

PUBLIC OFFERING STATEMENT
FOR
SUBURBIAN VILLAGE, A CONDOMINIUM

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1. INTRODUCTION

Burma Rd., Ind., (hereinafter "the Sponsor") a New Jersey Corporation, with offices c/o Arnold S. Cohen, Esq., 530 Ringwood Avenue, Wanaque, New Jersey 07465, presents herewith its Public Offering Statement for the establishment of a plan of condominium ownership (hereinafter the "Plan"), with respect to approximately 2.99 acres of land and 4 two-story residential buildings located thereof, together with certain other improvements, all being located at Belvedere Avenue, in the Borough of Wanaque, County of Passaic and State of New Jersey (Hereinafter the "Property").

The land, together with the buildings and all other improvements, shall be known as "Suburban Village, A Condominium" (hereinafter the "Condominium"). The Condominium will contain 19 units (hereinafter the "Units") comprised of 19 two-bedroom units. The Sponsor is the owner of the Property, a legal description of which is contained in Exhibit A of the proposed Master Deed attached hereto as Schedule A, and presents herewith its Public Offering Statement for the sale of the Units.

The creation of the Condominium is governed by the Condominium Act, N.J.S.A. 46:8B-1 et seq. In accordance therewith, the Condominium will be established pursuant to and in accordance with the provisions of a certain Master Deed which will be executed and recorded in the Office of the Passaic County Register prior to the first conveyance of title to a Unit.

The sale of the Units is governed by the Planned Real Estate Development Full Disclosure Act, N.J.S.A. 45:22A-21 et seq., and the regulations promulgated thereunder.

All multiple dwellings, even if they are under a condominium are subject to the Hotel and Multiple Dwelling Law (N.J.S.A 55:13A-1 et seq.). The condominium association is considered as the owner for purposes of the Hotel and Multiple Dwelling Law and is held responsible for the abatement of all violations which it has the power to abate and for the payment of registration and inspection fees. Unit owners may be required to abate violations within their units.

2. DESCRIPTION OF INTEREST TO BE CONVEYED.

The ownership interest held by the owner of a Unit in the Condominium (the "Unit Owner") consists of two distinct but inseparable interests in real property. One such interest consists of exclusive ownership in fee simple to the Unit itself. The other such interest is the ownership of a percentage of the Common Elements in concert with all other Unit Owners who also own a percentage. The percentage interest is the same for each Unit.

A Unit generally consists of the space bounded by the upper surface of the uppermost ceiling of the Unit, the lower surface of the lowest subfloor of the Unit, the interior surfaces of the wall bordering the Unit which separate the Unit from Common Elements. All windows and sliding glass doors will be part of the Unit. All Units contain garages appurtenant to such Units. A more specific delineation of an apartment Unit is set forth in Section 3 of the Master Deed.

A Unit Owner is subject to certain restrictions on the use of his Unit, which are set forth in the Master Deed and By-Laws of the Association. (The By-Laws are attached as Exhibit E to the Master Deed.) Subject to those restrictions, a Unit Owner is entitled to the sole possession of his Unit and may generally decorate the interior of his Unit as he wishes. He is also responsible for the maintenance of the interior of the Unit, as well as the doors and windows, and must pay the cost of utility services utilized in his Unit directly to the utility.

As noted above, a Unit Owner also owns what is known as an undivided percentage interest in the Common Elements, which includes, but is not limited to such things as the parking areas, the land on which the buildings are erected, roads, equipment or other personalty which is owned by the Association.

Under Paragraph 5 of the Master Deed, the Common Elements are separated into two categories, General Common Elements and Limited Common Elements. General Common Elements can be broadly described as those areas of the Condominium which are for the use and benefit of all the Units. Limited Common Elements can be broadly described as those areas which are for the use and benefit of the Owners of certain Units to the exclusion of other Unit Owners.

The interest of each Unit Owner in the Common Elements has been established by Sponsor and shall be the same for each Unit, being achieved by dividing 1 by 19, the total number of Units of the Condominium. The percentage interest of the Unit Owner is significant in that it is used to allocate among the Unit Owners the casualty insurance proceeds paid from any damage to the Common Elements and condemnation proceeds or proceeds from other

dispositions. In such events, affected Unit Owners would share such proceeds equally.

The responsibility for the administration, operation and maintenance of the Common Elements lies with the Association, a non-profit corporation. Each Unit Owner automatically becomes a member of the Association upon his purchase of a Unit.

A Unit Owner's fee simple title to the Unit cannot be separated from that owner's percentage interest in the Common Elements. Thus when an owner sells his Unit, he automatically transfers his percentage interest in the Common Elements. The new purchaser automatically becomes the owner of the percentage interest and automatically becomes a member of the Association.

The ownership of the Common Elements cannot be legally partitioned such that an owner has an exclusive interest in a specific parcel of the Common Elements in lieu of an undivided percentage interest in all of the Common Elements.

The interest held by a Unit Owner in the Condominium is similar to many other ownership interests in real property. A Unit Owner is free to sell or convey his Unit. A Unit can be mortgaged, provided that the mortgage loan is obtained from a bank, savings and loan association, insurance company or other financial institution recognized as an institutional lender or is a purchase money mortgage taken back by the seller of the Unit. A default under a mortgage encumbering any particular Unit does not affect the title to the other Units. A Unit Owner is permitted to lease his Unit although there are certain restrictions imposed in the Master Deed in connection with such leasing. A Unit Owner is responsible for the payment of real estate taxes assessed against his Unit. The failure of a

particular Unit Owner to pay real estate taxes does not result in the imposition of any liability on remaining Unit Owners. Sewer and water charges assessed by the Borough of Wanaque will be paid to the Borough by the Unit Owners.

Each prospective purchaser must be aware that as Unit Owner he will be bound by the terms of the Master Deed and By-Laws and any rules and regulations promulgated or adopted by the Board of Directors of the Association. The Unit Owner's interest in the Condominium and use of his Unit is defined and governed by these documents, as well as the Condominium Act and settled common law principles of property ownership.

3. DESCRIPTION OF DEVELOPMENT.

The Condominium is located on Belvedere Avenue in the Borough of Wanaque, N.J. The Condominium is on a parcel of land consisting of approximately 2.99 acres in area on which will be located 4 two-story buildings containing a total of 19 two-bedroom units. There are 2 slightly different size Units which will be from one of the following type models: two-bedroom interior units and two-bedroom end units. The locations of the buildings and each Unit within each building are graphically displayed on the plans attached as Exhibits C A-1 through A-11 (A-2, A-4 A-5, A-7 and A-8 intentionally omitted.) to the Master Deed.

There are a total of 51 parking spaces for the 19 Units. 2 parking spaces are allotted to each Unit consisting of 1 garage and 1 space in the driveway. There are an additional 13 off street guest parking spaces.

Access to the Condominium will be from Belvedere Avenue. There will be two major internal streets within the Condominium, Suburbian Court and Michael Joseph Court. Both streets will be

privately owned and part of the General Common Elements and will be maintained by the Association. Michael Joseph Court will be 27 feet wide to the intersection of Suburbian Court then 25 feet wide thereafter. Suburbian Court will be 25 feet wide. Both roads will be paved.

Each Unit shall be heated by hot air, gas fired. Each Unit will also be centrally air-conditioned with the air conditioning compressor situated in the rear of each Unit. Each Unit will also be supplied with a dishwasher, gas range and hood.

The Property will be developed in two phases, ^{*(Explanation on pg 6A)} with the initial phase consisting of 2 buildings or 9 Units. The date of the completion of the entire project will depend upon marketing conditions. However, the project will be completed by no later than 1995. There will be no additional Units after 19 Units nor will there be any additional Common Elements or recreational facilities.

4. COMMUNITY INFORMATION.

The Condominium is located in the Borough of Wanaque, Passaic County, N.J. It is approximately 6.5 miles North of State Highway Route 23. Belvedere Avenue connects to Conklintown Road which connects directly with Ringwood Avenue, which in its Southerly direction leads to Hamburg Turnpike. Hamburg Turnpike connects with Route 561, which provides access to Route 23. Conklintown Road also connects to Skyline Drive, ultimately leading to access to Route 208, Route 202 and when completed Route 287.

Construction has started on the final link of Route 287 which will connect the two existing portions of the road now terminating in Montvale, N.J. and Suffern, N.Y. There will be an interchange in Wanaque, approximately 4 miles South at the intersection of Ringwood and Union Avenues.

* The phases refer to the construction of two (2) buildings in each phase, or nine (9) units. The sponsor will undertake to complete the first two (2) buildings and upon the completion will begin the second two (2) buildings which will consist of ten (10) units.

It is anticipated that sales of the units in the first phase will commence upon completion of that phase. This is also true of buildings in the second phase. It is anticipated that the entire project will be completed by June 15th, 1995.

Wanaque is bordered on the Northwest by the Borough of Bloomingdale, on the North by the Borough of Ringwood, on the West by the Borough of Oakland and on the South by the Borough of Pompton Lakes. New York City is approximately 24 miles Southwest of Wanaque. Newark is approximately 25 miles Southwest of Wanaque. Hackensack is approximately 16 miles South of Wanaque. Paterson is approximately 18 miles South of Wanaque.

There are two grammar schools in Wanaque: Wanaque Elementary School, located at First Street, which is approximately one half mile away from the Premises, and Haskeell Elementary School, located at 973 Ringwood Avenue, approximately one and one half miles away from the Premises. Lakeland Regional High School is located on Conklintown Road, approximately one eighth mile from the Project. Children are bused when they live over two miles from the school.

Places of worship in the Borough of Wanaque include: Middle Dale Methodist Church, 430 Ringwood Avenue; Gospel Church, 590 Ringwood Avenue; St. Francis of Assisi R.C. Church, 875 Ringwood Avenue; Lakeland Hills Jewish Center, 7 Conklintown Road; and Wanaque Reform Church, 17 Ringwood Avenue.

Major shopping areas include the A & P Shopping Center on Ringwood Avenue, Wanaque, New Jersey, which is approximately one and one half miles from the Project. Ringwood Plaza and Fieldstone Shopping Center are located on Skyline Drive in Ringwood, approximately one and one half miles from the Condominium. The Town of Pompton Lakes, which offers more shopping alternatives, is three miles away. The Preakness Shopping Center on Hamburg Turnpike in Wayne, New Jersey is approximately seven miles away. Willowbrook Mall, which is at

the junction of State Highways Routes 23 and 46 and U.S. Interstate Route 80 in Wayne, New Jersey is approximately nine miles from the Condominium.

Wanaque also provides recreational facilities including a library, Addice Park and Ball Field, Lyons Beach and Ball Field, War Veterans Place Ball Field and Lorry Ball Field.

The following hospitals are situated near the Condominium: Chilton Memorial, located on West Parkway in Pequannock Township, located approximately seven miles from the Project; Paterson General Hospital, located at 224 Hamburg Turnpike, Wayne, New Jersey, approximately nine miles from the Project; St. Joseph's Hospital and Medical Center, 703 Main Street, Paterson, New Jersey, approximately thirteen miles from the Condominium, and The Valley Hospital, located at Linwood Avenue and North Van Dien Avenue, Ridgewood, N.J., approximately fourteen miles from the Project.

The Borough of Wanaque provides police protection with a police department located less than one mile from the Condominium on Ringwood Avenue consisting of approximately 16 officers. There is a volunteer fire department located less than a mile and a half from the Condominium on Ringwood Avenue and a rescue squad located approximately one mile from the Condominium on Melrose Avenue.

Site drainage of the Property is accomplished by grading to catch basins in the parking areas and drives. The sanitary sewer system to which the Project is connected is the Wanaque Municipal Sewerage Authority. Disposal of refuse will be by private collection service contracted to the Project. Receptacles placed throughout the site will be emptied two days a week. Water to the site is provided by the Wanaque Borough Water Department. Electric service is provided to the site by Jersey Central Power and Light Company. Gas Service is provided by Public Service Electric and Gas Company. Telephone Service is provided by New Jersey Bell Telephone Company. The

Project will have cablevision supplied by TCI of Northern, N.J. Meters and vault boxes will be located in the Common Elements and maintained by the Association.

Unit Owners shall be entitled to use of the common facilities and such use shall also be available to their respective families and guests subject, however, to the rules, regulations, limitations and conditions as may, from time to time, be imposed by the Association. There will be specific provisions made with respect to parking overnight, obstructing access to garage, use of the Common Areas for recreation, etc. Unit Owners may, by written agreement and upon notice to the Association, delegate their right of enjoyment and use of the recreation or parking facilities to their permitted lessess.

5. IMPROVEMENTS.

In addition to the 4 residential buildings referred to above, the Condominium will include paved parking areas, drives and exterior lighting.

6. OPERATION OF COMMON ELEMENTS AND FACILITIES.

The Suburban Village Condominium Association, Inc. will be established by the filing of Articles of Incorporation prior to the conveyance of the first Unit in the Condominium. The Association will be a non-profit membership corporation organized under N.J.S.A. Title 15A and will be responsible for the administration, maintenance, management and operation of the Common Elements. The purchaser of a Condominium Unit automatically becomes a member in the Association and ultimately the Association will be composed exclusively of Owners of Units. The Sponsor shall have one membership in the Association for each Unit to which it holds title.

7. CONTROL OF THE CONDOMINIUM ASSOCIATION.

The Association will be managed by the Board of Directors and the officers selected by the Board of Directors. The first Board of Directors shall be the three persons named in the Articles of Incorporation of the Association, which is attached as Exhibit D to the Master Deed. At the first annual meeting of the Association, which shall take place within sixty days after the conveyance by Sponsor of 5 Units to individual purchasers, the Board will be expanded to consist of five Directors, three of whom will be appointed by Sponsor and two of whom will be elected by Unit Owners other than the Sponsor. The elected Directors will serve for three year terms and the appointed Directors will serve for two year terms.

When Unit Owners other than Sponsor own 15 Units, Unit Owners other than Sponsor shall be entitled to elect the entire Board of Directors; provided, however, that the Sponsor shall be entitled to appoint one member of the Board for so long as Sponsor owns one or more Units for sale in the ordinary course of business.

8. PROPOSED BUDGET FOR OPERATION AND MAINTENANCE OF COMMON ELEMENTS.

Pursuant to Article IV of its By-Laws, the Association is obligated to prepare an annual budget which reflects the anticipated common expenses for the ensuing fiscal year. Common Expenses include, but are not limited to, the estimated cost for the operation, repair and maintenance of the Common Elements, the estimated cost for the operation of the Association, and the amounts which are to be placed in separate accounts as reserved for deferred maintenance, replacement and capital improvements of

the Common Element. An estimated annual budget which is based upon full occupancy of the Condominium and prevailing costs for 1993 is included herein as Schedule B.

The funds necessary to meet the Common Expenses contemplated by the budget are acquired by the Association through assessment of an annual charge which is to be paid by each Unit Owner in monthly installments on the first day of each month. The Common Expense assessment borne by each Unit is based on the Common Expenses contemplated under the annual budget and the allocation of that amount among the Units is as provided in the Master Deed and By-Laws.

If the costs incurred by the association exceed those which are estimated, the Board can impose a special assessment to cover the deficiency. The Board of Directors is empowered under the By-Laws to levy special assessments to defray the costs of any emergency or other repair or replacement. Any repair, replacement or improvement which is not of an emergency nature and which costs more than \$1,000. must be approved by a majority of the Unit Owners. An expenditure for the repair, replacement or improvement of Common Elements is assessed against the Unit Owners who have benefited by the assessment in the same manner as the Common Expenses assessments.

The regular assessments and special assessments are personal obligations of each Unit Owner under the terms of the Master Deed. The payment of these charges is secured by a continuous lien which is placed on each Unit. If an assessment is not paid by a Unit Owner, the Board of Directors can accelerate the outstanding assessment and institute a law suit to foreclose upon the Unit.

The Sponsor, from time to time, and at its sole discretion may subsidize the maintenance fees of the Association. If subsidization is utilized, it may be terminated unilaterally by the Sponsor at any time.

9. MANAGEMENT AGREEMENT AND OTHER CONTRACTUAL ARRANGEMENTS.

There is not now nor does the Sponsor contemplate the execution of any management agreement with the Sponsor or related entity while the Sponsor controls the Association. The Association, while under the control of the Sponsor, may hire a management firm or an individual as a full or part-time manager of the Property, whose employment shall be terminable at will by the Association. As soon as the Association is no longer controlled by the Sponsor, it shall be free to enter into any management agreement for the property. During the term of Sponsor control, there will be no management fee charged. However, once the management is turned over to the Association, fees may increase due to the necessity of hiring a manager. The manager's duties are operation of the Condominium and securing persons to maintain the premises and attend to the operation and maintenance of the Common Elements.

There are no service contracts or agreements, leases or other contracts or agreements affecting the use, maintenances or access of any or all of the Common Property of Common Facilities, nor are any such agreements contemplated by the Sponsor, except for utility agreements as are necessary to insure utility services to the Condominium.

10. RELATIONSHIP BETWEEN SPONSOR AND MANAGING OR SERVICE AGENTS.

At the present time the Sponsor, Burma Rd., Inc. will be the manager and servicing agent of the Condominium. There will be no written agreement with respect to management by and between the Sponsor and the Condominium Association.

11. MASTER DEED

The Sponsor will, prior to the conveyance of the first unit, cause to be filed the Master Deed which will subject each Unit to certain restrictions and covenants. A copy of the Master Deed is attached hereto as Schedule A.

12. RESTRICTIONS ON OCCUPANCY, ALIENATION AND RIGHT OF ALTERATIONS.

Pursuant to Paragraph 11 of the Master Deed certain restrictions are imposed upon the occupancy of, right to transfer and right to alter the Units. They are as follows:

- (a) No Unit, except those Units owned by the Sponsor and used as sales offices, administrative offices or models, shall be used for any purpose other than as a private residence;
- (b) There shall be no obstruction of the Common Elements nor shall anything be stored in or upon the Common Elements without the prior consent of the Board. The use by Unit Owners of any designated storage area which is part of the General Common Elements shall be governed by Rules and Regulations of the Association;
- (c) No bird, reptile, or animal of any kind shall be raised, bred, or kept in any Unit or anywhere else upon the Property except that dogs, cats or other household pets are permitted, not to exceed two in the aggregate, provided that they are not kept, bred or maintained for any commercial purpose, are housed within the Unit and abide by all applicable Rules and Regulations. No outside dog pens, runs or yards shall be permitted;
- (d) No vehicles of a size larger than a panel truck and no mobile home, recreation vehicle, boat, boat trailer, inoperable vehicle, or the like shall be parked on any part of the Property, except that those

vehicles temporarily on the Property for the purpose of servicing the Property itself or one of the Units shall be permitted without written consent of the Board;

- (e) No Unit Owner can obstruct driveways leading to garages;
- (f) No portion of the Common Elements or other portion of the Property thereof shall be used or maintained for the dumping of rubbish or debris. Trash, garbage or other waste shall be kept in sanitary containers on the Property for weekly or more frequent collections;
- (g) 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 balcony, patio or terrace appurtenant thereto without the permission of the Board.
- (h) The Owner of each unit shall not cause or permit any clothes, sheets, blankets, or laundry of any kind or other articles to be hung or displayed on the outside of windows or placed on the outside windowsills, walls or balconies of any Building or in any parking areas; and no signs, awnings, grills, balcony enclosure, fence, canopies, shutters, or radio or television antenna or aerial shall be erected or installed in or upon the Common Elements or any part thereof without the prior 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. Each Unit Owner is responsible to promptly report to the Board any defect or need for repairs, the responsibility for which is that of the Association;

- (i) 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;
- (j) No Unit Owner or occupant shall build, plant, or maintain any matter or thing upon, in, over or under the General or Limited Common Elements without the prior written consent of the Board unless permitted by the Rules and Regulations of the Association;
- (k) Each Unit Owner shall be responsible for the maintenance, repair and replacement of all windows of his Unit and also the front door and any doors and sliding glass doors leading onto the deck, terrace or patio, if any, adjacent to his Unit;
- (l) No Unit Owner or occupant shall burn, chop or cut anything on, over or above the Common Elements;
- (m) 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 Elements, then the use thereof by the individual Unit Owners shall

be subject to this Master Deed, the By-Laws and the Rules and Regulations of the Association;

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

(o) No noxious or offensive activities shall be carried on, in or upon the Common Elements 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 in the Condominium. The use of General Common Elements for recreation shall be governed by the Rules and Regulations of the Association;

(p) 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;

(q) Nothing shall be done to any Unit or on or in the Common Elements which will impair the structural integrity of any Building or which will structurally change any Building. 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 Elements, without the prior written approval of the Board, or impair any easement without the prior written consent 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 a consent to 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, if approved, shall be executed by the Board and may then be submitted by the Unit Owner. Such approval, however shall not result in 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 Owners shall furnish the Board with a copy of any such permit which he has procured. The provisions of this subparagraph shall not apply to Units owned by the Sponsor until such units have been initially sold and conveyed by the Sponsor.

- (r) 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;

- (s) The Common Elements 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; and
- (t) No Unit shall be leased by the Owners thereof (except 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 six (6) months; or (ii) any rental if the occupants of the Unit are provided customary hotel services, such as room service for food and beverages, maid service, furnishing laundry and line, and bellboy service", provided, however, that any Unit Owner, including Sponsor, may rent a Unit for a period of less than six (6) months to a contract purchaser thereof. No Unit Owner may lease less than an entire Unit.

Other than the foregoing obligations, the Unit Owners shall have the right to lease same provided that said lease is in writing and made subject to all provisions of the Master Deed, the By-Laws of the Association and the Rules and Regulations of the Association, including the right of amendment reserved to Sponsor, and provided further that any failure of the lessee to fully comply with the terms and conditions of such documents shall constitute a default under the lease.

In the event a tenant of a Unit fails to comply with the provisions of the Master Deed, 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 duty, 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 cost 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 subparagraph (s).

(u) No Unit Owner shall have the right to mortgage or

encumber his Unit, unless such mortgage or encumbrance is a Permitted First Mortgage. No other mortgages or encumbrances shall be permitted without the prior written approval of the Board.

(v) 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, as provided in the New Jersey Condominium Act. In the event that for any year such taxes are not separately taxed to each Unit, but are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his proportionate undivided percentage interest in the General Common Elements.

(w) Each Unit Owner shall pay for his own telephone, and other utilities, which are separately metered or billed to each user by the respective utility company.

(x) No clothes poles or lines shall be installed or maintained, but a collapsible clothes tree is permitted, provided it be removed when not in use.

(y) No business, trade or profession shall be conducted in any Unit.

(z) The Common Elements 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.

13. INSTRUMENTS TO BE DELIVERED TO PURCHASER.

In order to purchase a Unit at Suburban Village, A Condominium, a Subscription and Purchase Agreement, attached

hereto as Schedule C, must be signed by the Purchaser. At closing a deed in the form attached hereto and made a part hereof as Schedule D shall be delivered to the purchaser, as well as an affidavit of title, corporate resolution and closing statement. If Purchaser so requests, a survey certificate shall be provided to Purchaser at a cost to Purchaser of \$300.00

In addition, Sponsor shall provide Purchaser, at or subsequent to closing, with insurance backed warranty coverage and protection under the Home Owner's Warranty Corporation of New Jersey ("HOW") in such forms and policies and containing such provisions as are required and approved by the State of New Jersey and issued by HOW. Sponsor shall deliver at closing such documents as are required to be delivered by HOW as of the date of closing. Purchaser may be required to execute applications for such insurance on forms issued and required by HOW.

14. ESCROW ACCOUNT

All deposit monies paid by a Purchaser will be held by Arnold S. Cohen, Attorney At Law, 530 Ringwood Avenue, Wanaque, N.J. in escrow until closing or termination of the Subscription and Purchase Agreement in a special checking account maintained at the Lakeland State Bank, 94 Ringwood Avenue, Wanaque, N.J. The name of the account shall be "Suburban Village Escrow Account". In no event, however, shall the escrow be released before the expiration of the Purchaser's seven day rescission period.

15. EASEMENTS, ENCUMBRANCES AND RESTRICTIONS.

Every Unit Owner, his successors and assigns shall have the following easements which apply and run to each Unit:

- (a) A non-exclusive easement in, upon, over, under, cross and through the Common Elements 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
- (b) An exclusive easement for the existence and continuance of any encroachment by his Unit upon any adjoining Unit or upon any Common Elements, 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 so long as the Building stands; and
- (c) A non-exclusive easement for ingress and egress to his Unit in, upon, under, over, across and through the General Common Elements; and
- (d) An exclusive easement to use and enjoy the surfaces of the main walls, (including any windows, doors, chimneys, balcony, stoops, or patio therein), ceilings and floors contained within his Unit; and

- (e) An easement in common with the Owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines, television, master antenna and other General Common Elements located in any of the other Units and serving his Unit; and
- (f) A perpetual and non-exclusive easement in, over and through the General Common Elements of the Condominium and to use the driveways, walks and other common facilities within the Condominium subject to the right of the Board to:
 - (i) promulgate rules and regulations for the use and enjoyment thereof; and
 - (ii) suspend the enjoyment and voting rights of any Unit Owner for any period during which any assessment for Common Expenses 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.

The Sponsor, its successors and assigns shall have the following easements with respect to the Property:

- (a) A blanket and non-exclusive easement in, upon, through, under and across the Common Elements for the purpose of construction, installation, maintenance and repair of any improvements to the units or the Common Elements, 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 one (1) year from the date the last Unit is sold and conveyed in the normal course of business, but in no event more than ten (10) years from the date of recording this Master Deed. 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 an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not; and

- (b) A perpetual, blanket and non-exclusive easement in, upon, over, under, across and through the Common Elements for surface water runoff and drainage caused by natural forces and elements, grading, and/or the 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 Condominium.

The Property shall also be subject to the following easements:

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

- (b) 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 (i) to inspect same (ii) to remedy any violations set forth in this Master Deed, the By-Laws or in any Rules and Regulations of the Association, and (iii) to perform any operations required in connection with the maintenance, repairs or replacements of or to the Common Elements, or any equipment, facilities or fixtures affecting or serving other Unit(s) or the Common Elements; 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; and
- (c) Any Institutional Lender, its officers, agents and employees, shall have a blanket, perpetual and non-exclusive easement to enter the Condominium or any part thereof to inspect the condition and repair of the Common elements, 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; and
- (d) A blanket, perpetual and non-exclusive easement in, upon, over, across and through the Common Elements 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, or utility company or other entity which requires same for the purpose of furnishing one or more of the foregoing services; and

- (e) A blanket, perpetual and non-exclusive easement of unobstructed ingress and egress in, upon, over, across and through the Common Elements to the Borough of Wanaque, the Association, their 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 or other necessary repairs to a Unit which the Unit Owner has failed to perform), and for repair and maintenance of the Common Elements. Except in the event of emergencies, 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 permission of the Unit Owner(s) directly affected thereby.

Easements have been or shall shortly be granted to Jersey Central Power and Light Company and to Public Service Electric

and Gas Company. The Sponsor reserves the right to grant utility easements to other companies supplying utility services to the Property, which easements will not adversely affect the use and enjoyment of the Condominium for residential dwelling purposes.

The Property is subject to mortgages and will be subjected to the lien of land improvement and construction mortgages. However, at or prior to closing of title to an individual Unit, the lien of such mortgages shall be released with respect to the Condominium Unit. The lands immediately adjoining the subject property are all residential in nature, consisting mainly of one family dwellings and are presently zoned residential.

16. NATURAL AND MAN-MADE FORCES AFFECTING USE OF THE PROPERTY.

The Condominium is not, to the best of Sponsor's knowledge, subject to any regular periodic natural forces or any artificial forces that have a detrimental effect on the use or enjoyment of the Property. Part of the property is in a Flood Zone. However, there has been no flooding and the construction of the building will not be adversely effected since the buildings are not in a flood area.

17. EXISTING AND ESTIMATED REAL PROPERTY TAXES.

All real estate taxes or assessments outstanding at the time of the closing of title to an individual Unit will be adjusted and apportioned as of the date of closing. The local real estate rate was 2.31 per \$100.00 in 1992 for the Borough of Wanaque with the Ratio being 111.27. For prior years see page 27A.

Upon the filing of the Master Deed each Unit will be separately assessed for local real property taxes, and the liability of each Unit Owner for the tax assessed against his Unit will be independent of the liability of other Unit Owners.

By applying the estimated sales price for each of the various Units, the assessment based upon the tax ratio for 1992, the approximate taxes can be ascertained by applying the 1992 tax

<u>YEAR</u>	<u>RATE</u>	<u>RATIO</u>
1990	2.37 per hundred	108.22
1991	2.25 per hundred	106.54
1992	2.31 per hundred	111.27

Jersey Home Warranty and Builders Registration Act (N.J.S.A. 46:3B-1, et seq.) Sponsor shall provide Purchaser, subsequent to closing, with insurance backed warranty coverage and protection under the Home Owner's Warranty Corporation of New Jersey ("HOW"), in such forms containing such provisions as are approved by the State of New Jersey and as are issued by HOW.

(b) In addition to the foregoing, the Sponsor warrants that all out-buildings, driveways, walkways, patios, retaining walls, decks and fences, if any, located on any Unit to be conveyed pursuant hereto shall be free from substantial defects in material and workmanship for a period of one (1) year from the date of closing or from the date of possession, whichever first occurs.

(c) Sponsor also warrants that all drainage systems shall be proper and adequate and shall be free from defects for a period of one (1) year from the date of construction thereof.

(d) Sponsor covenants and agrees that it will deliver to the Association a written warranty that the construction of all improvements to the Common Areas shall be free from substantial defects in workmanship or materials for a period of two (2) years from the date of completion of each such improvement or a portion thereof. Sponsor shall also warrant that said improvements are fit for their intended use and that Sponsor shall promptly repair or correct any defects in said improvements within a reasonable time after notification of said defects; it being understood and agreed that the said warranty agreement with the Association shall constitute Sponsor's sole obligation to the Purchaser with respect to the Common Elements.

(e) Sponsor warrants that all Units are fit for their

intended purpose.

20. INSURANCE

Under Article V, Section 2 of the By-Laws, the Board of Directors of the Association is obligated to procure and maintain certain insurance policies, including physical damage insurance for the Common Elements, Public Liability Insurance, Directors and Officers Liability Insurance and other insurance as the Board of Directors determines. The Sponsor recommends that each Unit Owner procures and maintains through his own insurance agent adequate insurance against property damage of his Unit, and insurance for occurrences within his Unit.

RIGHTS OF CANCELLATION

ANY PROSPECTIVE PURCHASER WHO ENTERS INTO A SUBSCRIPTION AND PURCHASE AGREEMENT CAN, AS A MATTER OF RIGHT, CANCEL THE AGREEMENT WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE SPONSOR BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH THE AGREEMENT IS EXECUTED. IN THAT EVENT, ALL MONIES PAID BY THE PURCHASER SHALL BE PROMPTLY REFUNDED.

A COPY OF THE FINANCIAL STATEMENT OF THE SPONSOR IS AVAILABLE AT THE SPONSOR'S OFFICE LOCATED AT 99 CONKLINTOWN ROAD, WANAQUE, NEW JERSEY.

THE SALES OFFICE IS ALSO LOCATED AT 99 CONKLINTOWN ROAD, WANAQUE, NEW JERSEY.

PART OF THE PROPERTY IS IN A FLOOD ZONE. HOWEVER, THERE HAS BEEN NO FLOODING AND THE CONSTRUCTION OF THE BUILDING WILL NOT BE ADVERSELY EFFECTED SINCE THE BUILDINGS ARE NOT IN A FLOOD AREA.