

**BY-LAWS OF  
THE ATLANTIC PALCE CONDOMINIUM ASSOCIATION  
ARTICLE I  
APPLICABILITY, MEMBERS MEMBERSHIP  
AND DEFINITIONS**

**1.01 These are the By-Laws of THE ATLANTIC PALACE CONDOMINIUM ASSOCIATION (hereinafter called the “ASSOCIATION”), a non-profit corporation of the State of New Jersey. The administration and management of the Condominium and the Condominium Property and the actions of the Association and the Members thereof shall be governed by these By-Laws, subject to the Master Deed of The Atlantic Palace, which is incorporated herein by reference.**

**1.02 All present and future Unit Owners, tenants, future tenants, their licensees, invitees, servants, agents, employees and any other person or persons who shall be permitted to use the Condominium Property of the Condominium, shall be subject to these By-Laws and to the Rules and Regulations issued by the Association to govern the conduct of its members. Acquisition, rental or occupancy of any of the Units in the Condominium shall be conclusively deemed to mean that the Unit Owner, tenant or occupant has accepted and ratified these By-Laws and the Rules and Regulations of the Association and will comply with them.**

**1.03 As used throughout these By-Laws, the term “Member” means the Unit Owner of a Unit in the Condominium. Other terms used herein shall have the same meanings set forth in the Master Deed.**

**1.04**

**(a) Membership in the Association shall be limited to the Unit Owners in the Condominium provided that whenever title to such Unit is vested in two or more persons, such co-owners shall be entitled jointly to only one vote for their particular unit, pursuant to Article III of these By-Laws.**

**b. In the event that a Unit Owner shall lease or permit another to occupy his Unit, the tenant or occupant shall be permitted to enjoy the Condominium Property to the extent that such Unit owner shall be entitled, but shall not vote in the affairs of the Association, unless he shall be designated the Voting Representative. The term “occupant” shall mean any and all individuals using a Unit with the**

permission of the Unit Owner, whether as a guest, tenant or otherwise. The use of the Condominium Property shall be limited to Unit Owners, tenants and occupants of Units and their licensees, invitees, servants, agents and employees.

c. If a Unit is owned by more than one individual or is owned by a corporation or partnership, or if a Unit is under lease, then the individual entitled to cast the vote for such Unit shall be the individual named in the certificate (said individual being in these By-Laws called the "Voting Representative").

d. Every lawful transfer of title to the Unit Owner's Unit shall include membership in the Association and upon making such transfer; the previous Unit Owner's membership shall automatically terminate. Except as aforesaid, membership in the Association may not be assigned or transferred and any attempted assignment or transfer thereof shall be void and of no effect.

e. Each Unit Owner shall receive a Certificate, which shall be numbered and entered upon the books of the Association as it is issued. Upon presentation of satisfactory proof of the change of ownership of the Unit to the Secretary of the Association, the old certificate of membership of the Unit shall be cancelled and a new certificate of membership issued to the new Unit owner.

f. In the determination of the record date for the purpose of voting, the ownership of the Unit upon the membership list of the Association shall control.

g. The Trustees shall have power to close the membership list for ten (10) days preceding any special or annual meeting of the Unit Owners.

1.05 All voting by the Board of trustees, Unit Owners and the Association shall be by secret ballot.

## **ARTICLE II PRINCIPAL OFFICE**

2.01 The principal office of the Association shall be at New York Avenue at the Boardwalk, Atlantic City, New Jersey, but thereafter may be located at such other suitable and convenient place or places as shall be permitted by law and designated by the Trustees.

**ARTICLE III  
MEETINGS OF MEMBERS: VOTING**

**3.01 All annual and special meetings of the Members of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Trustees and designated in the notices of such meeting.**

**3.02 The first annual meeting of the Unit Owners shall be held on call of the Board no more than sixty (60) days after twenty-five (25%) percent of the Units have been sold and conveyed. Said meeting shall be considered the first annual meeting of the Unit Owners. At said meeting, two (2) members of the five (5) person Board of Trustees shall be elected by the Unit owners from among the Unit Owners other than the Developer, and three (3) members shall be appointed by the Developer. The Board appointed by the Developer shall act until the elections has been completed at said first meeting.**

**3.03 Within sixty (60) days after conveyance of seventy-five (75) percent of the Units, the Developer's control of the Board of Trustees shall terminate, at which time the Unit Owners shall elect the entire Board of Trustees; provided, however, that the Developer may appoint one (1) member of the Board of Trustees so long as there are any units remaining unsold in the regular course of business.**

**3.04 The Developer may surrender control of the Board of Trustees of the Association prior to the time specified, provided the Unit Owners agree by a majority vote to assume control.**

**3.05 Upon the assumption by the Unit Owners of control of the Board of Trustees of the Association, the Developer shall forthwith deliver to the Association all items and documents pertinent to the Association such as, but not limited to, a copy of the Master Deed, Declaration of Covenants and Restrictions, documents of creation of the Association, By-Laws, minute book, including all minutes, any rules and regulations, an accounting of Association funds, Association funds, all personal property, insurance policies, government permits, a membership roster and all contracts and agreements relative to the Association.**

**3.06 The Association, when controlled by the Unit Owners, shall not take any action that would be detrimental to the sales of Units by the Developer and shall continue the same level of maintenance, operation and services as immediately prior to their assumption of control, until the last unit is sold.**

**3.07 From time of conveyance of seventy-five (75%) percent of the lots, parcels, units or interests until the last lot, parcel, unit or interest in the development is conveyed in the ordinary course of business, the Master Deed, By-Laws or Declaration of Covenants and Restrictions shall not require the affirmative vote of more than seventy-five (75%) percent of the votes to be cast in order to amend the By-Laws or rules and regulations.**

**3.08 After the first annual meeting, special meetings of the Unit Owners may be called by the President whenever he deems such a meeting advisable, or shall be called by the Secretary when so ordered by the Board, or upon the written request of members representing not less than twenty-five (25%) percent of all votes entitled to be cast at such meetings. Such request shall state the purpose (s) of such meeting and matters proposed to be acted upon. Unless Unit Owners representing at least fifty (50%) percent of all votes entitled to be cast request such a meeting in writing, no special meeting may be called to consider any matter which is substantially the same as a matter voted upon at any meeting of the Unit Owners held during the preceding twelve (12) months.**

**3.09 For the purpose of determining the Unit Owners entitled to notice of any meeting of the members, or any adjournment thereof, or for the purpose of any other action, the trustees shall fix in advance a date as the record date for such determination. Such date shall not be more than twenty (20) nor less than ten (10) days before the date of the meeting. If no record date is fixed, then the date shall be deemed to be the tenth day before the date of the meeting.**

**3.10 Notice and agenda of meetings of the Members of the Association shall be in writing. Notice of all meetings of the Association shall also be given to those holders of mortgages on Units in the Condominium who have advised the Association, in writing, of their desire to receive such notices. Notice and agenda of the meetings other than the annual meeting shall indicate and state that it is being issued by or at the direction of the person or persons calling the meeting. Such notice and agenda shall be**

mailed or delivered not less than five (5), nor more than thirty (30) days prior to the date of the meeting. Notice of all meetings at which disposition is to be made of the assets or the granting of rights or easements in the Condominium Property must also be given to the holders of the first mortgages on the Units.

**3.11** Notice and agenda of meetings need not be given to any Unit Owner who personally, or by his Voting Representative, signs a waiver of notice, whether before or after the meeting, provided that no such waiver or notice shall affect the right of a mortgagee to receive notice. The attendance at a meeting of any Unit Owner or his Voting Representative, without protesting prior to the conclusion of the meeting the lack of proper notice of such meeting, shall constitute a waiver of notice of the meeting by him.

**3.12** A quorum at meetings of the Unit Owners shall consist of Unit Owners or their Voting Representatives holding fifty-one (51%) percent of the total outstanding votes of the Association. The subsequent joinder of a Unit Owner or his Voting Representative in the action taken at a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize the meeting it cannot be broken by the subsequent withdrawal of a Unit Owner or Owners or his or their Voting Representatives. The Unit Owners or their Voting Representatives present may adjourn the meeting despite the absence of a quorum. In the event of any such adjourned meeting, no further notice of the adjourned meeting need be given to any of the Member.

**3.13** The voting rights of Unit Owners shall be based upon one (1) vote for each Unit or Commercial Unit in the Condominium owned by said Unit Owner.

**3.14** Only Unit Owners in good standing shall be entitled to vote in the affairs of the Association at any annual or special meeting thereof. Such Unit Owner shall be deemed to be in "Good Standing" and "entitled to vote" if, and only if, he shall have fully paid all assessments made or levied against him and his Unit or Units by the Trustees as hereinafter provided, together with all interest, costs, attorneys' fees, penalties and other expenses, if any, properly chargeable to him and against his Unit or Units, at least three (3) days prior to the date fixed for such annual or special meetings.

**3.15 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 the Unit Owners shall not be entitled to vote so long as it continues to be so held.**

**3.16 As to matters involving the disposition of assets, or the granting of rights or easements in the Condominium Property, the affirmative vote of Unit Owners or their Voting Representatives representing a majority of the total outstanding votes of the Association shall be necessary. In addition thereto, such matters must be approved by the unanimous vote of all Institutional Mortgage Lenders holding first mortgages on Units in the property. All other decisions of the members, unless otherwise expressly set forth herein shall require for passage, the affirmative vote of the Unit owners or their Voting Representatives representing a majority of the total votes represented at any given meeting at which a quorum is present. "Disposition of assets" shall not be deemed to encompass termination of the Condominium as set forth in Section 15 of the Master Deed.**

**3.17 Any action involving the disposition of assets or the granting of rights or easements in the Condominium Property, or the amendment of these By-Laws may be taken without a meeting on such matters if the matter is approved by the written consent of the required number of Unit owners and mortgagees. Approval or disapproval of a Unit Owner on any matter whether or not the subject of a meeting shall be by the person holding title to such Unit on the books of the Condominium at the time of the execution of this instrument or his Voting Representative, if no meeting is being held, or by the person owning such Unit on the record date, or his Voting Representative, if such record date has been fixed and meeting is to be held.**

**3.18 The order of business at the annual meeting of the Members shall be:**

- (a) Calling of the roll**
- (b) Proof of Notice of the meeting or Certification as to waivers**
- (c) Selection and appointment of inspectors of election**
- (d) Election of Trustees**
- (e) Reading of minutes of preceding meeting**
- (f) Reports of the Officers**
- (g) Reports of the Trustees**
- (h) Reports of the Committees**
- (i) Unfinished business**

- (j) New Business**
- (k) Adjournment**

**3.19 The order of business at all other meetings of the Members shall as far as practical conform to the order of business at the annual meeting insofar as the special purpose of the meeting will permit.**

#### **ARTICLE IV BOARD OF TRUSTEES**

**4.01 The Condominium shall be administered and managed and the affairs of the Association shall be governed by a Board of Trustees consisting of five (5) persons, each of whom shall be over the age of eighteen (18) years. With the exception of those Trustees appointed by the Developer, all persons serving as Trustees must be Unit Owners, with at least one (1) Trustee being a Commercial Unit Owner.**

**4.02 Subject to the provisions of the Master Deed, at the first election, two Trustees shall be elected to serve for a term of three years, two to serve for two years, and one to serve for one year. At all subsequent elections the Trustee or Trustees to be elected at such election shall be elected for a term of three years. The trustees designated in the Articles of Incorporation of the Association shall act as Trustees until their successors shall have been elected and qualified at the first annual meeting of the members. Each Trustee shall serve until his successor shall be elected and qualified and shall serve without compensation.**

**4.03 (a) At least two (2) months preceding the annual meeting of the Members, the President shall appoint a nominating committee of three, at least one of whom shall be a member of the Board of Trustees whose term of office does not expire at the ensuing annual election. The nominating committee, after considering the qualifications of individuals and consulting with the Developer under the Master Deed while it holds ten (10) or more Units, shall select an individual or individuals to be nominated as a Trustee. Such committee shall report its nominees to the President at least fifteen (15) days prior to the date of the annual meeting.**

**(b) Any five (5) Unit Owners in good standing, or the Unit Owner of five (5) or more Units may nominate candidates to the Board of Trustees by presenting such nominations in writing signed by them**

to the Secretary. Such petition shall be presented no less than fifteen (15) days before the annual meeting.

(c) At Least ten (10) days prior to the annual meeting the Unit Owners shall be notified in writing of all candidates to the Board of Trustees and shall be furnished with ballots. The names of all candidates shall be either typed or printed upon all ballots. Where there is more than one candidate such names shall be arranged in alphabetical order.

(d) Those candidates receiving the greater number of votes out of the number to be elected shall be declared elected and in case of a tie vote as to the last place to be filled, a new ballot shall be cast in order to determine the last successful candidate excluding those with a smaller number of votes who shall be declared defeated. Cumulative voting shall not be permitted.

(e) Unit Owners or their Voting Representatives may cast their vote to the annual meeting by depositing their ballots with the Secretary to be opened by him at the meeting and are not required to be present at the meeting to cast their ballots for the election of the Trustees.

4.04 If the office of any Trustee shall become vacant by reason of his death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Trustees, at a special meeting duly called for such purpose, shall choose a successor who shall serve for the remaining unexpired term of the Trustee replaced.

4.05 Trustees (except those selected by the Developer under the Master Deed) may be removed with or without cause, by the affirmative vote of Unit Owners or their Voting Representatives having two-thirds (2/3) of the total number of votes of the Association at any annual or special meeting of Members duly called for such purpose. When a member of the Board of Trustees who has been elected by Unit Owners other than the Developer is removed or resigns, that vacancy shall be filled by a Unit Owner other than the Developer.

4.06 The first or organizational meeting of each newly elected Board of Trustees shall be held immediately upon adjournment of the meeting of Members at which they were elected and at the same place where the meeting of Members was held, provided a quorum is

present. If a quorum of the Board is not then present, such first or organizational meeting shall be held as soon thereafter as may be practicable provided notice is given to each Trustee as set forth in 4.07 of this Article or unless waived as provided in 4.03 of this Article.

**4.07** The Board of Trustees shall meet regularly at least quarterly on such day as the Board may fix. The meetings shall be held at the principal office of the Association or at such other place as the Board may determine. The annual meeting of the Board shall be held immediately following the annual meeting of the Members at the place where such annual meeting of the Members is held. A special meeting of the Board may be called by the President or Vice-President on two days notice given either in writing, in person, by telephone, or by wire to each Trustee. Such special meeting must be called on the demand or request of two members of the Board.

**4.08** Regular meetings once established may thereafter be held without notice at the time and place agreed upon by the Board. If the time or place of a regular meeting is changed by circumstances beyond the control of the Board, notice of the change shall be given in the same manner as for a special meeting. Notice of a meeting need not be given to any Trustee who submits a waiver of notice, whether such waiver be before or after the meeting. Attendance at the meeting shall be deemed to be a waiver of notice thereof.

**4.09** At all duly convened meetings of the Board of Trustees, a majority of the Trustees shall constitute a quorum for the transaction of business except as otherwise expressly provided in these By-Laws or by law, and the acts of the majority of the Trustees present at such meeting in which a quorum is present shall be the acts of the Board of Trustees. If at any meeting of the Board of Trustees there shall be less than a quorum present, the Trustee or Trustees present may adjourn the meeting from time to time, and at any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting as originally called may be transacted without further notice to any Trustee. Members of the Board of Trustees may vote by proxy.

**4.10** The Board of Trustees shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of the Association and the administration and

management of the Condominium and Condominium Property, and may do or cause to be done all such other lawful acts and things as are not by law, by these By Laws or otherwise, directed or required to be done or exercised by the Unit Owners or by others. In this performance of its duties as the administering body of the Association and Condominium, the Board of Trustees shall have powers and duties set forth in the Condominium Documents, including but not limited to the following:

(a) The operation, management, maintenance, renewal, replacement, repair, care, cleaning, upkeep, protection, and surveillance of the Condominium and the Condominium Property and all other property, real or personal of the Association.

(b) The preparation not later than December 1 of each calendar year of a budget or estimate of Common Expenses for the next succeeding fiscal year which shall include, but not limited to, reasonable reserves for depreciation, retirements and renewals. The total amount of such budget or estimate shall be assessed against all of the Units proportionate to their percentage interests. The amounts thus found applicable to each Unit shall be payable by the Unit Owner thereof to the Association in equal monthly installments as provided in the Master Deed. On or before the due date of the first installment, the Association shall prepare and delivery or mail to each Unit Owner and the holder of any first Mortgage a statement showing the amount thereof and the amount assessed against such Unit for the entire fiscal year and shall not be obligated to give notice of any subsequently accruing monthly payments for such fiscal year. The omission of notice of such installment shall not relieve such Unit Owner from his obligation to pay such monthly installments promptly when and as they become due and payable. The omission by the Board of Trustees to fix the assessments for the next fiscal year shall not be deemed a waiver or modification in any respect of the provisions hereof or the Condominium Documents, or a release of the Unit Owners from the obligation to pay the assessments, or any installment of any such year, but the assessment fixed for the preceding fiscal year shall continue until a new assessment is fixed.

(c) By majority vote of the Board to adjust or increase the amount of any annual assessment for the Common Expenses and quarterly installments thereof, and to levy and collect in addition thereto special assessments for Common Expenses in such amounts as the

**Board may deem proper, whenever the Board is of the opinion it is necessary to do so in order to meet increased operating costs, or additional capital expenses, or because of emergencies, provided, however, that all such increased or special assessments shall be made or levied against the Unit Owners and the Units owned by them respectively proportionate to their percentage interests.**

**(d) To use and expend any sums collected from such assessment for the operation, management, maintenance, renewal, replacement, repair, care, cleaning, upkeep, surveillance and protection of the Condominium Property and all of the real and personal property of the Association. No expenditures for capital improvements in excess of \$25,000.00 for any one item shall be made by the Trustees without the affirmative vote of the Unit Owners or their Voting Representatives representing a majority of the total votes at an annual meeting or special meeting called for that purpose at which a quorum was present. In addition, thereto, any such expenditure of over \$25,000.00 must be approved by all Institutional Mortgage Lenders holding first mortgages on Condominium Units. In the event there shall be any surplus remaining at the end of each fiscal year, then the same shall be returned or credited to the Unit Owners in a proportionate amount and as originally paid by each Unit Owner, as soon as practicable after the end of such fiscal year.**

**(e) To require all officers and employees of the Association responsible for funds of the Association or adequate fidelity bonds, in form, penalties and with corporate surety satisfactory to the Board of Trustees. The premiums on such bonds shall be paid by the Association as part of the Common Expenses.**

**(f) To pay all taxes and assessments levied or assessed against any property of the Association, exclusive of any taxes or assessments levied against any Unit or otherwise property chargeable to the Unit owner or Unit Owners thereof.**

**(g) To employ and dismiss such clerks, workmen, janitors, watchmen and other personnel, and to purchase or arrange for such services, machinery, equipment, tools, materials and supplies, as in the opinion of the Board of Trustees may from time to time be necessary for the proper operation and maintenance of the Condominium and the Condominium Property, except the portions thereof required to be maintained by Unit Owners.**

**(h) To collect delinquent levies or assessments made by the Association through the Board of Trustees against any Units and the respective Unit Owners thereof, together with costs and expenses incurred in connection therewith, including but not limited to, filing fees, court costs and attorneys' fees, whether by suit or otherwise, to abate nuisances and enforce observances of the Rules and Regulations relating to the Condominium, by injunction or such other legal action or means as the Board of Trustees may deem necessary or appropriate.**

**(i) To employ or retain legal counsel, engineers and accountants and to fix their compensation whenever such professional advice or services may be deemed necessary by the Board for any proper purposes of the Association, including but not limited to those hereinbefore or hereinafter referred to in these By-Laws.**

**(j) To cause such operations account, and escrow and other accounts, if any, to be established and opened as the Board of Trustees may deem appropriate from time to time and as may be consistent with good accounting practices.**

**(k)**

**(1) To cause a complete audit of the books and accounts of the Association to be made by a competent independent accountant at the end of each fiscal year, and at such other times or times as may be deemed necessary. The Board of Trustees shall also prepare at the end of each fiscal year and furnish to the Unit Owner of each unit a report of the business and affairs of the Association showing its transactions and reflecting fully and accurately its financial condition.**

**(2) To keep detailed books of account, in chronological order, of the receipts and expenditures affecting the Condominium and its administration and specifying the amount of the Common Expenses, Common Receipts and any surplus, and the portions thereof attributable to each Unit.**

**(l) To make and enforce compliance with such reasonable Rules and Regulations relative to the operation, use and occupancy of the Units, the Common Elements and other Condominium Property, and to amend the same from time to time as the Board shall deem necessary or appropriate, which Rules and Regulations when**

approved by appropriate resolutions shall be binding on the Unit Owners, and the tenants and occupants of Units. A copy of such Rules and Regulations and copies of any amendments thereof shall be subject to change by a majority of Unit Owners.

(m) The Board of Trustees shall maintain the insurance and keep the Condominium Property insured as provided in Section II of the Master Deed. The Board of Trustees shall review the insurance requirements and limits thereof once each year.

(n)

(1) The Association shall pay, through the Institutional Trustee, the premiums on the aforementioned policies as Common Expenses. In the event the amount of any premium of such insurance shall be increased above the normal premium because of a particular use of, or hazard or risk in, a Unit, then the Unit Owner of such Unit shall be liable for the increase.

(2) To collect all proceeds of all casualty or physical damage insurance, through the Institutional Trustee, and to apply the same towards the cost of repair, restoration or replacement of any damaged Condominium Property in accordance with the provisions of the Master Deed and these By-Law.

(o) To prosecute all proceedings with respect to the taking, injury or destruction by eminent domain of the Common Elements or any part thereof, or any part of the Condominium Property, provided, however, that the Board of Trustees shall not compromise any claim without the affirmative vote of Unit Owners or their Voting Representatives representing at least a majority of the total outstanding votes of the Association at an annual meeting or special meeting thereof called for that purpose, as distinct from merely the majority of the votes at such meeting. The Board of Trustees shall also determine whether it shall be appropriate to apply any sums payable with respect to such taking, injury or destruction to the repair or replacement of the Common Elements or Condominium Property injured or destroyed as a result thereof and shall distribute any sums not so applied as provided in the Master Deed.

(p) To purchase any Unit in the Condominium on which the Association has a lien as a result of the failure of a Unit Owner to

**pay his share of Common Expenses following execution upon such lien in order to protect the interest of the Association and the Members thereof, and to purchase and lease Units pursuant to the Master Deed, and to hold, lease, sublet, mortgage and convey the same.**

**(q) To lease or license the use of Common Elements in a manner not inconsistent with the rights of the Unit Owners.**

**(r) In its discretion to employ a professional Managing Agent and to delegate to such Agent the following powers and duties:**

**1. Ministerial duties, which by the Condominium Act are not required to be done by the Association or the Unit Owners.**

**2. Powers which require only ministerial functions in order to carry out the intent and purpose of the power, which powers are not required to be enforced only the Association or the Unit Owners; and**

**3. Delegate all powers and duties not prohibited by law or by these By-Laws.**

**(s) To contract and enter into equipment rental leases, including but not limited to, amusement and food and drink vending machines, the proceeds of which shall inure to the benefit of the Association.**

**(t) To take such action as may be necessary to comply promptly with any and all orders or requirements affecting the Association placed thereon by any federal state, county or municipal authority having jurisdiction thereof and order of the Board of Fire Underwriters or other similar bodies.**

**(u) To enforce obligations of Unit Owners, to allocate profits and expenses and to do anything and everything else necessary and proper for the sound management of the Condominium Property including the right to bring lawsuits to enforce the rules and regulations promulgated by the Board. The Board shall have the power to levy fines against the Unit Owners for violations of rules and regulations established by it to govern the conduct of the Unit Owners. No fine may be levied for more than \$25.00 for any violation; and may not be imposed without at least any one violation; and may not be imposed without at least ten (10) days**

notice to the Unit Owner to be heard by the Board prior to the imposition of any fine, or to cure said violation. For each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against the Unit Owner or Unit Owners involved as if the fine were a common charge owed by the particular Unit Owner(s).

(v) To employ any person, firm or corporation to repair, maintain and renovate all Common elements, to seed, sod, plant, transplant, prune, fertilize, water, cut destroy, pull plants up or out, spray substances, put pesticides or other chemical or biological agents in, under or above the water or grounds, grass, trees, to erect, repair, maintain and renovate recreational facilities which may be part of the Common Elements; to build, erect, repair, maintain and renovate roads, walks or paths; to lay pipes, culverts, bury utilities, put up lights or poles, erect signs and traffic controls of various sorts.

(w) To invest and re-invest monies; to sue and be sued; to collect interest, dividends, capital gains, exercise rights, pay taxes, make and enter into contracts, insure, enter into leases or concessions and to pass good and marketable title without the necessity of any third party overseeing the application of the funds; to make and execute any and all proper affidavits for various purposes, including, but not limited to, title to real estate, compromise any action without leave of court; to insure its own liability for claims against it or for damage to the Association, including moral claims; and to prepare affidavits for various purposes, including, but not limited to, title to real estate and all other powers contained herein, and those necessary and incidental thereto.

(x) To borrow and repay monies giving notes, mortgages or other security upon such term or terms as it deems necessary and incidental thereto.

(y) To perform such other duties as are contained in the Master Deed or any amendment or supplement thereto, including but not limited to the right:

(1) To employ professional counsel; to obtain advice from persons, firms or corporations such as, but not limited to, landscape architects, recreation experts, architects, planners, biologists, lawyers, accountants and engineers.

**(2) To set minimum standards for floor coverings installed by all Unit Owners.**

**(3) To arrange for maintenance for roads, walkways and parking areas as necessary.**

**(4) To arrange for the removal of refuse from all buildings and common areas.**

**(5) To arrange for security protection as necessary.**

**(6) To cause Common Elements of the Condominium to be maintained according to accepted standards, including painting, and decorating, plumbing, steam cleaning, carpentry and such other normal maintenance and repair work as may be necessary.**

**(7) In connection with the collection of any assessment or other charge to impose an interest charge at the legal, maximum if such payment is made after a date certain stated in such notice. In the event that the Board shall effectuate collection of said charges by resort to counsel, the Board may add to the aforesaid charge or charges, a sum or sums of thirty (30%) percent of the gross amount due as counsel fees, in addition to such costs allowable by law.**

## **ARTICLE V OFFICERS**

**5.01 The officers of the Association shall be a President, Vice-President, Secretary and a Treasurer. The Secretary may be eligible to hold the office of Treasurer. The President and Vice-President shall also be members of the Board of Trustees.**

**5.02 The officers of the Association shall be elected annually by the Board of Trustees at the organization of each new Board and shall hold office until their successors are elected or appointed by the Board and qualify, provided that each officer shall hold office at the pleasure of the Board of Trustees and may be removed either with or without cause and his successor elected at any annual or special meeting of the Board called for such purpose, upon the affirmative vote of a majority of the members of the Board. The Board of Trustees may, from time to time, appoint such other officers as in their judgment are necessary.**

**5.03 The President shall be the chief officer of the Association and shall preside at all meeting of the Members of the Board of Trustees. He shall have the general powers and duties usually vested in the office of the President of an Association, including but not limited to, the power to appoint committees from among the Members and Voting Representatives from time to time as he may deem appropriate to assist in the conduct of the affairs of the Association. He shall execute such deeds, leases, mortgages, bonds, notes, contracts and other instruments, in the name and on behalf of the Association and under its corporate seal when a seal is required, except when such documents are required or permitted by law to be otherwise executed and except when the signing and execution thereof shall be delegated by the Board of Trustees to another officer or agent of the Association.**

**5.04 The Vice-President shall perform all duties as shall be delegated to him by the President. He shall serve as chairman of the respective committees which the President shall deem appropriate. He shall exercise the powers and perform the duties of the President in his absence or disability.**

**5.05**

**(a) The Secretary shall attend all meeting of the board of Trustees and all meeting of the members and record all votes and minutes of all meetings and proceedings, including resolutions, in a minute book to be kept for that purpose and shall have charge of the minute book and such records and papers as the Board shall direct and perform all duties incident to the office of the Secretary, including the preparation and sending of notices and agenda of meeting to the Members, the Board of Trustees and committees and such other duties as my be prescribed by these By-Laws or by the Board of Trustees or the President. He shall also have custody of the corporate seal and when authorized by the Board, shall affix the same to any instrument requiring it and attest the same when appropriate.**

**(b) The Secretary shall compile and keep up-to-date at the principal office of the Association, a complete list of the Members and their last know post office addresses. Such list shall also show opposite each Member's name, the number of Unit or Units owned by him, the percentage of Common Interest of the Member in the Common Elements in the Condominium and the Voting Representative, if any.**

**This list shall be open to inspection by all Members and other persons lawfully entitled to inspect the same at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the minute book of the Association, containing the minutes of all annual and special meeting of the Association and all resolutions of the Trustees.**

**5.06 The Treasurer shall have responsibility for the Association's funds and securities and shall keep full and accurate accounts of receipts, disbursements in books belonging to the Association and shall deposit all moneys, checks and other valuable effects in the name and to the credit of the Association at such depositories as may from time to time be designated by the Board of Trustees. He shall disburse the funds of the Association as may from time to time be ordered by the Board or by the President, making proper vouchers for such disbursements and shall render to the president and Trustees, at the regular meeting of the Board or whenever they or either of them shall require and account of this transactions as Treasurer and of the financial condition of the Association.**

**5.07 The officers of the Association shall serve without compensations except that they shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties, unless one officer shall act as collection and/or management agent, in which case a fee to be determined by the Trustees shall be allowed Said fee shall be deducted without further approval, from the monies collected each month and shall be shown accordingly on all accounting records and statements.**

## **ARTICLE VI INDEMNIFICATION OF OFFICERS AND TRUSTEES**

**6.01 Subject to the provisions of the Master Deed, the Trustees and officers shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify each Trustee and officer, his heirs, executors and administrators against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Trustee or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for willful misconduct or bad faith to the**

**extent such parties are not so insured. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the foregoing indemnification provisions shall be treated by the Association as Common Expenses; provided, however, that nothing in this Article contained shall be deemed to obligate the Association to indemnify any Member or Unit Owner who is or has been a Trustee or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of his membership in the Association or his ownership of a unit.**

**Nothing contained herein to the contrary shall serve to exculpate members of the Board of Trustees appointed by the Developer from their fiduciary responsibilities.**

## **ARTICLE VII MORTGAGES**

**7.01 A Unit Owner who mortgages his Unit shall notify the Association of the name and address of his mortgagee and the Association shall maintain such information in a book entitled "Mortgages of Units".**

**7.02 The Trustees, whenever so requested in writing by a mortgagee of such Unit, shall promptly report any then unpaid assessments for Common Expenses due from, or any other default by, the owner of the mortgaged Unit.**

**7.03 The Trustees, when giving notice to a Unit Owner of a default in paying assessments for Common Expenses or other default, shall send a copy of such notice to each holder of a Mortgage covering such Unit whose name and address has theretofore been furnished to the Association.**

**7.04 Each mortgage of a Unit who shall have given the aforesaid information to the Association shall be permitted to examine the books of account of the Condominium at reasonable times, on business days.**

**7.05 The term "Institutional Mortgage Lender" whenever used in these By-Laws shall mean and include any bank, savings and loan, insurance company, pension fund, or other similar commercial lender. It shall also include the original Developer, or any affiliate of**

the Developer, or any entity designated by the Developer which provides purchase money financing.

7.06 Institutional Mortgage lenders holding mortgages on Units in the Condominium shall be entitled to receive notice of all meetings of the Condominium Association, such notice to be provided to the Institutional Mortgage Lender within the same time parameter that is required to be received by the Unit owner.

#### **ARTICLE VIII FISCAL YEAR**

8.01 The fiscal year of the Association shall begin on the first day of January in each year.

#### **ARTICLE IX CORPORATE SEAL**

9.01 The corporate seal of the Association shall contain the name "THE ATLANTIC PALACE CONDOMINIUM ASSOCIATION", the words "Incorporated", "New Jersey", and the year of incorporation.

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

10.01 Amendment of the By-Laws shall be proposed by either the Board of Trustees or by Unit Owners of at least seventy-five (75) percent of the Units. The proposed amendment must be reduced to writing and shall be included in the Notice of any meeting at which action is to be taken thereon.

10.02 The Affirmative vote of Unit owners or their Voting Representatives representing two-thirds (2/3) of the total outstanding votes of the Association and the affirmative vote of one hundred (100%) percent of the Institutional Mortgage Lenders holding mortgages on Units in the Condominium shall be required to amend these By-Laws.

#### **ARTICLE XI PARLIAMENTARY RULES**

11.01 Roberts Rules of Order (latest edition) shall govern the conduct of proceedings of the Association and the Board of Trustees.

#### **ARTICLE XII DISSOLUTION**

**12.01 In the event it shall be deemed advisable and for the benefit of the Members of the Association that the association shall be dissolved, the procedures concerning dissolution set forth in Chapter 1, Section 20 of Title 15 of the Revised Statutes of the State of New Jersey, entitled “Corporations and Associations Not for Profit”, shall be followed.**

**12.02 In the event of dissolution, the assets of the Association, after payment of all debts including mortgages and other encumbrances, shall be distributed to the Unit Owners based upon their respective interest in the Common Elements.**

### **ARTICLE XIII MISCELLANEOUS**

**13.01 Each residential Unit and each mortgagee of any such Unit shall be permitted to examine the books of account of the Board at convenient hours on business days that shall be established by the Board and announced for general knowledge.**

**13.02 All notices hereunder to the Association shall be sent by registered or certified mail to the Board in care of the President of the Association. All notices to any Member, and to any Mortgagee, shall be sent registered or certified mail to the address of his Unit; or to such other address as may have been designated by him from time to time, in writing, to the Board, and to the address of the Mortgagee, as designated to the Board. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.**

**13.03 While the developer maintains a majority of representation on the executive board, he shall post a fidelity bond or other guarantee acceptable to the Agency, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated services.**

**13.04 While the developer maintains a majority of the executive board, he shall have an annual audit of association funds prepared by an independent accountant, a copy of which shall be delivered to each unit owner within 90 days of the expiration of the fiscal year of the association. The audit shall cover the operating budget and reserve account.**

### **ARTICLE XIV**

## **ENFORCEMENT**

**14.01** The Association shall have the power, at its sole option, to enforce the terms of this instrument or any rule or regulation promulgated pursuant thereto, by any or all of the following: self-help, by sending notice to the offending part to cause certain things to be done or undone; by restoring the Association to its original position and charging the breaching part with the entire cost or any part thereof, by taking any other action before any court, summary or otherwise, as may be provided by law; by complaint to the duly constituted authorities. The foregoing shall be construed to be in addition to any other powers granted herein and by the New Jersey Condominium Act and not in limitation thereof.

### **ARTICLE XV CONFLICT**

Anything to the contrary notwithstanding, if any provision of this instrument is in conflict with or in contradiction of the Master Deed, the New Jersey Condominium Act, the Planned Real Estate Development Full Disclosure Act, or with the requirements of any other law, then the requirement of said Master Deed, said Act or other law shall be deemed controlling.

**THESE BY-LAWS** are hereby adopted, accepted and fully ratified as  
the

**By-Laws of THE ATLANTIC PALACE CONDOMINIUM ASSOCIATION**  
this 19th day of February, 1987.