

needed within the boundaries of the Unit as described in Article 4 of this Master Deed and as further delineated on the attached Schedule B and Schedule G to this Master Deed. Such maintenance, repair and replacement shall be at the Unit Owner's expense and shall be made in accordance with the requirements of this Master Deed and the Rules and Regulations of the Association.

In the event a Unit Owner fails to repair any part of the Unit visible from the exterior of the building (such as windows and doors) pursuant to the standards and Rules and Regulations of the Association, then the Association may perform such maintenance and/or repair and the cost (including any necessary attorney's fees incurred by the Association in attempting to compel the Unit Owner to comply with the Association's standards and Rules and Regulations) shall become both a lien against the Unit and the personal obligation of the Unit Owner and subject to foreclosure and collection by the Association against the Unit Owner.

8.14(b) Responsibilities of the Association. The Association shall be responsible for the maintenance, repair and replacement of any common plumbing, heating, air conditioning, mechanical, electrical and/or water supply systems providing service to any Building. It or the Homeowners Association shall furnish all maintenance, repairs and replacements needed for the Common Elements including but not limited to the parking areas, roads, common walkways, fences and common stairways. Claims

relative to defects in Common Elements shall be processed by the Association in accordance with N.J.A.C. 5:25-5.5 regarding warranty coverage and claims.

8.14(c) Rights of the Association. The Association may immediately make emergency repairs to any Unit which the Unit Owner has failed to perform if such failure will have a material adverse impact on any other portion of the Condominium and the Unit Owner. The costs of such repair shall be the responsibility of the Unit Owner and shall be a Remedial Assessment against him.

8.14(d) Responsibilities for Damage Due to Negligence, Omission or Misuse. If a Unit Owner, member of his family or household pet, guest, tenant, occupant or visitor damages the Common Elements or a Unit owned by another Unit Owner through negligence, omission or misuse whether authorized by the Unit Owner or not, the cost for effecting the necessary maintenance, repair and/or replacement shall be assessed against said Unit as a Remedial Assessment along with any costs including reasonable attorney's fees arising out of such incident.

8.15 Chart of Maintenance Responsibilities. Despite the general provisions for maintenance set forth in this Article of the Master Deed, or in any other provisions of the Master Deed or By-Laws, specific maintenance responsibilities and the cost attributable thereto shall, to the extent set forth thereon, be determined pursuant to the chart attached as Schedule "G" hereto

entitled, "Allocation of Maintenance Duties Between the Association and Individual Unit Owners."

8.16 While the Developer maintains control of the Board of Trustees, it shall take no action which adversely affects a homeowner's rights under N.J.A.C. 5:25-5.5.

**ARTICLE 9. Restrictions.**

9.1 General Covenants and Restrictions. The Condominium is subject to all covenants, restrictions and easements of record and to the following restrictions:

9.1(a) No Unit or Limited Common Element appurtenant to any Unit except those Units used by the Developer as sales offices, administrative offices or models, shall be used for any purpose other than as a private residence unless otherwise permitted by the Land Use and Zoning Regulations of the City of Jersey City. The Developer retains the right to use unsold Units and other Buildings for construction, storage, administrative purposes and models.

9.1(b) The Common Elements shall not be obstructed in any way nor shall anything be stored thereon without the consent of the Board. Limited Common Elements appurtenant to a Unit shall not be used for storage of any kind.

9.1(c) Except for domestic dogs and cats (limited to a total of two), no pets shall be harbored for any period of time by any Unit Owner within or without any Unit. Any domestic dogs or

cats kept by any resident shall not exceed 40 pounds and shall be kept entirely within the confines of the Unit occupied by the resident and under no circumstances shall said animals be allowed to roam at large. No more than two (2) dogs and/or cats may be housed within any Unit (except that offspring may be harbored for a maximum of forty-five (45) days following birth.) Dogs must be walked on a leash at all times and the Unit Owner shall be responsible for cleaning up the debris of the animal. The Board may promulgate reasonable Rules and Regulations pertaining to the housing and walking of domestic pets.

9.1(d) No vehicles larger than a panel truck, no vehicle bearing any commercial signs or lettering, and no mobile home, recreation vehicle, nor unregistered vehicles, or the like shall be parked within the Common or Limited Common Elements, except those vehicles temporarily on the property for the purpose of providing service to the Common Elements or to a Unit unless the Owner shall have secured written permission from the Board.

All residents' vehicles must be parked within identified parking spaces or driveways. No vehicle shall be left in an obvious state of disrepair at any location with the Condominium; i.e., upon a jack, et cetera.

9.1(e) All trash or garbage shall be disposed of in designated sanitary containers within the Condominium for regular collection in accordance with local ordinances as same may be

amended from time to time. Unit Owners shall conform with any Association Rules and Regulations pertaining to recycling.

9.1(f) No exterior loudspeakers except those in portable radios or other portable audio/visual equipment shall be allowed.

Residents shall exercise reasonable care and consideration when making any noise that may offend or interrupt the enjoyment of others.

9.1(g) No floodlights shall be installed on the exterior of any Building except those which may be installed by the Developer without the express written permission of the Board.

9.1(h) Unit Owners shall not install nor have installed or erected any signs, advertisements, posters, awnings, canopies, balcony/deck/patio enclosures, fences, exterior shutters, radio or television wiring, antennae or aerials, air conditioning units, flag poles or posts or like items in or upon the Common Elements without the express written permission of the Board. Specifically, "For Sale" and "For Rent" signs may not be displayed in or on any Unit, Limited Common Element or Common Element visible from the exterior of any Condominium structure. Unit Owners shall not paint, decorate or in any other way change the appearance of any portion of the exterior of any Building or any other Common Element. Unit Owners may temporarily attach appropriate holiday decorations to their exterior doors during a holiday season. Unit

\* Owners shall not have the right to paint the exterior of a Building a different color or otherwise decorate or change the appearance of any portion of the exterior of the Building or any parking areas.

9.1(i) No person shall walk on, sit on, sunbathe on or otherwise use the roofs of the Buildings for any purpose, except for personnel performing maintenance and repair work on or involving roofs of Buildings.

9.1(j) No clothes poles, lines or trees shall be installed or maintained, nor shall laundry or any other item be hung outside of any Unit in the Condominium.

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

9.1(l) No Unit Owner or occupant shall build, plant or maintain any thing or matter on, in, over or under the Common Elements without the prior written consent of the Board unless permitted by the Association's Rules and Regulations. No person shall alter any planting or other Common Element without prior written permission from the Board.

9.1(m) No Unit Owner or occupant shall burn, chop or cut anything in, on, over or above the Common Elements.

9.1(n) Firewood may be stored in or on Limited Common Elements appurtenant to those Units which contain a fireplace or

fireplaces between October 1 and March 31, after which date it shall be cleared away and disposed.

9.1(o) All fireplaces and chimneys shall be cleaned and maintained by the Unit Owner whose Unit contains same according to procedures established by the Association and, upon the request of the Association, the Unit Owner shall furnish proof of such maintenance to the Association. If a Unit Owner is not in compliance with this section 9.1(o), the Association may perform fireplace and chimney maintenance and assess the Unit therefor.

9.1(p) To the extent that equipment, facilities and fixtures within any Unit shall be connected to similar equipment facilities or fixtures affecting or serving other Units or the Common Elements, the use thereof by Unit Owners shall be subject to this Master Deed, the By-Laws and the Association's Rules and Regulations.

9.1(q) Nothing that will cause or contribute to an increase in the Condominium's insurance rates shall be performed in or brought into the Condominium.

9.1(r) No dangerous or offensive activities shall be conducted in the Condominium which may be or become, wilfully or negligently, an annoyance or nuisance to other residents in the Condominium.

9.1(s) No offensive or unlawful use shall be made of any Unit. All laws, ordinances and regulations of other governing bodies having jurisdiction over the Condominium shall be observed.

9.1(t) Draperies, blinds, curtains or other appropriate window coverings must be installed by each Unit Owner on all windows in his Unit and must be maintained in said windows at all times. Units which have not yet been sold by the Developer are exempt from this requirement.

9.1(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 the Unit is occupied or not.

9.1(v) Each Unit Owner shall be responsible for his property taxes, Special Assessments and other charges imposed by any taxing authority and shall pay for his own telephone and other utilities separately billed to Unit Owners. If any utility charges are billed to the Condominium in bulk, they will be paid by the Association and apportioned to all Unit Owners through the Annual Assessment.

9.1(w) Any Unit Owner who sells his Unit must advise the secretary of the Association at least thirty (30) days prior to the closing date of the proposed sale and must provide the secretary with the full names and addresses of the prospective purchasers.



The Unit Owner, prior to the sale, must provide the prospective purchasers with the name and address of the secretary of the Association. The sale of any Unit in the Condominium is expressly subject to the lien of the Association for any unpaid assessments and maintenance fees. Any prospective purchaser may secure a statement from the secretary of the Association as to the amount then due with respect to any assessment or maintenance fees affecting the Unit being sold. Said statement shall be binding upon the Association as to that purchaser. Further, no representations by the seller of the Unit to the prospective purchaser regarding the amount due to the Association shall be binding in any way upon the Association.

9.1(x) No litigation shall be commenced by the Association's Board of Trustees (except suits against Unit Owners or their tenants for the collection of assessments or suits against Unit Owners or their tenants to enforce rulings of the Judiciary Committee or the Board or to enforce any of the provisions of the Master Deed) without a vote of the members entitled to vote at a special meeting called to decide such a question, after written notice of the question has been forwarded to each member. Voting procedures for members are set forth in detail in Article 4 of the By-Laws, the section entitled "Voting on Questions."

9.2 Restrictions on Alterations, Additions and Improvements.

9.2(a) Nothing shall be done to any Unit nor on nor in the Common Elements which will impair the structural integrity of any Building or which will structurally change any Building.

9.2(b) No Unit Owner (other than the Developer) may make any structural additions, alterations or improvements in or to his Unit nor in or to the Common or Limited Common Elements and no Unit Owner shall alter the color or decorative scheme of the exterior of his Unit without the prior written approval of the Board. The Unit Owner's request must be in writing, sent by Certified Mail, Return Receipt Requested to the Board through its president or secretary. The Board shall respond within forty-five (45) business days. If the Board does not respond within forty-five (45) days of the original request, the Unit Owner shall submit his request a second time. The Board shall respond within thirty (30) business days. No response from the Board within that time shall constitute an approval of the request. Any objection by the Board shall be binding upon the Owner and he shall not proceed with the proposed alteration in the event of such an objection.

If the Developer has relinquished control of the Association to the Unit Owners prior to the sale of seventy-five percent (75%) of the Units comprising the Condominium, any and all requests for exterior alterations/modifications shall be brought to

the attention of the Developer. The Developer may object to the proposed modification, which decision shall be binding upon the Unit Owner who then may not construct the alteration or modification.

If the Board accedes to the request and if same requires plans or drawings, the Unit Owner shall have plans prepared by a licensed architect and will submit same to the Board for its review and approval. Further, if the proposed modification requires a municipal building permit, the Unit Owner shall submit a copy of his permit application to the Board, but it shall be the responsibility of the Unit Owner to apply for the permit. The Unit Owner shall provide the Board with a copy of the permit.

Any alteration or modification shall be constructed of materials that are compatible both internally and externally with the structure to which it is to be attached.

If the Unit Owner contracts for the work to be done, the Board will bear no responsibility in any way for or to the contractor and/or any subcontractors. The Unit Owner will hold the Association harmless from the claims arising of or in connection with the work done to complete said requested modification including but not limited to claims of any mechanics or material men. Such contractor and/or all subcontractors must provide the Unit Owner with a certificate of insurance and same must be provided to the Board. Further, the Board may require that an

adequate surety be posted by the Unit Owner to assure the Association that the work will be constructed properly and that any disturbance to the common grounds or other Common or Limited Common Elements will be properly repaired upon completion of construction.

The provisions of this subsection 9.2(b) are not applicable to any Units owned by the Developer.

Nothing herein shall be construed to prohibit the reasonable adaptation of any Unit for handicapped use.

### 9.3 Restrictions on Leasing.

9.3(a) No Unit shall be leased by its Owner nor used for transient or hotel purposes which shall be defined as rental for a period of less than one hundred eighty (180) days or any rental where the occupants are provided customary hotel services.

No Unit Owner may lease less than an entire Unit. This limitation shall not be deemed to restrict the right of an Owner to permit employees or family members of a Unit Owner from temporarily occupying the premises from time to time for periods of less than one hundred eighty (180) days.

The Developer may lease a Unit irrespective of the above restrictions. Also, a lender in possession of a Unit following a default in a mortgage, or by virtue of a foreclosure proceeding, or by any deed or other arrangement in lieu of foreclosure may lease a Unit irrespective of the restrictions set forth in the first paragraph of this Section 9.3(a).

9.3(b) Subject to the above-stated restrictions, Unit Owners shall have the right to lease their Units, provided that the lease is in writing and is made subject to all provisions of this Master Deed, the By-Laws of the Association, its Rules and Regulations and any amendments to same that may be made from time to time. The lease must provide that any failure of the lessee to fully comply with the terms and conditions of such documents shall constitute a material default under the lease and be grounds for termination and eviction.

In any leasing by a Unit Owner to his lessee, the persons occupying the Unit shall all be deemed to be lessees whether or not each individually signs the lease. A one-bedroom Unit shall be leased to no more than two (2) people, a two-bedroom Unit to no more than four (4) people, a three-bedroom Unit to no more than six (6) people, and a four-bedroom Unit to no more than eight people, as may be applicable.

9.3(c) If a tenant fails to comply with the provisions of the documents set forth in 9.3(b) above, the Association shall notify the Unit Owner of such violation(s) and demand that same be remedied through the Unit Owner's efforts within thirty (30) calendar days of such notice. If the violation(s) is not remedied within said period, the Unit Owner shall immediately thereafter institute and diligently prosecute an eviction action against his

tenant on account of the violation. Such suit shall be at the Unit Owner's own expense.

If the Unit Owner does not so proceed, the Board shall have the right but not the duty to institute and prosecute such action as attorney-in-fact for the Unit Owner at his sole cost and expense including all legal fees incurred. Such expenses shall be deemed a lien on the Unit involved and shall be collected by the Board in the manner set forth above under Assessments in this Master Deed.

By acceptance of a Deed to a Unit, each and every Unit Owner does thereby automatically and irrevocably name, constitute, appoint and confirm the Board as his attorney-in-fact for the purposes described in this section.

9.4            Enforcement/Fines.    The Board shall have the power to make such Rules and Regulations as may be necessary to carry out the intent of these use restrictions. Further, the Board or Judiciary Committee as applicable shall have the right to levy fines for violations of these restrictions and the Rules and Regulations, provided that the fine for a single violation may not exceed \$25.00. 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 the personal obligation of the Unit Owner and a lien against the Unit and

collection may be enforced by the Board in the same manner as the Board is entitled to enforce collection of assessments.

ARTICLE 10. Easements, Grants and Covenants.

10.1 Easements Reserved to Unit Owners. Every Unit Owner, his successors and assigns shall have the following perpetual easements with respect to the property;

10.1(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

10.1(b) An exclusive easement for the existence and continuance of any encroachment by his Unit upon any adjoining Unit or upon any Common Elements, now existing or which may come into existence hereafter as a result of construction, reconstruction, repair, shifting, settlement or movement of any portion of a Building or 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

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

10.1(d) An exclusive easement to use and enjoy the surfaces of the main walls (including any windows, skylights,

doors, fireplaces and chimney, therein), ceilings, floors, stairways and foyer of his unit, and

10.1(e) An easement in common with the Owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines (including electric and gas lines), television systems, master antenna facilities or other Common Elements located within any of the other Units or Common Elements and serving his Unit. This easement includes other easements and appurtenant rights created by the Grantor for the benefit of the Condominium or in existence at the time of the creation of the condominium subject to regulation by the Association; and

10.1(f) A perpetual exclusive easement to each Unit Owner for the purpose of continuing, maintaining, repairing and replacing utility lines, pipes and appurtenances serving his Unit, provided the Condominium Association consents to the Unit Owner invading any common area; and

10.1(g) A non-exclusive easement in, upon, through and over the drives, roads and parking areas created by the Grantor within the confines of the Condominium for access and egress to abutting public streets for all manner of pedestrian and vehicular traffic, which easement is subject to regulation by the Association; and

10.1(h) A perpetual and non-exclusive easement in, over and through the Common Elements to use the common facilities and



recreational amenities within the Condominium subject to the right of the Board to:

- i. promulgate Rules and Regulations for the use and enjoyment thereof; and
- ii. suspend the enjoyment of any Unit Owner for any period during which any assessment or other charge remains unpaid or for any period during which any infraction of its published Rules and Regulations continues, it being understood that any suspension for either nonpayment of any assessment or a breach of the Rules and Regulations of the Association shall not constitute a waiver or discharge of the Unit Owner's obligation to pay the assessment.

10.2 Easements and Grants Reserved to the Grantor.

The Grantor, its successors and assigns and/or agents shall have the following easements and rights of reservation with respect to the property:

10.2(a) A blanket and non-exclusive easement in, upon, through, over, under and across the Common Elements for the purpose of construction, installation, maintenance and repair of any improvements to the Units or the Common Elements; for the use of all driveways and parking areas for ingress and egress; and for the use of existing and future model Units for sales promotion and

exhibition, until the expiration of one (1) year from the date the last Unit is sold and conveyed in the normal course of business, but in no event for more than ten (10) years from the date of the sale of the first Unit in the Condominium. In addition, Grantor hereby reserves the irrevocable right to enter into, upon, over and under any Unit for such purposes as may be reasonably necessary for the Grantor or its agents to service such Unit or any part of a Building provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not; and

10.2(b) A perpetual blanket and non-exclusive easement in, upon, over, under, across and through the Common Elements for surface water runoff and drainage caused by natural forces and elements, grading and/or the improvements located upon the property or without the property. No individual Unit Owner shall interfere directly or indirectly with or alter the drainage and runoff patterns and systems within the Condominium; and

10.2(c) An easement in, upon, through and over the lands comprising the Common Elements for the purpose of installation, maintenance, repair and replacement of all drainage facilities, sewer, water, electric, telephone and television pipes, lines, mains, waters, conduits, poles, transformers and any and all other equipment or machinery necessary or incidental to the proper

functioning of any utility or drainage systems serving the Condominium or adjacent lands; and

10.2(d) An easement to enter into, upon, over and under any Common Elements of the Condominium and where necessary, upon proper notice, any Unit within the Condominium for the purpose of complying with any governmental or court order, regulation or requirement. In exercising said right, the Grantor may further carry out the requirements of such order, regulation or requirement; and

10.2(e) A blanket and non-exclusive easement in, upon, through, under and across the Common Elements for the purpose of the completion of the construction of Units, Buildings, or other improvements incorporated or intended to become incorporated into the Condominium.

10.2(f) A reservation of the right to itself, its successors and assigns to utilize one (1) or more Units in any Building for construction and/or maintenance related purposes.

10.2(g) A reservation of the right to itself, its successors and assigns for the creation of new easements for the benefit of other lands presently owned by or to be acquired by the Grantor in the future, or for other adjacent lands, and/or for the benefit of the lands described in Schedule A attached hereto, to provide gas, electrical, telephone, cable television, water, sanitary sewerage and surface and subsurface drainageways, basins

and facilities for a period of ten (10) years from the date of the sale of the last Unit within the Condominium.

10.2(h) A blanket non-exclusive easement in, upon, over, through, under, and across the Common Elements, for ingress and egress to all portions of the Common and Limited Common Elements. For so long as the Developer holds any unsold Units in the ordinary course of business in the Condominium, the Developer shall have the right of ingress and egress to bring prospective purchasers, lessees, and the like in, to and across the Common Elements. In addition, a perpetual, blanket and non-exclusive easement is reserved to the Developer to install and maintain utility meters, lines, conduits, pipes and other facilities, necessary for the proper maintenance of the Common Elements within a Unit and/or convey Ownership and responsibility to a municipal authority or private utility for the foregoing.

10.3 Easements Reserved to the Association. The property shall also be subject to the following easements:

10.3(a) The Association shall have a perpetual exclusive easement for the maintenance of any Common Elements including those which presently or may hereafter encroach upon a Unit and for the maintenance of the Limited Common Elements and all items which the Board may elect to repair or may be required to repair; and

10.3(b) The Association, through the Board or any manager or managing agent, their respective agents or employees shall have the perpetual and non-exclusive right of access to each Unit to:

- i. inspect same.
- ii. correct any violations of the provisions of this Master Deed, the By-Laws or any Rules and Regulations of the Association; and
- iii. perform any operations required in connection with its maintenance, repairs and replacements as set forth in this Master Deed.

Requests for entry are to be made in advance and entry will be at a time reasonably convenient to the Unit Owner. In an emergency, however, such right of entry shall be immediate whether the Unit Owner is present at the time or not.

10.4 Easements reserved to Eligible Mortgage Holders. 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 of the Common Elements and/or any Units encumbered by a mortgage owned by it. This right shall be exercised only during

reasonable daylight hours and only after advance notice to and with the permission of the Board and the Unit Owner affected.

10.5 Easements Reserved to Utilities.

10.5(a) Those utility easements which have been recorded by the Register of Hudson County.

10.5(b) A blanket, perpetual and non-exclusive easement in, upon, over, across and through the Common Elements for the purpose of installation, maintenance, repair, service and replacement of all sewer, water, power, telephone and cable television lines, pipes, mains, conduits, waters, poles, transformers, master television antennae and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility systems serving the property, which easement shall be for the benefit of any governmental agency or utility company or other entity which requires same for the purpose of furnishing one or more of the foregoing services.

10.5(c) A blanket, perpetual and non-exclusive right of access to each Unit for the purposes of reading utility meters and maintaining and/or repairing service facilities. Meter reading will be performed during normal meter reading periods. Non-emergency maintenance and repairs requiring access to Units will be arranged with Unit Owners in advance. In cases of emergency, however, entry by utility company personnel shall be immediate whether the Unit Owner is present or not at the time.

10.6 Easements Reserved to Governmental Entities. A blanket, perpetual and non-exclusive easement of unobstructed ingress and egress in, upon, over, across and through the Common Elements to the City of Jersey City, 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 emergencies in a Unit) and for repair and maintenance of the Common Elements including drainageways, pipes, basins and appurtenant facilities. Except in emergencies, the rights accompanying the easements provided for in this subsection shall be exercised only during reasonable daylight hours and then whenever practicable, only after advance notice to and with permission of the Unit Owner(s) directly affected thereby.

10.7 Miscellaneous Easements. Any and all easements of record affecting the Condominium Property and recorded prior to the recordation of this Master Deed are hereby incorporated herein.

ARTICLE 11. Provisions for the Benefit of Eligible Mortgage Holders.

11.1 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 11 shall be via United States Postal Service by certified mail, with return receipt requested and sufficient prepaid post affixed thereto, addressed to the last address of the Eligible Mortgage Holder identified to the Association as provided herein.

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

11.2(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 no Unit Owner or other party shall have priority over such Eligible Mortgage Holder with respect to the distribution to such Unit(s) of the proceeds of any condemnation award or settlement in the event of condemnation or with respect to the distribution to such Unit(s) of any insurance proceeds in the event of casualty loss; and

11.2(b) Any sixty (60) day delinquency in the payment of the 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



11.2(c) A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

11.2(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 11.2.

11.3 Amendments Requiring Approval of 51% of Eligible Mortgage Holders. The prior written approval of at least fifty-one percent (51%) of the Eligible Mortgage Holders is required for any material amendment to this Master Deed or to the By-Laws or Certificate of Incorporation including, but not limited to, any amendment which would change any provision relating to:

11.3(a) Voting rights;

11.3(b) Reserves for maintenance, repair and replacement of Common Elements.

11.3(c) Responsibility for maintenance and repairs;

11.3(d) Reallocation of interests in the General or Limited Common Elements or rights to their use;

11.3(e) Boundaries of any Unit;

11.3(f) Convertibility of Units into Common Elements or vice versa;

11.3(g) Expansion or contraction of the Condominium, or the addition, annexation or withdrawal of land to or from the Condominium;

11.3(h) Insurance or fidelity bonds;

11.3(i) Leasing of Units;

11.3(j) Imposition of any restrictions upon a Unit Owner's right to sell or transfer his or her Unit;

11.3(k) A decision by the Association to establish self-management rather than professional management;

11.3(l) Restoration or repair of the Condominium (after damage, destruction or condemnation) in a manner other than that specified in this Master Deed;

11.3(m) Any action to terminate the legal status of the Condominium as a Condominium after substantial damage or condemnation occurs; or

11.3(n) Any provisions that expressly benefit Eligible Mortgage Holders.

11.4 Amendments Requiring Approval of 67% of Eligible Mortgage Holders. The prior written approval of at least sixty-seven percent (67%) of the Eligible Mortgage Holders is required before the effectuation of any decision by the Unit Owners to terminate the legal status of the Condominium as a Condominium

for reasons other than substantial destruction or condemnation of the Property.

11.5 Implied Approval of Eligible Mortgage Holders Assumed. In spite of the requirements of prior written approval of Eligible Mortgage Holders provided in Sections 11.2 and 11.3 of this Master Deed, provided that the Association serves notice on Eligible Mortgage Holders of those matters which are the subject of Sections 11.2 and 11.3 of this Master Deed in the manner provided in Section 11.1 of this Master Deed, the Association may assume implied approval of any Eligible Mortgage Holder failing to submit a written response to any notice given within thirty (30) days after it receives such notice as provided herein and so long as the notice was delivered by certified mail as indicated by a signed return receipt.

11.6 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; and 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.

11.7 No Partition. No Unit in the Condominium may be partitioned or subdivided without the prior written approval of any Eligible Mortgage Holder for such Unit.

11.8 Common Expense Lien Subordinate. Any lien the Association may have on any Unit in the Condominium for the payment of Common Expense assessments attributable to each Unit is subordinate to the lien or equivalent security interest of any first mortgage on the Unit recorded prior to the date any such Common Expense assessment became due, subject to N.J.S.A. 46:8B-21.

11.9 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 Master Deed, Certificate of Incorporation, By-Laws and Rules and Regulations, 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 holders of a Permitted Mortgage.

11.10 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.

11.11 Liability for Common Expense Assessments. Any Permitted Mortgage Holder holding a first mortgage lien on a Unit that obtains title to a Unit as a result of foreclosure of the first mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser in a foreclosure sale, or their respective successors and assigns, is not liable for the share of Common Expenses or other assessments by the Association pertaining to such Unit or chargeable to the former Unit Owner which became due prior to acquisition of title, subject to N.J.S.A. 46:8B-21. Such unpaid share of Common Expenses and other assessments shall be deemed to be Common Expenses collectible from all of the remaining Unit Owners including such acquirer, his successors and assigns.

11.12 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. Additionally, any management contract or agreement entered into prior to the seventy-five (75%) percent transition election as set forth in Section 3.3 of the Condominium Association By-Laws shall terminate 90 days after the first meeting of the Condominium Association Board of Trustees in which the Unit Owners constitute a majority of the members, unless the Board ratifies the contract or agreement.

11.13 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 holder of a Permitted Mortgage 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.

11.14 Fidelity Bonds. A fidelity bond or employee dishonesty insurance endorsement is required of any person or entity handling funds of the Association, if commercially available at reasonable rates.

11.15 At no time shall the Association or the Board of Trustees impose any right of first refusal or similar restriction on any Units within the Condominium. Any such imposition shall be void and of no effect.

ARTICLE 12. Damage or Destruction to Condominium Property.

12.1 General. If any Common Element, or part thereof, is damaged or destroyed by fire or other casualty, the repair, restoration or ultimate disposition of same shall be as provided in N.J.S.A. 46:8B-24.