

# WINDHAM NORTH CONDOMINIUM ASSOCIATION

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# WINDHAM NORTH CONDOMINIUM ASSOCIATION

## BY-LAWS OF WINDHAM NORTH CONDOMINIUM ASSOCIATION INC. A NEW JERSEY NOT-FOR-PROFIT CORPORATION

### ARTICLE I - PURPOSE, OFFICE AND DEFINITIONS

#### **SECTION 1. Purpose:**

Windham North Condominium Association, Inc. (the "Association") is formed for the purpose of serving as a means for the operation, administration and maintenance of the Common Elements and facilities of the condominium community known as Windham North, a Condominium (the "Condominium"), located in the Township of Wyckoff, County of Bergen, State of New Jersey, pursuant to the provisions of PL 1969, c257, S1, N.J.S.A. 46:8B-1 et seq of the laws of the State of New Jersey (the "Condominium Act" or the "Act").

#### **SECTION 2. Office:**

The principal office of the Association shall be 407 Windham Court North, Wyckoff, NJ, 07481.

#### **SECTION 3. Definitions:**

Unless it is plainly evident from the context that a different meaning is intended, as used throughout these By-Laws:

- (a) "Member" means the owner or co-owners of a unit in the Condominium.
- (b) "Majority of Unit Interests" means more than fifty (50%) percent of the aggregate interest of the undivided ownership of the Common Elements in the Condominium.
- (c) "Majority of Members" means more than fifty (50%) percent of the members of the Association entitled to vote at any annual or special meeting of the Association.
- (d) "Manager of the Association" means one or more persons duly authorized by the Board of Directors of the Association to act as its duly authorized representative for a specified purpose.
- (e) "Unit" means a part of the Condominium property division or interest for residential use, having direct access to a Common Element or Common Elements, including the proportionate undivided interest in the Common Elements, and in any Limited Common Element assigned to the Unit in the Master Deed to the Condominium's property ("Master Deed").

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## **ARTICLE II - PLAN OF UNIT OWNERSHIP**

### **SECTION 1. Applicability of By-Laws:**

The provisions of these By-Laws are applicable to the Association, its Members, and to the use and occupancy of the Property. The term "Property", as used herein, shall include the land, the buildings and all other improvements thereon (including the Units and the Common Elements and the Limited Common Elements, if any), and all other property, personal or mixed, intended for use in connection therewith, all as set forth in the Master Deed.

### **SECTION 2. Application:**

All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the rules and regulations of the Association and the Master Deed. The recording or acceptance of a deed conveying a Unit, or any interest therein, or any ownership interest in the Property whatsoever, or the entering into a lease or the act of occupancy of a unit shall constitute an agreement that these By-Laws, the rules and regulations of the Association and the provisions of the Master Deed, as they may be amended from time to time, are accepted, ratified and will be complied with. Each purchaser of a Unit will, by virtue of his ownership, become a Member of the Association. Title to Units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.

## **ARTICLE III - MEETINGS OF MEMBERS**

### **SECTION 1. Time and Place of Meetings:**

The Members of the Association shall hold meetings at the principal office of the Association, or at such other place as may be fixed, from time to time, by the Board of Directors and designated in the notice of such meeting. The Association members shall specially meet at least annually at such time and place as the Trustees shall designate upon proper notice being given. At the annual meeting the Members shall elect members to the Board of Directors of the Association and may transact such other business as may properly come before the meeting.

### **SECTION 2. Special Meetings:**

Special meetings may be called by the President, Vice President, Secretary, or a majority of the Board of Directors, and must be called by such officers upon receipt at the principal office of a written request of thirty percent (30%) or more of the Members. Such written request shall state the purpose or purposes of the proposed meeting. Business transacted at a special meeting shall be confined to the purpose stated in such request, or in the notice of such meeting. A special meeting must be called to

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elect a member or members of the Board of Directors pursuant to Article IV, Section 3 & 5.

### **SECTION 3. Record Date:**

For the purpose of determining the Members entitled to notice of any meeting of the Association or any adjournment thereof or for the purpose of any other action, the Board of Directors shall fix in advance a date as the record for such determination. Such date shall not be more than thirty (30) nor less than ten (10) days before the date of the meeting. If no record date is fixed, then the date shall be determined in accordance with the provisions of law relating thereto.

### **SECTION 4. Notice of Meeting:**

Notice of meetings to the Members shall be in writing. Notice of the meetings other than the annual meeting shall indicate and state that it is being issued by or at the request or direction of the person or persons calling the meeting. Such notice shall be mailed or delivered not less than ten (10) nor more than ninety (90) days prior to the date of the meeting. Notice of all meetings at which action is to be taken with regard to the disposition of Condominium or Association assets, or the granting of rights or easements in the Property must also be given to the holders of the first mortgage on any Units. A schedule for the convening of the regular meetings of the Board shall be published in accordance with Article IV, Section 6.

### **SECTION 5. Waiver of Notice:**

Notice of a meeting need not be given to any Member who signs a waiver of notice either in person or proxy, whether before or after the meeting. The attendance of any Member at a meeting in person or by proxy, without protesting prior to the conclusion of the meeting the lack of proper notice of such meeting, shall constitute a waiver of the notice of meeting by such Member.

### **SECTION 6. Quorum:**

The presence in person or by proxy of a Majority of Unit Interests, as defined in Article I, Section 3(b), shall constitute a quorum at a meeting of the Members.

### **SECTION 7. Majority Vote:**

The vote of a Majority of Unit Interests (as defined in Section 3(b), of Article I) cast by Members at a meeting at which a quorum shall be present shall be binding upon the Members for all purposes except where in the Master Deed or these By-Laws or the provisions of New Jersey law, a higher percentage is required.

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### **SECTION 8. Voting:**

The Association may, but shall not be required to, issue certificates or other evidence of membership. The aggregate number of votes for all Members shall be one hundred (100) and shall be divided among the respective Members in accordance with their respective percentages of ownership interests in the Common Elements applicable to their Units. If a Unit is owned by more than one person, the votes allocable to such Unit may be divided in any manner as the owners of such Unit shall determine. A Unit which has been acquired by the Association in its own name or in the name of its agent, designee or nominee on behalf of all of the Unit Owners shall not be entitled to a vote as long as it continues to be so held. Votes may be cast only by Members in good standing, in person or by proxy then filed with the Secretary of the Association. The designation of any such proxy shall be made in writing and filed with the Secretary of the Association before the appointed time of the meeting. A proxy may be revoked by the Member by appearance in person at the meeting and there and then filing with the Secretary notice of such revocation. A proxy may only be held by another Unit Owner.

### **SECTION 9. Good Standing:**

As used in these By-Laws, a Member shall be deemed "in good standing" and shall therefore be entitled to vote as herein provided at any meeting of Members, subject, however, to the limitations of Section 8 of this Article, if said Member shall have fully paid all then due assessments and charges, as permitted by these By-Laws, levied against his Unit at least five (5) days prior to the date fixed for any meeting; provided further, that in the event any interest, penalties, costs or fees have been levied against any Unit, such interest, penalties, costs, or fees shall likewise be fully paid within the aforesaid time. A Member who is not in good standing shall not be qualified to be nominated or elected to the Board of Directors of the Association or as an officer of the Association.

### **SECTION 10. Adjournment of Meetings:**

If any meeting of Members cannot be held because a quorum has not attended, the meeting shall be adjourned to a time not less than 48 hours from the time such original meeting was called.

### **SECTION 11. Written Consent of Members -- Approval or Disapproval:**

Any action that may be taken by a vote of the Members may be taken without a meeting (provided the laws of the State of New Jersey so provide) on written consent of the Members, duly witnessed, (setting forth the action so taken or to be taken) holding a Majority of Unit Interests in accordance with Section 3(b) of Article I hereof, unless these By-Laws or the provisions of New Jersey law shall require a greater percentage of such votes with respect to a particular action.

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### **SECTION 12. Order of Business:**

The order of business at the annual meeting of the Members shall be as follows:

- (a) Roll Call
- (b) Notice of Open Meeting and Proof of Notice of Meeting
- (c) Reading of Minutes of Preceding meeting
- (d) Reports of Officers (if any)
- (e) Report of Board of Directors (if any)
- (f) Report of Committees (if any)
- (g) Appointment of Inspectors of Elections
- (h) Election of Members of the Board of Directors
- (i) Unfinished Business
- (j) New Business
- (k) Adjournment

The order of business at all other meetings of the Members shall as far as practical conform to the above order of business, insofar as the special purpose or purposes of the meeting will permit.

### **ARTICLE IV - BOARD OF DIRECTORS**

#### **SECTION 1. Number and Qualification:**

The affairs of the Association shall be governed by a Board of Trustees (sometimes referred to as "Board of Directors" or "Board") composed of five individuals, all of whom shall be elected. The members of the Board shall be elected in accordance with Section 3 of this Article IV. The Board shall consist of individuals, each of whom shall be an owner or a spouse of an owner of a Unit, or in the case of partnership Unit ownership, a partner or agent of such partnership, or in the case of corporate ownership, an officer, stockholder or authorized agent of such corporation, or in the case of fiduciary ownership, the fiduciary or officer or authorized agent of such fiduciary, provided that at least three of the members of the Board shall be residents of the State of New Jersey.

#### **SECTION 2. Powers and Duties:**

The Board of Trustees shall have the powers and duties necessary for the administration of Association affairs and may perform all acts which are not, by law or by these By-Laws, directed to be exercised by the owners. In addition to duties imposed by these By-Laws or by Association resolutions, such powers and duties include, but shall not be limited to the following:

- a. Care, up-keep and surveillance of the Condominium, common areas and facilities, and limited common elements, if any, and facilities;
- b. Fixing, assessing and collecting assessments from the owners;

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- c. Designation and dismissal of personnel necessary for the maintenance and operation of the Condominium, common elements and facilities, and limited common elements and facilities;
- d. Promulgation and enforcement of rules and regulations for the conduct of owners, occupants, and users of the Condominium properties or facilities and/or any Condominium Units;
- e. Assigning outdoor parking spaces on such terms and for such consideration as may be deemed appropriate.

### **SECTION 3. Election and Terms of Office:**

A five member Board of Directors shall be elected with three (3) directors elected in even-numbered years for a two-year term and two (2) directors elected in odd-numbered years for a two-year term. Each new term begins on January 1st following the election, and each expiring term expires December 31st following the election.

The election of the Directors shall be by a vote of a Majority of Unit Interests. The Board of Directors, in its discretion, may establish a nominating committee to adopt election procedures which shall be in accordance with these By-Laws and the Condominium Act.

### **SECTION 4. Removal of members of the Board of Directors:**

At any annual or special meeting of the Members, any one or more of the members of the Board of Directors may be removed with or without cause by vote of a Majority of Unit Interests; and a successor may then and there or thereafter be similarly elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting called for such purpose. If any Director who is a Member is removed, then the person so appointed to fill such vacancy shall also be a Member.

### **SECTION 5. Vacancies:**

Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the Members shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy; and each person so elected shall be a member of the Board until a successor shall be elected at the next annual meeting of the Members and the term of the newly elected Director shall be for the balance of the term of the vacated directorship.



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### **SECTION 6. Regular Meeting:**

Regular meetings of the Board shall be held at dates and times selected by the new Board of Directors in January of every year. The dates of meetings of the Board shall also be published to the Members of the Association in accordance with any laws of the State of New Jersey governing such notice.

### **SECTION 7. Special Meetings:**

Special meetings of the Board may be called by the President of the Association on three (3) business days' notice to each member of the Board given by mail or telegraph, or personal service, which notice shall state the time, place and purpose of the meeting. Special Meetings of the Board shall be called by the President or Secretary, in like manner and on like notice at the written request of at least three members of the Board of Directors.

### **SECTION 8. Closed Meetings:**

At any regular or special meeting of the Board in which the Board wishes to discuss or act upon (1) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; (2) any pending or anticipated litigation or contract negotiations; (3) any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer; or (4) any matter involving the employment, promotion, discipline or dismissal of a specific officer or employee of the Association, the Board may go into closed session and may exclude or restrict attendance at that portion of the meeting. Separate minutes of the closed portion shall be kept and shall be available only upon written release of any party involved, to that party, or upon order of a court of law having jurisdiction.

### **SECTION 9. Quorum and Vote of Board of Directors:**

At a meeting of the Board of Directors a majority of members thereof shall constitute a quorum for the transaction of business and the vote of a majority of the members of the Board present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

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### **SECTION 10. Fidelity Bonds:**

The Board of Directors shall obtain, if possible, adequate fidelity bonds for all officers and employees of the Association handling or responsible for Association funds. The premiums for such bonds shall constitute a Common Expense.

### **SECTION 11. Compensation:**

No member of the Board of Directors shall receive any compensation from the Association for acting as such. If any member of the Board of Directors has any direct or indirect financial involvement with the Board of Directors or the Association, s/he shall file a statement detailing such arrangement and amount of income earned at the annual meeting of the Association. Said statement shall be made available to all Association members.

### **SECTION 12. Liability of the Board of Directors:**

The members of the Board of Directors shall not be liable to the Members for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Members shall indemnify and hold harmless each of the Directors against all contractual liability to others arising out of contracts made by the Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the master Deed or of these By-Laws. It is intended that the directors shall have no personal liability with respect to any contract made by the Board on behalf of the Association. It is also intended that the liability of any Member arising from any contract made by the Board or on the aforesaid indemnity in favor of the Directors shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Members of the Common Elements. Every agreement made by the Board of Directors on behalf of the Association shall provide that the members of the Board are acting only as agents for the Members and shall have no personal liability thereunder (except as Members) and that each member's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Members in the Common Elements.

### **SECTION 13. Managing Agent and Manager:**

The Board of Directors may employ a managing agent and/or a manager of the Condominium at a compensation established by the Board, to perform such duties and services as the Board shall authorize. The Board may delegate to the managing agency or the manager all of the powers granted to the Board by these By-Laws, but notwithstanding such delegation, will remain responsible to the Members for the proper performance of such duties and services.

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## **ARTICLE V - OFFICERS**

### **SECTION 1. Designation:**

The principal officers of the Association shall be President, Vice President, Secretary, and a Treasurer, each of which shall be elected by the Board of Directors. The Board may also appoint an Assistant Treasurer, an Assistant Secretary and such other officer or officers as in its judgment may be necessary. The President and Vice President, but no other officers, need to be members of the Board of Directors.

### **SECTION 2. Election of Officers:**

The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board of Directors.

### **SECTION 3. Removal of Officers:**

Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed with or without cause and his successor may be elected at any regular meeting of the Board of Directors called for such purpose.

### **SECTION 4. President:**

The President shall be the Chief Executive Officer of the Association. S/he shall preside at all meetings of the Unit owners and of the Board of Directors. S/he shall have all of the general powers and duties which are incident to the office of President of a condominium association organized under New Jersey law, including but not limited to the power to appoint committees from among the Unit owners from time to time as s/he may, in his/her discretion, decide as appropriate to assist in the conduct of the affairs of the Association. S/he may, with the Treasurer, countersign all checks and drafts drawn on the Association funds.

### **SECTION 5. Vice President:**

The Vice President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. If neither the President or the Vice President is able to act, the Board of Directors shall appoint some other member(s) of the Board of Directors to act in place of the President on an interim basis. The Vice President shall also perform such duties as shall from time to time be imposed upon him/her by the Board of Directors or the President. S/he may, with the Treasurer, countersign all checks and drafts drawn on the Association funds.

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### **SECTION 6. Secretary:**

The Secretary shall keep the minutes of all meetings of Unit owners and of the Board of Directors; s/he shall have charge of such books and papers as the Board of Directors may direct; and s/he shall, in general, perform all the duties incident to the office of the Secretary of a condominium association organized under New Jersey law. The Secretary shall also perform the duties aforesaid for any committee as the Board of Directors or the President may so direct. S/he may, with the Treasurer, countersign all checks and drafts drawn on the Association funds.

### **SECTION 7. Treasurer:**

The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. S/he shall be responsible for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors and s/he shall generally perform all duties incident to the office of the Treasurer of a condominium association under New Jersey law. S/he shall, together with an Officer or member of the Board, sign all checks and drafts; however, in the event of his/her absence, any two Board members or Officers may sign all checks and drafts. S/he shall render, at the close of each fiscal year, to the President and to the Board of Directors at the regular meeting of the Board of Directors, whenever either the President or the Board of Directors shall require, a full account of his/her transactions as Treasurer and a full account of the financial condition of the Association.

### **SECTION 8. Compensation of Officers:**

No officers shall receive any compensation from the Association for acting as such. If any officer has any direct or indirect financial involvement with the Board of Directors or the Association, s/he shall file a statement detailing such arrangement and amount of income earned at the annual meeting of the Association.

### **SECTION 9. Agreements, Contracts, Deeds, Checks, etc.:**

All agreements, contracts, deeds, checks and other instruments of the Association shall be executed by any two officers of the Association or Members of the Board, or by such other person or persons as may be designated by the Board of Directors.

### **SECTION 10. Indemnification of Officers:**

Each officer, his/her heirs, administrators and executors shall be indemnified and held harmless by the Association against any losses, expenses and counsel fees reasonably

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incurred in connection with any action or proceeding in which said officer, his/her heirs, administrators and executors are made a party by reason of such office. Provided, however, that should such officer be adjudged in such action to have been guilty of gross negligence or willful misconduct, the aforesaid indemnity shall not apply. In the event of a settlement, such officer shall be indemnified only as to such matters covered by the settlement which the Association is advised by its counsel is not the result of such gross negligence or willful misconduct of such officer. The aforesaid indemnification is intended to encompass the aforesaid acts of the officers as such to the extent herein provided and is not intended to be operative with respect to any duties, obligations or liabilities assumed by such officers as Unit Owners or Association members.

### **ARTICLE VI - COMMON EXPENSE, BUDGET, PAYMENT OF EXPENSES AND ASSESSMENTS, ASSOCIATION LIENS, RESTRICTIONS ON USE OF UNITS AND COMMON ELEMENTS, AND RULES AND REGULATIONS**

#### **SECTION 1. Common Expense Budget:**

The Board of Directors shall, prior to the beginning of each fiscal year of the Association prepare a budget for the Condominium, determining the amount of Common Expenses payable by the Members and allocating and assessing such Common Expenses among the Members according to their respective interest in the Common Elements as set forth in the Master Deed. The Common Expenses shall include, among other things, the cost of insurance premiums on all policies of insurance which the Board deems to be required. The Common Expenses shall also include such amounts as the Board may deem proper for the operation and maintenance of the Property, including, but not limited to, an amount for working capital of the Association, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the Common Expenses for any prior year. Anything in these By-Laws to the contrary notwithstanding, the Board shall not have the authority to incur any liability or expend any funds on behalf of the Members or the Association in respect of capital improvements proposed to be made (whether or not so designated on the books of the Association) in excess of \$10,000.00 in any fiscal year of the Association, except in the event of extreme emergency, without, in each instance, the prior authorization of the Members by the affirmative vote of the Members owning at least 75% of the aggregate interest of the undivided ownership of the Common Elements, obtained at a meeting of Members duly called for such purpose.

#### **SECTION 2. Payment of Common Expenses:**

All Members shall be advised of the amount of, and be obligated to pay, the annual Common Expenses assessed by the Board of Directors pursuant to the provisions of Section 1 of Article VI of these By-Laws, which payments shall be made in four (4) equal quarterly installments in advance on the first day of each quarter (January, April,

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July and October) of the fiscal year to the Association at the principal office of the Association or at such other place as may be designated by the Board. A statement of said annual Common Expenses (together with a copy of the budget upon which same are based) and each Member's share thereof, shall be mailed to each Member at the commencement of the fiscal year; monthly, quarterly, or interval billing by the Association shall be required as directed by the Board. No abandonment of a Unit owned by a Member or a waiver of the use and enjoyment of any of the Common Elements or the Limited Common Elements shall exempt or excuse such Member from his/her contribution toward the expenses aforesaid.

### **SECTION 2.1 Non-Refundable Operating Account Contribution Fee**

Upon acquisition of title to a unit, the acquiring unit owner shall pay to the Association a one-time, non-refundable operating account contribution fee equal to one-quarter (25%) of the then applicable annual common expense assessment. The monies shall be deposited to the association operating account.

### **SECTION 3. Payment of Special Assessments:**

Special Assessments, when levied by the Board of Directors pursuant to these By-Laws, shall be paid by the Members in such manner as may be determined by the Board; provided, however, that the pro-rata contribution of each member for such special assessment shall be in accordance with Section 4 of this Article VI.

### **SECTION 4. Default in Payment of Common Expenses and Assessments:**

All Common Expenses and assessments chargeable to and payable by a Member for his Unit shall constitute a lien against said Unit in favor of the Association. Such lien or notice of lien shall be filed in or at any office of the State, County or Municipality. The aforesaid lien shall be prior to all other liens except:

Any similar liens by the Association for prior charges and assessments;  
Assessments, liens and charges for unpaid taxes due on said unit;  
Permitted mortgages of record which are liens against said Unit, except to the extent priority is permitted by law.

The lien aforesaid may be foreclosed in the same manner as real estate mortgages.

In the event of a foreclosure or a money judgment action against a delinquent member, the Association shall, in addition to the amount due, be entitled to recover interest at the legal rate on such sum or sums due and a reasonable late fee for each month in which the Unit Owner fails to pay an assessment within ten (10) days of such assessment becoming due and owing, together with reasonable expenses of such action; including costs and attorney's fees. A suit by the Association against the delinquent Member to recover a money judgment for the unpaid Common Expenses and Assessments shall be maintainable without foreclosing or waiving the lien securing the same. Both foregoing actions shall be maintainable upon the expiration of thirty (30) days after any

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Common Expense or Assessment shall be due and payable. Failure to pay any installment of any of the Common Expenses and Assessments when due, shall, at the option of the Board of Directors, render the entire annual amount due and payable, as if no installment payment provisions were operative.”

### **SECTION 5. Maintenance and Repair:**

All maintenance, repairs and replacements to the Common Elements, and the Limited Common Elements, if any, depicted in the Master Deed, each of which areas is to be maintained solely by the Association, unless necessitated by the negligence, misuse or neglect of the Unit owner, his/her tenants, agents, guests, licensees or servants (in which case such expense shall be charged to such Unit owner), regardless of whether there is special benefit thereby to particular Unit owners, shall be performed or made by the Association and be charged to all Members as a common expense. The cleaning or washing of the exterior surfaces of all windows forming part of the perimeter wall of a Unit shall be the responsibility of the Windham North Condominium Association. All maintenance, repairs and replacements to any Unit shall be performed or made promptly and carefully by the Member owning such Unit at his/her own risk, cost and expense. Each Member shall be liable for any damages, liabilities, costs or expenses, including attorney's fee, caused by or arising out of his/her failure to promptly and/or carefully perform or make any such maintenance, repair or replacement.

### **SECTION 6. Restrictions on Use of Units:**

In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property (including the Association property) shall be restricted to and shall be in accordance with the following provisions:

- (a) No Unit shall be occupied or used for any purpose other than a private residence for the owner or the owner's lessees and their immediate families and guests;
- (b) The Common Elements as well as the property and facilities of the Association shall be used for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units and garage spaces and parking spaces;
- (c) No nuisance shall be maintained by any Unit owner; nor shall any use or practice be allowed by any owner which is a source of annoyance to, or which interferes with the peaceful possession or proper use of the Units or Common Elements by Unit owners.
- (d) No immoral, improper, offensive or unlawful use shall be made of any unit or part thereof or any of the Common Elements; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof shall be complied with by and at the sole expense of the Members or the Association, whichever shall have the obligation to maintain or repair such portion;

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- (e) No portion of any Unit (other than the entire Unit) may be rented. No Unit shall be rented by the owner or owners thereof or otherwise utilized for transient or hotel purposes, which shall be defined as (i) rental for any period less than twelve 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 or linen or bellhop service.
- (f) No subleasing by a lessee of a Unit shall be permitted without first obtaining the approval of the Board of Directors, the Board shall have the right to require that a uniform form of sublease be used.
- (g) Residents shall exercise reasonable care when making noises that may offend or interrupt the enjoyment of neighbors. Each resident shall use musical instruments, radios, television sets and record players without interfering with others.
- (h) No bird, reptile or animal of any kind shall be raised, bred or kept in any Unit or anywhere else on the property. Unit owners are permitted a maximum of two (2) dogs, cats or other common household pets provided that they are not kept, bred or maintained for any commercial purpose and are housed within the Unit, properly controlled as to not create a nuisance or in any way adversely effect the condition or cleanliness of the Common Elements, in accordance with and subject to local Law and Rules and Regulations to be promulgated by the Board. No resident shall allow any pet to roam at large. No dog house/pet holding area or the tethering of a pet on Common Elements shall be permitted. Unit owners shall be responsible for all damages caused by any animal, bird or reptile owned or possessed by the owner, his/her family, guests or tenants.
- (i) No owner shall cause vehicles (vehicles being defined as automobiles, SUV's, motorcycles or vans) owned or leased by the Unit owner, his/her tenants, agents, guests, licensees or servants to be parked anywhere except on his/her driveway or temporarily in visitor parking nor shall they leave any non-operating vehicle, junk vehicle or a vehicle not properly and currently licensed and inspected pursuant to the laws of the state of registration, on any Common Element. Overnight parking of commercial type trucks, recreation vehicles, trailers or boat trailers on any Common Element is prohibited. No vehicle shall be parked on the road within the Development.
- (j) No owner or occupant will do, suffer or permit any activity or storage in any Unit which will increase the rate of insurance on such Unit or any other Unit, or on Common Elements or Facilities.

### **SECTION 7. Additions, Alterations, or Modifications:**

No Member shall make any structural additions, alterations, or improvements in or to his/her Unit (or elsewhere on the Property) without prior written consent thereto of the Board of Directors, or impair any easement without the written consent of the Board or



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of the Unit owner or owners for whose benefit such easement exists.

### **SECTION 8. Use of Common Elements and Facilities:**

A Member shall not place or cause to be placed in the Common Elements, other than the areas designated as storage areas, any furniture, packages or objects of any kind. Members shall require their tradesmen to utilize exclusively the area designated by the Association for transporting or delivering packages, merchandise or any other objects which may affect the comfort or well-being of the Members, residents and guests. The owners of each Unit, regardless of type, 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 windows or placed on the outside walls of any building or parking spaces or in other common areas, and no signs, awnings, grills, canopies, shutters, or radio or television antennae shall be affixed or placed upon the exterior walls or roofs or any part thereof without the prior written consent of the Association. Members shall not have the right to paint or otherwise decorate or change the appearance of any portion of the exterior of any building or parking area. Each Member is responsible to report promptly to the Board any defect or need for repairs, the responsibility for which is that of the Association. Except as herein provided, no Members or group of Members shall build, paint or maintain any matter or thing upon, over or under the common Elements or Limited Common Elements, if any, except with the express permission of the Board in writing first had and obtained; nor shall any Unit owner, his/her tenants, agents, guests, licensees or servants place trash, garbage or excess materials of any kind on or about the Common Elements. All garbage placed out for collection by the town refuse collectors must be placed in covered garbage cans. Plastic bags are not to be used, as they are targets for geese and animals. Recyclables and bulk items placed out for collection by the town refuse collectors must adhere to Township rules and regulations.

### **SECTION 9. Right of Access:**

A Member shall grant a right of access to his/her Unit to the Association or any person authorized by the Association for the purpose of making inspections, or for the purpose of correcting any condition originating in his/her Unit and threatening any Unit, Common Element, or Limited Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common Elements in his/her Unit or elsewhere in the property, or for the purpose of correcting any condition which violates the provisions of any mortgage covering another Unit; provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to such Unit owner. In case of an emergency, such right of entry shall be immediate, whether or not the Unit owner is present at the time.

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### **SECTION 10: Additions, Alterations or Improvements by Association:**

The Association shall have the right to make or cause to be made such alterations and improvements to the Common Elements or Limited Common Elements, if any, (which do not adversely prejudice the right of any Unit owner unless his/her written consent has been obtained); provided the making of such alterations and improvements is first authorized by the Board of Directors. The cost of such alterations and improvements shall be assessed as Common Expense, unless, in the judgment of not less than the majority of the members of the Board of Directors, the same are exclusively or substantially exclusively for the benefit of the unit owners requesting the same, in which case such requesting owners shall be assessed therefore in such proportion as they approve jointly, and failing such approval, in such proportions as may be determined by the Board of Directors.

### **SECTION 11. Rules of Conduct:**

Rules and regulations concerning the use of Units and the Common Elements and Limited Common Elements, if any, may be promulgated and amended by the Board of Directors with the approval of a Majority of the Unit Interests. Copies of such rules and regulations shall be furnished by the Association to each Member.

### **SECTION 12. Treatment of Surplus:**

In the event the Association shall have a surplus at the end of any fiscal year as established herein, and after the establishment of reasonable reserve items, the Board of Directors shall allocate the surplus among the Members in accordance with the percentage of each Member's respective ownership of the Common Elements as set forth in the Master Deed, and shall apply said percentage allocation in reduction of the Common Expense charge for the ensuing year or years in the manner set forth in Section 1 of this Article VI; or the Association may establish a reserve account with such surplus, which reserve shall be designated for a specific purpose. The Board of Directors shall have an annual audit of association funds prepared by an independent accountant, a copy of which shall be delivered to each unit owner within 90 days of the expiration of the fiscal year of the association. The audit shall cover the operating budget and reserve accounts. The requirement for an annual audit may be waived by a vote of 60% of the unit interests at the annual association meeting.

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### **ARTICLE VII - TRANSFERS; CORPORATE OWNERSHIP; MORTGAGEE RIGHTS**

#### **SECTION 1. Gifts and Devises:**

A Member may make a gift of, devise, lease, sell or otherwise transfer his/her Unit, provided that the person acquiring the Unit in any such manner shall so notify the Association of the transfer or lease. No Member shall transfer or lease his/her Unit to a corporation or limited partnership without the prior written approval of the Board of Directors, which approval may be conditioned upon the requirement that such corporation or limited partnership keep on file with the Secretary of the Association the names and other addresses, if any, of all such persons seeking to reside in such Unit.

#### **SECTION 2. Mortgage of Unit:**

Each Owner is entitled to mortgage his/her Unit, provided that any such mortgage is made to a bank, trust company, insurance company, savings and loan association, pension fund or other institutional lender, or to a purchase money mortgagee.

#### **SECTION 3. Payment of Assessments Prior to Sale or Encumbrance:**

No Member shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his/her Unit, unless and until s/he shall have paid in full to the Association all unpaid Common Expenses theretofore assessed by the Association against his/her Unit, and until s/he shall have satisfied all unpaid liens against such Unit. The transferee of a Unit shall thereafter be liable for payment of any such charges to the Association, without prejudice to the right of the transferee to recourse against the transferor for the amount paid by such transferee. A permitted institutional mortgagee who acquires title to a mortgaged Unit or a purchaser at a foreclosure sale shall not be liable, and such Unit shall not be subject to a lien, for Common Expenses assessed prior to the acquisition of title by such mortgagee or purchaser at a foreclosure sale. In the event of a foreclosure by the Association of a lien on any Unit for unpaid Common Expenses, and in the event the proceeds of the foreclosure sale shall not be sufficient for the payment of such unpaid Common Expenses, the unpaid balance shall be charged to all members as a Common Expense. The Association shall furnish a statement of amounts due it upon request from any transferee or mortgagee, and the Association shall be limited in its recovery to the amounts set forth therein. The Board of Directors shall issue a certificate of status of payment in the name of any Unit Owner upon his/her or his/her transferee's or mortgagee's request. A Unit Owner may not rely on such certificate.

#### **SECTION 4. Purpose of Restrictions:**

The foregoing provisions have been established in order to maintain a community of congenial residents in the Condominium and to assure the responsibility of each Unit Owner to pay those obligations required to be paid by him/her.

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### **SECTION 5. Superior Rights of Mortgagees**

No provisions of these By-Laws shall in any way be construed to affect the rights of a permitted mortgagee; and any preemptive rights of the Association herein set forth shall remain subordinate to the rights of any such mortgagee and taxes; and such preemptive rights shall not be applicable to purchasers at foreclosure or other judicial sales of permitted mortgages, to transfers to permitted mortgagees. After a permitted mortgagee has sold such Unit, then the preemptive rights herein set forth shall be applicable to the then Unit Owner.

### **SECTION 6. Unit Acquisition by Association:**

In the event of foreclosure proceedings against a Member, the Association, on its own behalf or on the behalf of one or more Members, shall have the right to redeem such Member's Unit from the mortgagee for the amount due, or to purchase such Unit at the foreclosure sale. In the event that the Association has so acted, the cost thereof shall be a Common Expense and the Association shall have the right to assess all Members therefore in proportion to their respective undivided interests in the common Elements.

## **ARTICLE VIII - COMPLIANCE WITH BY-LAWS AND MASTER DEED**

### **SECTION 1. Penalties:**

The within By-Laws, the Rules and Regulations adopted pursuant thereto, all future amendments hereof and thereof, and the covenants and restrictions in the Master Deed shall be strictly complied with by each Member. Failure to comply with any of the same shall entitle the Association to bring suit to recover monies due or for damages or injunctive relief, or both, against the offending Member. If suit has been instituted by the Association and a member has been found by the Court to have committed the violation alleged, such Member shall reimburse the Association for reasonable attorney's fees and such other costs as shall be established by the Court.

### **SECTION 2. Enforcement:**

The Board shall have the power, to enforce the terms of the Master Deed, By-Laws or any Rule or Regulation promulgated pursuant thereto, by any or all of the following: self-help; sending notice to the offending party to cause certain things to be done or undone; restoring the Association to its original position and charging the breaching party with the entire cost or any part thereof; complaint to the duly constituted authorities; or by taking any other action, summary or otherwise, before any court, as may be provided by law.

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### **SECTION 3. Fines:**

The Board shall also have the power to levy fines against any Unit owner(s) for violations(s) of any Rule or Regulation of the Association or for any covenants or restrictions contained in the Master Deed or By-Laws. Collection of the fines may be enforced against any Unit owner(s) involved as if the fine were a Common Expense owed by the particular Unit owner(s).

### **ARTICLE IX - INSURANCE**

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

#### **(a) Physical Damage Insurance**

Broad form insurance against loss by fire and against loss by lightning, windstorm, and other risks normally included within extended coverage, insuring all structural portions of the condominium property, together with all service machinery contained therein and covering the interest of the Association, the Board of Directors and all members and their mortgagees as their interests may appear in an amount equal to one hundred (100%) percent (as determined by the Board) or replacement of the buildings without deduction for depreciation. Each of said policies shall, to the extent obtainable, contain a standard mortgagee clause in favor of each mortgagee of a dwelling unit and which shall provide that the loss, if thereunder shall be payable to such mortgagee as its interests may appear, subject, however, to the payment provisions in favor of the Board of Directors, Workers' Compensation insurance and such other insurance as the Board of Directors may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Directors. All policies of physical damage insurance shall to the extent obtainable, contain waivers of subrogation and waivers from any acts of the insured, and shall provide that such policies may not be canceled or substantially modified without at least thirty (30) days prior written notice to the insured.

#### **(b) Public Liability Insurance**

To the extent obtainable public liability insurance for bodily injury, personal injury, property damage and death from accidents occurring within the Common Elements, (and any other areas which the Board may deem advisable) and the defense of any action brought by injury or death of a person or damage to property, occurring within such Common Elements, and not arising by reason of any act or negligence of any individual Unit Owner. Said insurance shall be in such limits as the Board may, from time to time, determine, covering each Member of the Board, the managing agent and the Manager, if applicable, and each Member. The Board shall review such limits once

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a year.

### **(c) Directors and Officers Liability Insurance**

Liability insurance indemnifying the Directors and Officers of the Association against the liability for errors and omissions occurring in connection with the performance of their duties, in an amount of at least \$1,000,000 with any deductible amount to be in the sole discretion of the Board.

### **(d) Workers' Compensation Insurance**

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

### **(e) Other Insurance**

Such other insurance as the Board may determine.

All policies shall: (i) provide that adjustment of loss shall be made by the Board of Directors with the approval of the Insurance Trustee, if any, and that the net proceeds thereof, if \$500,000 or less be payable to the Board, and if more than \$500,000 shall be payable to the Insurance Trustee, if any, as may be designated by the Board, as Trustee for all Institutional and other Lenders holding first mortgages on any portion of the property, and all Unit Owners as their interest may appear; (ii) require that the proceeds of physical damage insurance be applied to the restoration of such Common Elements and structural portions and service machinery as is required by the Master Deed and these By-Laws; (iii) to the extent obtainable contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insurance; and (iv) provided that such policies may not be canceled without at least thirty (30) days prior written notice to the named insured.

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

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

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

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## **ARTICLE X - MISCELLANEOUS**

### **SECTION 1. Notices:**

All notices to the Association required or referred to herein shall be effectively given only if sent by registered or certified mail to the Association, in care of the Secretary at the office of the Association, or to such other address as the Board of Directors may from time to time designate for such purpose. All notices to any Member shall be effectively given only if sent by mail to the address designated for his/her Unit, or to such other address as may have been designated by such Member from time to time in written notice to the Association. All notices to permitted mortgagees of Units shall be effectively given only if sent by mail to their respective addresses as designated by them for such purpose from time to time by written notice to the Association. All notices shall be deemed to have been given when received.

### **SECTION 2. Invalidity:**

The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity or enforceability or effect or the balance of these By-Laws.

### **SECTION 3. Captions:**

The captions herein are inserted only as a matter of convenience and in no way define, limit or describe the scope of these By-Laws or the intent of any provisions thereof.

### **SECTION 4. Waiver:**

No restriction, condition, obligation or provision contained in these By-Laws 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 thereof which may occur.

## **ARTICLE XI - AMENDMENTS TO BY-LAWS**

Except as hereinafter provided otherwise, these By-Laws may be modified or amended by the affirmative vote of Members owning at least sixty (60%) percent of the aggregate interest of the undivided ownership of the Common Elements whether or not such Members are present at a meeting of Members duly held for such purpose. Modifications and amendments shall be recorded with the Office of the Clerk of Bergen County in order for the same to be valid and operative.

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### **ARTICLE XII - CONFLICTS**

In case any of these By-Laws conflict with the provisions of the Master Deed or the Condominium Act, the provisions of the said master Deed or the Condominium Act, as the case may be, shall control.

5:26-8.2 Powers and duties.

- (a) Subject to the master deed, declaration of covenants and restrictions or other instruments of creation, the association may do all that it is legally entitled to do under the laws applicable to its form of organization.
- (b) The association shall discharge its powers in a manner that protects and furthers the health, safety and general welfare of the residents of the community.
- (c) The association shall provide a fair and efficient procedure for the resolution of disputes between individual unit owners and the association, and between different unit owners, that shall be readily available as an alternative to litigation.