drawings
- A-4 Certificate of Incorporation of Glenmont Commons Homeowner's Association, Inc.
- A-5 By-Laws of Glenmont Commons Homeowner's Association, Inc.
- A-6 Rules and Regulations of the Glenmont Commons Homeowner's Association, Inc.

IN WITNESS WHEREOF, the Sponsor has caused this instrument to be executed the day and year first above written, by its duly authorized Members, and the company's seal affixed pursuant to a resolution duly adopted by its Members.

ATTEST OR WITNESS: GLENMONT COMMONS DEVELOPERS, L.L.C.

  
\_\_\_\_\_  
Mark Wilf, Manager

BY:   
\_\_\_\_\_  
Leonard A. Wilf, Manager

STATE OF NEW JERSEY, COUNTY OF ESSEX

SS:

I CERTIFY that on December 3, 1999, Mark Wilf personally came before me, and this person acknowledged under oath, to my satisfaction, that:

(a) this person is a manager of the company named in this document;

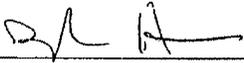
(b) this person is the attesting witness to the signing of this document by the proper company member who is Leonard Wilf, a managing member of the company;

(c) this document was signed and delivered by the company as its voluntary act duly authorized by a proper resolution of its Members;

(d) this person knows the proper seal of the company which was affixed to this document; and

(e) this person signed this proof to attest to the truth of these facts.

Signed and sworn before me on  
December 3, 1999

  
\_\_\_\_\_  
DOUGLAS HARRIS, AN ATTORNEY AT  
LAW OF THE STATE OF NEW JERSEY

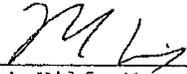
  
\_\_\_\_\_  
Mark Wilf, Manager

EXHIBIT A-1

LEGAL DESCRIPTION OF PROPERTY