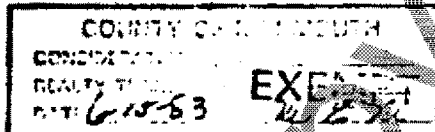


REVISED MASTER DEED

FOR SEE DEED REC 12/16/83 BOOK 445 PAGE 313

OCEANS 100, A CONDOMINIUM



THIS REVISED MASTER DEED, made this 7th day of June, 1983, by K-O Developers, Inc., a New Jersey Corporation, having its principal office at 121 Shelley Drive, Hackettstown, New Jersey, (hereinafter referred to as "Sponsor").

WHEREAS, Sponsor is the owner of the fee simple title to those lands and premises in the Borough of Bradley Beach, County of Monmouth, State of New Jersey, more particularly described in Exhibit "A" attached hereto and made a part hereof, which lands and premises are hereinafter referred to as the "Property"; and

WHEREAS, the Property includes twenty-six (26) units in which are located one-bedroom apartments and two-bedroom apartments for a total of 26 apartments together with certain recreation facilities, driveways, walkways and other improvements all as are more particularly shown on that certain survey prepared by Eckman Sincox Architects dated April 30, 1981 attached hereto and made a part hereof as Exhibit "B" and on those certain architectural plans attached hereto and made a part hereof as Exhibits "C-1 through C-12"; and

WHEREAS, it is the intention of the Sponsor 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. 46:8B-1 et seq., under the name of "Oceans 100, A Condominium", (hereinafter referred to as the "Condominium"); and

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DEED

Prepared by:
(N.J.S.A. 46:15-13)

JOEL A. ROBERT, ESQ.

WHEREAS, the Sponsor has established or is about to establish Oceans 100 Condominium Association, a New Jersey non-profit corporation, for the administration, operation and management of the Condominium and other improvements intended for the common use and enjoyment of the residents of the Condominium.

THEREFORE, WITNESSETH:

1. **ESTABLISHMENT OF CONDOMINIUM.** The Sponsor does hereby submit, declare and establish in accordance with N.J.S.A. 46:8B-1 et seq. the condominium form of ownership for that parcel of land, together with the improvements located thereon, described in Exhibit "A" aforesaid and as more particularly shown on Exhibits "B" and "C-1 through C-12" aforesaid.

2. **DEFINITIONS.** For the purpose hereof, the following terms shall have the following meanings unless the context in which same is utilized clearly indicates otherwise:

(a) "Articles of Incorporation" shall mean the Articles of Incorporation of the Association, a copy of which document is attached hereto and made a part hereof as Exhibit "D", together with all future amendments or supplements thereto.

(b) "Association" shall mean Oceans 100 Condominium Association, 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 the By-Laws.

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- (c) "Board" shall mean the Board of Directors of the Association and any reference herein or in the Articles of Incorporation, By-Laws or Rules and Regulations to any power, duty, right of 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.
- (d) "Building" shall mean all the enclosed structures containing Units and/or any other enclosed structure now or hereafter constructed upon the land described in Exhibit "A" and shown on Exhibits "B" and "C-1 through C-12", respectively.
- (e) "By-Laws" shall mean the By-Laws of the Association a copy of which document is attached hereto and made a part hereof as Exhibit "E", together with all future amendments or supplements thereto.
- (f) "Common Elements" shall mean "General Common Elements" or "Limited Common Elements".
- (g) "Common Expenses" shall, subject to the provisions of paragraph 6 hereof, mean all those expenses anticipated by N.J.S.A. 46:8B-3(e), in addition to all expenses including reserves incurred or assessed by the Association, or its respective directors, officers, agents or employees, in the lawful performance of their respective duties or powers.
- (h) "Condominium" shall mean (i) all the lands and premises described in Exhibit "A"; (ii) all

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improvements now or hereinafter constructed in, upon, over or through such lands and premises, whether or not shown on any Exhibit hereto; and (iii) all rights, roads, waters, privileges and appurtenances thereto belonging or appertaining; and (iv) the entire entity created by the execution and recording of this Master Deed.

- (i) "Condominium Act" shall mean the provisions of N.J.S.A. 46:8B-1 et seq., and all applicable amendments and supplements thereto.
- (j) "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 paragraph 5 hereof.
- (k) "Institutional Lender" shall mean any bank, mortgage banker, savings and loan association or other financial institution or pension fund, which is the record owner of a first mortgage loan which encumbers any Unit.
- (l) "Lease" shall mean any agreement for the leasing or rental of any Unit of the Condominium, including any sublease.
- (m) "Limited Common Elements" shall have the same meaning as "limited common elements" pursuant to N.J.S.A. 46:8B-3(j), except as same may be modified by the provisions of Paragraph 5 hereof.
- (n) "Master Deed" shall mean this instrument together with all future amendments or supplements hereto.
- (o) "Owner" or "Unit Owner" shall mean and refer to those persons or entities in whom record title to any Unit is vested as shown in the records of the

Monmouth County Clerk, including the Sponsor unless the context expressly indicates otherwise, but notwithstanding any applicable theory of mortgage, shall not mean or refer to any mortgagee unless and until such mortgagee 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".

(p) "Permitted First Mortgage" shall mean and refer to any first mortgage lien encumbering a Unit held by a bank, mortgage banker, trust company, insurance company, savings and loan association, pension fund, governmental agency, or other institutional lender or which is a purchase money mortgage held by the Sponsor or by the Seller of a Unit.

(q) "Property" shall mean the Building, the land and premises described in Exhibits "A" and "B" and all improvements now or hereafter constructed in, upon, over or through such land.

(r) "Rules and Regulations" shall mean the Rules and Regulations of the Association with all future amendments or supplements thereto.

(s) "Sponsor" shall mean and refer to K-O Developers, Inc., a New Jersey Corporation, its successors and assigns, and includes any successor Sponsor contemplated by paragraph 28 of this Master Deed.

(t) "Unit" shall mean a part of the Condominium designated and intended for independent ownership and use as a residential dwelling as more

specifically described in paragraph 4 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.

Unless the context 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 above shall be used in conjunction therewith.

3. GENERAL DESCRIPTION OF CONDOMINIUM. The

Condominium will include the lands described in Exhibit "A" aforesaid consisting of approximately .86 acres, an aggregate of 26 apartment Units, located in one Building, together with/and all other site improvements, all as shown on Exhibits "B" and "C-1 through C-12" aforesaid and includes all rights, privileges, roads, waters and appurtenances thereto belonging or appertaining. Each of the foresaid Units is designated by the number and floor of the Building in which it is located and by a separate letter designating the type of unit as is shown on Exhibits "B" and "C-1 through C-12".

4. DESCRIPTION OF UNITS. The dimensions, area and location of the Buildings and all of the aforesaid Units within the Condominium are as shown graphically on Exhibits "B", and "C-1 through C-12". Each Unit is intended to contain all space within the area bounded by the interior surface of the perimeter walls of each Unit and the floor and the ceiling of each Unit as follows:

BOTTOM: The bottom is an imaginary horizontal plane through the lowest point of the exterior surface of each portion of subfloor within

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the Unit, and extending in every direction to the point where it closes with a side of such Unit.

TOP: The top of each Unit is an imaginary plane along and coincident with the unfinished and unexposed 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.

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.

Each Unit also includes all built in appliances, fixtures, doors, windows, 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 located within such Unit described, which are exclusively appurtenant to such Units, although all or part thereof may not be located within the Unit, and shall include, but not be limited to the following individual appurtenances to the extent that same serve each individual Unit only and not any other Unit or any portion of the Common Elements:

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- (a) So much of the common heating, plumbing and ventilating system as extends from the interior surface of the walls, floors or ceiling into the Unit;
- (b) Hot water heater;
- (c) All electrical wires which extend from the interior surface of walls, floors or ceilings into the Units and all fixtures, switches, outlets and circuit breakers;
- (d) All master antenna wiring which extends from the interior surface of the walls, floors, or ceilings into the Unit; and
- (e) All utility meters not owned by the public utility agency supplying the service.
- (f) All equipment, appliances, machinery, mechanical or other systems which serve the Unit exclusively whether or not same are located within or without the Unit.

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. In the event a Unit owner does remove or replace any or all such interior partitions or 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 Institutional Lender for such Unit and the Board. None of the foregoing approvals shall apply to Sponsor prior to the conveyance of any Unit(s) affected to another Unit Owner.

Sponsor shall upon the recording of this Master Deed be the Owner of every Unit within the Condominium, including

its appurtenant percentage interest in the Common Elements, and shall have the right to sell and convey, lease, or otherwise dispose of each such Unit as it may deem appropriate in its sole discretion.

5. DESCRIPTION OF GENERAL AND LIMITED COMMON ELEMENTS.

(a) General Common Elements

All appurtenances and facilities and other items which are not part of the Units hereinbefore described in paragraph 4 or part of the Limited Common Elements hereinafter described in subparagraph 5(b) shall comprise the General Common Elements as graphically shown on Exhibits "B" and "C-1 through C-12" aforesaid. The General Common Elements shall also include by way of description but not by way of limitation:

- (i) All land shown on Exhibit "B" aforesaid whether improved or unimproved; and
- (ii) All driveways, curbs and sidewalks, subject to the easements and provisions set forth in paragraph 7 hereof; and
- (iii) The parking spaces as shown on Exhibit "B"; provided however that each Unit Owner shall be assigned the right to the exclusive use of at least one parking space within the Condominium by the Board in accordance with any applicable provisions of the Rules and Regulations for each Unit which he owns without any further consideration other than the purchase of the Unit. The Unit Owner's right to use his assigned parking space shall be appurtenant to his Unit and

shall terminate upon conveyance of title to such Unit. The Association shall be responsible for the care and maintenance of said parking spaces including snow removal to the extent the Board may deem appropriate; and

(iv) Storage rooms, dumpster enclosures, laundry rooms, and Buildings utilized for non residential purposes; and

(v) Lawn areas, shrubbery, rubble walls, conduits, utility lines, underground sprinkler system and waterways, subject to the easements and provisions set forth in paragraph 9 hereof; and

(vi) Public connections and meters for gas, electricity, telephone and water not owned by the public utility or other agencies providing such services; and

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

(viii) Exterior lighting and other facilities necessary to the upkeep and safety of the Building and grounds; and

(ix) Any easement or other right which may now or hereafter be granted for the benefit of the Unit Owner(s) or others for access to or use of the General or Limited Common Elements not included

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within the Condominium or for any other purpose; and

- (x) All tangible personal property required for the operation, maintenance and administration of the Condominium which may be owned by the Association; and
- (xi) All other facilities or elements of any improvement within any Building or upon the Property, necessary or convenient to the existence, management, operation, maintenance and safety of the Condominium or normally in common use.

(b) Limited Common Elements

- (i) The Limited Common Elements shall be as graphically shown on Exhibits "B" and "C-1 through C-12", aforesaid and shall include by way of description and not by way of limitation, any terrace or patio, or stoop to which there is direct access from the interior of an appurtenant Unit and shall be for the exclusive use of such Unit(s) to which it is physically adjacent. Each Unit Owner's right to use the terrace, patio, or stoop appurtenant to his Unit may not be transferred apart from the conveyance of title to the Unit. The Owners of a Unit to which a terrace, patio or stoop is attached or connected shall make repairs thereto caused by their own negligence,

misuse or neglect and shall be responsible for all snow removal and cleaning from said terrace or patio. Any other repairs or maintenance by or with respect to the Limited Common Elements shall be the responsibility of the Association; and

(ii) Any porch, steps, stairways or stoop to which there is a direct access from the interior of the Unit shall constitute a Limited Common Element for the exclusive use of the said Unit;

(c) Reserved Common Elements

The Board shall have the power in its discretion to: (i) designate from time to time certain Common Elements as "Reserved Common Elements"; (ii) grant reserved rights therein to the Association and to any or less than all of the Unit Owners; and (iii) establish a reasonable charge to such Unit Owners for the use and maintenance thereof. Such designation by the Board shall not be construed as a sale or disposition of the Common Elements.

6. ESTATE ACQUIRED: INTEREST IN COMMON EXPENSES:
INTEREST IN COMMON SURPLUS; VOTING: COMMON EXPENSES.

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 an appurtenance thereto an undivided percentage

interest in the Common Elements of the Condominium, which shall not be divisible from the Unit to which it appertains, as set forth in Exhibit "F" attached hereto and made a part hereof. The percentage shall remain fixed.

The aforesaid percentage interest, which is based upon the relative square footage of the respective Units, shall be used to (i) allocate the division of proceeds, if any, resulting from casualty loss, any eminent domain proceedings, any common surplus of the Association, or from any other disposition of the Condominium property; and (ii) to apportion the assessments for the Common Expenses of each Unit within the Condominium.

Said percentage interest of the Unit shall not be utilized for the determination of voting rights of Unit Owners in the Association, which shall be based upon one vote for each Unit.

7. COVENANT FOR MAINTENANCE AND CAPITAL IMPROVEMENT ASSESSMENTS.

It shall be an affirmative and perpetual obligation of the Board to fix Common Expense assessments in an amount at least sufficient to maintain the exterior of the Building 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 Common Expenses of the Association deemed necessary by the Board and the manner of expenditure thereof shall be a matter for the sole discretion of the Board.

Annual Common Expense assessments shall be made for an annual period to be determined by the Board, and shall be payable in monthly installments due on the first day of each month. The Board shall cause to be prepared at least thirty (30) days in advance of the due date of the first annual Common Expense installment, a list of the Units and the annual Common Expense assessment applicable thereto, according to the names of the Unit Owners, which 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 XIV of the By-Laws.

If an annual Common Expense assessment is not made in the amount of the last prior year's assessment, increased by ten (10%) percent, and any installments of such annual assessments shall be due upon each installment payment date until a new annual Common Expense assessment is made.

In the event the annual Common Expense assessment proves to be insufficient, the budget and assessment may be amended at any time by the Board, provided that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency.

In addition to the annual Common Expense assessments hereinbefore authorized, the Board may levy, in any assessment year, a special Common Expense assessment, for the purpose of defraying in whole or part, the cost of any construction or reconstruction, unexpected repair or replacement or a described capital improvement upon or to the Common Elements, including

the necessary furniture, fixtures, equipment, and other personal property related thereto, or for any other lawful purpose, provided that any such special Common Expense assessment shall be authorized by the vote in person or by proxy of two-thirds (2/3) of the aggregate votes held by all of the members in good standing affected at a meeting duly called for such purpose. Written notice of such meeting shall be sent to all Unit Owners at least thirty (30) days in advance, and which notice shall set forth the purpose of the meeting. The due date(s) of any special assessment, or any installment(s) thereof, shall be fixed in the resolution authorizing such special assessment.

Every Unit Owner, by acceptance of a deed or other conveyance for a Unit, whether or not it shall be expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association such sums, by way of annual or special Common Expense assessments contemplated herein or in the By-Laws. Upon the conveyance of title to a Unit, the portion of the then current annual assessment payable by the new Unit Owner shall be an amount which bears the same relationship to the annual assessment as the remaining number of months in the then current annual assessment period bears to twelve. No portion of any month shall be prorated. Such first annual assessment or portion thereof for which a new Unit Owner is liable shall be immediately due upon the closing of title to the purchaser.

The Association shall, upon the request of any Unit Owner liable for a Common Expense assessment, or of the Institutional Lender for any Unit, furnish to such Unit Owner or Institutional Lender, a certificate in writing, signed by an officer of the Association, setting forth whether or not such Common Expense assessment has been paid. Such certificate

shall constitute conclusive evidence of the payment of any Common Expense assessments therein stated to have been paid.

No Unit Owner may waive or otherwise avoid liability for Common Expenses by non-use of the Common Elements. Each such 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 subparagraph 25(g) of this Master Deed together with such interest thereon 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 the same.

8. COMMON EXPENSES: RESPONSIBILITIES OF OWNERS:
DAMAGE DUE TO NEGLIGENCE, OMISSION, OR MISUSE.

The annual Common Expense assessments levied by the Board shall be used exclusively for promoting the health, safety, pleasure and welfare of the members of the Association, including, but without limitation: the maintenance and repair of the exterior and roof of the Buildings, including but not limited to cleaning and painting of the exterior surfaces and finishes; roof repair; maintenance, repair and replacement of the Common Elements or any other improvements on the Property; payment of all taxes and insurance premiums; all costs and expenses incidental to the operation and administration of the Association; and, such other items as may from time to time be

deemed appropriate by the Board. The Board may also provide, by its Rules and Regulations, for ordinary maintenance and minor repairs and replacements to be furnished to Units by Association personnel or representatives and charged as a Common Expense.

Each Unit Owner shall promptly furnish, perform, and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own Unit, provided, however: (i) such maintenance, repairs and replacements as may be required for the functioning of the common plumbing, heating, air-conditioning, mechanical, electrical and water supply systems within the Building shall be furnished by the Association; and (ii) the Association, its agents and employees may effect emergency or other necessary repairs which the Unit Owner has failed to perform; but any and all expenses incurred pursuant to the foregoing provisions shall be the responsibility of the Unit Owners affected thereby. Except as hereinbefore provided, maintenance, repairs and replacements of the plumbing fixtures and systems, windows, doors, electrical wiring and receptacles, kitchen appliances and equipment, and lighting fixtures within any Unit which are not common shall be the Unit Owner's responsibility at its sole cost and expense, and if the Unit Owner fails to perform such work the Association may do so on the Unit Owner's behalf and charge the reasonable expenses thereof to the Unit Owner. Maintenance repair, replacement cleaning and washing of all wallpaper, paint, paneling, floor covering, draperies and window shades or curtains within any Unit shall also be the Unit Owner's responsibility at its sole cost and expense.

If, due to the negligent act or omission of or misuse by Unit Owner, or a member of his family or household pet, or a guest, occupant or visitor (whether authorized or unauthorized by the Unit Owner), damage shall be caused to the Common Elements, or to a Unit(s) owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then the Unit Owner so responsible shall pay for such damage and be liable for any damages, liability, costs and expense, including attorney's fees, caused by or arising out of such circumstances; and such maintenance, repairs and replacements to the General or Limited Common Elements or the Unit(s) shall be subject to the By-Laws and the Rules and Regulations.

9. EASEMENTS

Every Unit Owner, his successor and assigns, shall have the following perpetual easements with respect to the Property;

- (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 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 a Unit, or as a result of condemnation or eminent domain proceedings, so

that any such encroachment may remain undistributed so 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, chimneys, stoops, or patio therein), ceilings and floors contained within 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, master antenna and other General Common Elements located in any of the other Units and serving his Unit; and
- (f) A perpetual and non-exclusive easement in, over and through the General Common Elements of the Condominium and to use the driveways, walks and other common facilities 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 and voting rights of any Unit Owner for any period during which any assessment for Common Expenses 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 non-payment 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.

Sponsor, its successor 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 construction, installation, maintenance and repair of any improvements to the Units or the Common Elements, for ingress and egress for the use of all driveways, parking areas, and for the utilization of existing and future model Units for sales promotion and exhibition, until the last Unit is sold and conveyed in the normal course of business, but in no event more than ten (10) years from the date of recording this Master Deed. In addition, Sponsor hereby reserves the irrevocable right to enter into, upon, over or under any Unit for such purposes as may be reasonably necessary for the Sponsor or its agents to service such Unit or any part of the 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

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

The Property shall also be subject to the following easements:

- (a) The Association shall have perpetual exclusive easement for the maintenance of any Common Elements, 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 (i) to inspect same (ii) to remedy any violations set forth in this Master Deed, the By-Laws or in any Rules and Regulations of the Association, and (iii) to perform any operations required in connection with the maintenance, repairs or replacement of or to the Common Elements, or any equipment, facilities or fixtures affecting or serving other Unit(s) or the Common Elements; provided that requests for entry are made in advance and 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) Any Institutional Lender, 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 to and with the permission of the Board and the Unit Owner; and
- (d) A blanket, perpetual and non-exclusive easement in, upon, over, across and through the Common Elements for the purpose of the installation, maintenance, repair, service and replacement of all sewer, water, power and telephone pipes, lines, mains, conduits, waters, poles, transformers, master television antennnas 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; and
- (e) A blanket, perpetual and non-exclusive easement of unobstructed ingress and egress in, upon, over, across and through the Common Elements to the Oceans 100, the Association, their respective officers, agents and employees (but not the public in general) and all police, fire, and

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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 Unit Owner has failed to perform), and for repair and maintenance of the Common Elements. 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 Unit Owner(s) directly affected thereby.

10. BY-LAWS AND ADMINISTRATION; CHANGES IN DOCUMENTS;
POWER OF ATTORNEY.

The administration of the Common Elements of the Condominium and other common facilities shall be by the Association in accordance with the provisions of the New Jersey Condominium Act, this Master Deed, the Articles of Incorporation, the By-Laws, the Rules and Regulations and of any other agreement, documents, amendments or supplements to the foregoing which may be duly adopted or subsequently be required by any Institutional Lender designated by the Sponsor or by any governmental agency having regulatory jurisdiction over the Condominium or by any title insurance company selected by Sponsor to insure title to any Unit(s). Sponsor hereby reserves for itself, its successors and assigns, for a period of five (5) years from the date the first Unit is conveyed to an individual purchaser, the right to execute on behalf of all contract purchasers, Unit Owners, mortgagees, other lienholders or parties claiming a legal or equitable interest in the Condominium, any such agreement, documents, amendments or

supplements to the above described documents which may be so required by any such Institutional Lender, governmental agency or title insurance company; provided, however, that no such agreement, document, amendment or supplement which adversely affects the value or substantially alters the floor plan of any Unit, or changes the percentage of the undivided interest in the Common Elements or increases the financial obligations of the Unit Owner or reserves any additional or special privileges shall be made without the prior written consent of the affected Unit Owner(s) and all owners of any mortgage(s) encumbering same; of if such agreement, document, amendment or supplement adversely affect the priority or validity of any mortgage which encumbers any Unit, without the prior written consent of the owners of all such mortgages.

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 (i) Sponsor, its successors and assigns, as attorney-in-fact for the purpose of executing such amended Master Deed(s) and other instrument(s) necessary to effect the foregoing subject to the limitations set forth above in the preceding paragraph, and (ii) the Association as attorney-in-fact to acquire title to or lease any Unit whose Owner desires to surrender, sell or lease the same, in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise, dispose of any such Units so acquired or to sublease any Units so leased by the Association.

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The powers of attorney aforesaid are 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 powers of attorney shall not be affected by the death or disability of any principal and are intended to deliver all right, title and interest of the principal in and to said powers.

11. RESTRICTIONS. The Condominium is subject to all covenants, restrictions and easements of record and to the following restrictions:

- (a) No Unit, except those Units owned by the Sponsor and used as sales offices, administrative offices or models, shall be used for any purpose other than as a private residence; except as provided by subparagraph 11(x) hereof.
- (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 Unit Owners of any designated storage area which is part of the General Common Elements shall be prescribed by Rules and Regulations.
- (c) No bird, reptile, or animal of any kind shall be raised, bred, or kept in any Unit or anywhere else upon the Property except that dogs, cats or other household pets are permitted, not to exceed two in the aggregate, provided that they are not kept, bred or maintained for any commercial purpose, are housed within the Unit and abide by all applicable

Rules and Regulations. No outside dog pens, runs or yards shall be permitted.

- (d) No vehicle or a size larger than a panel truck and no mobile home, recreation vehicle, boat, boat trailer, inoperable vehicle, or the like shall be parked on any part of the Property, except that those vehicles temporarily on the Property for the purpose of servicing the Property itself or one of the Units shall be permitted without written consent of the Board.
- (e) No portion of the Common Elements or other portion of the Property thereof shall be used or maintained for the dumping of rubbish or debris except in the dumpster disposal enclosures as shown on Exhibit "B". Trash, garbage or other waste shall be kept in sanitary containers on the Property for weekly or more frequent collections.
- (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 patio or terrace appurtenant thereto without the permission of the Board.
- (g) 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 of any Building or in any parking areas; and no signs, (except as provided in subparagraph 11(x) hereof), awnings, grills, balcony enclosure, fence, canopies, shutters, or

radio or television antenna or aerial shall be erected or installed in or upon the Common Elements or any part thereof without the prior consent of the Board. 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 for 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 General or Limited Common Elements without the prior written consent of the Board unless permitted by the Rules and Regulations.

(j) Each Unit Owner shall be responsible for the maintenance, repair and replacement of all windows of his Unit and also the front door and terrace or patio adjacent to his Unit.

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

(l) 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 Unit Owners shall be subject to this Master Deed, the By-Laws and the Rules and Regulations of the Association.

(m) 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 Units, without the prior written consent of the Board. No Unit 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.

(n) 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 in the Condominium.

(o) No immoral, improper, offensive 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.

(p) 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. No Unit Owner 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; or impair any easement without the prior written consent 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 forty-five (45) days after the receipt of such request, and failure to do so within the stipulated time shall constitute a consent to the 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, if approved, shall be executed 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 Owners shall furnish the Board with a copy of any such permit which he has procured. The provisions of this subparagraph shall not apply to Units owned by the Sponsor until such Units have been initially sold and conveyed by the Sponsor.

- (q) 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.
- (r) 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.
- (s) No Unit shall be leased by the Owners thereof (except a lender in possession of such Unit following a default in a first mortgage, a foreclosure proceeding or by any deed or other arrangement in lieu of foreclosure) or otherwise utilized for transient or hotel purposes, which shall be defined as "(i) rental for any period less than one (1) month; or (ii) any rental if the occupants of the Unit are provided customary hotel services, such as room service for food and beverages, maid service, furnishing laundry and linen, and bellboy service", provided however, that any Unit Owner, including Sponsor, may rent a Unit for a period of less than six (6) months to a contract purchaser thereof. No Unit Owner may lease less than an entire Unit.

Other than the foregoing obligations, the Unit Owners shall have the right to lease same provided that said lease is in writing and made subject to all provisions of this Master Deed, the By-Laws of the Association and other documents referred to herein, including the right of amendment reserved

to Sponsor herein, and provided further that any failure of the lessee to fully comply with the terms and conditions of such documents shall constitute a default under the lease.

In the event a tenant of a Unit fails to comply with the provisions of its Master Deed, the By-Laws or Rules and Regulations then, in addition to all other remedies which it may have, the Association shall notify the Unit Owner of such violation(s) and demand that the same be remedied through the Unit Owner's efforts within thirty (30) days after such notice. If such violation(s) is not remedied within said thirty (30) day period, then the Unit Owner shall immediately thereafter, at his own cost and expense, institute and diligently prosecute an eviction action against his tenant on account of such violation(s). Such action shall not be compromised or settled without the prior written consent of the Association. In the event the Unit Owner fails to fulfill the foregoing obligation, then the Board shall have the right, but not the duty, to institute and prosecute such action as attorney-in-fact for the Unit Owner and at the Unit Owner's sole cost and expense, including all legal fees incurred. Said cost and expenses shall be deemed to constitute a lien on the particular Unit involved, and collection thereof may be enforced by the Board in the same manner as the Board is entitled to enforce collection of Common Expenses. By acceptance of a deed to any 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 subparagraph (a).

- (t) No Unit Owner shall have the right to mortgage or encumber his Unit, unless such mortgage or encumbrance is a Permitted Mortgage.
- (u) 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 in the New Jersey Condominium Act. In the event that for any year such taxes are not separately taxes to each Unit, but are taxed on the Property as a whole, then each Unit Owner shall pay to the Association upon notification his proportionate share thereof in accordance with his proportionate undivided percentage interest in the General Common Elements.
- (v) Each Unit Owner shall pay for his own telephone, 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.
- (w) No clothes poles or lines shall be installed or maintained, but a collapsible clothes tree is permitted, provided it be removed when not in use.

(x) No business, trade or profession shall be conducted in any Unit, except that a physician, dentist, or other practitioner of the healing arts and sciences; attorney-at-law, accountant, professional engineer, architect, or artist, and the use of the Property for any such purpose shall be restricted to not more than fifty percent of the livable area of the Unit; and no exterior sign shall be erected or displayed except one non-illuminated sign, which shall be no larger than eight inches in height and thirty inches in length and which shall be erected, located and displayed in compliance with the applicable zoning regulations. No use of the property as set forth herein shall expand the parking rights of an owner.

(y) 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.

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, and shall have the right to bring law suits to enforce the rules and regulations so promulgated. The Board shall further have the right to levy fines for violations of these regulations, provided that the fine for a single violation may not, under any circumstances, exceed \$10.00. 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 as a Common Charge 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 Charges.

12. OBLIGATIONS OF SPONSOR. Until the conveyance of title to the first Unit, the Sponsor 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 Common Expenses and the Sponsor shall be responsible for payment of all Common Expenses assessed against Unit which have not been conveyed.

13. NO PARTITION. Subject to the provisions of this Master Deed and Articles of Incorporation and By-Laws and the New Jersey Condominium Act, the Common Elements shall remain undivided and no Unit Owner(s) 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 though such interest is not expressly mentioned or described in the conveyance or other instrument.

14. 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 this Master Deed, the New Jersey Condominium Act, the Articles of Incorporation, and the By-Laws and Rules and Regulations which may now or hereafter be established for or by the Association. The Sponsor shall be a Member of the Association with respect to all Units owned by it.

15. COMPLIANCE BY OWNERS. Each Owner or occupant of a Unit shall comply with, and shall assume ownership or occupancy subject to laws, rules and regulations of governmental authorities having jurisdiction over the Condominium, the provisions of this Master Deed, the Articles of Incorporation, By-Laws, Rules and Regulations or any other documents, amendments or supplements to the foregoing as described in paragraph 10 hereof. Failure to comply with any of the foregoing shall be grounds for commencement of an action for the recovery of damages, or for injunctive relief, or both, by the Sponsor, 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 Sponsor, the Association, or any Unit 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 the same.

16. DAMAGE OR DESTRUCTION TO THE PROPERTY. If the Building, any improvement or Common Element 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 following:

- a. 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.

b. If the insurance proceeds derived from such loss exceed \$25,000.00, all such insurance proceeds shall be paid directly to an Insurance Trustee as may be designated by the Board, as trustee for all Institutional Lenders holding first mortgages on the Property, and all Unit Owners as their interests may then appear. Disbursement of such funds shall be made only upon the signatures of a majority of the members of the Board.

(1) Upon notification of the receipt of insurance proceeds by the Insurance Trustee, 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.

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

(3) The Board shall employ a licensed architect to supervise the repair and rebuilding to insure that such work, services and supplies are of proper quality and that construction is contemplated in a workmanlike manner and according to plans and specifications.

c. If the damage is only to those parts of a Unit for which the responsibility for maintenance and repair is that of the Owner, then that Owner shall be responsible for reconstruction and repair, but the proceeds of any insurance that may have been obtained by the Association shall be made available for such purpose. Subject to the provisions of this Master Deed, in all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

d. 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 whose Units were damaged or destroyed, in sufficient amounts to provide funds for the payment of such costs. Anything to the contrary in this Master Deed or By-Laws notwithstanding, such assessments shall be in proportion to the Unit Owner's percentage interest in the Common Elements. The foregoing provisions of this subparagraph 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 for which the costs and expenses must be borne by each 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.

e. 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.

f. In the event the Association determines not to repair or restore the damaged Property in accordance with N.J.S.A. 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 Institutional Lender(s), 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.A. 46:8B-24.

17. EMINENT DOMAIN. 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 proceeding incident thereto. Any awards made in connection with such proceedings shall be collected by the Association and applied or distributed by it in accordance with the following, unless the award or decree provides to the contrary:

(a) Upon acquisition by the condemning authority, unless the decree provides otherwise, each affected Unit's

entire percentage interest and its Common Expense liability shall be automatically reallocated to the remaining Units in proportion to their respective percentage interests and the liabilities of such remaining Units before the taking, and the Association shall promptly prepare, execute, and record an amendment to the Master Deed reflecting the reallocations. Any remnant of the a Unit remaining after a part of a Unit is taken under this subsection shall thereafter be a Common Element.

(b) Upon acquisition by the condemning authority, (1) each affected Unit's percentage interest, and its Common Expense liability shall be reduced in proportion to the reduction in square footage of each such Unit, and (2) the portion of percentage interest and Common Expense liability divested from the acquired Unit shall be automatically reallocated to the remaining Units in proportion to their respective percentage interests and the liabilities of such remaining Units, with the partially acquired Unit(s) participating in the reallocation on the basis of their reduced percentage interest and liabilities.

(c) If a part of the Common Elements is acquired by eminent domain, the award must be paid to the Association. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements among the Unit Owners in proportion to their respective percentage interest in the Common Elements before the taking, but the portion of the award attributable to the acquisition of any Limited Common Element must be

suitably divided, unless the award provides otherwise, among the Owners of the Units to which that Limited Common Element was allocated at the time of acquisition based upon the relative proportionate entitlement of the affected Owners to the acquired Limited Common Elements.

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

18. INSURANCE. The Board shall obtain and continue in effect blanket property insurance on the Common Elements in an amount equaling replacement value, and in form satisfactory to any Institutional Lender holding first mortgages on a majority of the Units, but 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. Premiums for all such insurance coverage except for individual Unit coverage shall be a Common Expense to be included in the monthly assessment for Common Expenses.

19. AMENDMENT OF MASTER DEED. This Master Deed may be amended at any time after the date hereof by a vote of at least two-thirds (2/3) 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 of paragraph 25, shall also have the prior written approval of each Institutional Lender. No amendment shall be effective until recorded in the Office of the Clerk of Monmouth County, New Jersey. This paragraph is by way of supplement to and not in derogation of the powers of amendment reserved to Sponsor pursuant to paragraph 10 hereof. In the

alternative, an amendment may be made by an agreement, signed and acknowledged by all of the Unit Owners in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Office of the Clerk of Monmouth County, New Jersey. The developer shall not be permitted to cast any votes held by it for unsold lots, parcels, units or interests for the purpose of amending the Master Deed, Bylaws or any other document for the purpose of changing the permitted use of a lot, parcel unit or interest, or for the purpose of reducing the common elements or facilities.

20. ENFORCEMENT. Enforcement of this Master Deed shall be by any 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 to 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 a waiver or estoppel of the right to thereafter enforce the same.

In the event the Condominium is not maintained in reasonable order and condition, the Borough of Bradley Beach shall have the right to enter upon and maintain the Condominium in accordance with the provisions of N.J.S.A. 40:55D-43(b). 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 Bradley Beach in the manner provided by law with respect to real estate taxes assessed directly against each such Unit.

21. WIAVER. No provision contained in this Master Deed shall be deemed to have abrogated or waived by reason of any failure to enforce the same. irrespective of the number of violations or breaches which may occur.

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

23. RATIFICATION, CONFIRMATION AND APPROVAL OF AGREEMENTS. The fact that some or all of the officers, Directors, Members or employees of the Association and the Sponsor may be identical, and the fact that the Sponsor 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 therefor by any party, shall constitute the ratification, confirmation and approval of 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, and the Articles of Incorporation or the By-Laws.

24. RIGHTS RESERVED TO SPONSOR. Anything to the contrary herein or in the Articles of Incorporation or By-Laws of the Association notwithstanding, Sponsor 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, lease, mortgage or sublease any unsold Units within the Condominium.

25. PROTECTIVE PROVISIONS FOR THE BENEFIT OF INSTITUTIONAL LENDERS.

Anything to the contrary in this Master Deed or the By-Laws or Articles of Incorporation notwithstanding, the

following shall apply with respect to each Institutional Lender.

(a) The prior written approval of each Institutional Lender who requested notice is required for the following events:

(i) The abandonment or termination of the Condominium except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) Any material amendment to the Master Deed or to the By-Laws or Articles of Incorporation, including, but not limited to, any amendment which would change the percentage interests of the Unit Owners in the Condominium, except for such amendments as may be permitted pursuant to paragraphs 4 or 10 of this Master Deed;

(iii) The effectuation of any decision by the Association to terminate professional management and assume self-management of the Condominium.

(b) No Unit in the Condominium may be partitioned or subdivided without the prior written approval of any Institutional Lender for such Unit.

(c) Any lien the Association may have on any Unit in the Condominium for the payment of Common Expenses assessments attributable to each Unit is subordinate to the lien or equivalent security interest of any Permitted First Mortgage on the Unit recorded prior to the date any such Common Expense assessment became due.

(d) Any Institutional Lender shall upon request, (i) be permitted to inspect the books and records of the

Association during normal business hours; (ii) receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association; (iii) receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings; and (iv) receive written notice of any default in the payment of any Common Expense assessment installments which is more than thirty (30) days in arrears, provided said Institutional Lender holds a Permitted First Mortgage lien on the Unit.

(e) In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, any Institutional Lender which may be affected shall be entitled to timely written notice of any such damage or destruction. No Unit Owner or other party shall have priority over such Institutional Lender with respect to the distribution to such Unit of any insurance proceeds.

(f) If any Unit or portion thereof, or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the Institutional Lender(s) holding a Permitted First Mortgage on the Unit(s) is entitled to timely written notice of any such proceeding or proposed acquisition and no Unit Owner or other party shall have priority over such Institutional Lender with respect to the distribution to such Unit(s) of the proceeds of any award or settlement.

(g) Any Institutional Lender who holds a Permitted First Mortgage lien on a Unit who obtains title to the 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 to title. 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.

(h) Any management agreement for the Condominium will be terminable by the Association for cause upon sixty (60) days' prior written notice thereof, and the term of any such agreement shall not exceed one year.

(i) Notwithstanding 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, any Institutional Lender 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.

26. 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 Paragraph 11 shall have an initial term of forty 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 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 governing body of the borough (or such municipal corporation or other governmental entity as may then have zoning and subdivision jurisdiction over the Property).

27. RULE AGAINST PERPETUITIES. If any provision of this Master Deed, or the By-Laws shall be interpreted to constitute a violation of the rule against perpetuities, then such provision shall be deemed to remain in effect until the death of the last survivor of the now living descendants of

Robert F. Kennedy, deceased, former Senator of the State of New York, plus twenty-one (21) years thereafter.

28. SPECIAL SPONSOR'S RIGHTS:

(a) No special rights created or reserved to the Sponsor under this Master Deed ("Special Sponsor Rights") may be transferred except by an instrument evidencing the transfer recorded in the Office of the County Clerk of Monmouth County, New Jersey. The instrument shall not be effective unless executed by the transferee.

(b) Upon transfer of any such Special Sponsor Right, the liability of the transferor is as follows:

1. A transfer 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 Unit Owner of standing to bring an action to enforce any obligation of the transferor.

2. If a transferor retains any such Special Sponsor Right, or if a successor to any such Special Sponsor Right is an affiliate of the Sponsor, the transferor is subject to liability for all obligations and liabilities imposed on a Sponsor 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.

3. A transferor who retains no such Special Sponsor 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 Sponsor Right by a successor Sponsor who is not an affiliate of the transferor.

(c) 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 the Bankruptcy Act or receivership proceedings, of any Units owned by Sponsor 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 Sponsor Rights, or only to any such Special Sponsor Rights to maintain models, sales offices and signs. The judgment or instrument conveying title shall provide for transfer of only the Special Sponsor Rights requested.

(d) Upon foreclosure, sale by a trustee under a deed of trust, or sale under the Bankruptcy Act or receivership proceedings, of all Units in the Condominium owned by Sponsor:

1. The Sponsor ceases to have any such Special Sponsor Rights, and
2. The period of Sponsor control terminates unless the judgment or instrument conveying title provides for transfer of all such Special Sponsor Rights to a successor to Sponsor.

(e) The liabilities and obligations of persons who succeed to all Special Sponsor Rights are as follows:

1. A successor to all such Special Sponsor Rights who is an affiliate of the Sponsor is subject to all obligations and liabilities imposed on any Sponsor by law or by the Master Deed.
2. A successor to all such Special Sponsor Rights, other than a successor described in paragraphs 3 or 4 hereof who is not an affiliate of Sponsor, is subject to all obligations and liabilities imposed upon Sponsor by

law or the Master Deed, but he is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Sponsor or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Sponsor.

3. A successor to only a Special Sponsor Right to maintain models, sales offices and signs, if he is not an affiliate of Sponsor, may not exercise any other Special Sponsor Right, but is not subject to any liability or obligation as a Sponsor.

4. A successor to all Special Sponsor Rights who is not an affiliate of Sponsor and who succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Units under subparagraph (c) 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 Sponsor 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 right to control the Board for the duration of any period of Sponsor control, and any attempted exercise of those rights is void. So long as a successor Sponsor may not exercise special rights under this subparagraph he is not subject to any liability or obligation as a Sponsor other than liability for the successor's acts and omissions under the Master Deed.

(f) Nothing in this paragraph subjects any successor to a Special Sponsor Right to any claims against or other

obligations of a transferor other than claims and obligations arising under the Master Deed.

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

30. EXHIBITS. Attached hereto and made a part hereof are the following Exhibits:

EXHIBIT "A" - Metes and bounds description of the Property.

EXHIBIT "B" - Site Plan and Survey of the Property.

EXHIBIT "C-1 to C-12" - Architectural Drawings.

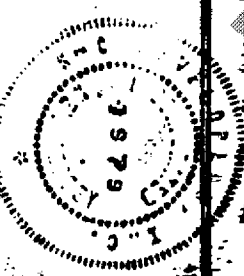

EXHIBIT "D" - Articles of Incorporation of Condominium Association.

EXHIBIT "E" - By-Law of Oceans 100 Condominium Association.

EXHIBIT "F" - Percentage of Interest Schedule.

IN WITNESS WHEREOF, The Sponsor has caused this instrument to be executed the day and year first above written, but its proper officers, and the corporate seal affixed pursuant to a resolution duly adopted by its Board of Directors.

ATTEST:



CHRISTINA Y KO, Secretary


BY: STEPHEN S. KO, President

STATE OF NEW JERSEY)
COUNTY OF WARREN) SS.:

BE IT REMEMBERED, that on this 7th day of June, 1983, before me, the subscriber, personally appeared CHRISTINA Y. KO, who, being by me duly sworn on her oath, deposes and makes proof to my satisfaction, that she is the Secretary of K-O Developers, Inc., the Corporation named in the within Instrument; that STEPHEN S. KO is the President of said Corporation; that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said Corporation; that deponent well knows the corporate seal of said Corporation; and that the seal affixed to said Instrument is the proper corporate seal and was thereto affixed and said Instrument signed and delivered by said President as and for the voluntary act and deed of said Corporation, in presence of deponent, who thereupon subscribed her name thereto as attesting witness.

Sworn to and subscribed before me,
the date aforesaid.


JOEL A. ROBERT an Attorney at
Law of the State of New Jersey

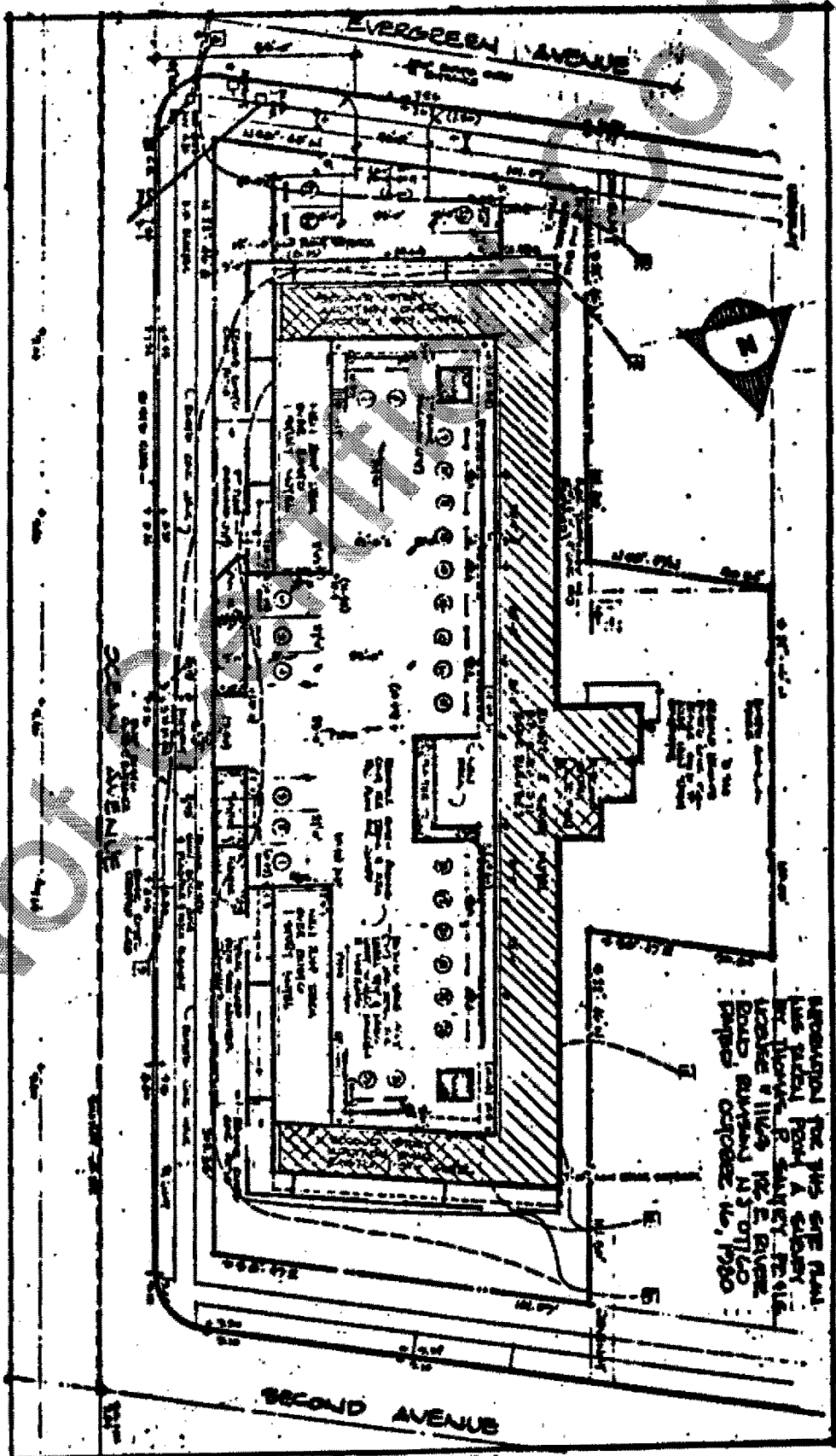

CHRISTINA Y. KO

EXHIBIT A

METES AND BOUNDS DESCRIPTION

BEGINNING at the corner formed by the intersection of the northerly line of Evergreen Avenue with the westerly line of Ocean Avenue and running thence (1) along the westerly line of Ocean Avenue North 22 degrees 46 minutes East 303.35 feet to the corner formed by the intersection of said westerly line of Ocean Avenue with the southerly line of Second Avenue; thence (2) along the southerly line of Second Avenue North 58 degrees 50 minutes 40 seconds West, 101.09 feet; thence (3) South 22 degrees 46 minutes West parallel with Ocean Avenue 101.80 feet; thence (4) North 58 degrees 49 minutes West parallel with Evergreen Avenue 50.54 feet to a corner; thence (5) South 22 degrees 46 minutes West parallel with Ocean Avenue 100 feet to another corner; thence (6) South 58 degrees 49 minutes East parallel with Evergreen Avenue 50.54 feet to a corner; thence (7) South 22 degrees 46 minutes West parallel with Ocean Avenue 101.50 feet to the northerly line of Evergreen Avenue; thence (8) along said line of Evergreen Avenue South 58 degrees 49 minutes East 101.09 feet to the westerly line of Ocean Avenue to the point and place of beginning.

EXHIBIT "B"



RECORDED FOR THIS SITE PLAN
 TWO PAGES FROM A SET OF
 100 PAGES. BY SANCOS ARCHT.
 LOCATED 7 11/16 N.E. RIVER
 ROAD SUITE 100 N.E. 171/40
 PAPER 000000 10, 1980

SITE PLAN

SCALE 1"=60'

ECKMAN SINCOX ARCHITECTS

300 QUINCY STREET

WESTFIELD N.J. 07090

GEORGE P SINCOX AIA 07475 NJ

LOCATION SURVEY
OF PROPERTY
MADE FOR
K-0
DEVELOPEERS, INC.
SITUATED IN THE
BOROUGH OF BRADLEY BEACH
MONMOUTH COUNTY
N.J.

奇

DEVELOPERS, INC.
SITUATED IN THE

**SHOULD BE IN THE
BOROUGH OF BRADLEY BEACH
MONMOUTH COUNTY**

N.J.

WILLIAM D. AYERS C.E.
SENIOR ENGINEER & SUPERVISOR
B&C CORLES AVE./N.W.
ALL ENHANCING NEW JERSEY
ACQUISITION AS 1986
UTICA, NY 13078 - Rablford 449-8728

Building on corner of lot 6, Block 72, is shown on the Tax Map of the Borough of Brockton, South Norwolk County, New Jersey, and date said, 1974.

Filed of lot 6, Block 72, is 9.011 Acres.

Aspirin

On the 24th of August, 1894, a party of seven men, one of whom was the writer, left the city of New York, and proceeded by rail to the city of New Orleans, where they arrived on the 26th of the same month. They were met by a party of men, who were the friends of the cause, and were taken to the city of New Orleans, where they remained for several days. They were then taken to the city of New Orleans, where they remained for several days. They were then taken to the city of New Orleans, where they remained for several days.

THIS SQUAD IS CREDITED TO THE GERMANY
FEDERAL SQUAD AND LONG ASSOCIATION TO THE
WESTERNER FOR THE GOOD COMPANY TO THE FIRST
-ENERGY TITLE AND GOOD COMPANY TO THE FIRST
-LIFE & POWER, AND TO K-O DEVELOPMENT.

ADDRESS: 14,500E William D. Ryers, Jr.
WILLIAM D. RYERS, JR., PG. 4, 5
NEW JERSEY LIBRARY 73443

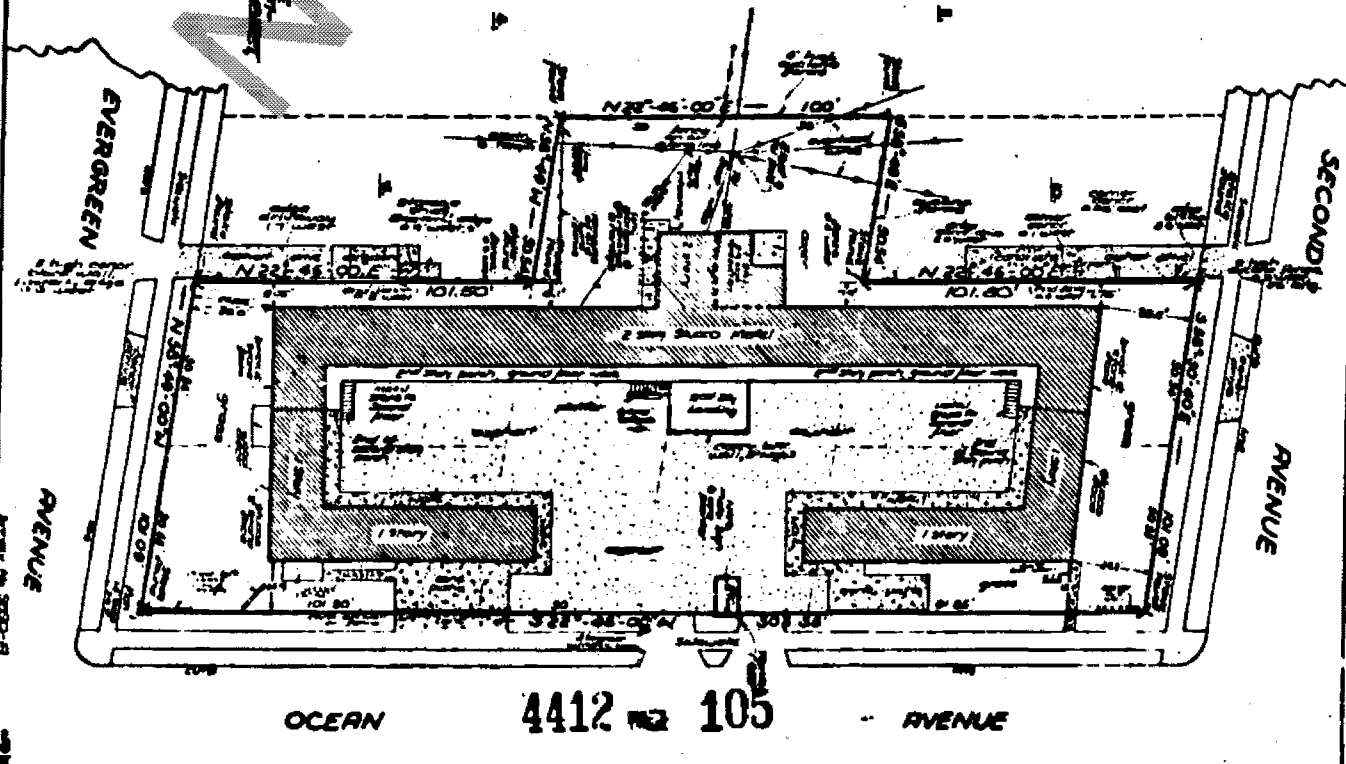
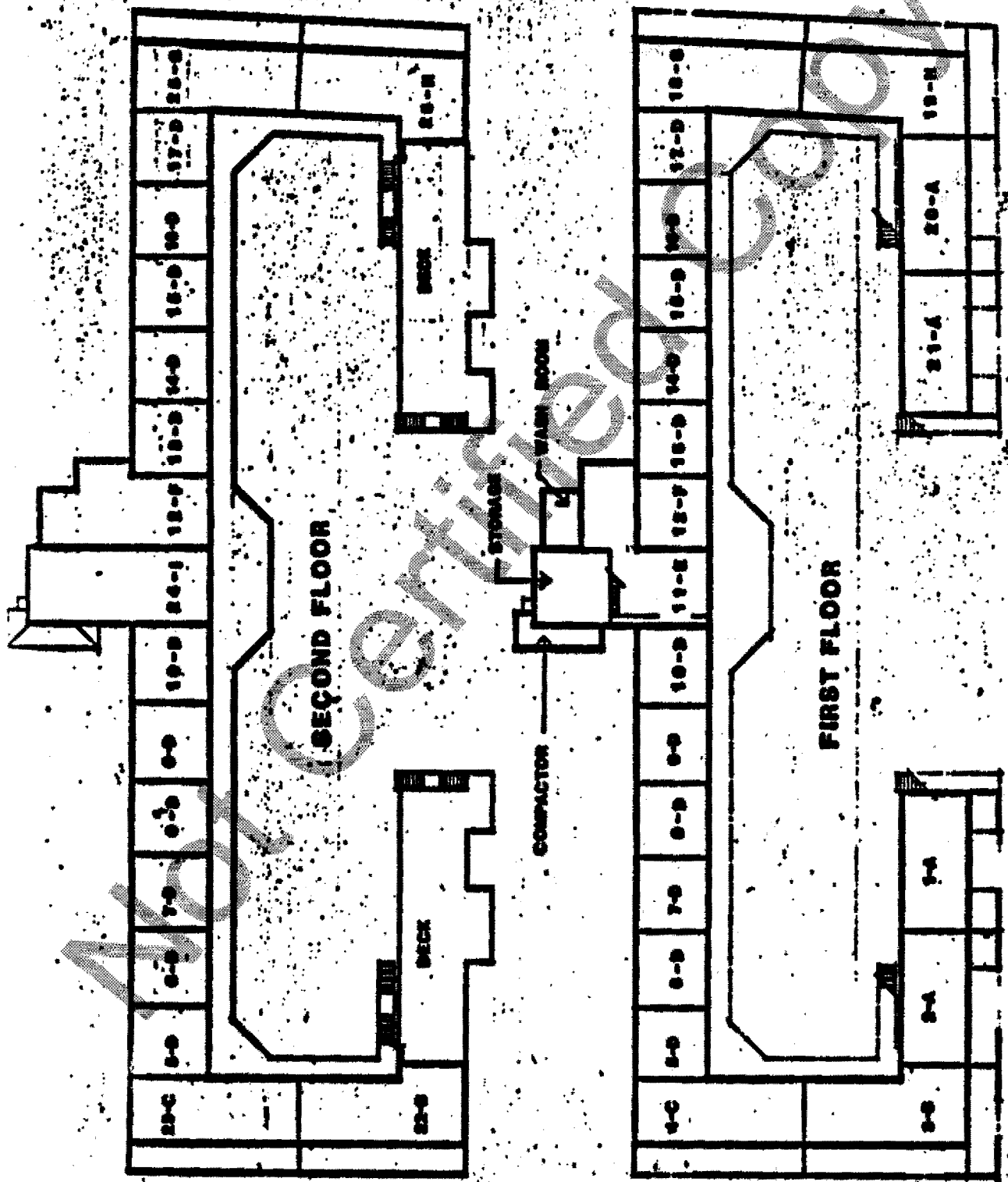


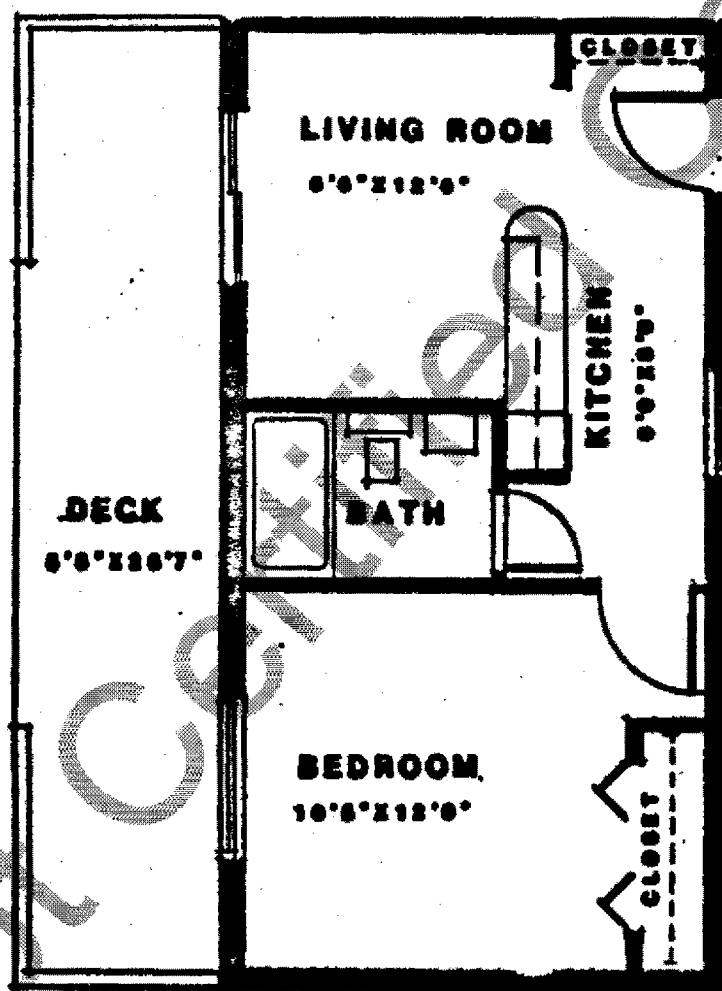
EXHIBIT "C-1"



UNIT KEY PLAN

4412 PAGE 106

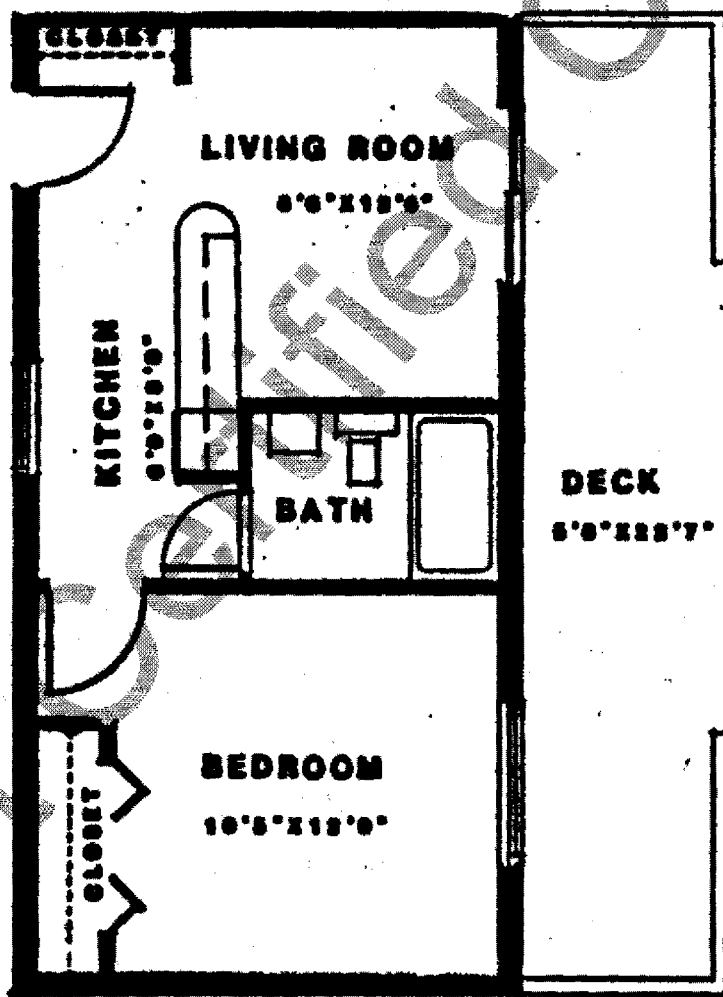
EXHIBIT "C-2"



UNIT TYPE A
SCALE 3/16"=1'0"

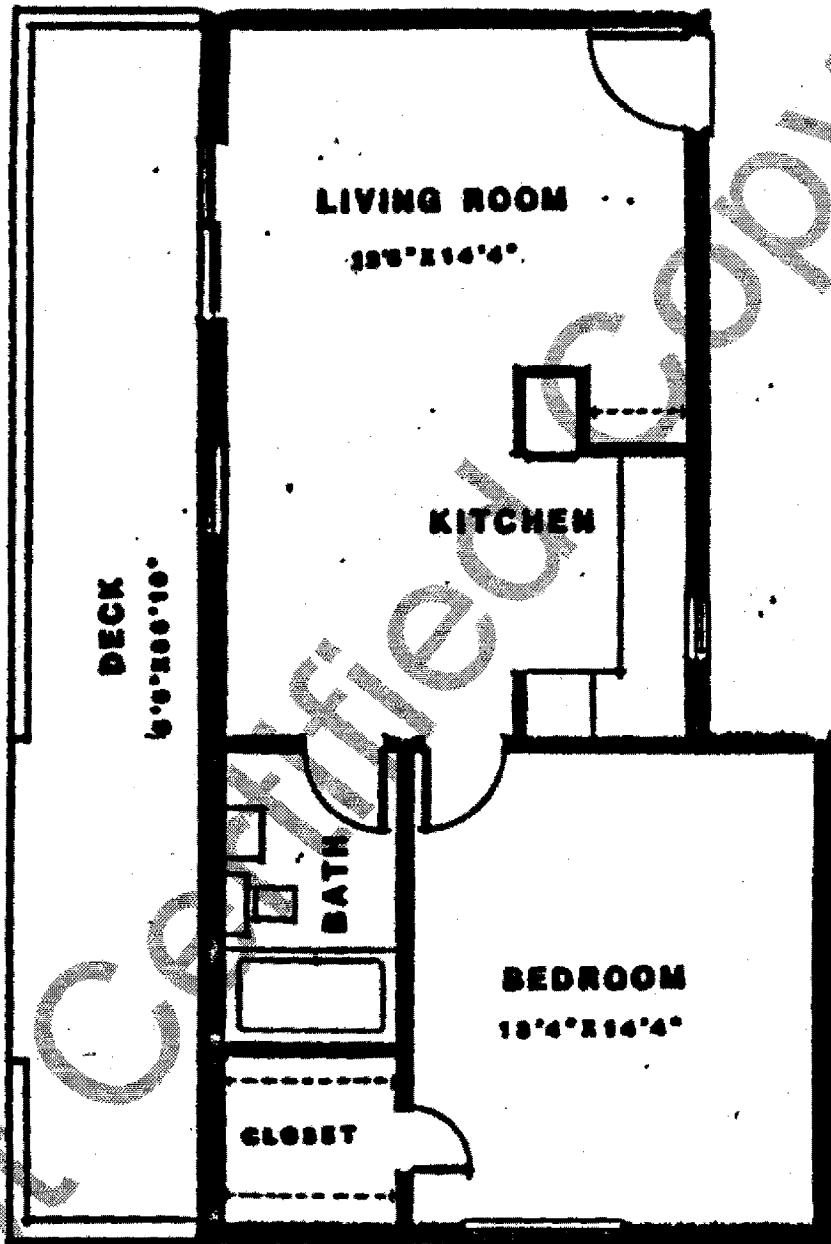
4412 PAGE 107

EXHIBIT "C-3"



UNIT TYPE A
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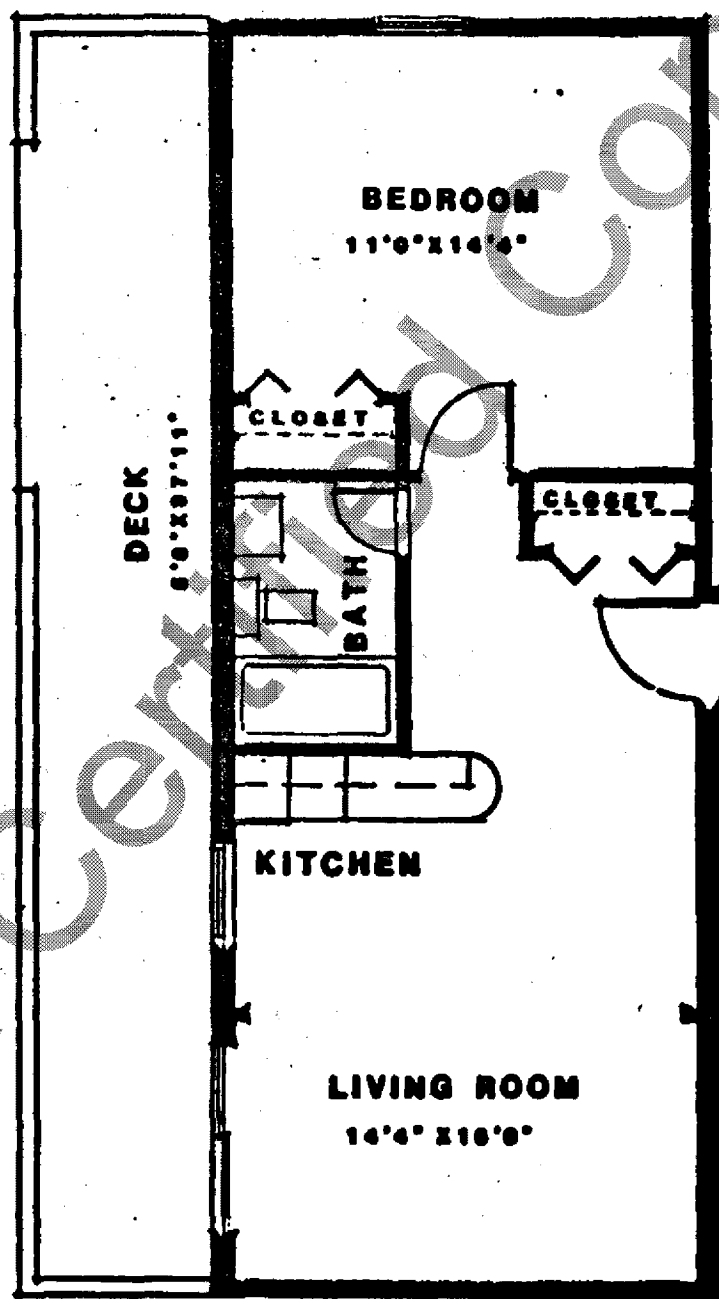
EXHIBIT "G-4"



UNIT TYPE B
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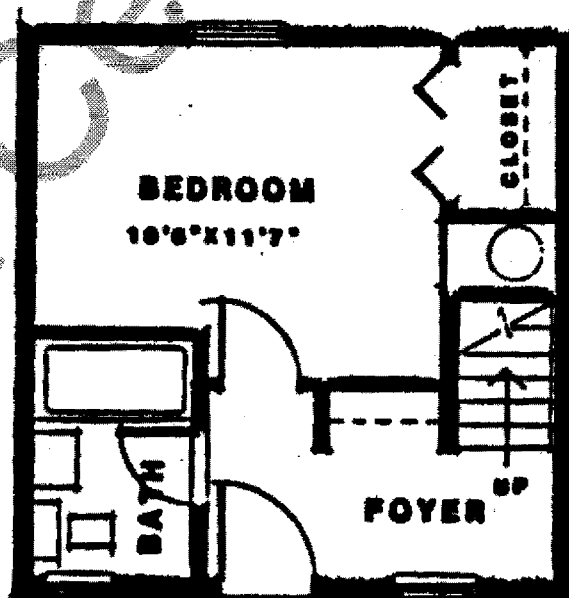
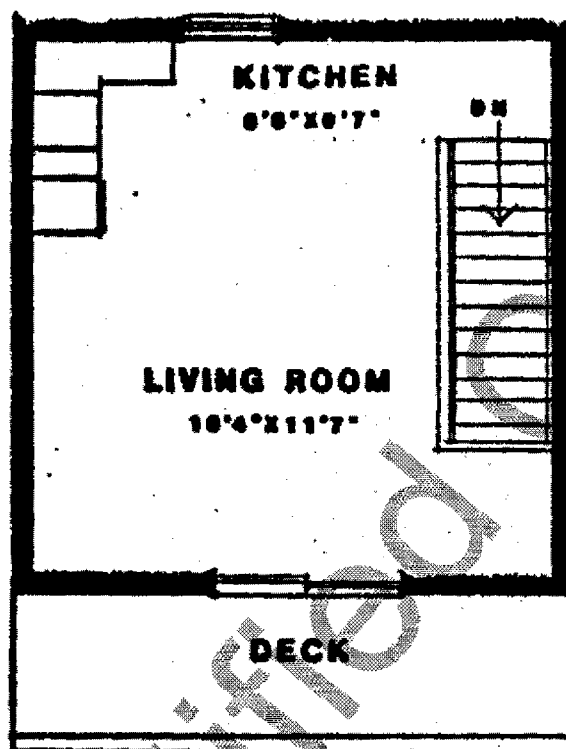
4412 P&T 109

EXHIBIT "C5"



UNIT TYPE C
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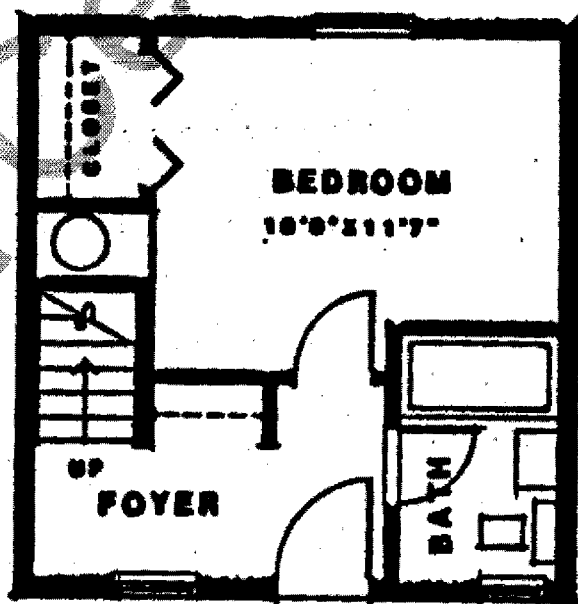
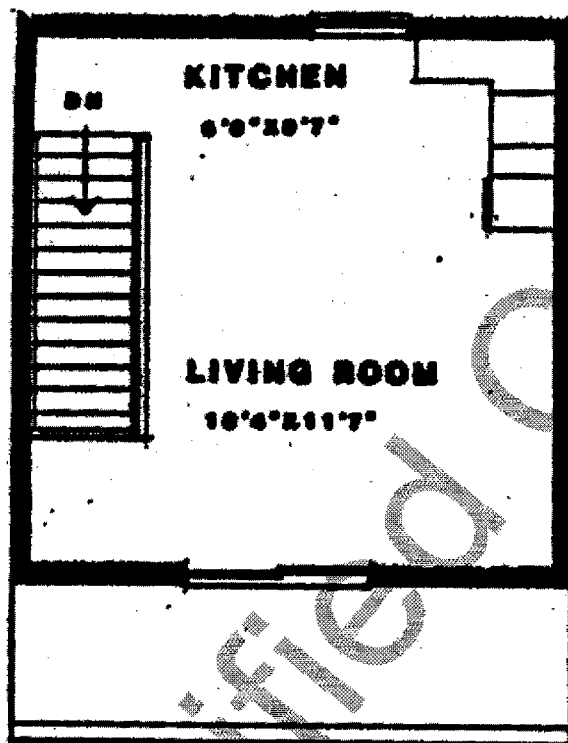
EXHIBIT "C 6"



UNIT TYPE D
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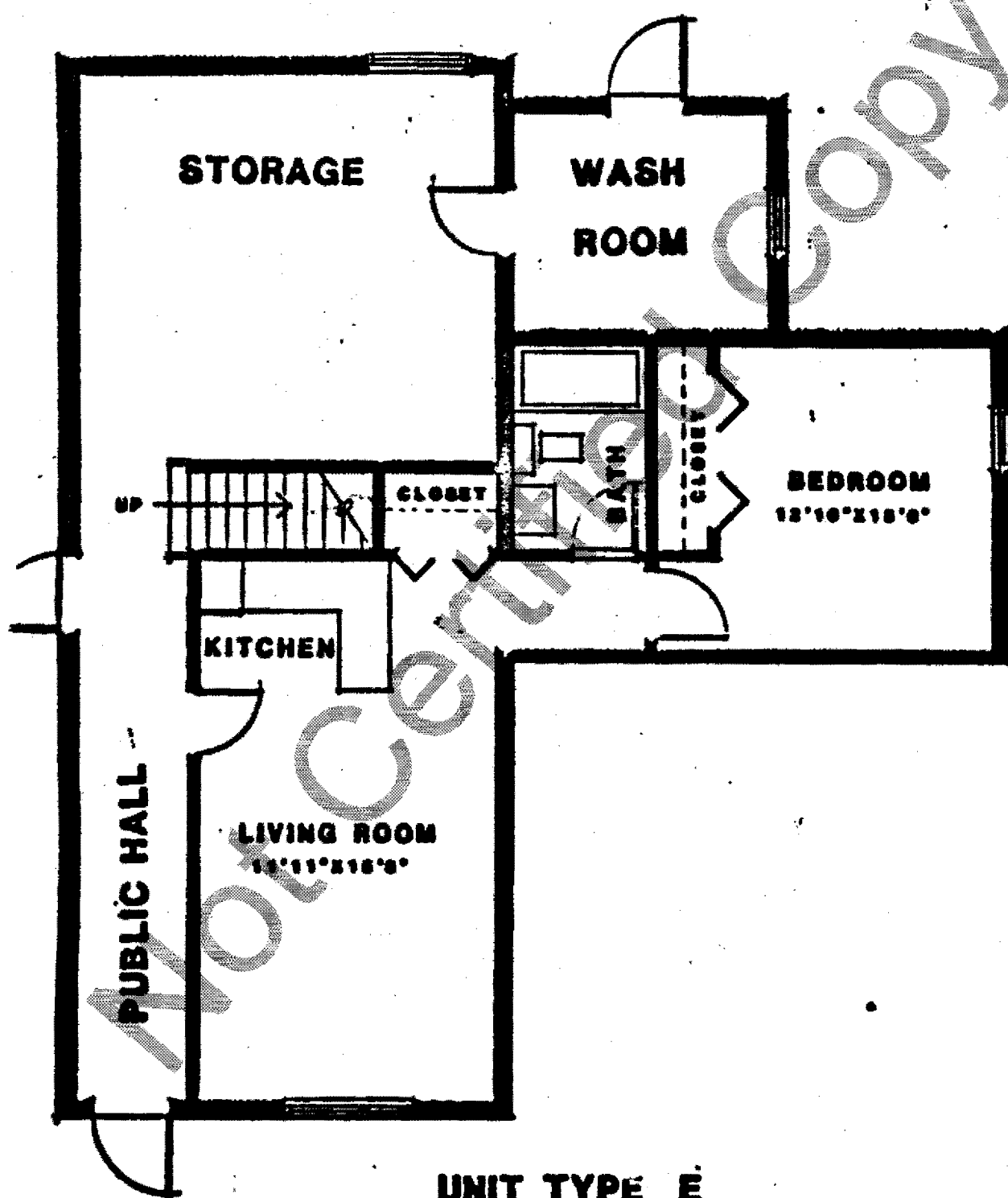
4412 PG 111

EXHIBIT "C-7"



UNIT TYPE D
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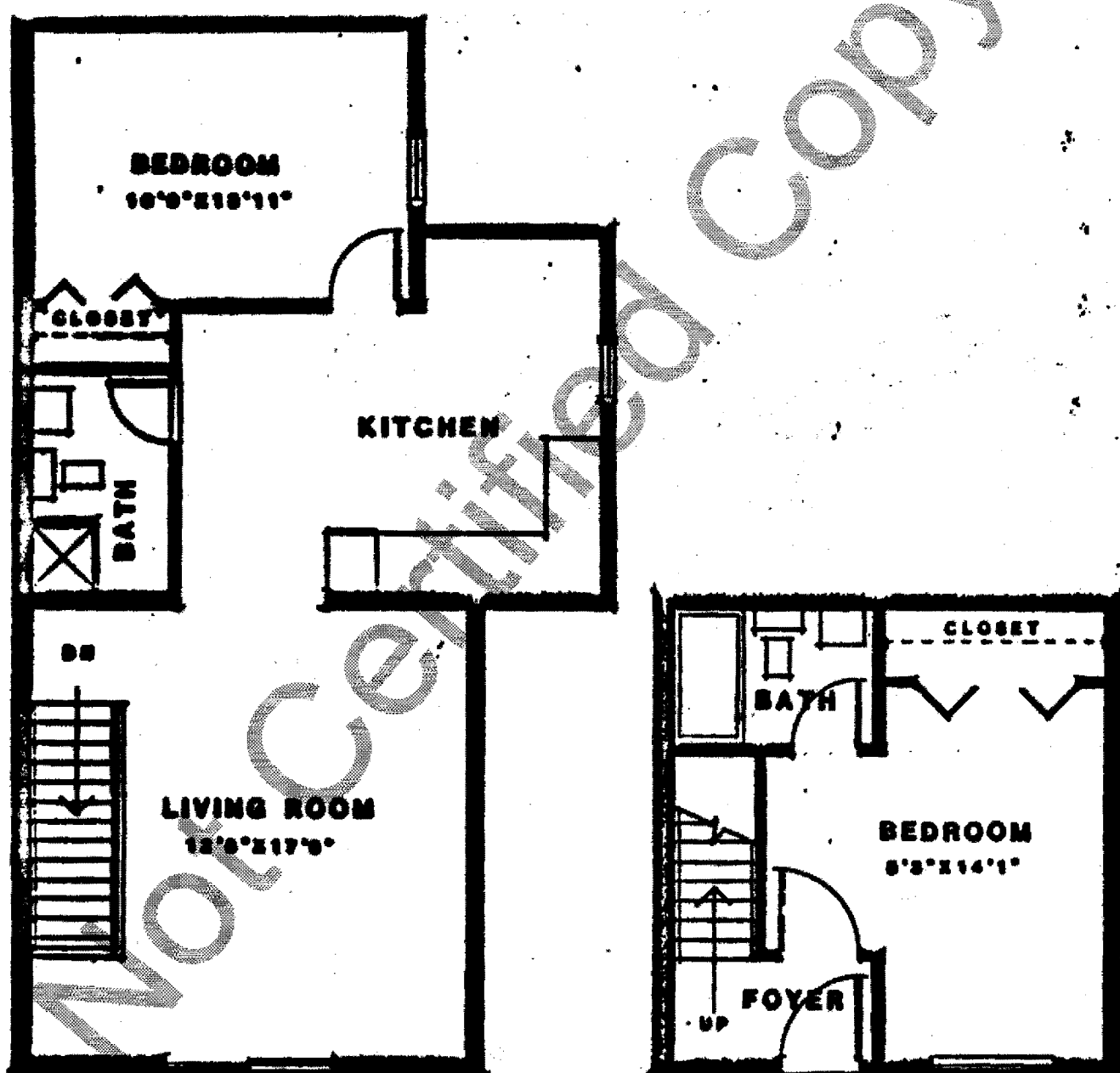
EXHIBIT "C-8"



UNIT TYPE E
SCALE 3/16" = 1'0"

4412 MD 113

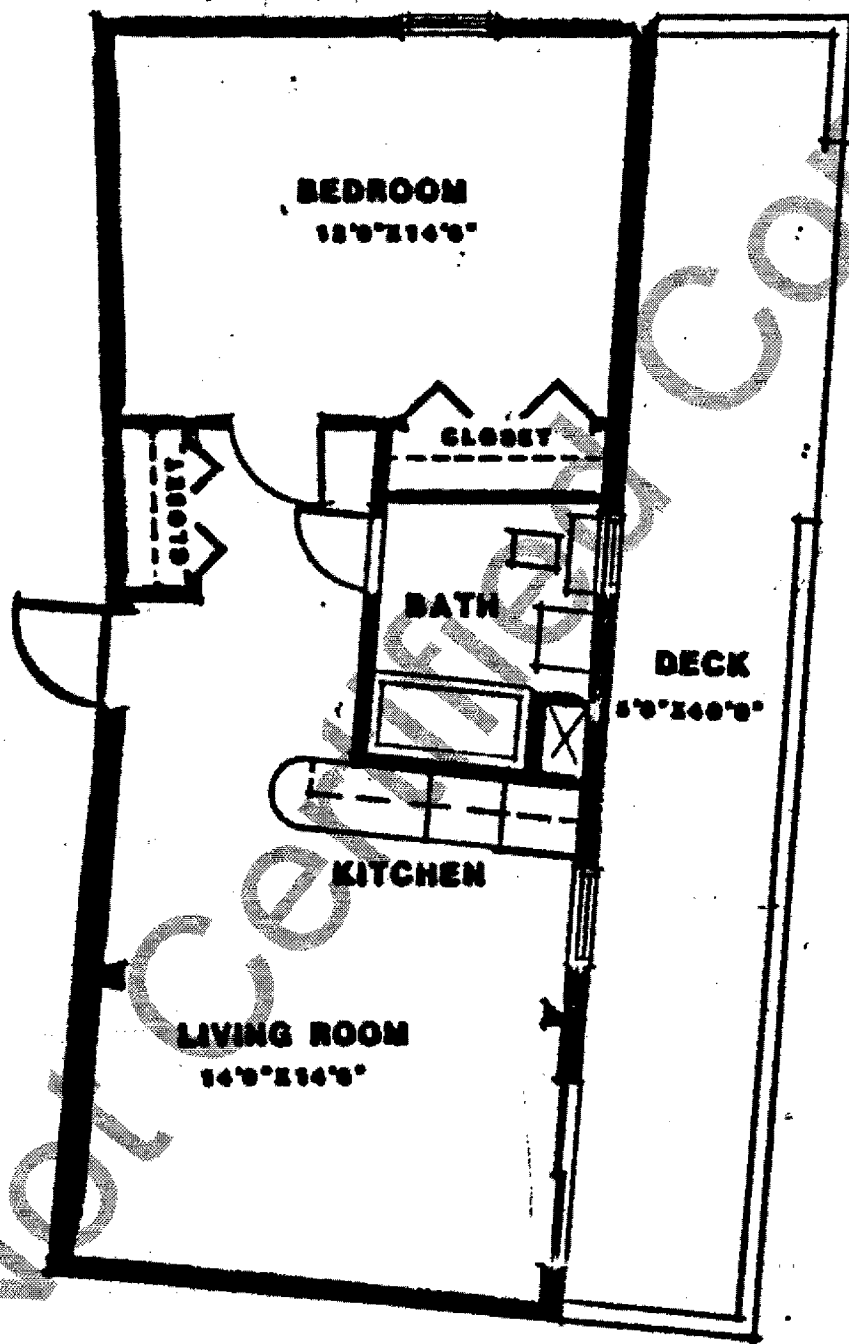
EXHIBIT "C9"



UNIT TYPE F
SCALE 3/16"=1'0"

4412 PG 114

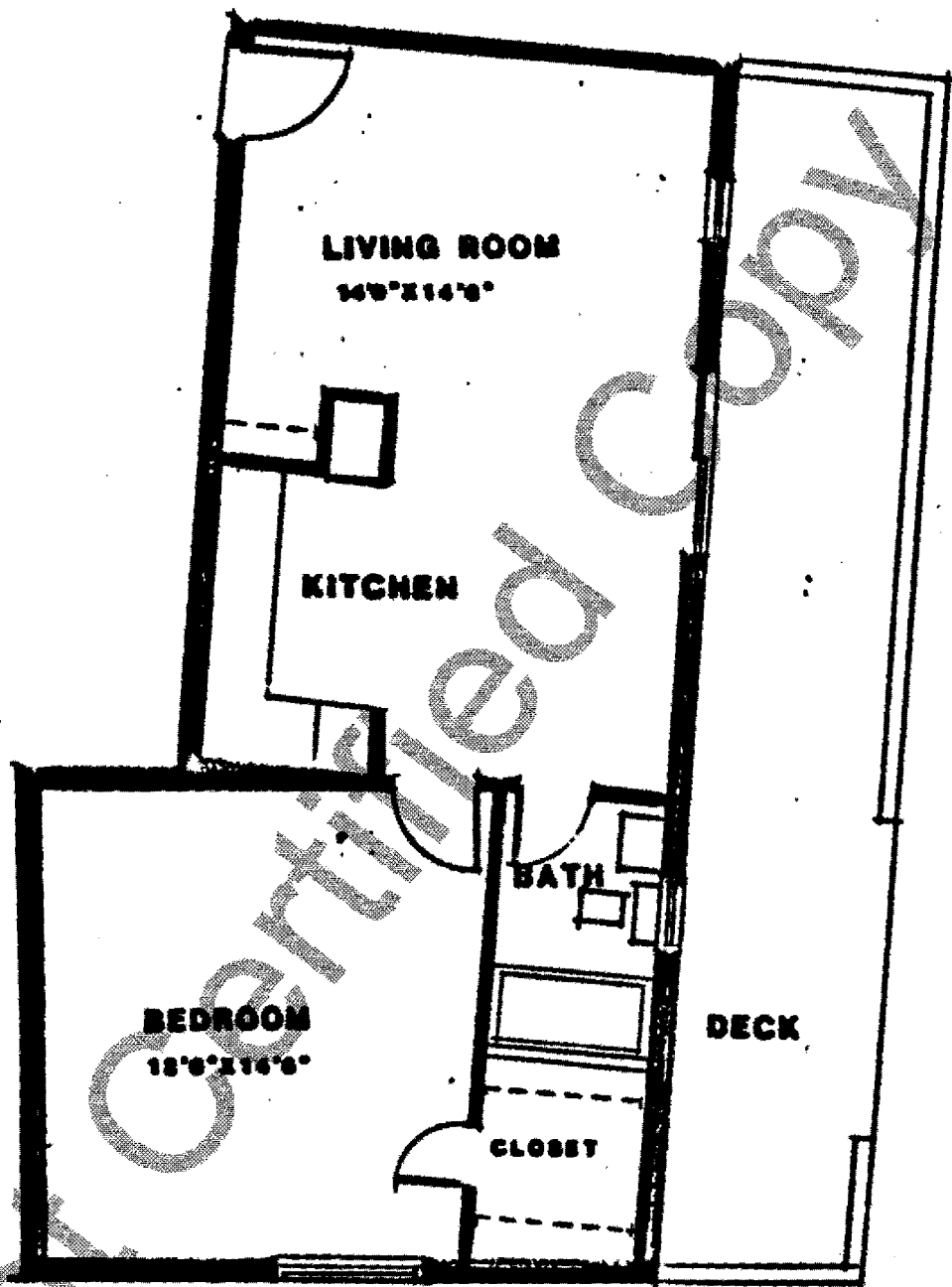
EXHIBIT "C-10"



UNIT TYPE G
SCALE 3/16"=1'0"

4412 _{sq} ft .115

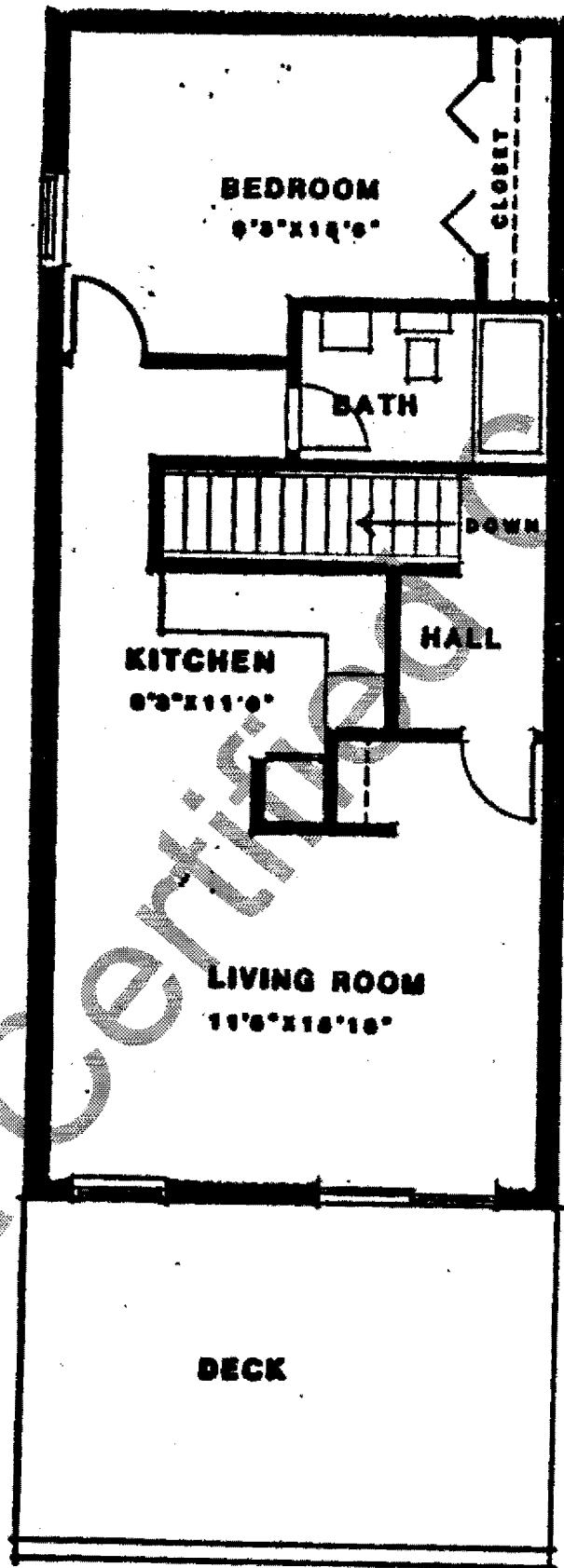
EXHIBIT "C-11"



UNIT TYPE H
SCALE 3/16"=1'0"

4412 PAGE 116

EXHIBIT "C-12"



UNIT TYPE I
SCALE 3/16"=1'0"

EXHIBIT "D"

FILED

DEC 21 1982

JANE BURGIO
Secretary of State

ARTICLES OF INCORPORATION

OF

OCEANS 100 CONDOMINIUM ASSOCIATION

Jan P. H. H.
COUNTY CLERK

JAN 18 11 10 AM '83

MONMOUTH COUNTY
RECORDED

026039

DATED: JANUARY 26, 1982

pd. 130 -
Record and Return to:

COURTER, ROBERT & PEASE, P.A.
256 Main Street
P.O. Box 470
Backettstown, New Jersey 07840

BOOK 4340 PAGE 783 4412 PAGE 118

86506 ca-41-400

26039

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In compliance with the requirements of Title 15, Chapter 1, et seq. of the New Jersey Statutes Annotated, the undersigned, all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit, and do hereby certify:

ARTICLE I

The name of the corporation is OCEANS 100 CONDOMINIUM ASSOCIATION, hereinafter called the "Association".

ARTICLE II

The principal office of the Association is located at 121 Shelley Drive, Hackettstown, New Jersey.

ARTICLE III

Stephen S. Ko, 121 Shelley Drive, Hackettstown, New Jersey 07840, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

Purpose and Powers of the Association

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and control of the common elements within that certain tract of property described in Exhibit "A" and "B" of a certain Master Deed entitled "Oceans 100, A Condominium", recorded or intended to be recorded in the Office of the Clerk of Monmouth County, and to promote the health, safety and welfare of the residents within the above described property and for these purposes:

BOOK 4340 PAGE 784

4412 PAGE 119

- (a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the aforesaid Master Deed and By-Laws of the Association annexed to the Master Deed as Exhibit "E" as they both may be amended from time to time as therein provided, said Master Deed and By-Laws being incorporated herein as if set forth at length;
- (b) To fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of said Master Deed and the By-Laws of the Association; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association.
- (c) To acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- (d) To borrow money to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and
- (e) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of New Jersey by law may now or hereafter have or exercise.

ARTICLE V

Membership

Every person or entity who is a record owner of a fee interest in any Unit which is subject to the Master Deed aforesaid is subject to assessment by the Association, and qualifies in accordance with the By-Laws, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of any such Unit shall be the sole qualification for membership. Upon termination of the interest of the Unit Owner, his membership shall automatically terminate and shall be transferred and shall inure to the new Unit Owner succeeding him in interest.

ARTICLE VI

Board of Directors

The affairs of this Association shall be managed by a Board of Directors. The initial Board of Directors shall be composed of three (3) persons who need not be members of the Association. The number of Directors may be changed pursuant to the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

Stephen S. Ko
121 Shelley Drive
Backettstown, New Jersey

Christina Y. Ko
121 Shelley Drive
Backettstown, New Jersey

Ruby Chang
Room 804, 2 Mott Street
New York, New York

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ARTICLE VII

Duration

The corporation shall exist perpetually.

ARTICLE VIII


Amendments


Amendment of these Articles shall require the assent of seventy-five (75%) percent of the members.

IN WITNESS WHEREOF, for the purpose of forming this non-profit corporation under the laws of the State of New Jersey, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 26 day of January, 1982.


CHRISTINA Y. KO
121 Shelley Drive
Hackettstown, New Jersey 07840


STEPHEN S. KO
121 Shelley Drive
Hackettstown, New Jersey 07840


JOEL A. KOBERT, ESQ.
256 Main Street
Hackettstown, New Jersey 07840


RANDALL L. PEASE, ESQ.
256 Main Street
Hackettstown, New Jersey 07840


MARC M. GALEN, ESQ.
256 Main Street
Hackettstown, New Jersey 07840

BOOK 4340 PAGE 787

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STATE OF NEW JERSEY:
SS:
COUNTY OF WARREN :

BE IT REMEMBERED, that on this 26th day of January, 1982, before me, the subscriber, An Attorney at Law of New Jersey, personally appeared STEPHEN S. KO, CHRISTINA Y. KO, RANDALL L. PEASE, ESQ. and MARC M. GALEN, ESQ., who, I am satisfied are the persons named in and who executed the within Instrument, and thereupon they acknowledged that they signed, sealed and delivered the same as their act and deed, for the uses and purposes therein expressed.


JOEL A. ROBERT
An Attorney at Law of New Jersey

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STATE OF NEW JERSEY:
SS:
COUNTY OF WARREN :

BE IT REMEMBERED, that on this 26th day of January, 1982, before me, the subscriber, A Notary Public of the State of New Jersey, personally appeared JOEL A. ROBERT, ESQ. who, I am satisfied is the person named in and who executed the within Instrument, and thereupon he acknowledged that he signed, sealed and delivered the same as his act and deed, for the uses and purposes therein expressed.

Jean Elbert

JEAN ELBERT
A Notary Public of New Jersey
My Commission Expires Oct. 23, 1987

4412 PAGE 124

PREPARED BY *Joel A. Robert*
JOEL A. ROBERT, ESQ.
256 Main Street
Hackettstown, New Jersey 07840

COPY 3 6 2 3 0

HONMOUTH COUNTY
RECORDED

Nov 29 10 07 AM '82

James P. [Signature]
COUNTY CLERK



BK 13 2
Pg. 65-5

I, The Secretary of State of the State of New Jersey, DO HEREBY CERTIFY that the foregoing is a true copy of CERTIFICATE OF incorporation and the endorsements thereon, as the same is taken from and compared with the original filed in my office on the 21st day of Dec. A.D. 1982 and now remaining on file and of record therein.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 21st day of Dec. A.D. 1982

SECRETARY OF STATE

Jane Burgio

4412 NEX 125

SCHEDULE E
BY-LAWS
OF
OCEANS 100 CONDOMINIUM ASSOCIATION

ARTICLE I
NATURE OF BY-LAWS

SECTION 1. Purpose. These By-Laws are intended to govern the administration of Oceans 100 Condominium Association, a non-profit corporation organized under Title 15 of the New Jersey Statutes Annotated, and provide for the management, administration, utilization and maintenance of the Common Elements described in the Master Deed for Oceans 100, A Condominium.

SECTION 2. Definitions. Unless the context clearly indicates otherwise, all definitions set forth in the aforesaid Master Deed or in N.J.S.A. 46:8B-3 are incorporated herein by reference.

SECTION 3. Fiscal Year. The fiscal year of the corporation shall be determined by the Board of Directors.

SECTION 4. Principal Office. The principal office of the corporation is located at 121 Shelley Drive, Hackettstown, New Jersey.

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Members. Every person, firm, association, corporation or other legal entity who is a record Owner or Co-Owner of the fee simple title to any Unit shall be a Member of the Association; provided however, that any person, firm, association, corporation, or legal entity who holds such

title or interest merely as a security for the performance of an obligation (including but not limited to mortgagees or trustees under deeds of trust) shall not be a Member of the Association.

SECTION 2. Associate Member. Every person who is entitled to possession and occupancy of a Unit as a tenant or lessee of a Unit Owner may be an Associate Member of the Association, but shall not be entitled to any vote with respect to Association matters.

SECTION 3. Change of Membership. Change of membership shall be accomplished by recording in the Monmouth County Clerk's Office a deed or other instrument establishing a record title to a Unit, and delivery to the Secretary of the Association of a certified copy of such instrument. The membership of the prior Unit Owner shall be thereby terminated.

SECTION 4. Rights of Membership. Every person who is entitled to membership in the Association, pursuant to the provisions of the Articles of Incorporation and these By-Laws, shall be privileged to use and enjoy the General Common Elements, subject however to the right of the Association to:

- (a) Promulgate rules and regulations governing such use and enjoyment;
- (b) Suspend the use and enjoyment of the General Common Elements as provided in Section 5 of this Article II; and
- (c) Dedicate or transfer all or part of the General Common Elements, other than any Building in which any Units are contained, as provided in Section 1(n) of Article V hereof.

SECTION 5. Suspension of Rights. The membership and voting rights of any Member may be suspended by the Board for

any period during which any assessment against the Unit to which his membership is appurtenant remains unpaid; but upon payment of such assessments, and any interest accrued thereon, whether by check or cash, his rights and privileges shall be immediately and automatically restored. Further, if rules and regulations governing the use of the Common Elements and the conduct of persons thereon have been adopted and published, as authorized in the By-Laws, the rights and privileges of any person in violation thereof may be suspended at the discretion of the Board for a period not to exceed thirty (30) days for any single violation, but if the violation is of a continuing nature, such rights and privileges may be suspended indefinitely until such time as the violation is abated. No such action shall be taken by the Board until the Unit Owner is afforded an opportunity for a hearing consistent with the principle of due process of law.

SECTION 6. Membership Fees. The Board may impose upon each Unit Owner, upon acquisition of title to his Unit, a non-refundable fee for membership in the Association in an amount to be determined by the Board, but not to exceed \$250.00, which fee may be used for working capital or any other lawful purpose. If imposed, payment of such fee shall be a condition precedent to membership in the Association. Any unpaid membership fee shall be deemed a lien on the Unit in the same manner as any unpaid Common Expenses attributable to such Unit.

SECTION 7. Votes. Each Unit Owner shall be entitled to such vote(s) for each Unit to which he holds title as is provided in Paragraph 6 of the Master Deed. When more than one person holds title, the vote(s) for each Unit shall be exercised as the Co-Owners among themselves determine. When one or

more Co-Owners signs a proxy or purports to vote for his or her Co-Owners, such vote(s) shall be counted unless one or more of the other Co-Owners is present and objects to such vote(s); or, if not present, submits a proxy or objects in a writing delivered to the Secretary of the Association before the vote(s) are counted.

SECTION 8. Proxies. Proxy ballots shall be permitted with respect to all elections of Directors, and all amendments to the Articles of Incorporation, the Master Deed or these By-Laws, or any other matter which is to come before a meeting of the membership of the Association. All proxies shall be in writing, signed by all individual Unit Owners (or in the case of joint Owners by any one of them), or by his or their duly authorized representative(s) and delivered to the Secretary of the Association, or such other person as the President may designate, at least 24 hours prior to the commencement of the meeting at which ballots are to be cast. Proxies may be revoked at any time prior to the opening of the polls, and no proxy shall be voted on after eleven (11) months from its date unless said proxy provides for a longer period, not to exceed three (3) years from the date of execution. All proxies shall be substantially in the form prescribed by the Board, and if not in such form, shall be deemed invalid which determination shall be made in the sole and absolute discretion of the Board.

ARTICLE III

MEETINGS OF UNIT OWNERS

SECTION 1. Place of Meetings. All meetings of the Unit Owners of the Association shall be held at the Condominium or at such other place convenient to the Members as may be designated by the Board.

4412 ME 129

SECTION 2. First Annual Meeting and Regular Annual Meetings. All annual meetings of the Unit Owners of the Association shall be held on dates to be fixed by the Board of Directors of the Association, except that the first such annual meeting shall be held not more than sixty (60) days after Unit Owners other than the Sponsor own six (6) or more Units, or on such earlier date as the Sponsor in its sole discretion may elect. At the first annual meeting and each subsequent annual meeting the election of Directors shall take place. If the election of Directors shall not be held at the annual meeting or any adjournment of such meeting, the Board shall cause the election to be held at a special meeting as soon thereafter as may be convenient. At such special meeting the Unit Owners may elect the Directors and transact other business with the same force and effect as at an annual meeting duly called and held. All proxies validly received for the originally scheduled meeting shall remain in full force and effect for any such adjourned meeting or special meeting and new proxies may be received for any such subsequent meeting.

The control of the association shall be surrendered to the unit owners in the following manner:

1. Sixty days after conveyance of 25% of the lots, parcels, units or interests, not less than 25% of the members of the executive board shall be elected by owners.
2. Sixty days after conveyance of 50% of the lots, parcels, units or interests, not less than 40% of the members of the executive board shall be elected by the owners.
3. Sixty days after conveyance of 75% of the lots, parcels, units or interests, the developer's control of the executive board shall terminate at which time the owners shall elect the entire executive board.

(b) Notwithstanding paragraphs 1, 2 and 3 above, the developer may retain one member of the executive board so long as there are any units remaining unsold in the regular course of business.

(c) In calculating the above percentages, it is presumed that they are calculated on the basis of the entire number of units entitled to membership in the association.

(d) A developer may surrender control of the executive board of the association prior to the time as specified, provided the owners agree by a majority vote to assume control.

(e) Upon the assumption by the owners of control of the executive board of the association, the developer shall forthwith deliver to the association all items and documents pertinent to the association such as, but not limited to, a copy of the master deed, declaration of covenants and restrictions, documents of creation of the association, by-laws, minute book, including all minutes, any rules and regulations, an accounting of association funds, association funds, all personal property, insurance policies, government permits, a membership roster and all contracts and agreements relative to the association.

(f) The association, when controlled by the owners, shall not take any action that would be detrimental to the sales of units by the developer and shall continue the same level of maintenance, operation and services as immediately prior to their assumption of controls, until the last unit is sold.

(g) From the time of conveyance of 75 per cent of the lots, parcels, units or interest in the development is conveyed in the ordinary course of business the master deed, by-laws or

declaration of covenants and restrictions shall not require the affirmative vote of more than 75 per cent of the votes to be cast in order to amend the by-laws or rules and regulations.

SECTION 3. Special Meetings. After the first annual or special meeting, special meetings of Unit Owners may be called by the President whenever he deems such a meeting advisable, or shall be called by the Secretary when so ordered by the Board, or upon the written request of Members representing not less than twenty-five (25%) percent of all votes entitled to be cast at such meeting. Such request shall state the purpose(s) of such meeting and the matter(s) proposed to be acted upon. Unless Unit Owners representing at least fifty (50%) percent of all votes entitled to be cast request such a meeting, no special meeting may be called to consider any matter which is substantially the same as a matter voted upon at any meeting of the Unit Owners held during the preceding twelve (12) months, which determination shall be made in the sole and absolute discretion of the Board.

SECTION 4. Notice of Meeting. Except as otherwise provided by law, notice of each meeting of Unit Owners, whether annual or special, shall be given not less than ten (10) days, nor more than ninety (90) days before the day on which the meeting is to be held, to each Unit Owner at his last known address, by delivering a written or printed notice thereof to said Unit Owner, or by mailing such notice, postage prepaid. Every such notice shall state the time and place of the meeting and shall state briefly the purpose(s) thereof. Notice of any meeting of Unit Owners shall not be required to have been sent to any Unit Owners who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the Unit Owners shall not be required to be given except when expressly re-

quired by law. Except where otherwise expressly required by law, no publication of any notice of a meeting of Unit Owners shall be required.

SECTION 5. Quorum and Adjourned Meetings. At such meeting of the Unit Owners, persons (including Sponsor or its representatives) holding twenty-five (25%) percent of the authorized votes present in person or by proxy, shall constitute a quorum for the transaction of business except where otherwise provided by law. In the absence of a quorum, the persons holding votes present in person or by proxy and entitled to vote, by majority vote, may, by majority vote, adjourn the meeting from time to time, until a quorum shall be present and represented. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting originally called.

SECTION 6. Organization. At each meeting of the Association, the President, or, in his absence, the Vice President, or in the absence of both of them, a person chosen by a majority vote of the Unit Owners present in person or represented by proxy and entitled to vote thereat, shall act as a chairperson, and the Secretary, or in his absence, a person whom the chairperson shall appoint, shall act as Secretary of the meeting.

SECTION 7. Voting. Except as otherwise required by the Articles of Incorporation, the Master Deed or any law, a quorum being present, a majority of votes present, in person or by proxy, shall be sufficient on those matters which are to be voted on by the Unit Owners. The election of Directors shall be by ballot.

SECTION 8. Member of Good Standing. A Member shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of the Association if, and only if, he shall have fully paid all installments due for assessments made or levied against him and his Unit by the Directors hereinafter provided, together with all interests, costs, attorney's fees, penalties and other expenses, if any properly chargeable to him and to his Unit, at least three (3) days prior to the date fixed for such meeting.

SECTION 9. Judges. If at any meeting of the Unit Owners a vote by ballot shall be taken on any question, the chairperson of such meeting shall appoint two Judges to act thereat with respect to such vote. Each Judge so appointed shall first subscribe an oath faithfully to execute the duties of a Judge at such meeting with strict impartiality and according to the best of his ability. Such Judges shall decide upon the qualifications of voters and shall report the number of votes represented at the meeting and entitled to vote on such question, shall conduct and accept the votes, and when the voting is completed, shall ascertain and report the number of votes respectively for and against the questions; but as to the election of Directors, the number of votes received by each candidate need not be reported. Reports of Judges shall be in writing and subscribed and delivered by them to the Secretary of the meeting. The Judges need not be Members of the Association, and any officer or Director of the Association may be a Judge on any question, other than a vote for or against his election to any position with the Association or any other question in which he may be directly interested.

SECTION 10. Order of Business. The order of business at the annual meeting of the Unit Owners or at any special meetings insofar as practicable shall be:

- (a) Calling of the roll and certifying the proxies.
- (b) Proof of notice of meeting and waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Appointment of Judges of Election, if appropriate.
- (e) Election of Directors, if appropriate.
- (f) Receiving reports of officers.
- (g) Receiving reports of committees.
- (h) Old business.
- (i) New business.
- (j) Adjournment.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1. Express and Implied Powers and Duties.

The property, affairs and business of the Association shall be managed by the Board of Directors, which shall have all those powers granted to it by the Articles of Incorporation, the Master Deed, these By-Laws, and by law.

SECTION 2. The control of the association shall be surrendered to the unit owners in the following manner:

1. Sixty days after conveyance of 25% of the lots, parcels, units or interests, not less than 25% of the members of the executive board shall be elected by owners.

2. Sixty days after conveyance of 50% of the lots, parcels, units or interests, not less than 40% of the members of the executive board shall be elected by the owners.

3. Sixty days after conveyance of 75% of the lots, parcels, units or interests, the developer's control of the executive board shall terminate at which time the owners shall elect the entire executive board.

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(b) Notwithstanding paragraphs 1, 2 and 3 above, the developer may retain one member of the executive board so long as there are any units remaining unsold in the regular course of business.

(c) In calculating the above percentages, it is presumed that they are calculated on the basis of the entire number of units entitled to membership in the association.

(d) A developer may surrender control of the executive board of the association prior to the time as specified, provided the owners agree by a majority vote to assume control.

(e) Upon the assumption by the owners of control of the executive board of the association, the developer shall forthwith deliver to the association all items and documents pertinent to the association such as, but not limited to, a copy of the master deed, declaration of covenants and restrictions, documents of creation of the association, by-laws, minute book, including all minutes, any rules and regulations, an accounting of association funds, association funds, all personal property, insurance policies, government permits, a membership roster and all contracts and agreements relative to the association.

(f) The association, when controlled by the owners, shall not take any action that would be detrimental to the sales of units by the developer and shall continue the same level of maintenance, operation and services as immediately prior to their assumption of controls, until the last unit is sold.

(g) From the time of conveyance of 75 per cent of the lots, parcels, units or interest in the development is conveyed in the ordinary course of business the master deed, by-laws or

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declaration of covenants and restrictions shall not require the affirmative vote of more than 75 per cent of the votes to be cast in order to amend the by-laws or rules and regulations.

In the case of partnership Unit Owners, Directors shall be members, agents, or employees or such partnership or of the partners thereof; or in the case of corporate Unit Owners (including the Sponsor, during such time as Sponsor shall be an Owner of any Units), Directors shall be officer, shareholders, employees or agents of such corporation; or in the case of fiduciary Unit Owners, Directors shall be fiduciaries or officers or employees of such fiduciaries; provided, however, that at least one (1) of the Directors of the Board shall be a resident of the State of New Jersey.

SECTION 3. Election and Term of Office. At the first annual meeting of the membership two (2) Directors shall be elected by the Unit Owners from among the Unit Owners or other persons qualified pursuant to Section 2 of this Article IV. All other Directors shall be appointed by Sponsor unless it chooses to permit additional Directors to be elected by the other Unit Owners. The two (2) Directors initially elected by Unit Owners other than the Sponsor shall serve for two year terms, provided that if there shall be more than two (2) Directors to be elected by Unit Owners other than the Sponsor, such additional Directors shall serve three (3) year terms. The Directors shall hold office until their respective successors have been duly elected and qualified, or until removed in the manner elsewhere provided. If at any meeting for election of Directors to the Board more than twice the number of candidates to be elected at such meeting are nominated, then and in such event there shall be two ballots for membership on the Board. At the end of the first ballot, the

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field of nominees shall be reduced so that there are twice as many candidates as there are positions to be filled, with the persons receiving the fewest votes being eliminated from the ensuing ballot. A second ballot shall be held, and on the second ballot, the persons receiving the most votes will be deemed to be elected in order to the vacant positions. If there are not more than twice the number of nominees for the number of positions to be filled, then there shall be one ballot, with the persons receiving the most votes being elected in order to fill the vacancies on the Board. Candidates polling the highest votes will be considered elected for the longest period of years. After the first annual meeting of the Unit Owners, succeeding annual meetings shall be held during the same month of each succeeding year. Election of Directors at successive annual meetings shall be in accordance with this Section 3.

SECTION 4. Sponsor's Protective Provisions. After control of the Board of Directors has been vested in Directors elected by Unit Owners other than the Sponsor, and so long as the Sponsor owns at least one (1) Unit and holds same for sale in the ordinary course of business, the following shall apply:

- (a) Neither the Association nor its Board of Directors shall take any action that will impair or adversely affect the rights of the Sponsor or cause the Sponsor 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.
- (b) The Association and its Board of Directors shall continue the same level of maintenance, operation

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and services as provided immediately prior to the assumption of control of the Association and the Board of Directors by Unit Owners other than the Sponsor.

- (c) In furtherance of the foregoing provisions, the Sponsor shall have the right to veto any and all actions of the Association or its Board of Directors which may have any direct or indirect detrimental impact upon the Sponsor as may be determined by the sole discretion of the Sponsor.
- (d) The Sponsor shall exercise its veto right, in its sole and absolute discretion, within ten (10) days after its receipt of notice that a resolution or other action is proposed or has been taken by the Association or its Board of Directors. In such event, the Sponsor shall notify the Secretary of the Association of its exercise of its veto right and any such proposal or action shall be null and void ab initio and of no further force or effect.

The aforementioned protective provisions shall be construed in accordance with and not in derogation of N.J.S.A. 46:8B-12.1, of the New Jersey Condominium Act and N.J.A.C. 5:26-8.4 of the regulations promulgated pursuant to the New Jersey Planned Real Estate Development Full Disclosure Act, N.J.S.A. 45:22A-21 et seq.

SECTION 5. Removal of Members of the Board. At any duly held regular or special meeting of the Unit Owners, any one or more Directors may be removed with or without cause by a majority of the Unit Owner votes present, and a successor may then and there be appointed by a majority of the remaining

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Directors to fill the vacancy thus created. In the event that the Directors are removed, successors shall be elected by the Unit Owners in the manner set forth in Article IV, Section 3 herein to fill the vacancies thus created. In the event that all of the Directors are removed, successors shall be elected by the Unit Owners in the manner set forth in Article IV, Section 3 herein to fill the vacancies thus created. Each person so elected shall be a Director for the remainder of the term of the Directors whose term he is filling and until his successor is duly elected and qualified. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting. This provision shall not apply to any Director appointed by the Sponsor.

SECTION 6. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Unit Owners of the Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy. Each person so elected shall be a Director for the remainder of the term of the Director whose term he is filling and until his successor shall have been duly elected and qualified.

The control of the association shall be surrendered to the unit owners in the following manner:

1. Sixty days after conveyance of 25% of the lots, parcels, units or interests, not less than 25% of the members of the executive board shall be elected by owners.

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2. Sixty days after conveyance of 50% of the lots, parcels, units or interests, not less than 40% of the members of the executive board shall be elected by the owners.

3. Sixty days after conveyance of 75% of the lots, parcels, units or interests, the developer's control of the executive board shall terminate at which time the owners shall elect the entire executive board.

(b) Notwithstanding paragraphs 1, 2 and 3 above, the developer may retain one member of the executive board so long as there are any units remaining unsold in the regular course of business.

(c) In calculating the above percentages, it is presumed that they are calculated on the basis of the entire number of units entitled to membership in the association.

(d) A developer may surrender control of the executive board of the association prior to the time as specified, provided the owners agree by a majority vote to assume control.

(e) Upon the assumption by the owners of control of the executive board of the association, the developer shall forthwith deliver to the association all items and documents pertinent to the association such as, but not limited to, a copy of the master deed, declaration of covenants and restrictions, documents of creation of the association, by-laws, minute book, including all minutes, any rules and regulations, an accounting of association funds, association funds, all personal property, insurance policies, government permits, a membership roster and all contracts and agreements relative to the association.

(f) The association, when controlled by the owners, shall not take any action that would be detrimental to the

sales of units by the developer and shall continue the same level of maintenance, operation and services as immediately prior to their assumption of controls, until the last unit is sold.

(g) From the time of conveyance of 75 per cent of the lots, parcels, units or interest in the development is conveyed in the ordinary course of business the master deed, by-laws or declaration of covenants and restrictions shall not require the affirmative vote of more than 75 per cent of the votes to be cast in order to amend the by-laws or rules and regulations.

SECTION 7. Meeting of the Board; Notices; Waiver of Notice. The first annual meeting of the Board shall be held within ten (10) days after the first annual meeting of the Unit Owners and at such time and place as shall be fixed by a majority of the Board and no notice shall be necessary. Thereafter, regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Board, but at least two meetings shall be held each year. Notice of regular meetings of the Board shall be given to each Director by telephone, mail, or telegram at least three (3) days prior to the day of the meeting. Special meetings of the Board may be called by the President on three (3) days notice to each Director given by telephone, mail or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or the Secretary in like manner and on like notice on the written request of at least three (3) Directors. Any Director may, at any time, waive notice of any meeting of the Board in writing and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by Directors at any meeting of the Board shall constitute a waiver of notice by him

of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. In the sole discretion of the Board, meetings of the Board or portions thereof, may be open to Members of the Association for observation or participation in such manner and to the extent the Board may deem appropriate.

SECTION 8. Quorum and Adjourned Meetings. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and the votes of a majority of the Directors present and voting at a meeting at which a quorum is present shall constitute a valid decision. If at any meeting of the Board there shall be less than a quorum present, the majority of those present shall adjourns the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be transacted without further notice. The vote of a majority of those present at a Board meeting at which a quorum is present shall be necessary for valid action by the Board on any matter.

SECTION 9. Joinder in Meetings by Approval of Minutes. The transaction of any business at any meeting of the Board however called and noticed or wherever held, shall be valid as though a meeting duly held after regular call and notice, if a quorum is present; and if either before or after the meeting, each Director signs a written waiver of notice, or a consent to the holding of the meeting, or an approval of the minutes thereof or of the resolution or act adopted at such meeting. All such waivers, consents or approval, shall be in writing and filed with the Secretary and made a part of the minutes of the meeting even though filed subsequent thereto.

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SECTION 10. Non-Waiver. All the rights, duties and privileges of the Board shall be deemed to be continuing and shall not be exhausted by any single act or series of acts. To the same extent, the failure to use or employ any remedy or right hereunder or hereafter granted shall not preclude its exercise in the future nor shall any custom bind the Board.

SECTION 11. Consent in Lieu of Meeting and Vote. Anything to the contrary in these By-Laws, the Articles of Incorporation or the Master Deed notwithstanding, the entire Board of Directors shall have the power to take action on any matter on which it is authorized to act, without the necessity of a formal meeting and vote if the entire Board, or all the Directors empowered to act, whichever the case may be, shall consent in writing to such action.

ARTICLE V

POWERS AND DUTIES OF BOARD OF DIRECTORS

SECTION 1. General Powers and Privileges. The Board shall have these powers, which include but which are not necessarily limited to the following, together with such other powers as may be provided herein or in the Master Deed, or By-Laws, or which may be necessarily implied.

- (a) Employ, by contract or otherwise, a manager, managing agent or an independent contractor, to oversee, supervise and follow out the responsibilities of the Board. Said manager or said independent contractor shall be compensated upon such terms as the Board deems necessary and proper; and
- (b) To employ any person, firm or corporation to repair, maintain or renovate the Common Elements of the Condominium; lay pipes or culverts; to bury utilities; to put up lights or poles; to erect signs and traffic and safety controls of various sorts on said Property; and

- (c) Employ professional counsel and to obtain advice from persons, firms or corporations such as, but not limited to, landscape architects, architects, engineers, lawyers and accountants; and
- (d) To employ or contract for water and sewer, electricity and gas or other forms of utilities, cable or master antenna television; and
- (e) To employ all managerial personnel necessary, or enter into a managerial contract for the efficient discharge of the duties of the Board hereunder; and
- (f) To adopt, amend, and publish rules and regulations covering the details of the operation and use of the Common Elements including but not limited to pet controls; and
- (g) Secure full performance by Unit Owners or occupants of all items or maintenance for which they are responsible; and
- (h) Set minimum standards for floor coverings installed by all Unit Owners in Buildings, with the exception of Sponsor; and
- (i) Coordinate the plans of Unit Owners and occupants of Units for moving their personal effects or property into the Unit or out of it, with a view towards scheduling such movements so that there will be a minimum of inconvenience to others; and
- (j) Establish and enforce rules and regulations for parking by, and the assignment of parking spaces to, Unit Owners, subject to the provisions of the Master Deed, Articles of Incorporation and these By-Laws; and

- (k) Arrange for security protection as necessary; and
- (l) Enforce obligations of the Unit Owners and do anything and everything else necessary and proper for the sound management of the Condominium, including the right to bring or defend lawsuits to enforce the terms, conditions or restrictions contained in the Master Deed, these By-Laws, or the Rules and Regulations; and
- (m) Borrow and repay monies giving notes, mortgages or other security upon such term or terms as it deems necessary; and
- (n) Invest and reinvest monies, sue and be sued; collect interest, dividends, and capital gains; exercise rights; pay taxes; make and enter into contracts; enter into leases or concessions; make and execute any and all proper affidavits for various purposes; compromise any action without leave of court; and all other powers contained herein, and those necessary and incidental thereto; and
- (o) Grant and obtain easements, licenses and other property rights with respect to contiguous lands; and
- (p) Purchase or lease or otherwise acquire in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners within the Condominium, Units offered for sale or lease or surrendered by their Owners to the Board; and
- (q) Purchase Units within the Condominium at foreclosure or other judicial sales in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners; and
- (r) Sell, lease, mortgage (but not vote the votes appurtenant thereto) or otherwise deal with Units acquired

- bys the Association, and sublease any such Units leased by the Association or its designees, on behalf of all Unit Owners; and
- (s) Bring and defend actions by or against more than one Unit Owner which are pertinent to the operation of the Condominium to health, safety or general welfare of the Unit Owners, or any other legal action to which the Unit Owners may consent in accordance with these By-Laws; and
- (t) Appoint an Insurance Trustee, who shall not be a Member of the Association, an employee of the Sponsor, or the manager, who shall discharge his duties in accordance with these By-Laws. In the absence of such an appointment, the Board shall be responsible for the disposition of all insurance proceeds; and
- (u) In its sole discretion, designate from time to time certain Common Elements as "Reserved Common Elements" and impose such restriction and conditions on the use thereof as the Board deems appropriate. Notwithstanding the foregoing, no part of the Common Elements shall be designated as Reserved Common Elements for exclusive use by non-Unit Owners or by Sponsor to the exclusion of all other Unit Owners; and
- (v) Create, appoint members to and disband such committees as shall from time to time be deemed appropriate or necessary to aid the Board in the discharge of its duties, functions and powers.

SECTION 2. Duties and Responsibilities. It shall be the affirmative and perpetual obligation and duty of the Board to perform the following:

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- (a) Cause the General and Limited Common Elements to be maintained according to accepted standards and as set forth in the Master Deed, including, but not limited to such maintenance, painting, replacement and repair work as may be necessary, lawn maintenance and clearing of snow from roadways and walkways as the Board may deem appropriate. All repairs and replacements shall be substantially similar to the original application and installation and shall be of first class quality; and
- (b) To investigate, hire, pay, supervise and discharge the personnel necessary to be employed, and provide the equipment and materials necessary, in order to properly maintain and operate the Common Elements. Compensation for the services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Association; and
- (c) Cause to be kept a complete record of all its acts and corporate affairs and to present a summary report thereof to the members at the annual meeting or at any special meeting when requested in writing at least twenty-one (21) days in advance by Members entitled to cast at least twenty-five (25%) percent of the total votes of the Association; and
- (d) Allocate common surplus or make repairs, additions, improvements to, or restoration of the Common Elements in accordance with the provisions of these By-Laws and the Master Deed after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings; and

- (e) Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises maintained by the Association placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, and order of the Board of Fire Underwriters or other similar bodies; and
- (f) Place and keep in force all insurance coverages required to be maintained by the Association, applicable to its property and Members including, but not limited to:
- (1) Physical Damage Insurance. Broad form insurance against loss by fire and against loss by lightning, windstorm and other risks normally included within all risk extended coverage, including vandalism and malicious mischief, insuring all improvements existing on the Property, together with all service machinery appurtenant thereto, and covering the interest of the Association, the Board, the Sponsor, and all Unit Owners and Institutional Lenders as their respective interests may appear, in an amount equal to the full replacement value of such improvements (exclusive of foundations and footings), without deduction for depreciation. Each policy shall contain a standard mortgagee clause in favor of each Institutional Lender, which shall provide that the loss, if any, thereunder, shall be payable to each Institutional Lender as its interest may appear, subject to the loss payment provisions set forth in paragraph 16 of the Master Deed.

Prior to obtaining any policy of fire insurance or any renewal thereof, the Board shall obtain a qualified appraisal of the full replacement value of the Units and Common Elements and the improvements located thereon, without deduction for depreciation, for the purposes of determining the amount of fire insurance to be effected pursuant to this subparagraph. The amount of any deductible shall be determined by the Board, in its sole discretion.

- (ii) Public Liability Insurance. To the extent obtainable, public liability insurance for personal injury and death from accidents occurring within the Common Elements, (and any other areas which the Board may deem advisable) and the defense of any actions brought by injury or death of a person or damage to property, occurring within such Common Elements, and not arising by reason of any act or negligence of any individual Unit Owner. Said insurance shall be in such limits as the Board may, from time to time, determine, covering each Member of the Board, the managing agent, the manager, and each Member, and shall also cover cross liability claims of one insured against another. Until the first meeting of the Board following the first annual meeting, such public liability insurance shall be in a single limit of \$1,000,000.00 covering all claims for personal injury or property damage arising out of any one occurrence. The Board shall review such limits once a year.

(iii) Directors and Officers Liability Insurance.

Liability insurance indemnifying the Directors and officers of the Association against the liability for errors and omissions occurring in connection with the performance of their duties, in an amount of at least \$1,000,000.00, with any deductible amount to be in the sole discretion of the Board.

(iv) Workers Compensation Insurance. Workers compensation and New Jersey disability benefits insurance as required by law.

(v) Water Damage. Water damage legal liability insurance.

(vi) Other Insurance. Such other insurance as the Board may determine, and Flood Insurance if required for common element.

All policies shall: (i) provide that adjustment of loss shall be made by the Board of Directors with the approval of the Insurance Trustee, if any, and that the net proceeds thereof, if \$5,000.00 or less shall be payable to the Board, and if more than \$5,000.00 shall be payable to the Insurance Trustee, if any; (ii) require that the proceeds of physical damage insurance be applied to the restoration of such Common Elements and structural portions and service machinery as is required by the Master Deed and these By-Laws; (iii) to the extent obtainable contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured; and (iv) provide that such policies may not be cancelled at least thirty (30)

days prior written notice to all of the named insured, including all Unit Owners and Institutional Lenders.

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

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

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

(g) To manage the fiscal affairs of the Association as hereinafter provided in Article VI.

(h) To establish a Covenants Committee as hereinafter provided in Article IX.

ARTICLE VI

FISCAL MANAGEMENT

SECTION 1. Common Receipts. The Board shall have the duty to collect from each Unit Owner, his, her, or their heirs, administrators, successors and assigns, as "Common Receipts", the proportionate part of the Common Expenses assessed against such Unit Owner as provided in the Master Deed, the Articles of Incorporation, these By-Laws, and in accordance with applicable law.

SECTION 2. Determination of Common Expenses. The amount of monies for Common Expenses deemed necessary by the Board and the manner of expenditure thereof, including but not

limited to, the allocation thereof, shall be a matter for the sole discretion of the Board.

SECTION 3. Disbursements. The Board shall take and hold the funds as collected and shall disburse the same for the purposes and in the manner set forth herein and as required by the Master Deed, the Articles of Incorporation, and applicable law.

SECTION 4. Depositories. The depository of the Association shall be such a bank or banks as shall be designated from time to time by the Board and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such parties as are authorized by the Board, provided that a management agreement may include among its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association, if the proper fidelity bond is furnished to the Association.

SECTION 5. Accounts. The receipts and expenditures of the Association shall be common charges and Common Expenses respectively, and shall be credited and charged to accounts under the following classifications as the Board shall deem appropriate, all of which expenditures shall be Common Expenses:

- (a) Current expenses, which shall include expenditures within the year for which the budget is made, including reasonable allowances for contingencies and working funds. Current expenses shall not include expenditures chargeable to reserves. At the end of each year, the unexpended amount remaining in this account shall be applied to reduce the assessments for current expenses for the succeeding year, or may be distributed to the membership as the Board shall determine.

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- (b) Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.
- (c) Reserve for replacement, which shall include funds for repair or replacement of the Common Property and those portions of the improvements located on the Property which the Association is obligated to maintain or repair which is required because of damage, depreciation or obsolescence. The amounts of this account shall be allocated among each of the separate categories of replacement items.
- (d) Reserves for capital improvements, which shall include the funds to be used for capital expenditures or for acquisition of additional personal property that will be part of the Common Property.
- (e) Operations, which shall include all funds from the use of the Common Elements or from any other sources. Only the additional direct expense required by any revenue producing operation will be charged to this account, and any surplus from any operation or otherwise shall be used to reduce the assessments for current expenses for the year during the one in which the surplus is realized, or at the discretion of the Board, in the year following the one in which the surplus is realized. Losses from operations or otherwise shall be met by special assessments against Unit Owners, which assessments may be made in advance in order to provide a working fund.

The Board shall not be required to physically segregate the funds held in the above accounts, but may, in its sole discretion, maintain the funds in one or more consolidated accounts. As to each consolidated account, the division into the various accounts set forth above need be made only on the Association's records.

SECTION 6. Reserves. The Board shall not be obligated to expend all of the revenues collected in any accounting period, and must maintain reasonable reserves for, among other things, repairs, replacements, emergencies, contingencies of bad weather or uncollected accounts. Notwithstanding anything herein to the contrary, the Board in its determination of the Common Expenses and the preparation of a budget shall specifically designate and identify that portion of the Common Expenses which is to be assessed against the Unit Owners as a capital contribution and is allocable to reserves for each separate item of capital improvement of and to said Property. The amounts assessed and collected for the reserves shall be kept in one or more interest-bearing savings accounts, or certificates of deposit and shall not be utilized for any purpose other than that which was contemplated at the time of the assessment. The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand, in a checking or petty cash account, for the necessary discharge of its functions.

SECTION 7. Exemption from Assessments for Capital Improvements. Anything to the contrary herein notwithstanding, neither Sponsor nor any Institutional Lender for any Unit shall be required to pay any assessment for capital improve-

ments, whether by way of regular or special assessments or otherwise. Further, this provision may not be amended without the written consent of the Sponsor and that of every Institutional Lender.

SECTION 8. Notice. The Board shall give notice to each Unit Owner, in writing, and to any Institutional Lender who requests same, of the amount estimated by the Board for Common Expenses for the management and operation of the Association for the next ensuing budget period, directed to the Unit Owner at his last known address by ordinary mail, or by hand delivery. Said notice shall be conclusively presumed to have been delivered five (5) days after deposit in the United States mails. 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, increased by ten (10%) percent; and monthly installments on such assessments shall be due upon each installment payment date until changed by an amended assessment. In the event the annual Common Expense assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board, provided that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency which cannot be met by reserve funds earmarked for such contingency.

SECTION 9. Acceleration of Assessment Installment Upon Default. If a Unit Owner shall be in default in the payment of an installment upon a Common Expense assessment, the Board may accelerate the remaining installments of the assessment and file a lien for such accelerated amount upon

notice to the Unit Owner, and if the delinquent installment has not been theretofore paid, the then unpaid balance of the Common Expense assessment shall become due upon the date stated in the notice, which date shall not be less than five (5) days after delivery of the notice to the Unit Owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur. If no such notice is given and default shall continue for a period of thirty (30) days then the Board shall be required to accelerate the remaining installments of the assessment upon similar notice to the Unit Owner, and to file a lien for such accelerated assessment as permitted by law if the delinquent assessment has not been heretofore paid. In such latter event, the Board may also notify any Institutional Lender holding a mortgage which encumbers the Unit affected by such default or publish appropriate notice of such delinquency to the membership of the Association. If said default continues for a period of 90 days then the Board shall foreclose the foregoing lien pursuant to law and/or commence a suit against the appropriate parties to collect said assessment.

SECTION 10. Interest and Counsel Fees. The Board at its option shall have the right in connection with the collection of any Common Expense assessment, or other charge, to impose a late charge of any reasonable amount and/or interest at the legal maximum rate permitted by law for the payment of delinquent real estate taxes, if such payment is made after a date certain stated in such notice. In the event that the Board shall effectuate collection of said assessments or charges by resort to counsel, and/or the filing of a lien,

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the Board may add to the aforesaid assessments or charges a sum or sums of twenty (20%) percent of the gross amount due as counsel fees, plus the reasonable costs for preparation, filing and discharge of the lien in addition to such other costs as may be allowable by law.

(a) In the case of any action or proceeding brought or defended by the Association or the Board pursuant to the provisions of these By-Laws, the reasonable costs and expenses of preparation and litigation, including attorneys fees, shall be a Common Expense allocated to all Unit Owners.

(b) Money judgments recovered by the Association in any action or proceeding brought hereunder, including costs, penalties or damages shall be deemed a special fund to be applied to (1) the payment of unpaid litigation expenses; (2) refunding to the Unit Owners the cost and expenses of litigation advanced by them; (3) common charges, if the recovery thereof was the purpose of the litigation; (4) repair or reconstruction of the Common Elements if recovery of damages to same was the motivation for the litigation; and (5) any amount not applied to (1), (2), (3) and (4) above shall be at the discretion of the Board be treated either as (i) a common surplus which shall be allocated and distributed pursuant to the provisions of paragraph 6 of the Master Deed or (ii) a set off against the common charges generally. Notwithstanding the foregoing, if a Unit Owner(s), the Board or any other person or

legal entity affected by any such distribution, shall assert that the damages sustained or the diminution in value suffered by a Unit Owner(s) was disproportionate to his or their percentage of common interest, in that event the matter shall be submitted to binding arbitration to be decided in accordance with the procedures set forth in Article XV hereof.

(c) All common charges received and to be received by the Board, for the purpose of paying any judgment obtained against the Association or the Board and the right to receive such funds, shall constitute trust funds and the same shall be expended first for such purpose before expending any part of the same for any other purpose.

(d) In the event that a Unit Owner(s) succeeds in obtaining a judgment or order against the Association or the Board, then in addition to any other sums to which said Owner(s) would otherwise be entitled by such judgment or order, he or they shall also be entitled to the restitution or recovery of any sums paid to the Board as common charges for litigation expenses in relation to said action or proceeding.

SECTION 12. Power of Attorney to Institutional Lender. In the event the Board shall not cause the enforcement procedures provided in Section 9 above to be implemented within the time provided, any Institutional Lender for any Unit as to which there shall be such unpaid Common Expense assessments is hereby irrevocably granted a power of attorney to commence such actions and to invoke such other remedies, all in the name

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of the Association. This power of attorney is expressly stipulated to be coupled with an interest in the subject matter.

SECTION 13. Annual Audit. The Board shall submit the books, records, and memoranda of the Association to an annual audit by public accountant who shall audit the same and render a report thereon in writing to the Board and in summary form to the Unit Owners and such Institutional Lenders or other persons, firms or corporations as may be entitled to same.

SECTION 14. Examination of Books. Each Unit Owner shall be permitted to examine the books of account of the Board by appointment at a reasonable time on business days; provided, however, that the Treasurer has been given at least 10 days prior written notice of the Unit Owner's desire to make such an examination.

SECTION 15. Fidelity Bonds. Fidelity bonds shall be required by the Board from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board. The premiums on such bonds shall be paid by the Association.

ARTICLE VII

OFFICERS

SECTION 1. Designation. The principal officers of the Association shall be a President, a Vice-President, both of whom shall be Members of the Board, a Secretary and a Treasurer. The Board may also appoint such other Assistant Treasurers and Assistant Secretaries as in its judgment may be necessary. Any two (2) offices, except that of President and Vice-President, may be held by one person.

SECTION 2. Election of Officers. The officers of the Association shall be elected annually by the Board at the

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first Board of Directors meeting following each annual meeting and such officers shall hold office at the pleasure of the Board.

SECTION 3. Removal of Officers. Upon an affirmative vote of a majority of the full number of Directors, any officer may be removed, either with or without cause, after opportunity for a hearing, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

SECTION 4. Duties and Responsibilities of Officers.

- (a) The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an association.
- (b) The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board shall appoint some other Director to so do on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board.
- (c) The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Members of the Association; he shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of the Secretary.

(d) The Treasurer shall have the responsibility for the custody of Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be authorized by the Board.

SECTION 5. Other Duties and Powers. The officer shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board.

SECTION 6. Eligibility of Directors. Nothing herein contained shall prohibit a Director from being an officer.

ARTICLE VIII

COMPENSATION, INDEMNIFICATION AND EXCULPABILITY OF OFFICERS, DIRECTORS AND COMMITTEE MEMBERS

SECTION 1. Compensation. No compensation shall be paid to the President or the Vice-President or any Director, or committee member for acting as such officer or Director. The Secretary and/or Treasurer may be compensated for their services if the Board determines that such compensation is appropriate. Nothing herein stated shall prevent any officer or Director, or committee member from being reimbursed for out-of-pocket expenses or compensated for services rendered in any other capacity to or for the Association, provided however that any such expenses incurred or services rendered shall have been authorized in advance by the Board.

SECTION 2. Indemnification. Each Director, officer or committee member of the Association, shall be indemnified by

the Association against the actual amount of net loss including counsel fees, reasonably incurred by or imposed upon him in connection with any action, suit or proceeding to which he may be a party by reason of his being or having been a Director, officer, or committee member of the Association, or delegate, except as to matters as to which he shall be ultimately bound in such action to be liable for gross negligence or willful misconduct. In the event of a settlement of any such case, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct.

SECTION 3. Exculpability. Unless acting in bad faith, neither the Board as a body nor any Director, officer, or any committee member of the Association, shall be personally liable to any Unit Owner in any respect for any action or lack of action arising out of the execution of his office. Each Unit Owner shall be bound by the good faith actions of the Board, officers and committee members of the Association, in the execution of the duties of said Directors, officer and committee members. Nothing contained herein to the contrary shall serve to exculpate members of the Board of Directors appointed by the Sponsor from their fiduciary responsibilities.

ARTICLE IX

COVENANTS COMMITTEE

- (a) **Purpose.** The Board shall establish a Covenants Committee, consisting of three members appointed by the Board, each to serve for a term of one year, in order to assure that the Condominium shall always be maintained in a manner:
- (1) providing for visual harmony and soundness of repair;

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(2) avoiding activities deleterious to the esthetic or property value of the Condominium;
(3) furthering the comfort of the Unit Owners, their guests, invitees and lessees and
(4) promoting the general welfare and safety of the Condominium community.

(b) Powers. The Covenants Committee shall regulate the external design, appearance, use and maintenance of the Common Elements in accordance with standards and guidelines contained in the Master Deed or By-Laws or otherwise adopted by the Board. The Covenants Committee shall have the power to issue a cease and desist request to a Unit Owner, his guests, invitees or lessees whose actions are inconsistent with the provisions of the Condominium Act, the Master Deed, the By-Laws, the Rules and Regulations or resolutions of the Board (upon petition of any Unit Owner or upon its own motion). The Covenants Committee shall from time to time, as required, provide interpretations of the Master Deed, Articles of Incorporation and By-Laws, Rules and Regulations and resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a Unit Owner or the Board. Any action, ruling or decision of the Covenants Committee may be appealed to the Board by any party deemed by the Board to have standing as an aggrieved party and a vote of a majority of the full authorized membership of the Board may modify or reverse any such action, ruling or decision.

(c) Authority. The Covenants Committee shall have such additional duties, power and authority as the Board may from time to time provide by resolution including the right to impose fines pursuant to Section 2 of Article XI hereof. The Board may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case by case basis by vote of a majority of its full authorized membership thereof. The Covenants Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Rules and Regulations or by resolution of the Board. Notwithstanding the foregoing, no action may be taken by the Covenants Committee without giving the Unit Owner(s) involved at least ten (10) days prior written notice and affording him the opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

ARTICLE X

ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE ASSOCIATION

Whenever, in the judgment of the Board, the Common Elements require improvements costing in excess of \$10,000.00, said improvements shall not be made unless they have been approved by a majority of votes present in person or by proxy at a meeting of the Unit Owners at which a quorum is present. When said approval has been obtained, all Unit Owners benefiting from same shall be assessed for the cost thereof as a Common Expense. In the event of any emergency which could cause damage to any Building or part(s) thereof, the Board may

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expend sums in excess of \$10,000.00 to protect the said Building or part(s) and the judgment of the Board shall be final.

ARTICLE XI
ENFORCEMENT

SECTION 1. Enforcement. The Board shall have the power, at its sole option, to enforce the terms of this instrument or any rule or regulation promulgated pursuant thereto, to any or all of the following: self-help; sending notice to the offending party to cause certain things to be done or undone; restoring the Association to its original position and charging the breaching party with the entire cost or any part thereof; complaint to the duly constituted authorities; or by taking any other action before any court, summary or otherwise, as may be provided by law.

SECTION 2. Fines. The Board shall also have the power to levy fines against any Unit Owner(s) for violation(s) of any rule or regulation of the Association or for any covenants or restrictions contained in the Master Deed or By-Laws, except that no fine may be levied for more than \$10.00 for any one violation; provided, however, that for each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against any Unit Owner(s) involved as if the fine were a Common Expense owned by the particular Unit Owner(s). Notwithstanding the foregoing, before any fine is imposed by the Board, the Unit Owner involved shall be given at least ten (10) days prior written notice and afforded an opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

SECTION 3. Waiver. No restriction, condition, obligation or covenant contained in these By-Laws shall be

deemed to have been abrogated or waived by reason of the failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XII

AMENDMENTS

Subject to the restrictions in Section 7 of Article VI hereof, these By-Laws, or any of them, may be altered or repealed, or new By-Laws may be made, at any meeting of the Association duly held for such purpose, and previous to which written notice to Unit Owners of the exact language of the amendment or of the repeal shall have been sent, a quorum being present, by an affirmative vote of 51% in number and in interest of the votes entitled to be cast in person or by proxy, except that (i) the first annual meeting may not be advanced, (ii) the first Board (including replacements in case of vacancies) may not be enlarged or removed, (iii) the obligation or the proportionate responsibility for the payment of Common Expenses with respect to Units or the Common Elements may not be changed by reason of any such new By-Law, amendment or repeal, or (iv) no such new By-Law, amendment or repeal shall in any way affect the Sponsor, including any successor of the Sponsor, unless the Sponsor, or its successor, has given its prior written consent thereto. The Sponsor shall not be permitted to cast any votes held by him for unsold Units for the purpose of amending the Master Deed, By-Laws or any other document for the purpose of changing the permitted use of a Unit or for the purpose of reducing the Common Elements or facilities.

ARTICLE XIII

CONFLICT; INVALIDITY

SECTION 1. Conflict. Anything to the contrary herein notwithstanding, if any provision of these By-Laws is in

conflict with or contradiction of the Master Deed, the Articles of Incorporation or with the requirements of any law, then the requirements of said Master Deed, the Articles of Incorporation or law shall be deemed controlling.

SECTION 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the enforceability or affect the remaining provisions of the By-Laws.

ARTICLE XIV

NOTICE

Any notice required to be sent to any Unit Owner under the provisions of the Master Deed or Articles of Incorporation or these By-Laws shall be deemed to have been properly sent and notice thereby given, when mailed, by regular post with postage prepaid, addressed to the Unit Owner at the last known post office address of the person who appears as a Member on the records of the Association at the time of such mailing. Notice to one or two or more Co-Owners of a Unit shall constitute notice to all Co-Owners. It shall be the obligation of every Unit Owner to immediately notify the Secretary of the Association in writing of any change of address. Valid notice may also be given to Unit owners by (i) personal delivery to any occupant of said Unit over 14 years of age or (ii) by affixing said notice to or sliding same under the front door of any Unit.

ARTICLE XV

ARBITRATION

Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in Monmouth County, New Jersey by the American Arbitration Association, in accordance with its rules then obtaining and the decision rendered in such arbitration shall be binding upon the parties and may be entered in

any court having jurisdiction. All expenses of arbitration hereunder including the fees and expenses of counsel and experts shall be Common Expenses.

ARTICLE XVI

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words "Oceans 100 Condominium Association".

EXHIBIT "F"

OCEANS 100 CONDOMINIUM

IDENTIFICATION OF UNIT	SQUARE FOOTAGE	PROPOSED PERCENTAGE OF UNDIVIDED INTER IN COMMON ELEMENTS AND LIMITED COMMON ELEMENTS
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A-01	489.33	3.047
A-02	473.28	2.947
B-03	673.36	4.193
C-04	616.40	3.838
D-05	604.44	3.764
D-06	604.44	3.764
D-07	599.76	3.734
D-08	609.12	3.793
D-09	604.44	3.764
D-10	604.44	3.764
D-11	601.56	3.746
D-14	592.56	3.689
D-15	614.88	3.828
D-16	592.56	3.689
D-17	568.44	3.539
E-11	604.86	3.766
F-12	1019.41	6.347
G-18	634.63	3.951
H-19	666.34	4.149
A-20	496.00	3.088
A-21	490.40	3.053
B-22	683.02	4.253
C-23	629.86	3.922
I-24	686.10	4.272
G-25	634.63	3.951
H-26	666.34	4.149

REVISED MASTER DEED
FOR

OCEANS 100, A CONDOMINIUM

DATED: June 7, 1983

R & R:

COURTER, ROBERT, LAUFER & PEASE, P.A.
256 Main Street, P.O. Box 470
Hackettstown, New Jersey 07840