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No. Pages 0015

Instrument DEED W/O ABSTRA

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FAIR ACRES CONDOMINIUM ASSOCIA  
TION, INC.

Employee ID MALTBS

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| RECORDING | \$ | 100.00 |
| DARM      | \$ | 42.00  |
| NJFRPA    | \$ | 28.00  |
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STATE OF NEW JERSEY  
MIDDLESEX COUNTY CLERK

ELAINE FLYNN  
COUNTY CLERK



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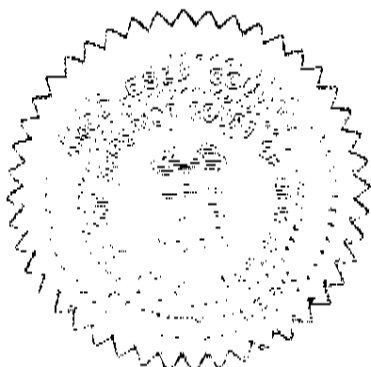
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**SUPERIOR COURT OF NEW JERSEY  
MIDDLESEX VICINAGE**



I, James J. Rispoli, Esq., an authorized designee of Deputy Clerk of the Superior Court of New Jersey Gregory Edwards for Middlesex County the same being a Court of Record, do hereby certify that the foregoing is a true copy of:

**Document Title:** CONSENT JUDGMENT

**Filing Date:** OCTOBER 29, 2003

**In the cause wherein:**

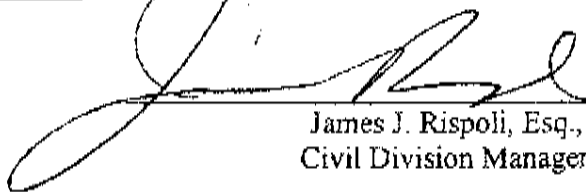
STEVEN SCHRAGER

v.

FAIR ACRES CONDOMINIUM ASSOC., INC.

Docket Number: **MID-C-146-01.**

IN TESTIMONY WHEREOF, I have here to set my hand and affixed the seal of said Court, at Middlesex County this 5th day of December, two thousand three.

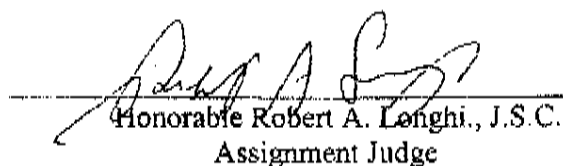
  
James J. Rispoli, Esq.,  
Civil Division Manager

I, Robert A. Longhi, Judge of the Superior Court of New Jersey, do hereby certify that, James J. Rispoli, Esq., whose name is subscribed to the above, certificate, was, at the date thereof, and now is, a designee of Gregory Edwards, the Deputy Clerk of the Superior Court of New Jersey for Middlesex County, that the foregoing attestation is in proper form, that the seal thereto annexed is the seal of said Court, and that the signature of the said, James Rispoli, Esq., is in the designee's own proper handwriting.

RECORDED  
ELAINE H. FLYNN  
MIDDLESEX COUNTY CLERK

WITNESS my hand at the city of New Brunswick, NJ, this 5th day of December, two thousand  
2003 DEC 29 PM 12:50

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Honorable Robert A. Longhi, J.S.C.  
Assignment Judge

This certificate is made pursuant to an act of Congress  
Title 28 U.S. Code, Sec. 1738, effective September 1, 1948

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PEPPER HAMILTON PRINCETON

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(609) 452-0808  
Attorneys for Fair Acres Condominium  
Association, Inc. on the Counterclaim  
and Third-Party Complaint

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FILED  
OCT 29 2003

JOSEPH G. MESSINA, J.S.C.

STEVEN SCHRAGER and  
STEVEN STANKOVITS,  
  
Plaintiffs,

SUPERIOR COURT OF NEW JERSEY  
MIDDLESEX COUNTY  
CHANCERY DIVISION  
GENERAL EQUITY PART

v.  
  
FAIR ACRES CONDOMINIUM  
ASSOCIATION, INC., et al.  
  
Counterclaimants.

DOCKET NO. MID-C-146-01

CIVIL ACTION

FAIR ACRES CONDOMINIUM  
ASSOCIATION, INC.  
  
Third Party Plaintiff,

CONSENT JUDGMENT

vs.  
  
MIDSTATES RESOURCES CORP.,  
  
Third Party Defendant.

This matter having been opened to the Court upon the consent of Weiner & Weiner, attorneys for plaintiffs; Heim & McEnroe, attorneys for defendants Fair Acres Condominium Association Inc. (the "Association"), Robert Soriano, Lisa Kleiner, Joe De Bartolo, Michael Lambert, Rosemary Rogers, Jack Underwood and John Elskamp; and Pepper Hamilton LLP, attorneys for the Association on the counterclaim and third-party

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complaint; and the parties having amicably adjusted the claims among them and having further placed their settlement on the record before the Court on August 6 and 7, 2003; and it appearing that the parties have consented to entry of the within judgment in accordance with their settlement and the Court having reviewed the within judgment and finding it fair and reasonable; and for good cause shown:

IT IS on this 29<sup>th</sup> day of OCT., 2003,

HEREBY ORDERED as follows:

A. The plaintiffs shall perform the following work (the "Work") with respect to Units 47 and 49 of the Fair Acres Condominium Development (collectively referred to as the "Farmhouse") at their sole cost:

1. Construction of a firewall, installation of separate electrical service and plumbing utilities for Units 47 and 49, together with all other work necessary to obtain certificates of occupancy and to bring the Farmhouse up to building code for use of Units 47 and 49 as separate residences;
2. Closure (abandonment) of the underground storage tank in full compliance with local and state regulations;
3. To the extent that local or state regulations are changed in the future to retroactively require removal of the aforementioned tank or other closure methods instead of or in

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addition to abandonment, it shall be the obligation of the Farmhouse unit owners to perform the same at their cost;

4. Sealing of the existing well;

5. Replacement of the Farmhouse roof in the manner called for by Becht Engineering's October/November 1998 capital replacement/reserve study. Said roof replacement shall carry a new roof warranty of no less than 30 years.

Plaintiffs have indicated that it may be infeasible for at least one elevation of the Farmhouse roof to be changed from slate to asphalt shingles. If such is the case, the plaintiffs shall have the right to propose an alternative roofing replacement and/or repair plan, which shall be approved by the Fair Acres Board of Trustees (the "Board") provided that the Board determines, in its sole discretion, that said proposed alternative satisfies the then existing minimum requirements of the Becht Engineering capital reserve study (meaning that the proposed alternative must leave the roof in such an improved condition that the Capital Reserve account is, following completion of said repairs, adequately funded for future roof work that may be required).

To the extent that the aforementioned roof work is not required in order to obtain certificates of occupancy, plaintiffs shall have 3 months from the date of issuance of certificates of occupancy to complete said work.

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- 6. Repair, replace, clean and grade all gutters as necessary.
- 7. Replace all window shutters where they exist with vinyl raised panel shutters or such alternative materials as the municipality or any governmental body may require. The plaintiffs shall not be required to perform this work if the applicable governmental agencies prohibit such work, in which case the existing shutters shall be reconditioned by the plaintiffs at their cost.
- 8. Install new cement walkways to entranceways to both units, with plaintiffs to install a new entranceway for Unit 47 facing Route 27.
- 9. Repair and/or replace shingles on the icehouse to render it free from leaks;
- 10. Replacement of the shingles on the well house or, if the same is not economically viable, demolition of the structure with plaintiffs to grade and seed all affected areas;
- 11. Repair of windows as may be required to obtain certificates of occupancy for Units 47 and 49.
- 12. Renovation of the "family room" presently surrounded by sliding glass doors with the installation of French doors, casement windows, enclosures or other similar improvements. Any siding that is installed or reconditioned in the course of this work shall be consistent, in terms of color

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and material, with the siding that exists on the rest of the  
Farmhouse.

F. All of the foregoing Work shall be reduced to written  
specifications and plans detailing construction materials and  
methods. None of the work shall commence until the  
Association's engineer has determined that the proposed work and  
materials are in conformance with all applicable local building  
code requirements. Said review shall be completed by the  
Association's engineer within 14 days after plaintiffs'  
submission to the Association of the necessary drawings,  
specifications or other submittals for the proposed work. The  
cost of such review(s) by the Association's engineer pursuant to  
this paragraph will be divided evenly between the Association  
and the plaintiffs. The Association's portion of this cost  
shall not be paid from any operating account for Farmhouse  
expenditures, nor shall the Association's portion of this cost  
be charged back to the owners of Units 47 or 49 in any other  
way, directly or indirectly such as in the form of any  
assessment.

C. The parties agree that the Association must have  
adequate security from the plaintiffs for the plaintiffs'  
performance of the Work. Prior to the commencement of any Work,  
the plaintiffs shall grant the Association first position liens  
against Units 47 and 49 in an amount totaling \$100,000 (\$60,000

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against Unit 49 and \$40,000 against the Unit (47). Each lien shall be reduced dollar-for-dollar, to reflect the actual cost of work completed with respect to the Unit corresponding to that lien, upon presentation to the Association of proof of payment to all contractors, laborers and materialmen. To the extent that certain work benefits Unit 47 and Unit 49 indivisibly, the lien on Unit 47 shall be reduced by 40% of the cost of that work and the lien on Unit 49 shall be reduced by 50% of the cost of that work. The liens shall be reduced to reflect the completion of work that is required to obtain certificates of occupancy when said certificates of occupancy are issued. The liens shall be reduced to reflect the completion of work that is not required to obtain certificates of occupancy when said work is completed in accordance with plans and specifications previously approved by the Association's engineer. In addition to the foregoing, the Association shall have the right to withhold the amounts placed into escrow for plaintiffs pursuant to paragraph F below pending completion of all work in accordance with plans and specifications previously approved by the Association's engineer.

D. The Association shall deposit the \$9,000 in settlement proceeds received from Midstates Resources into a separate Capital Reserve Account dedicated to the Farmhouse common elements.



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E. The Association's insurance carrier has agreed to contribute \$53,750 towards the settlement of this matter, which amount shall be paid into the Pepper Hamilton attorney trust account.

F. From the aforesaid amount, \$9,375 shall be immediately disbursed to the plaintiffs. Subject to paragraph I below (reserve for Farmhouse insurance premium), the remaining \$9,375 shall be disbursed to plaintiffs from escrow upon final completion of all of the work detailed above in accordance with plans and specifications previously approved by the Association's engineer. To the extent that the last sentence of this paragraph conflicts with the terms of the settlement placed on the record on August 6 and 7, 2003, the terms placed on the record on said dates shall govern.

G. A subcommittee shall be formed with responsibility for recommending and arranging for other future work with respect to the Farmhouse common elements, subject to Board approval that shall not be withheld in bad faith. The subcommittee will be comprised of 3 members in good standing of the Association, including at all times one owner of Unit 47 and one owner of Unit 49, provided that said owners are then in good standing as defined by the Association's governing documents.

H. The Association will suspend common assessments against each Farmhouse unit until issuance of a certificate of

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occupancy for such unit or until 6 months from execution of the final settlement documentation, whichever shall occur first (the "Suspension Period"). Following the Suspension Period, common assessments against Units 47 and 49 shall resume in accordance with the terms of the Master Deed. The Suspension Period shall be extended for up to an additional 6 months if, in the discretion of the Board, plaintiffs have been delayed by causes beyond their control in obtaining certificates of occupancy. Board consent to a request for such an extension shall not be unreasonably withheld.

Furthermore, in the event that the Association's engineer requires any changes to plans or specifications for the Work that have already been approved by municipal officials, the Suspension Period shall be tolled by the amount of time required for approval of such changes by applicable municipal officials.

I. During the Suspension Period, the plaintiffs shall maintain liability, fire and casualty insurance for the Farmhouse common elements with coverage types and limits identical to the insurance maintained by the Association for the Farmhouse as of February 2002. Upon issuance of the certificates of occupancy, the Association will resume obtaining insurance coverage for the Farmhouse common elements and shall charge the Farmhouse unit owners for the same through monthly common assessments. To ensure that the Farmhouse is properly

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insured upon cessation of the Suspension Period, the Association shall have the right to draw the funds necessary to pay the premium for such insurance from the \$9,375 being held in escrow for plaintiffs pursuant to Section F above.

J. During the Suspension Period, the plaintiffs shall, at their sole cost, restore the landscaping surrounding the Farmhouse to good condition as required by the Board. Following the Suspension Period, the Association shall arrange for lawn care and other landscaping of the yards surrounding the Farmhouse and shall assess the Farmhouse unit owners for the same in proportion to their percentage interest in the common grounds of the development as set forth in the Master Deed. Notwithstanding the foregoing, plaintiffs agree to prune and maintain the trees (approximately 4 or 5) in the Farmhouse yard between the border of the trees at the rear of the Farmhouse property and the Farmhouse building, excluding any and all trees on the border and the tree line on the perimeter.

K. The wellhouse shall be dedicated to the use of Unit 47. The icehouse shall be dedicated to the use of Unit 49. The driveway adjacent to the Farmhouse shall be treated as common grounds serving the Townhouse units and the Farmhouse units alike, just as all other streets, driveways and curbs in the development shall be treated as common grounds serving the Farmhouse units and the Townhouse units alike. In recognition

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of this uniform treatment, plaintiffs agree to reimburse the Association for 6% of the cost of the recent repair and resurfacing project on Fair Acres Court, the total cost of which the Association has represented to have been \$7,635.00.

L. The plaintiffs shall have the right to create, at their sole expense, two parking spaces adjacent to the garage serving the Farmhouse, subject to Board approval of size, configuration and surfacing material of the same, which approval shall not be unreasonably withheld.

M. The Board shall further grant plaintiffs permission to place a dumpster on the Farmhouse grounds during performance of the Work called for by paragraph A above.

N. Upon execution of the final settlement documentation, the existing liens on the Farmhouse units shall be discharged and replaced by the liens called for by Section C above.

O. The parties hereby discharge and fully and finally release each other from any and all claims, causes of action, attorney's fees or costs of any kind arising from anything that has happened up until now, whether known or unknown, that relates in any way to the subject matter of the above-captioned action. This release excludes any claims the parties may have against each other for costs associated with the remediation of any leak or discharge from the aforementioned underground storage tank. The Association and its officers are entering

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into this Consent Judgment in reliance upon plaintiffs' representations that they have performed soil and other tests with respect to the tank and have no knowledge and no reason to know of any leak in the same. The plaintiffs are entering into this Consent Judgment in reliance upon the Association's representation that it has no knowledge and no reason to know of any leak in said tank.

P. The plaintiffs shall not be responsible for any attorney's fees or other legal costs incurred by the Association in connection with this matter, either directly or indirectly, or in any roundabout way, by way of future assessment to the Farmhouse unit owners or otherwise.

Q. The obligations of the plaintiffs pursuant to this Consent Judgment shall run with the land and shall bind plaintiffs' successors in title. The parties shall execute and record all documents that may be necessary to effectuate the same, including but not limited to deed restrictions or similar instrument(s). This Consent Judgment shall be recorded in the Book of Deeds of the County of Middlesex.

R. By entering into this settlement, the Association shall not be deemed to have waived any provisions of the Master Deed, and all terms of the Master Deed shall remain in full force and effect.

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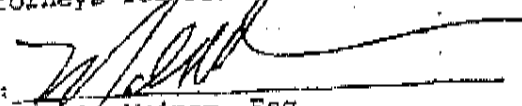
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s. This matter is hereby dismissed with prejudice and without costs to any party. The Court shall retain jurisdiction with respect to any dispute that may arise in connection with this settlement.

  
Hon. Joseph C. Massina, P.J.Ch.

The undersigned hereby consent to the form, content and entry of the above consent judgment.

WEINER & WEINER  
Attorneys for Plaintiff

BY:   
J. Weiner, Esq.  
mml/b

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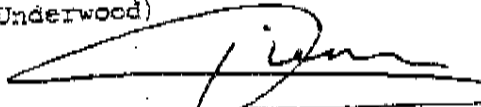
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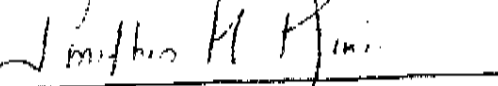
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De Bartolo, Michael Rambert,  
Rosemary Rogers, John Elskamp and  
Jack Underwood)

BY:   
Olivier J. Kiniser, Esq.

PEPPER HAMILTON LLP  
Attorneys for Defendant Fair Acres  
Condominium Association, Inc. on the  
Counterclaim

BY:   
Jonathan M. Preziosi, Esq.  
PA. 8484974 vs. (06/04/01) (200) 122442-4

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