

MASTER DEED

FOR

THE CEDAR CROSSING CONDOMINIUM

THIS MASTER DEED, is made this ____ day of _____, 20__, by **RED BANK AFFORDABLE HOUSING CORPORATION**, a non-profit, New Jersey corporation, having an address at 172 Shrewsbury Avenue, Red Bank, New Jersey 07701(hereinafter referred to as “Sponsor” or “Developer”).

WHEREAS, the Developer owns in fee simple, subject to restrictions on sale, use and resale, certain lands and premises located in the Borough of Red Bank, Monmouth County, New Jersey (“Borough”), which are more particularly described in Exhibit “A” attached hereto and made a part thereof, and which are hereinafter referred to as the “Property”; and

WHEREAS, the Property includes or is planned to include up to eight (8) residential Buildings in which are located or are intended to be located a total of up to thirty six (36) residential condominium dwelling units (hereinafter, collectively referred to as “Units”), together with certain other improvements, as more particularly shown on the Survey and Site Plan, dated October 20, 2008 (10/20/2008), annexed hereto and made part hereof as Exhibit “B” and the Architectural drawings annexed hereto and made a part hereof as Exhibit “C”; and

WHEREAS, Developer intends to construct twenty (20) Units presently and reserves the right to increase the total number of Units to not more than thirty six (36) Units.

WHEREAS, it is the intention of the Developer to establish the form of ownership of the Property as a condominium pursuant to the provisions of the New Jersey Condominium Act, N.J.S.A. 46:B-1 et seq., (the “Condominium Act”);

WHEREAS, this Master Deed is intended to establish the condominium form of ownership for the Property described in Exhibit “A” and as shown on Exhibit “B” and Exhibit “C” to be known as the Cedar Crossing Condominium (the “Condominium”); and

WHEREAS, the Developer has established the Cedar Crossing Condominium Association, Inc., a New Jersey non-profit corporation (the “Association”) which shall be responsible for the administration, operation and management of the Condominium and any improvements intended for the common use and enjoyment of the occupants of the Condominium.

THEREFORE, WITNESSETH:

ESTABLISHMENT OF CONDOMINIUM. In accordance with the Condominium Act, the Developer does hereby submit, declare and establish the condominium form of ownership for that parcel of land described in Exhibit “A” aforesaid, together with all improvements thereon, as more particularly shown on Exhibit “B” and Exhibit “C” as same may be hereafter amended.

ARTICLE 1 – RECORDATION OF MASTER DEED

1.01. Recordation of Master Deed. Upon the recording of this Master Deed and the establishment of the Condominium, the Developer shall be the owner of every Unit of record, whether built or unbuilt, and its appurtenant percentage interest in the Common Elements. The Developer shall have the right to sell and convey or otherwise dispose of each Unit as it may deem appropriate in its sole discretion in accordance with the Condominium Documents and all government approvals and requirements.

ARTICLE 2 - DEFINITIONS

2.01. General. The following words and terms, when used in this Master Deed, the Certificate of Incorporation, the By-Laws, Rules and Regulations and any other instruments, documents, surveys, plans, whether physically attached hereto or not, or in any of the aforementioned documents if accompanying or incidental hereto, whether or not recorded or filed in the Monmouth County Clerk's Office, shall have the following meanings, unless the context in which same is used clearly indicates otherwise. All definitions set forth in N.J.S.A. 46:8B-3 are incorporated herein by reference and the definitions set forth herein shall be used in conjunction therewith, unless the context clearly indicates to the contrary.

2.02. "Affiliate" of a Developer means any entity which controls, is controlled by, or is under common control with the Developer, whichever the case may be. An entity "controls" the Developer if the entity (i) is an officer, director, partner, managing member or employer of the Developer, (ii) directly or indirectly or acting in concert with one or more other entities or through one or more subsidiaries owns, controls, holds with power to vote, or holds proxies representing more than twenty (20%) percent of the voting interest in the Developer, or (iii) has

contributed more than twenty (20%) percent of the capital of the Developer. An entity “is controlled by” the Developer if the Developer (i) is a general partner, officer, director, managing member or employer of the entity, (ii) directly or indirectly or acting in concert with one or more other entities, or through one or more subsidiaries, owns, controls, holds the power to vote, or holds proxies representing more than twenty (20%) percent of the voting interest in the entity, (iii) controls in any manner the election of a majority of the directors of the entity, or (iv) has contributed more than twenty (20%) percent of the capital of the entity. Control does not exist if the powers described in this Section are held solely as security for an obligation and are not exercised.

2.03. “Annual Common Expense Assessment” shall mean and refer to those assessments imposed upon the Owner(s) for Common Expenses as described in Section 6.04 of this Master Deed.

2.04. “Association” shall mean and refer to the Cedar Crossing Condominium Association, Inc., a New Jersey non-profit corporation, formed to administer, manage and operate the common affairs of the Unit Owners of the Condominium and to maintain, repair and replace the General and Limited Common Elements of the Condominium as provided in this Master Deed and By-Laws.

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

2.06. "Building" shall mean and refer to all of the enclosed structures containing all of the Units and structural improvements appurtenant thereto, which are now or hereafter located on the lands described in Exhibit "A" and shown on Exhibits "B" and "C".

2.07. "By-Laws" shall mean and refer to the By-Laws of the Association, a copy of which document is attached hereto as Exhibit "F", together with all future amendments or supplements thereto.

2.08. "Capital Improvement Assessment" shall mean and refer to those Common Expense assessments imposed upon the Owner(s) as described in Section 7.11 of this Master Deed.

2.09. "Certificate of Incorporation" shall mean and refer to the Certificate of Incorporation of the Association, the form of which is attached hereto as Exhibit "D", together with all future amendments or supplements thereto.

2.10. "Common Elements" shall mean the "General Common Elements" and the "Limited Common Elements," as described in Article 5 of this Master Deed.

2.11. "Common Expenses" shall, subject to the provisions of Article 7 hereof, mean all those expenses anticipated by N.J.S.A. 46:8B-3e, in addition to all expenses, including reserves, incurred or assessed by the Association, or its respective trustees, officers, agents or employees, in the lawful performance of their respective duties or powers.

2.12. "Common Expense Assessment" shall mean and refer to all assessments for Common Expenses of any type, which are assessed pursuant to this Master Deed.

2.13. "Condominium" shall mean (i) all the lands and premises described in Exhibit "A"; (ii) all improvements now or hereinafter constructed in, upon, over or through such lands and premises; (iii) all waters, rights, privileges, easements or appurtenances pertaining or belonging

to the land described in Exhibit "A"; and (iv) the entire entity created by the execution and recording of this Master Deed.

2.14. "Condominium Act" shall mean and refer to the provisions of N.J.S.A. 46:8B-1 et seq., and all applicable amendments and supplements thereto.

2.15. "Condominium Documents" shall mean and refer to this Master Deed and its exhibits, including the Association's Certificate of Incorporation, By-Laws and Rules and Regulations, which have been recorded or will be recorded in the Monmouth County Clerk's Office, together with all future Amendments and Supplements thereto.

2.16. "Developer" shall mean and refer to the RED BANK AFFORDABLE HOUSING CORPORATION, a New Jersey non-profit corporation, its successors and assigns.

2.17. "Eligible Mortgage Holder" shall mean and refer to the holder, insurer or guarantor of a First Mortgage encumbering any Unit which has given written notice to the Association of its desire to have notice of those matters which are the subject of Article 14 of this Master Deed. The notice to the Association must state the name of the Eligible Mortgage Holder and the address to which notices to be sent to it should be directed and must sufficiently identify the Unit for which the Eligible Mortgage Holder holds a First Mortgage.

2.18. "Emergency Common Expense Assessment" shall mean and refer to those Common Expense Assessments imposed upon the Owner(s) as described in Section 7.09 of this Master Deed.

2.19. "First Mortgage" shall mean and refer to the first or paramount Mortgage, the lien of which encumbers a Unit.

2.20. "General Common Elements" shall have the same meaning as "Common Elements" pursuant to N.J.S.A. 46:8B-3(d), except as same may be modified by the provisions of Article 5 of this Master Deed.

2.21. "Institutional Lender" shall mean and refer to any bank, mortgage banker, trust company, insurance company, savings and loan association, pension fund or other financial institution or governmental agency providing, acquiring, insuring or guaranteeing or proposing to provide, acquire, insure or guarantee Mortgages. It shall also mean and include the Federal National Mortgage Association (FNMA), the Veteran's Administration (VA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal Housing Administration (FHA) and any other similar governmental or quasi-governmental entity that provides, acquires, insures or guarantees or proposes to provide, acquire, insure or guarantee Mortgages.

2.22. "Lease" shall mean and refer to any agreement for the leasing or rental of any Unit or part of any Unit in the Condominium.

2.23. "Limited Common Elements" shall have the same meaning as "limited common elements" pursuant to N.J.S.A. 46:8B-3(k), except as same may be modified by the provisions of Article 5 of this Master Deed.

2.24. "Limited Common Expenses" shall mean and refer to Common Expenses for which some, but less than all, of the Unit Owners are proportionately liable, including, but not limited to those expenses that are declared to be Limited Common Expenses by the provisions of this Master Deed or the By-Laws.

2.25. "Master Deed" shall mean and refer to this Master Deed for The Cedar Crossing Condominium, together with all future Amendments and Supplements thereto which are recorded in the Office of the Clerk of Monmouth County.

2.26. "Member" shall mean and refer to all those Unit Owners who are members of the Association as provided in Article V of the Certificate of Incorporation.

2.27. "Member in Good Standing" shall mean and refer to any Member who has, at least thirty (30) calendar days prior to the date fixed for any meeting or other Association action, fully paid all installments due for assessments made or levied against him and his Unit by the Board of the Association, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and to his Unit.

2.28. "Miscellaneous Assessments" shall mean and refer to those assessments imposed upon the Owner(s) as described in Section 7.14 of this Master Deed.

2.29. "Mortgage" shall mean and refer to any duly recorded instrument and underlying obligation giving rise to a mortgage lien upon any Unit.

2.30. "Owner" or "Unit Owner" shall mean and refer to those persons or entities in whom record fee simple title to any Unit is vested, together with its percentage interest in the Common Elements, and their heirs, executors, administrators, successors and assigns, as shown in the records of the Monmouth County Clerk, including the Developer, unless the context expressly indicates otherwise. Despite any applicable theory of mortgage, "Owner" shall not mean or refer to any Person, mortgagee or trustee under a deed of trust unless and until such, Person, mortgagee or trustee has acquired title to any such Unit pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure, nor shall the term "Unit Owner" refer to any lessee or tenant of a "Unit Owner". The Developer is the initial "Owner" of each Unit created by this Master Deed.

2.31. "Percentage Interest" shall mean and refer to each Unit's appurtenant interest in the Common Elements of the Condominium as hereinafter defined in Section 6.02.

2.32. "Permitted Mortgage" shall mean and refer to any Mortgage that is held by an Institutional Lender or which is a purchase money First Mortgage held by the Developer or any other seller of a Unit. It shall also mean and include any other Mortgage, the lien of which by the expressed terms of the Mortgage is subordinate to any and all existing or future Common Expense liens imposed by the Association. Any acquisition, construction, permanent or other Mortgage placed by the Developer upon all or a portion of the Property, including any Unit, shall also be a Permitted Mortgage so long as same is expressly made subordinate to the Condominium Documents and provides a mechanism for securing partial releases for the Units and their respective percentage interest in the Common Elements encumbered by same to the extent permitted by law.

2.33. "Person" shall mean and refer to an individual, corporation, partnership, association, trustee or trustees, or other legal entity capable of holding an interest in real property.

2.34. "Property" shall mean and refer to the land and premises described collectively in Exhibit "A" and shown on Exhibit "B" and "C" hereof, and all improvements now or hereafter constructed in, upon, under, over or through such land and premises, and all easements, rights and appurtenances belonging thereto, which have been or are intended to be submitted to the condominium form of ownership by this Master Deed.

2.35. "Remedial Assessments" shall mean and refer to those assessments imposed upon the Unit Owner(s) as described in Section 7.13 of this Master Deed.

2.36. "Security Interest" shall mean and refer to an interest in real property or personal property created by a contract or conveyance, which secures payment or performance of any obligation. The term includes a lien created by a Mortgage, deed or trust, trust deed, security

deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in the Association, and any other consensual lien or title retention contract intended as security for an obligation.

2.37. "Special Common Expense Assessments" shall mean and refer to those Common Expense Assessments imposed upon the Owner(s) as described in Section 7.10 of this Master Deed.

2.38. "Sponsor" shall mean and refer to The Red Bank Affordable Housing Corporation, a New Jersey Corporation, its successors and assigns, and includes any successor to the Sponsor contemplated by Section 15.07(a) or (b) of this Master Deed.

2.39. "Unit" shall mean a part of the Condominium designated and intended for independent ownership and use as more specifically described in Article 2 hereof, and shall not be deemed to include any part of the General Common elements or Limited Common Elements situated within or appurtenant to a Unit.

2.40. "Unsold Unit" shall refer to any Unit not sold by the Developer within ten (10) years from the date this Master Deed is duly recorded with the Register of Monmouth County.

ARTICLE 3 – GENERAL DESCRIPTION OF THE CONDOMINIUM

3.01. Condominium. The Condominium shall include the Property described herein, including up to eight (8) buildings consisting of not more than thirty six (36) residential dwelling Units, together with all parking areas and site improvements as shown in Exhibits "B" and "C" aforesaid, and includes all rights, privileges, roads, waters and appurtenances thereto belonging or appertaining. Each Unit is designated by a number and/or letter as shown on Exhibit "C".

ARTICLE 4 – DESCRIPTION OF THE UNITS

4.01. **Boundary.** The dimensions, area and location of the Buildings and all of the aforesaid Units within the Condominium are as shown graphically on Exhibits “A”, “B” and “C.” Each Unit is intended to contain all space within the area bounded by the interior surface of its perimeter walls and the lowermost floor and its uppermost ceiling as follows:

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

(B) **TOP:** The top of the Unit (for Townhouses and Units with attic space or cathedral ceilings) is an imaginary plane along and coincident with the underside of the roof sheathing, and extending in every direction to the point where it closes with every side of such Unit.

The top of the Unit (for Units without attic space) is an imaginary horizontal plane along and coincident with the upper surface of the gypsum board or other material which forms the uppermost ceiling of the Unit and extending in every direction to the point where it closes with every side of such Unit.

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

4.02. **Items Included In Unit.**

(a) Each Unit, regardless of type, also includes all built in appliances (including but not limited to any refrigerators dishwashers, ranges and hoods); fixtures, doors, door frames and hardware; window frames, panes, hardware and systems; skylights; interior walls and partitions; gypsum board and/or other facing material on the walls and ceilings thereof; the inner decorated and/or finished surface of the floors (including all flooring tile, ceramic tile, finished flooring, carpeting and padding) and all other improvements which are located within the boundaries of the Unit as set forth in Section 4.01. Such appurtenant improvements include the following, to the extent that they serve an individual Unit only and not any other Unit or any portion of the Common Elements:

(1) The heating, plumbing, ventilating, air conditioning, sprinkler and fire suppression systems for the Unit; and

(2) All electrical wires which extend from the interior surface of walls, floors or ceilings into the Units and fixtures, switches, outlets and circuit breakers; and

(3) All master antenna or cable television wiring which extends from the interior surface of the walls, floors, or ceilings into the Unit; and

(4) Any fireplace, chimney or flue; and

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

(6) All equipment, appliances, machinery, mechanical or other systems whether or not same are located within or outside of the Unit including, but not limited to, the heat pumps or HVAC units located on concrete pads upon the Common elements and window or wall-sleeve air conditioning units, if any; and

(7) All storage areas located within a Unit, if any, which provide exclusive storage for the Unit.

(b) While the Developer maintains control of the Board, he shall take no action which adversely affects a homeowner's rights under N.J.A.C. 5:25-5.5 regarding warranty coverage and claims pertaining to these improvements.

4.03. Interior Partitions. Interior partitions or nonbearing walls within the confines of each Unit may, from time to time, be removed or replaced subject to the prior written approval of the Board. Bearing walls may not be removed or replaced at any time. In the event a Unit Owner does remove or replace any or all such interior partitions or nonbearing walls, no amendment of the Master Deed will be necessary or required. No Unit may be partitioned or subdivided without the prior written approval of any Eligible Mortgage Holder for such Unit and the Board. If such an approval is obtained, this Master Deed shall be amended by the Board to reflect any such reconfiguration and no consent of the Unit Owners shall be required for any such amendment, except for the consent of those Unit Owners whose Units are directly affected. None of the foregoing approvals shall apply to the Developer prior to the initial conveyance of any Unit(s) owned by it to another Unit Owner and in the event of any reconfiguration, the Developer shall have the right to execute and record an amendment to this Master Deed reflecting such reconfiguration without any Unit Owner or Board consent.

ARTICLE 5 – DESCRIPTION OF GENERAL AND LIMITED COMMON ELEMENTS

5.01. General Common Elements. All appurtenances and facilities and other items which are not part of the Units hereinbefore described in Article 4 or part of the Limited Common Elements hereinafter described in Section 5.02 shall comprise the General Common Elements as

graphically shown on Exhibits “B” and “C.” The General Common Elements shall also include by way of description but not by way of limitation:

(a) All land described in Exhibit “A” aforesaid, whether improved or unimproved, together with all space located outside the Units; and

(b) All private streets, curbs, walkways, exterior stairways and sidewalks, subject to the easements and provisions set forth in Article 9 hereof; and

(c) The common parking area located upon the lands described in Exhibit “A” and as shown on Exhibits “B” and/or “C”; and

(d) Any landscaped areas, shrubbery and plantings except those designated in Section 5.02(c); and

(e) Conduits, sewer laterals located under the building slabs, and other utility lines, underground sprinkler system, if any, the storm water detention basin, and waterways, subject to the easements and provisions set forth in Article 9 hereof; and

(f) Public connections and meters for gas, electricity, telephone and water and the areas housing them not owned by the public utility of other agencies providing such services; and

(g) The roof, foundations, footings, columns, girders, beams, supports, exterior or interior bearing or main walls and floors between Units; and

(h) Exterior lighting and other facilities necessary to the upkeep and safety of the building and grounds; and

(i) Any common equipment storage areas located within the Condominium for use by all Unit Owners, subject to the Rules and Regulations of the Association; and

(j) Any easement or other right which may now or hereafter be granted for the benefit of all Unit Owners or others for any purpose; and

(k) All tangible personal property required exclusively for the operation, maintenance and administration of the Condominium which may be owned by the Association; and

(l) All exterior air space within the boundaries of the Condominium; and

(m) Any common recreational amenities which are available for the use and enjoyment of all Owners; and

(n) The common systems and equipment, including mechanical, electrical, plumbing, ventilating, sprinkler and fire suppression systems; and

(o) All other facilities or elements of any improvement within any Building or within the Condominium necessary or convenient to the existence, management, operation, maintenance or safety of the Condominium or normally in common use.

5.02. Limited Common Elements. The Limited Common Elements shall be as graphically shown on Exhibits "B" and "C," aforesaid and shall include by way of description and not by way of limitation, the following:

(a) Any landing, walkway, stairway or hallway to which there is direct access from the interior of an appurtenant Unit(s) shall be a Limited Common Element and shall be for the exclusive use Owners of such Unit(s). All maintenance of landings, walkways, stairways, or hallways shall be the responsibility of the Association.

(b) Any balcony, terrace, patio or deck to which there is direct access from the interior of an appurtenant Unit(s) shall be a Limited Common Element and shall be for the exclusive use of Owners of such Unit(s). The Owner(s) of a Unit(s) having use of any

balcony, terrace, patio or deck shall be responsible for all routine cleaning and snow clearing of such balcony, terrace, patio or deck as appropriate. All other maintenance of balconies, terraces, patios and decks shall be the responsibility of the Association.

(c) Any front of rear yards, landscaped areas, shrubbery and planting appurtenant to the Unit.

5.03. Rights to Use Limited Common Elements. Each Unit Owner's right to use the Limited Common Elements appurtenant to his Unit or building may not be transferred apart from the conveyance of title to the Unit; provided, however, that such right of use may be transferred and conveyed to another Unit Owner or leased or licensed to an owner or occupant of any other Unit.

5.04. Association's Regulation of Use and Maintenance of Limited Common Elements. The Association shall have the right to promulgate, amend, adopt, publish and enforce such Rules and Regulations as it may deem appropriate and/or necessary to regulate an Owner's use, cleaning, snow clearing, maintenance and repair of the Limited Common Elements, regardless of type, to ensure aesthetic, architectural and visual harmony and safety.

5.05. Repair and Maintenance of Limited Common Elements. The Owner of a Unit having use of any Limited Common Element shall be responsible to pay the cost and expenses of any maintenance, repair or replacement of the Limited Common Element necessitated by their own negligent act or omission, misuse or neglect, or the negligent act or omission, misuse or neglect of their family member, household pets, guests, occupants or visitor, regardless of whether or not authorized by the Unit Owner. Any other repairs, maintenance, or replacement of the Limited Common Elements shall be the responsibility of the Association.

**ARTICLE 6 – DETERMINATION OF PERCENTAGE INTEREST, COMMON
EXPENSES AND VOTING RIGHTS**

6.01. Estate Acquired. The Owner of each Unit shall have such an estate therein as may be acquired by grant, by purchase or by operation of law, including an estate in fee simple; and shall acquire as an appurtenance thereto an undivided percentage interest in the Common Elements of the Condominium, if any, which shall not be divisible from the Unit to which it appertains, as set forth in Exhibit “G” attached hereto and made a part hereof.

6.02. Percentage Interest. The percentage interest is based upon the initial value established by the Developer in its sole discretion for each Unit within the Condominium and shall be used to allocate the division of proceeds, if any, resulting from casualty loss or any eminent domain proceedings which affect any portion of the Common Elements within the Condominium. Each percentage has been adjusted to permit it to be expressed as a finite number to avoid an interminable series of digits. Except as otherwise provided in Article 13 hereof, pertaining to reallocations following eminent domain and Article 15 pertaining to reallocation of percentage interest if the Developer exercises its reserved right to expand the Condominium, the percentage interest shall remain fixed.

6.03. No Partition. Subject to the provisions of the Condominium Documents and the New Jersey Condominium Act, the Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division thereof. In addition, the undivided percentage interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even if such interest is not expressly mentioned or described in the conveyance or other instrument.

6.04. Common Expenses. The Common Expenses shall be assessed among all Owners according to the percentage interest of each as set forth in Exhibit "G". Unless and until the conveyance of title to a Unit occurs, the Developer shall be solely responsible for all Common Expenses applicable to the respective Units. In the event of a conveyance of a Unit, the new Owner shall be responsible for its proportionate share of all Common Expenses allocable to such Unit and the Developer shall be responsible for payment of all Common Expenses as provided in Section 7.06 hereof.

Despite the foregoing, Emergency Assessments pursuant to Section 7.09, Special Assessments pursuant to Section 7.10, Capital Improvement Assessments pursuant to Section 7.11 and Remedial Assessments pursuant to Section 7.13 shall be allocated to each Unit in accordance with the benefit derived by that Unit, or in the case of Miscellaneous Assessments pursuant to Section 7.14, in accordance with the purpose of such assessment. The Annual Common Expenses for the Units shall be assessed among all Unit Owners based on the General Common Expenses as contemplated under the annual budget.

6.05. Voting. Each Unit Owner, who is a Member in Good Standing, shall be entitled to cast one (1) unweighted vote for each Unit to which he holds title in all elections of Trustees. In all other questions, each Member in Good Standing shall be entitled to cast one (1) vote for each Unit to which he holds title, which vote shall be equal in weight to the percentage of interest in the Common Elements appurtenant to the Unit for which it is cast. The Developer shall be entitled to cast votes for all Units owned by it, but the Developer shall not be permitted to cast any votes held by him for unsold Units for the purpose of electing Unit Owner Trustees, amending the Master Deed, By-Laws or any other document or for the purpose of changing the permitted use of a Unit or for the purpose of reducing the Common Elements.

6.06. Membership in the Association. Upon acceptance of a deed to a Unit, each Unit Owner shall automatically become a Member of the Association, and shall be a Member for so long as he shall hold legal title to his Unit, subject to all provisions of the Condominium Documents and the New Jersey Condominium Act, which may now or hereafter be established by the Association and any other documents, amendments or supplements thereto. The Developer shall be a Member of the Association with respect to all Units not conveyed to an individual Owner not to exceed that number of Units approved for development by the municipality and shall be exempt from the payment of any Capital Contributions and Membership Fees imposed by the By-Laws. The Developer's designee shall be entitled to vote as set forth in Article 2 of the By-Laws for each of its Units.

6.07. Compliance by Owners. Each Owner or occupant of a Unit shall comply with, and shall assume ownership, occupancy, and use of the Unit subject to laws, rules and regulations of governmental authorities having jurisdiction over the Condominium, and the provisions of the Condominium Documents, as well as any other documents, amendments or supplements to the foregoing as described in Section 6.06 hereof. Failure to comply with any of the foregoing shall be grounds for the suspension of membership privileges, such as voting rights and the use of certain common facilities, the imposition of fines by the Association or the commencement of an action for the recovery of damages, or for injunctive relief, or both, by the Developer, the Association, or any Unit Owner, in any court or administrative tribunal having jurisdiction against any person or persons, firm or corporation, violating or attempting to violate or circumvent any of the aforesaid, and against any Unit Owner, to enforce any lien created by this Master Deed or any covenant contained herein. Failure by the Developer, Association or any

Owner to enforce any covenant herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to thereafter enforce same.

ARTICLE 7 – MAINTENANCE AND CAPITAL IMPROVEMENT ASSESSMENTS,

LIEN FOR ASSESSMENTS

7.01. Covenant to Pay Assessments. Every Unit Owner, by acceptance of a deed or other conveyance for a Unit, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association all assessments and all fines and other charges contemplated in this Master Deed or in the By-Laws.

7.02. Liability for Assessments. No Unit Owner may waive or otherwise avoid liability for Common Expense Assessments by non-use of the Common Elements. Each Common Expense Assessment shall be a continuing lien upon the Unit against which it was made and shall also be the joint and several personal obligation of the Owner of such Unit at the time when the Common Expense Assessment fell due, and of each subsequent record Owner of such Unit, except as otherwise contemplated by Article 14 of this Master Deed or N.J.S.A. 46:8B-21 together with such interest thereon as may be permitted by law and cost of collection thereof (including reasonable attorney's fees). Liens for unpaid Common Expense Assessments may be foreclosed by suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. Suit to recover a money judgment for unpaid Common Expense Assessments may be maintained without waiving the lien securing same.

7.03. Annual Common Expense Assessments. It shall be an affirmative and perpetual obligation of the Board of Trustees to fix Annual Common Expense Assessments in an amount at least sufficient to maintain the exterior of the Buildings and to maintain and operate the

Common Elements as contemplated by the Master Deed or By-Laws and as required by the Condominium Act. The amount of monies for Annual Common Expenses of the Association deemed necessary by the Board of Trustees and the manner of expenditure thereof shall be a matter for the sole discretion of the Board of Trustees.

7.04. Notice of Annual Common Expense Assessments. The Board shall cause to be prepared annually, at least thirty (30) days in advance of the due date of the first Annual Common Expense Assessment installment, a list of the Units and the Annual Common Expense Assessment applicable to each, according to the names of the Unit Owners. This list shall be kept in the Office of the Association and shall be open to inspection, upon request, by any Unit Owner. Written notice of the annual Common Expense Assessments shall be sent by mail or delivered to every Unit Owner, as more particularly described in Article 14 of the By-Laws.

7.05. Use of Annual Common Expense Assessments. The Annual Common Expense Assessments shall be used exclusively for promoting the health, safety, pleasure and welfare of the members of the Association, including but without limitation: street lighting, refuse and recyclable collection, snow clearing from parking areas, roadways, driveways, sidewalks and walkways (to the extent not provided by the Borough of Red Bank), landscaping of unimproved General Common Elements, the maintenance and repair which is the responsibility of the Association pursuant to Section 8.02 herein; payment of applicable taxes and insurance premiums; all costs and expenses incidental to the operation and administration of the Association and its Property; and such other items as may from time to time be deemed appropriate by the Board; provided that Annual Common Expense Assessments shall not be used for new capital improvements subject to Section 7.11 hereof.

7.06. Allocation of Common Expenses. The Annual Common Expense Assessment levied against each Unit shall be computed as follows: The General Common Expenses shall be allocated among all Units within the Condominium according to Section 6.04. The Limited Common Expenses for each type of Limited Common Element shall be allocated on a square footage basis, percentage basis, or equally as appropriate.

Obligations of the Developer. Until the conveyance of title to the first Unit, the Developer shall be solely responsible for all Common Expenses. Following the first conveyance, the Owners of Units to whom title shall have been conveyed shall be responsible for their proportionate share of all budgeted Common Expenses including reserves, of any operating deficits for each fiscal year after taking into account other revenues of the Association, but excluding all Unit Owner delinquencies that are not the result of the Developer's failure to diligently pursue the collection of same while it is in control of the Board. However, after the Developer relinquishes control of the Board, the Developer shall only be responsible for payment of its proportionate share of all budgeted Common Expenses for all Units which have been declared of record and which have not been conveyed by the Developer to individual Unit Owners.

7.07. Annual Common Expense Assessment Not Made. After the Developer turns over control of the Board to Unit Owners, if an Annual Common Expense Assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior year's assessment. Any installments of such annual assessments shall be due upon each installment payment date until a new Annual Common Expense Assessment is made.

7.08. Due Dates of Annual Common Expense Assessment. Annual Common Expense Assessments shall be made for a yearly period to be determined by the Board of Trustees subject

to the provisions of the By-Laws, and shall be payable in advance in monthly installments or in such other installments as may be established by the Board. Upon the conveyance of title to a Unit, the portion of the then current annual Common Expense Assessment payable by the new Unit Owner shall be an amount which bears the same relationship to the annual Common Expense Assessment as the remaining number of months in the then current annual assessment period bears to twelve (12). Such first annual assessment or portion thereof for which a new Unit Owner is liable shall be immediately due upon such owner's acquisition of title.

7.09. Emergency Assessment. In the event the Annual Common Expense Assessment proves to be insufficient for an immediate need or emergency, subject to the provisions of the By-Laws, the budget and assessment may be amended at any time by the Board of Trustees and the Board of Trustees may impose an Emergency Common Expense Assessment. The determination of an immediate need or emergency shall be in the sole and absolute discretion of the Board of Trustees.

7.10. Special Assessments. In addition to the other Assessments herein authorized, the Board of Trustees may levy, in any assessment year, a Special Common Expense Assessment, to defray in whole or in part, the cost of any reconstruction, unexpected repair or replacement of an existing Common Element not determined by the Board to constitute an emergency or immediate need but for which funds held in reserve are inadequate, or for any other lawful purpose, other than the construction or acquisition of new capital improvements, which shall be subject to Section 7.11 hereof. If, during any assessment year, a Special Common Expense Assessment exceeds in aggregate more than 10% of the Annual Common Expense Assessment provided for in the last annual budget, it must be approved by two thirds (2/3) in interest of all the votes eligible to be cast by all of the Members at a meeting duly called for this purpose. Written notice

of such meeting, stating the purpose of the meeting, shall be sent to all Unit Owners no less than thirty (30) days in advance. The due date(s) of any Special Common Expense Assessment, or any installment(s) thereof, shall be fixed in the resolution authorizing the Special Common Expense Assessment.

7.11. Capital Improvement Assessment. In addition to the other assessments herein authorized in any assessment year, the Board may levy a Capital Improvement Assessment for the purpose of acquiring real or personal property or constructing a new capital improvement, provided that the acquisition of real or personal property or construction of any new capital improvement, the cost of which exceeds in aggregate more than 10% of the Annual Common Expense Assessment provided for in the last annual budget, shall have been authorized by the assent of two thirds (2/3) in interest of the affected Members in Good Standing at a meeting duly called for this purpose. Written notice of such a meeting, stating the purpose of the meeting, shall be sent to all Unit Owners not less than thirty (30) days in advance. The due date(s) of any Capital Improvement Assessment, or any installment(s) thereof, shall be fixed in the resolution authorizing the Capital Improvement Assessment.

7.12. Exemption from Capital Improvement Assessments. Despite anything to the contrary herein, neither the Developer nor any Permitted Mortgage Holder shall be required to pay any Capital Improvement Assessment. Further, this provision may not be amended without the written consent of the Developer and every holder of a Permitted Mortgage.

7.13. Remedial Assessment. In addition to the other assessments herein authorized, the Board may levy a Remedial Assessment against any individual Unit(s) in accordance with the provisions of Article 8 hereof regarding Unit maintenance performed by the Association. The Board may also provide, by its Rules and Regulations, for ordinary maintenance and minor

repairs and replacements to be furnished to Units by the Association personnel or representatives and charged as a Remedial Assessment.

7.14. Miscellaneous Assessments. Any and all fines, late charges, costs of collection (including reasonable attorneys' fees), interest on unpaid assessments, escrow deposits or any other sums required to be paid to the Association by a Unit Owner by the provisions of the Condominium Documents of the Association or any duly adopted resolution of the Board, shall be deemed Assessments which each Unit Owner has covenanted and agreed to pay according to the Provisions of Section 7.01 herein and for which each Unit Owner is liable according to the provisions of Section 7.02 herein, and shall be collectible by the Association in the same manner as other Assessments pursuant to the provisions hereof and N.J.S.A. 46:8B-21.

7.15. Exemption. Despite anything to the contrary herein, in the event the Developer designates a Unit deeded or to be deeded to the Association without cost to the Association for the purpose of use by a residential superintendent, that Unit shall be exempt from Common Expense Assessments of any type for so long as the Association shall hold title thereto, and the cost of ownership of the Unit, including the proportionate responsibility for Common Expenses attributable to such Unit, shall be borne by the other Unit Owners in their proportionate share. With the exception of the one (1) Unit which may be deeded without charge to the Association for use by the residential building superintendent, the Developer will not cause the Association to acquire title to any Unit for so long as the Developer controls the Board of Trustees.

7.16. Certificate of Payment. The Association shall, within ten (10) days after receipt of the written request of any Unit Owner, Purchaser of any Unit, or of the Permitted Mortgage Holder for any Unit, furnish to that Unit Owner, Purchaser, or Permitted Mortgage Holder, a certificate in writing, signed by an officer of the Association, setting forth whether or not such

Assessment, fine or other charge as would constitute a continuing lien against the Unit pursuant to Section 7.02 has been paid. Such certificate shall constitute conclusive evidence of payment of any Assessments therein stated to have been paid.

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

7.18. Limitations on the Developer. While the Developer maintains a majority on the Board of Directors, it shall make no additions, alterations, improvements or purchases which would necessitate a Special Common Expense Assessment or a substantial increase in the Annual Common Expense Assessment installments unless required by a governmental agency, title insurance company or Institutional Lender or in the event of an emergency.

ARTICLE 8 – MAINTENANCE RESPONSIBILITIES

8.01. Responsibilities of Unit Owners. (a) Each Unit Owner is responsible to perform all of the maintenance, repairs and replacements that may be required with respect to his own Unit, at his own expense, and in accordance with the requirements of this Master Deed, the By-Laws and any Rules and Regulations of the Association. Each Unit Owner is responsible for all of the improvements appurtenant to his Unit described in Section 4.02 when same are located within the boundaries of his Unit.

(b) In addition, each Unit Owner shall be responsible to perform all of the maintenance, repairs and replacements that may be required for improvements appurtenant to his Unit, as such improvements are defined in Section 4.02 herein, which are not located within the boundaries of his Unit when the following conditions are met:

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

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

(c) In addition, each Unit Owner shall be responsible to perform all of the cleaning, snow clearing and lawn maintenance that may be required for any Limited Common Element reserved for the exclusive use of his Unit, as such Limited Common Elements are defined in Section 5.02.

(d) Each Unit Owner shall be responsible for the maintenance and cleaning of the interior surfaces of all windows, and the front door and back door, if any, of his Unit and any locks, hinges, or other hardware pertaining to them. Each Unit Owner shall be solely responsible for any repair or replacement of any broken glass or damaged screens in any window, and the front door and back door, if any, of his Unit.

8.02. Responsibilities of the Association. (a) The Association shall be responsible for the maintenance, repairs and replacements that are required for the functioning of the Common Elements, including any common plumbing, common heating, common air conditioning, common mechanical, common electrical or common water supply systems within a Building. The Association shall furnish all maintenance, repairs and replacements required for the General Common Elements as such are defined in Section 5.01 herein, including, but not limited to, the exterior and roof of Buildings, the parking areas, roadways, driveways, sidewalks, walkways,

General Common Element stairways and fences. Claims relative to defects in Common Elements shall be processed in accordance with N.J.A.C. 5:25-5.5 regarding warranty coverage and claims.

(b) The Association shall also be responsible to furnish the maintenance, repairs and replacements that are required for any improvement appurtenant to a Unit as such improvements are defined in Section 4.02 herein, not located within the boundaries of the Unit which are the responsibility of the Unit Owners as contemplated by Section 8.01(b). The expenses incurred by the Association in doing so shall be levied against the Owner of that Unit as a Remedial Assessment.

(c) In addition, except as otherwise provided by Section 8.01(c), the Association shall furnish all maintenance, repair and replacement of patios, balconies, terraces, decks and stoops which are Limited Common Elements reserved for the exclusive use of certain Units, as defined in Section 5.02, but the expenses incurred by the Association in doing so shall be levied against the Owner of that (those) Unit(s) as a Remedial Assessment.

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

ARTICLE 9 – EASEMENTS

9.01. Unit Owner Easements. Every Unit Owner, his successors and assigns, shall have the following perpetual easements with respect to the Property which shall be for the benefit of all Owners and occupants of Units in the Condominium and their invitees:

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

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

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

(d) An exclusive easement to use and enjoy the surfaces of the main walls (including any windows, doors, fireplace, and chimney therein), ceilings, floors, stairways, stairwells, foyer, balconies or terraces serving his Unit; and

(e) An easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines, television systems, master antenna

facilities, water and sewer systems or other General Common Elements located within any of the other Units or Common Elements and serving his Unit; and

(f) A perpetual and non-exclusive easement for access to and enjoyment of the common facilities and recreational amenities within the Condominium; and

(g) A non-exclusive easement for pedestrian ingress and egress to and from the other Unit(s) over and through all common walkways and roadways located within the General Common Elements, which easement shall be for the benefit of all Unit Owners and occupants in the Condominium or their invitees; and

(h) A non-exclusive easement for access to or use of the General Common Elements within the Condominium for any other purposes not prohibited by the Condominium Documents, which easement is for the benefit of all Owners and occupants of Units in the Condominium and their invitees; and

(i) A non-exclusive easement for vehicular ingress and egress reasonably required to and from the Units over and through roadways in the Condominium, which easement shall be for the benefit of all Unit Owners and occupants of Units in the Condominium and their invitees.

9.02. Developer's Easements. The Developer, his successors and assigns, shall have the following easements with respect to the property:

(a) A blanket and non-exclusive easement in, upon, through, under and across the Common Elements for the purpose of (i) construction, installation, maintenance and repair of any improvements to the Units or the Common Elements, (ii) ingress and egress for the use of all units, roadways, walkways, stairways, driveways and parking areas, (iii) the utilization of existing and future model Units for sales promotion and exhibition, and

(iv) installation, maintenance and repair of all sales, promotional, directional and identification signs deemed appropriate by the Developer, all of which may be illuminated and located anywhere on the Common Elements at the sole cost and discretion of the Developer, until the expiration of one (1) year from the date the last Unit is sold and conveyed in the normal course of business, however, the Developer's right to use the model Units for sales promotion and exhibition will end when the last Unit is sold and conveyed in the normal course of business;

(b) The irrevocable right to enter into, upon, over or under any Unit for such purposes as may be reasonably necessary for the Developer or its agents to service such Unit or any part of the Building provided that requests for entry are (i) in writing, if practical, (ii) made in advance and (iii) that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not;

(c) A blanket and non-exclusive easement in, upon, over, through, under and across the Common Elements to use all driveways and parking areas to perform any service or repair required pursuant to the Developer's warranty obligations, until the expiration of the Developer's warranty obligations pursuant to law;

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

(e) A blanket, and non-exclusive easement in, upon, over, under, through and across the Property for ingress and egress, and for development, construction, installation, maintenance and repair of any improvements to any portion of the Property;

(f) A perpetual, blanket and non-exclusive easement in, upon, over, under, through and across the Common Elements for ingress and egress to, and for the installation, construction, use, maintenance, repair and replacement of pipes, wires, ducts, cables, conduits, public utility lines, television systems, master antenna facilities, water and sewer systems, drainage structures and retaining walls to serve all or any portion of the Property; and

(g) A blanket and non-exclusive easement in, upon, over, through, under and across the Common Elements and existing and future model units for sales promotion and exhibition, including the posting of signs and other forms of advertisements, and the right of access to community facilities for marketing purposes, until the last unit in the Condominium is sold and conveyed in the normal course of business but in no event more than ten (10) years from the date of recording of the Master Deed.

9.03. Association Easements. The Property shall also be subject to the following perpetual easements for the benefit of the Association:

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

(b) The Association, through the Board or any manager, or managing agent, or their respective agents or employees shall have the perpetual and non-exclusive right of access to each Unit, if required (i) to inspect same if there is reasonable cause to believe

that there are violations of the provisions of the Condominium Documents of the Association or governmental requirements that may result in an adverse impact upon any other Unit or the Common Elements or in case of an emergency and to remedy any violations, and (ii) to perform any operations required in connection with its maintenance, repairs and replacements as set forth in Article 8 hereof; provided that requests for entry are (i) in writing, if applicable, (ii) made in advance and (iii) that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not; and

(c) A blanket, perpetual and non-exclusive easement for the purposes of installation, maintenance and repair of directional and other identification signs of the Association as well as such signs initially installed by the Developer in accordance with Section 9.02(a) hereof, all of which shall be at the sole expense of the Association.

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

9.05. Utility Easements. A blanket, perpetual and non-exclusive easement in, upon, over, under, across and through the Property shall exist for the purpose of the installation, maintenance, repair, service and replacement of all sewer, water, power and telephone pipes, lines, mains, conduits, poles, transformers, meters, cable television systems or master television antennas, and any and all other equipment or machinery necessary or incidental to the proper

functioning of any utility systems serving the Property, which easement shall be for the benefit of any governmental agency, utility company or other entity which requires same for the purpose of furnishing one or more of the foregoing services. In the event that any such easement right is exercised, the person or entity exercising same shall be responsible for the repair of any damage arising directly or indirectly from its use or maintenance of the easement area.

9.06. Governmental Easement. The Condominium shall also be subject to the following easements:

(a) A blanket, perpetual and non-exclusive easement of unobstructed ingress and egress in, upon, over, across and through the Common Elements to the Borough of Red Bank, its respective officers, agents and employees (but not the public in general) and all police, fire, and ambulance personnel in the proper performance of their respective duties (including, but not limited to, emergency or other necessary repairs to a Unit which the Owner has failed to perform), and for emergency or other necessary maintenance, repair and/or replacement of the Common Elements which the Association has failed to perform. Except in the event of emergencies, the rights accompanying the easements provided for in this subparagraph shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to and with permission of the Owner(s) directly affected thereby; and

(b) A perpetual, blanket and non-exclusive easement in, upon, over, under, across and through the Common Elements to the Borough of Red Bank, its respective officers, agents, and employees (but not the general public) for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon

the Property. No individual Unit Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Condominium.

9.07. Responsibility for Damages. In the event that any easement right set forth in this Article 9 is exercised, the person or entity exercising such right shall be responsible for the repair of any damage and liable for any personal injury or property damage arising directly or indirectly from its use or maintenance of the easement area.

9.08. Easements of Record. The Condominium shall be subject to all easements and restrictions of record.

**ARTICLE 10 – THE ASSOCIATION; BY-LAWS AND ADMINISTRATION; CHANGES
IN DOCUMENTS; POWER OF ATTORNEY**

The Association is a New Jersey non-profit corporation, organized or about to be organized under Title 15 of the Revised Statutes of the State of New Jersey, the ownership of which shall be comprised exclusively of the Unit Owners, (including the Developer, as long as it is the Owner of any Unit). The Association shall be responsible for the administration, operation and management of the Condominium, including but not limited to the Common Elements and the conduct of all activities of common interest to the Unit Owners in accordance with the Condominium Act, the Certificate of Incorporation, this Master Deed, the By-Laws and the Rules and Regulations, including any amendments thereto. The Developer shall remain a Director of the Association after all Units are sold, but shall only exercise a voting right in the event there is a deadlock between the Unit Owners.

10.01. Administration of Common Elements. The administration, operation and maintenance of the Common Elements within the Condominium and all other common facilities shall be provided by the Association in accordance with the provisions of the New Jersey

Condominium Act, the Condominium Documents and any other agreements, documents, amendments or supplements to the foregoing which may be duly adopted or subsequently required by any Institutional Lender designated by the Developer or by any governmental or quasi-governmental agency having regulatory jurisdiction over the Condominium or by any title insurance company selected by the Developer to insure title to any Unit(s).

While the Developer maintains control of the Board, it shall take no action that adversely affects a Unit Owner's rights under N.J.A.C. 5:25-5.5. Claims relative to defects in the Common Elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

10.02. Developer's Power of Attorney. The Developer hereby reserves for itself, its successors and assigns, for a period of ten (10) years from the date the first Unit is conveyed to an individual purchaser, or until it conveys title to the last Unit, whichever occurs first, the right to execute on behalf of all contract purchasers, Unit Owners, mortgagees, other lien holders or parties claiming a legal or equitable interest in the Condominium, any such agreements, documents, amendments or supplements described in Section 10.01 which may be so required by any such governmental or quasi-governmental agency, Institutional Lender designated by the Developer or title insurance company selected by the Developer and any powers of amendment reserved to the Sponsor pursuant to Section 10.02 hereof.

(a) Appointment. By acceptance of a deed to any Unit within the Condominium or by the acceptance of any other legal or equitable interest in the Condominium, each and every such contract purchaser, Unit Owner, mortgagee, or other lien holder or party having such legal or equitable interest does automatically irrevocably name, constitute, appoint and confirm the Developer, its successors and assigns, as Attorney in Fact for the purpose of executing such agreements, documents, amendments or supplements to this

Master Deed and other instrument(s) necessary to effect the foregoing subject to the limitations set forth herein.

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

(c) Duration. The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Units and be binding upon the heirs, personal representatives, successors and assigns of any of the foregoing parties. Further, said power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to said powers. Said power of attorney shall be vested in the Developer, its successors and assigns, until the initial conveyance of all Units or the expiration of five (5) years from the date of the first conveyance. Thereafter, said powers of attorney shall automatically vest in the Association to be exercised by its Board of Trustees.

(d) Developer may also use the rights granted in this Section 10.02 to correct, supplement or provide technical changes to the Condominium Documents.

10.03. Developer's Prohibited Voting. Despite the foregoing, the Sponsor shall not be permitted to cast any votes held by it for unsold Units for the purpose of amending the Condominium Documents to change the permitted use of a Unit or to reduce the Common Elements or common facilities. The Developer shall not be entitled to cast its vote for any unsold Units in the election of Unit Owner members to the Board of Directors during the period of Developer control of the Board.

10.04. Association's Power of Attorney. By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Condominium, each and every such contract purchaser, Unit Owner, mortgagee or other lienholder or party having a legal or equitable interest in the Condominium does automatically and irrevocably name, constitute, appoint and confirm the Association as Attorney-in-Fact for the following purposes: (i) to acquire title to any Unit whose owner desires to surrender or sell same in the name of the Association or its designees, corporate or otherwise, and on behalf of all Unit Owners, (ii) to convey, sell, mortgage (but not to vote the votes appurtenant thereto) or otherwise, dispose of any such Units so acquired; (iii) to prepare, execute and record any amendments to the Master Deed required by Article 13 hereof; and (iv) to prepare, execute and record any amendments to the Master Deed required by Section 10.02 herein; and (v) to prepare, execute and record any amendments to the Master Deed made pursuant to Article 16 hereof.

10.05. Eligible Mortgage Holder's Power of Attorney. In the event that the Association fails to institute enforcement proceedings for the collection of delinquent Common Expense Assessments, as provided in Article 7 of the By-Laws, then any Eligible Mortgage Holder for

any Unit as to which there shall be delinquent Common Expense Assessments is hereby irrevocably granted a power of attorney to institute an appropriate action and to invoke such other remedies, all in the name of the Association. This power of attorney is expressly stipulated to be coupled with an interest in the subject matter.

ARTICLE 11 – USE, PURPOSES AND RESTRICTIONS

11.01. General Covenants and Restrictions. The Condominium is subject to all covenants, restrictions and easements of record and to the following restrictions and covenants, all of which shall be perpetual in nature and run with the land:

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

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

(c) No reptile or animal of any kind shall be raised, bred, or kept in any Unit or anywhere else within the Condominium except as permitted by the Rules and Regulations of the Association.

(d) No vehicles of a size larger than a panel truck, no vehicle bearing any commercial signs or lettering, and no mobile home, recreation vehicle, boat, boat trailer

or the like shall be parked within the Condominium except for the purpose of servicing the Condominium itself or one of the Units or Common Elements, which shall be permitted without written consent of the Board.

(e) No portion of the Common Elements or other portion of the Condominium shall be used or maintained for the dumping or rubbish or debris. Trash, garbage or other waste shall be kept in designated sanitary containers within designated areas in the Condominium for weekly or more frequent collections. Owners shall comply with any and all recycling regulations promulgated by the Board of Trustees and all recyclable material shall be disposed of in containers designated by the Board of Trustees.

(f) No exterior loudspeakers other than as contained in portable radios or television sets shall be permitted, nor shall unshielded floodlights be installed in any exterior area of any Unit or any deck or patio appurtenant thereto without the permission of the Board.

(g) No signs (other than those of Developer), awnings, grills, balcony enclosures, fences, canopies, shutters, or radio or television antennae or aerials shall be erected or installed in or upon the Common Elements or any part thereof without the prior written consent of the Board. Satellite discs having a diameter of one meter or less shall be permitted subject to such Rules and Regulations as are permitted by law. Unit Owners shall not have the right to paint or otherwise decorate or change the appearance of any portion of the exterior of the Building or any parking areas. Each Unit Owner is responsible to promptly report to the Board any defect or need of repairs, the responsibility for which is that of the Association.

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

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

(j) No Unit Owner shall burn, chop or cut anything on, over or above the Common Elements.

(k) To the extent that equipment, facilities and fixtures, within any Unit(s) shall be connected to similar equipment, facilities or fixtures affecting or serving other Unit(s) or the Common Elements, then the use thereof by the individual Owners shall be subject to the Condominium Documents.

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

(m) No noxious or offensive activities shall be carried on, in or upon the Common Elements or in any Unit nor shall anything be done therein either willfully or negligently

which may be or become an annoyance or nuisance to the other residents of the Condominium;

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

(o) Draperies, blinds, curtains or other window coverings must be installed by each Unit Owner on all windows of his Unit and must be maintained in said windows at all times, except as may be permitted otherwise by the Rules and Regulations.

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

(q) No Unit Owner shall have the right to mortgage or encumber his Unit, unless such mortgage or encumbrance is a Permitted Mortgage.

(r) All property taxes, Special Assessments and other charges imposed by any taxing authority are to be separately assessed against and collected on each Unit as a single parcel, as provided by the New Jersey Condominium Act. In the event that for any year such taxes are not separately taxed to each Unit, but are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his proportionate undivided percentage interest in the Common Elements.

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

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

(u) All Units must be heated to the extent necessary to prevent damage from freezing temperatures during the months of October through April, inclusive, regardless of whether or not occupied. Any Unit Owner failing to so heat his Unit shall be obligated to pay a Remedial Assessment for the costs of any damage caused to any portion of the Condominium due to his neglect, or if such damage is insured by the Association for any deductible or other amount not received by the Association from the proceeds of the insurance.

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

(w) No servicing, maintenance or washing of any automobile or other vehicle shall be performed in any driveway or other parking area.

(x) No bicycles, baby carriages, wagons or similar non-motorized vehicles or toys, nor mopeds, motorcycles or similar motorized vehicles shall be parked or otherwise left unattended in any Common Element or Limited Common Element, except that a licensed motorcycle may be parked in any marked parking space.

(y) No Unit Owner shall place or store any item in any "attic" space or other space above gypsum board or other material constituting the ceiling of his Unit. No Unit

Owner shall enter, or permit any other person to enter, such “attic” or other space, or the roof of any Building.

(z) No Unit Owner shall use or permit to be brought into or stored in any Unit or in or upon the property any flammable oils or fluids such as gasoline, kerosene, naphtha, benzene or other explosives or articles deemed hazardous to life, limb or property without, in each case, obtaining written consent of the Board.

(aa) Every Unit Owner shall be liable for any and all damage to the property that shall be caused by that Owner, his family members, employees, servants, agents, tenants, visitors or licensees.

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

(cc) Nothing herein shall be construed to prohibit the reasonable adaptation of any Unit for use by a handicapped resident in accordance with the provisions of the Fair Housing Amendments Act of 1988, as amended from time to time.

11.02. Restrictions on Alterations. No Unit Owner (other than the Developer) may make any structural additions, alterations, or improvements in or to his Unit or in or to the Common Elements, without the prior written approval of the Board. The Board shall have the obligation to answer any written request received by it from a Unit Owner for approval of a proposed structural addition, alteration or improvement to his Unit within sixty (60) days after the receipt of such request, and failure to do so within the stipulated time shall constitute an approval of a proposal. Any application to any municipal authority for a permit to make an addition, alteration or improvement in or to any Unit must be reviewed by the Board and may then be submitted by

the Unit Owner. Such approval, however, shall not incur any liability on the part of the Association to any contractor, subcontractor, or materialman on account of such addition, alteration, or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The Unit Owner(s) shall furnish the Board of Trustees with a copy of any such permit which he has procured. The provisions of this subparagraph shall not apply to Units owned by the Developer until such Units have been initially sold and conveyed by the Developer in the ordinary course of the Developer's business.

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

11.03. Restrictions on the Use of Units. In addition to any obligations or restrictions set forth in other provisions of this Master Deed or the Certificate of Incorporation, the By-Laws or the Rules and Regulations, including any amendments thereto:

(a) No Unit shall be used for any purpose other than as a private residential dwelling by the Owner of said Unit and his/her or their immediate family.

(b) No Unit shall be rented.

(c) No Unit shall be rented or used for any hotel purposes, which shall mean any rental whereby occupants of the Unit are provided any one or more customary hotel services, such as, but not limited to, room service for food and beverages, maid service, furnishing of laundry and linen or bellboy service.

(d) No Unit shall be partitioned or subdivided nor shall any interior partition or wall be constructed, removed or replaced by any Non-Developer Unit Owner, without prior written approval of the Association as required by Section 11.02.

(e) The Units are restricted to use as Affordable Housing in accordance to the Affordable Housing Plan, which is annexed hereto as Exhibit "E" and made a part hereof. The Units may not be used for any other purpose. All Units are subject to this restriction which runs with the land and is stated in its entirety in Exhibit "E" annexed hereto.

(f) No Unit Owner shall store any personal property outdoors except for properly registered motor vehicles with current inspection stickers.

(g) In the event the Unit Owner fails to fulfill the foregoing obligations, then the Association shall have the right, but not the duty, to institute and prosecute such action as attorney-in-fact for the Unit involved, and collection thereof may be enforced by the Association in the same manner of a Unit Deed, each Unit Owner does thereby automatically and irrevocably name, constitute, appoint and confirm the Association as his/her attorney-in-fact for the purpose heretofore described in this subparagraph (g).

11.04. Deed Restrictions. This Condominium is created and established and the respective Units thereof shall be conveyed, together with the benefits of and subject to the restrictions (including the restrictions on resale of the Units, as described below), declarations, covenants, easements, agreements, rights, privileges, obligation and charges granted, created, reserved and imposed by this Master Deed, the Certificate of Incorporation of the Condominium Association, its By-Laws, the Rules and Regulations and Exhibits attached thereto and any amendments thereto.

This Condominium is also subject to the following:

(a) Subject To: The Provisions of the Condominium Act and any amendments thereto;

(b) Subject To: The covenants, grants, easements and restrictions of record, if any, Municipal, County, State and Federal Laws or regulations governing the use of the premises, and such facts as an accurate survey and inspection of the premises may disclose. This clause shall not be deemed to revive any covenants, grants, easements or restrictions, if any, that may have expired or may have been previously eliminated;

(c) Subject To: The restriction on resale of the Unit as affordable housing to a person or persons who are, and at a price that is, approved by Sponsor in accordance with the Affordable Housing Plan, annexed hereto as part of Exhibit "E". The restriction on price shall be based on the original purchase price paid plus cost of living increases as set by the federal government or its agencies per year for each year of ownership.

11.05. Rules and Regulations; Fines. The Board of Trustees shall have the power to promulgate, adopt and publish such Rules and Regulations as may be necessary to carry out the intent of these use restrictions and shall have the right to bring lawsuits to enforce the Rules and Regulations so promulgated. Without limiting the foregoing, to the extent that New Jersey law may permit, the Board shall also have the right to levy fines for violations of the Condominium Documents, provided that the fine for a single violation may not, under any circumstances, exceed the maximum amount permitted by law at the time of the violation. Each day that a violation continues after receipt of notice by the Unit Owner may be considered as a separate violation. Any fine so levied shall be considered as a Common Expense to be levied against the particular Unit Owner involved, and collection may be enforced by the Board in the same manner as the Board is entitled to enforce collection of Common Expenses.

ARTICLE 12 – DAMAGE OR DESTRUCTION TO PROPERTY

12.01. Insurance. The Board shall obtain and continue in effect blanket property insurance on the Common Elements in an amount equaling replacement value (exclusive of land, foundations or slabs, excavations and such other items as are usually excluded from insurance coverage), and without prejudice to the right of the Owner of any Unit to obtain individual Unit insurance at his own cost. In addition, the Board shall obtain and continue such other amounts of insurance as may be required by the provisions of the By-Laws and in accordance with the provisions of N.J.S.A. 46:8B-14(d). Premiums for all such insurance coverage obtained by the Board shall be a Common Expense to be included in the Annual Common Expense Assessment.

12.02. Disposition of Insurance Proceeds. If any insured improvements or any part thereof is damaged or destroyed by fire or casualty, the repair, restoration or ultimate disposition of any insurance proceeds shall be in accordance with the provisions of this Article 12.

12.03. Insurance Proceeds Less Than Or Equal to \$25,000. If the insurance proceeds derived from such loss amount to \$25,000 or less, then the Board shall contract with any licensed contractor or contractors to rebuild or repair such damage or destroyed portions of the property in conformance with the original plans and specifications, or if adherence to such original plans and specifications is impracticable in the Board's opinion, then in conformance with revised plans and specifications provided such repairs or rebuilding shall be of a quality and kind substantially equivalent to the original construction. The Board shall accept bids only in specific amounts and shall not enter into any cost-plus or other sliding scale arrangement for compensation to the contractor.

12.04. Insurance Proceeds Greater Than \$25,000. If the insurance proceeds derived from such loss exceed \$25,000, all such insurance proceeds shall be paid directly to the Board, as Trustee for all Permitted Mortgage Holders and all Unit Owners as their interest may then appear. Disbursement of such funds shall be made only upon the signatures of a majority of the members of the Board in accordance with the following:

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

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

(c) The Board shall employ a construction management company or licensed architect or other qualified party to supervise the repair and rebuilding to insure that such work, services and supplies are of proper quality and that construction is completed in a workmanlike manner and according to plans and specifications.

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

12.06. Insurance Proceeds Insufficient. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for payment of the costs thereof are insufficient, assessments shall be made against all Owners, in sufficient amounts to provide funds for payment of such costs. Despite anything to the contrary in this Master Deed or in the By-Laws, such assessments shall be in proportion to the Unit Owner's Percentage Interest in the Common Elements. The foregoing provisions of this Section are applicable to the repairs and reconstruction to be undertaken by the Association and do not cover damages to those portions of the Unit for which the responsibility of maintenance and repair is that of the Unit Owner and for which the costs and expenses must be borne by each Unit Owner; provided, however, any portion of the insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an individual Unit Owner shall be paid to said Unit Owner, or if there is a mortgage endorsement as to such Unit, then to the Unit Owner and mortgagee, jointly.

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

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

ARTICLE 13 - EMINENT DOMAIN

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

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

13.03. Allocation of Awards. Any awards made in connection with such proceedings shall be collected by the Association and applied or distributed by it in accordance with Article 6, Section 6.02, unless the award or decree provides to the contrary.

If a part of the Common Elements is acquired by eminent domain, the award must be paid to the Association unless the decree provides that the Association shall divide any portion of

the award not used for any restoration or repair of the remaining Common Elements among the Owners affected in proportion to their respective damage suffered and their respective Percentage Interest in the Common Elements before the taking.

13.04. Re-Allocation Following Condemnation.

(a) Units Rendered Uninhabitable. Upon acquisition by the condemning authority which leaves the remainder of the Unit uninhabitable, each affected Unit's entire percentage interest and its corresponding liability for payment of Common Expenses shall be automatically reallocated to the remaining Units on the same basis as their respective percentage interests and liability for payment of Common Expenses, respectively, were initially established. The Association shall promptly prepare, execute, and record an amendment to the Master Deed reflecting the reallocations. Any remnant of a Unit which has been rendered uninhabitable remaining after a part of a Unit is taken under this subsection shall thereafter be a Common Element.

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

ARTICLE 14 - PROTECTIVE PROVISIONS FOR THE BENEFIT

OF ELIGIBLE MORTGAGE HOLDERS

14.01. Notice to Eligible Mortgage Holders. The Association shall be deemed to have fulfilled its obligations hereunder and an Eligible Mortgage Holder shall be deemed to have been given any required notice hereunder so long as the Association can establish that it served the notice in question in the manner provided herein directed to the Eligible Mortgage Holder at the last address given by it to the Association in the manner provided herein. The manner in which the Association shall give the notices required to notice mortgagees pursuant to this Article 14 shall be via United States Postal Service by certified mail, with return receipt requested and sufficient prepaid postage affixed thereto, addressed to the last address of the Eligible Mortgage Holder identified to the Association as provided herein.

14.02. Notice. Any Eligible Mortgage Holder shall be entitled to timely written notice of:

(a) any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing the Eligible Mortgage Holder's mortgage; and

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

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

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

The Eligible Mortgage Holder for any Unit must send a written request to the Association stating both its name and address and the address of the Unit on which it holds the mortgage to be entitled to receive the information discussed in subparagraphs (a) through (d) of this Section 14.02.

No Owner or other party shall have priority over any rights of the Eligible Mortgage Holder for such Unit pursuant to its mortgage in the case of payment to the Unit Owner of insurance proceeds or condemnation awards for losses to, or a taking of, Unit(s) and/or Common Elements.

14.03. Amendments Requiring Approval of 51% of Eligible Mortgage Holders. Except for amendments by the Developer pursuant to Section 10.02 hereof, the prior written approval of at least fifty-one percent (51%) of the Eligible Mortgage Holders is required for any amendment to this Master Deed or to the By-Laws or Certification of Incorporation including, but not limited to, the amendment of a material or adverse nature to said Eligible Mortgage Holder and any amendment which would change any provision relating to:

- (a) voting rights;
- (b) reserves for maintenance, repair and replacement of Common Elements;
- (c) responsibility for maintenance and repairs;
- (d) reallocation of interests in the General or Limited Common Elements or rights to their use;
- (e) boundaries of any Unit;
- (f) convertibility of Units into Common Elements or vice versa;
- (g) expansion or contraction of the Condominium, or the addition, annexation or withdrawal of land to or from the Condominium;

- (h) insurance or fidelity bonds;
- (i) leasing of Units;
- (j) imposition of any restrictions upon a Unit Owner's right to sell or transfer his or her Unit;
- (k) a decision by the Association to establish self-management rather than professional management;
- (l) restoration or repair of the Condominium (after damage, destruction or condemnation) in a manner other than that specified in this Master Deed; or
- (m) any provisions that expressly benefit the Eligible Mortgage Holders.

Further the approval of at least fifty-one percent (51%) of the Eligible Mortgage Holders is required before the effectuation of any decision by the Owners to terminate the legal status of the Condominium as a Condominium after substantial destruction or condemnation of the Property or for other reasons agreed to by the Eligible Mortgage Holders.

14.04. Implied Approval of Eligible Mortgage Holders Assumed. In spite of the requirements of prior written approval of Eligible Mortgage Holders provided in section 14.03 hereof, the Association may assume implied approval of any Eligible Mortgage Holder failing to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided that the notice was delivered by certified or registered mail as indicated by a signed return receipt.

14.05. Notice of Non-Material Amendment. Any Eligible Mortgage Holder who requests same shall be entitled to receive thirty (30) days advance notice from the Association of any proposed non-material amendment to the Master Deed, the By-Laws or the Certificate of Incorporation permitted by same, which notice shall include a copy of the proposed change. Any

Eligible Mortgage Holder shall be deemed to have implicitly approved such change as proposed unless it states in a written response to the Association its objections or comments relative to such proposed change.

14.06. No Partition. No Unit in the Condominium may be partitioned or subdivided without the prior written approval of any Eligible Mortgage Holder(s) for such Unit and all applicable governmental authorities.

14.07. Common Expense Lien Subordinate. Except to the extent permitted by N.J.S. 46:8B-21 or any other-applicable law authorizing the establishment of a limited lien priority for the payment of Common Expense Assessments, any lien that the Association may have on any Unit for the payment of Common Expense Assessments attributable to such Unit is subordinate to the lien or equivalent security interest of any Permitted Mortgage on the Unit recorded prior to the date any such Common Expense Assessment became due.

14.08. Inspection of Records. Any Eligible Mortgage Holder shall, upon written request, (a) be permitted to inspect the books and records of the Association during normal business hours, and (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association. The Association shall maintain current copies of the Condominium Documents and any respective amendments thereto, as well as its own books, records and financial statements. These documents shall be available for inspection by Unit Owners and Eligible Mortgage Holders.

14.09. Notice of Meetings. Any Eligible Mortgage Holder shall receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

14.10. Liability for Common Expense Assessments. Any Mortgage Holder that obtains title to a Unit pursuant to remedies in the mortgage, or through foreclosure, will not be liable for the share of Common Expenses or other assessments accrued before acquisition of title to the Unit by the Mortgage Holder. If the Association's lien priority includes the costs of collection, the Mortgage Holder will be liable for any fees or costs related to the collection of unpaid Common Expense Assessments.

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

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

ARTICLE 15 – DEVELOPER'S RIGHTS AND OBLIGATIONS

15.01. Ratification, Confirmation and Approval of Agreements. The fact that some or all of the Officers, Trustees, Members or employees of the Association and the Developer may be identical, and the fact that the Developer or its nominees have heretofore or may hereafter enter into agreements with the Association or with third parties, will not invalidate any such agreements and the Association and its Members, from time to time, will be obligated to abide by and comply with the terms and conditions thereof. The purchase of a Unit, and the acceptance

of the Deed therefore by any party, shall constitute the ratification, confirmation and approval by such purchaser, his heirs, legal representatives, successors and assigns, of the propriety and legality of said agreements or said agreement, or any other agreements authorized and permitted by the New Jersey Condominium Act, this Master Deed, the Certificate of Incorporation or the By-Laws.

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

15.03. Right to Incorporate Additional Units Into Condominium. Despite anything contained in this Master Deed, and subject to all required governmental approvals, if any, the Developer, on behalf of themselves, their successors and assigns, hereby reserves the right, in their sole discretion, at any time within ten (10) years of the date of the recording of this Master Deed, to amend and supplement this Master Deed without the consent of the Board of Trustees, the Condominium Association, any Owner, any Permitted Mortgagee, or any other party holding a legal or equitable interest in the Condominium to incorporate additional Units and site improvements and thereby subject same to the New Jersey Condominium Act and the terms and provisions of this Master Deed. The actual development of the Condominium will be subject to regulation by those governmental authorities having jurisdiction of same; however, the Developer reserves the right to modify and/or amend the development plan from time to time, subject to all required governmental approvals and permits, if any. Such right includes increasing the total number of Units to not more than thirty six (36) Units, as well as changing the

configuration, design, floor plans, mix, materials, model type, square footage or percentage interest of any unsold Unit or any Common Elements which have not been legally assigned to a specific Unit which has been sold to an individual purchaser by the Developer. Any Amendment and Supplement to this Master Deed shall not be operative until duly recorded in the Monmouth County Clerk's Office. The Amendment and Supplement shall also be registered with the New Jersey Department of Community Affairs, pursuant to N.J.S.A. 45:22A-21 et seq. and the regulations promulgated thereunder.

By acceptance of a Deed to any Unit or by the acceptance of any other legal or equitable interest in the Condominium, each and every such contract purchaser, Owner, mortgagee or other lienholder or party having a legal or equitable interest in the Condominium automatically and irrevocably names, constitutes, appoints and confirms the Developer, its successors and assigns, as Attorney-in-Fact for the purpose of executing such Amendments and Supplements to this Master Deed and any other instrument(s) necessary to effect the foregoing rights reserved to the Developer.

This power of attorney is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and shall run with the title to any and all Units and be binding upon the heirs, personal representatives, successors and assigns of any of the foregoing parties. Further, such power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all rights, title, interest and obligations of the principal in and with respect to such power.

15.04. Transfer of Special Developer's Rights. No special rights created or reserved to the Developer under this Master Deed ("Special Developer Rights") may be transferred except

by an instrument evidencing the transfer recorded in the Office of the Clerk of Monmouth County, New Jersey. The instrument shall not be effective unless executed by the transferee.

15.05. Liability of Transferor. Upon transfer of any such Special Developer Right, the liability of the transferor is as follows:

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

(b) If a transferor retains any such Special Developer Right, or if a successor to any such Special Developer Right is an Affiliate of the Developer, the transferor is subject to liability for all obligations and liabilities imposed on a Developer by law or by the Master Deed, arising after the transfer, and is jointly and severally liable with the successor for the liabilities and obligations of the successor which relate to the Condominium.

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

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

Special Developer Rights to maintain models, sales offices and signs. The judgment or instrument conveying title shall provide for transfer of only the Special Developer Rights requested.

15.07. Foreclosure; Bankruptcy; Receivership. Upon foreclosure, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings, of all Units in the Condominium owned by the Developer:

(a) The Developer ceases to have any such Special Developer Rights; and

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

15.08. Liability of Successors. The liabilities and obligations of persons who succeed to all Special Developer Rights are as follows:

(a) A successor to all such Special Developer Rights who is an Affiliate of the Developer is subject to all obligations and liabilities imposed on any Developer by law or by the Master Deed.

(b) A successor to all such Special Developer Rights, other than a successor described in paragraphs (c) or (d) hereof who is not an Affiliate of the Developer, is subject to all obligations and liabilities imposed upon the Developer by law or the Master Deed, but he is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Developer or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Developer.

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

(d) A successor to all Special Developer Rights who is not an Affiliate of the Developer and who succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to a Unit under Section 15.06 aforesaid, may declare his intention in a recorded instrument to hold those rights solely for transfer to another party. Thereafter, until transferring all such Special Developer Rights to any person acquiring title to any Unit owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than the right to control the Board of Trustees for the duration of any period of Developer control, and any attempted exercise of those rights is void. So long as a successor Developer may not exercise Special Rights under this subparagraph he is not subject to any liability or obligation as a Developer other than liability for the successor's acts and omissions under the Master Deed.

15.09. Ineffectiveness. Nothing in this Article 15 subjects any successor to a Special Developer Right to any claims against or other obligations of a transferor other than claims and obligations arising under the Master Deed.

ARTICLE 16 – GENERAL PROVISIONS

16.01. Duration. The Provisions of this Master Deed shall be perpetual in duration, shall run with and bind all of the land included in the Condominium and shall inure to the benefit of and be enforceable by the Association and the Unit Owners, their respective successors, assigns,

heirs, executors, administrators, and personal representatives, except that the covenants and restrictions set forth in Article 11 shall have an initial term of forty (40) years from the date this Master Deed is recorded in the Office of the Monmouth County Clerk, at the end of which period such covenants and restrictions shall automatically be extended for successive periods of ten (10) years each, unless at least two-thirds (2/3) of the Unit Owners at the time of expiration of the initial period, or of any extension period, shall sign an instrument, or instruments (which may be in counterparts), in which they shall agree to change said covenants and restrictions in whole or in part; but no such agreement shall become binding unless written notice containing the terms of the proposed agreement is sent to every Owner at least ninety (90) days in advance of the action taken in authorizing said agreement; and, in any event, any changes concerning any such agreement shall not become effective and binding until three (3) years after the recording of the aforesaid fully executed instrument or instruments containing such agreement, and provided further, that in no event may the Common Elements be conveyed to any third person, firm or corporation without the express consent, by ordinance, of the Borough of Red Bank (or such municipal corporation or other governmental entity as may have zoning, subdivision or other jurisdiction over the Property).

16.02. Amendment of Master Deed. This Master Deed may be amended at any time after the date thereof by a vote of at least sixty-seven percent (67%) in interest of all Unit Owners, at any meeting of the Association duly held in accordance with the provisions of the By-Laws provided, however, that any amendment so requiring it under the provisions Section 16.01 and Article 14, shall also have the prior written approval of fifty-one percent (51%) of the Eligible Mortgage Holders, and further, provided that any amendment, deed of revocation or other document regarding termination of the condominium form of ownership shall be governed by

Section 16.03 hereof. No amendment shall be effective until recorded in the Office of the Monmouth County Clerk. This paragraph is by way of supplement to and not in derogation of the powers of amendment reserved to Developer pursuant to Article 10 hereof. In the alternative, an amendment may be made without a meeting upon the written consent of Unit Owners who would have been entitled to cast the minimum number of votes which would be necessary to authorize the amendment at a meeting at which all Unit Owners entitled to vote thereon were present and voting, if (1) the Association provides to all Unit Owners advance notification setting forth the proposed action consented to, (2) the proposed action is not consummated before the expiration of ten (10) days from the giving of the notice, and (3) the notice sets forth the existence of such ten (10) day period. Whenever an amendment is made without a meeting, the written consents of the Unit Owners consenting thereto or the written report of inspectors appointed to tabulate the consents shall be filed with the minutes of the proceedings of Unit Owners.

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

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

16.03. Termination. Despite anything to the contrary herein, an amendment, deed of revocation, or other document shall be effective to terminate the Condominium form of

ownership upon the written approval of eighty percent (80%) in interest of all non-Developer Unit Owners, and the written approval of the Developer for so long as it holds one (1) Unit for sale in the ordinary course of business.

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

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

16.06. Invalidity. The invalidity of any provision of this Master Deed, the Certificate of Incorporation, or By-Laws of the Association shall not be deemed to impair or affect in any manner the validity or enforceability or affect the remainder of this Master Deed or said By-Laws. In such event all of the provisions of this Master Deed and said By-Laws shall continue in full force as if such invalid provisions had never been included.

16.07. Waiver. No provision contained in this Master Deed 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 breach which may occur.

16.08. Gender. The use of the masculine gender in this Master Deed shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

16.09. Notice – Condominium Association. Unless a particular document permits or requires a particular notice to be given or served in a different manner, notice permitted or required to be given to or served upon the Association under the Condominium Documents shall be deemed to have been properly given to or served upon the Association when same is mailed via the United States Postal Service by certified mail, with return receipt requested and sufficient prepaid postage affixed thereto, addressed to the current Secretary or corporate Registered Agent of the Association as reflected in the official records of the New Jersey Treasurer as of the date such notice is mailed.

16.10. Units Subject to Condominium Documents. All present and future Unit Owners, tenants and occupants of the Units, any person having at any time any interest or estate in any Unit, shall be subject to, and shall comply with, the provisions of the Condominium Documents, adopted by the Board from time to time. The acceptance of a deed of conveyance, or the entering

