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MASTER DEED

“GRAND COVE I CONDOMINIUM ASSOCIATION”

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FOR
GRAND COVE I CONDOMINIUM**

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LIST OF EXHIBITS

- A. Legal Description of the Entire Property
- B. Survey for the Entire Property
- C. Certificate of Incorporation of the Grand Cove I Condominium Association, Inc.
- D. By Laws of the Grand Cove I Condominium Association, Inc.
- E. Schedule of Percentage of Interest in the Common Elements
- F. Chart of Maintenance Responsibilities
- G. Rules and Regulations
- H. First Year Operating Budget
- I. Current Storage Unit Assignments
- J. Current Parking Space Assignments

MASTER DEED
FOR
GRAND COVE I CONDOMINIUM ASSOCIATION, INC.

THIS MASTER DEED, made this 25th day of March, 2008, by GRAND COVE I APARTMENT CORPORATION, a New Jersey corporation, having an address of 825 River Road, Edgewater, NJ 07020 (hereinafter referred to as "Sponsor").

WHEREAS, Sponsor is the owner of the fee simple title to those lands designated as Block 59, Lot 1 and Block 66, Lot 1 on the Tax Map of the Township of Edgewater, County of Bergen, State of New Jersey, more particularly described in **Exhibit "A"** attached hereto and made a part hereof (the "Property");

WHEREAS the Property is owned by the Sponsor pursuant to a contract of sale from the original Sponsor-Seller, Windsor Cove Associates, LP by Deed dated April 11, 1988 and recorded on April 18, 1988 in Deed Book 7196, page 42, in the Office of the Register of the Bergen County:

WHEREAS, the Property includes two (2) residential Buildings ("Buildings") which consist of one hundred six (106) dwelling Units together with certain improvements, as more particularly shown on a survey prepared by Pinpoint Surveying, LLC attached hereto and made a part hereof as **Exhibit "B"**; and

WHEREAS, the Property is part of and subject to the Grand Cove Master Declaration of Covenants, Conditions and Restrictions of the Grand Cove Master Association. ("GMCA").

The GMCA consists of the Property, and 51 townhomes under condominium form of ownership known as the Grand Cove II Condominium Association. The Grand Cove Master Declaration of Covenants, Conditions and Restrictions of the Grand Cove Master Association was recorded on April 18, 1988 in Deed Book 7196, page 1, in the Office of the Register of the Bergen County. A “Grand Cove First Supplemental Declaration of Covenants, Conditions and Restrictions” was recorded on August 8, 1989 in Deed Book 7309, page 526. A ‘Common Element Improvement Agreement’ was recorded on August 1, 1995 in Deed Book 7807, page 829.

The Grand Cove II Condominium Association Master Deed and By-laws were recorded on October 20, 1988 in Deed Book 7241, page 653, in the Office of the Register of the Bergen County. A “First Amendment to the Master Deed” was recorded on August 13, 1993 in Deed Book 7627, page 704.

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 GRAND COVE I CONDOMINIUM ASSOCIATION, INC. (hereinafter referred to as the "Condominium"); and

WHEREAS, this Master Deed is intended to establish the condominium form of ownership for the lands described in **Exhibit "A"** and shown on **Exhibit "B"** aforesaid.

WHEREAS, the GRAND COVE I CONDOMINIUM ASSOCIATION, INC., a New Jersey not-for-profit corporation (hereinafter referred to as the "Association"), has been or is about to be established as the condominium association to have the responsibility for the administration, operation and management of the Condominium, recreation facilities, and other improvements intended for the common use and enjoyment of the residents of the

Condominium; and

WHEREAS, all owners of the Units in the Condominium will automatically be members of the Association and subject to the Master Deed, the Certificate of Incorporation and By-Laws of the Association.

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 described in **Exhibit "A"** aforesaid, together with all improvements thereon, and as more particularly shown on **Exhibit "B"**.

ARTICLE I

DEFINITIONS

1.00. General. The following words and terms, when used in this Master Deed, the Certificate of Incorporation, or the By-Laws, shall have the following meanings unless the context in which same is utilized clearly indicates otherwise. 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 herein shall be used in conjunction therewith.

1.01. "Association" shall mean GRAND COVE I CONDOMINIUM ASSOCIATION, INC., a New Jersey not-for-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.

1.02. "Board" shall mean the Board of Directors of the Association and any reference herein or in the Certificate 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 of Directors of the Association and not the Membership of the Association, unless the context expressly indicates to the contrary. Any reference herein to any power or duty, right of approval or any other right which may be delegated, "Association" shall mean the entity to which such power or duty, right of approval or any other right has been delegated.

1.03. "Buildings" shall mean the enclosed structures containing Units and structural improvements appurtenant thereto which are located on the lands described in **Exhibit "A"** and shown on **Exhibit "B"**.

1.04. "By-Laws" shall mean the By-Laws of the Association, a copy of which is attached hereto and made a part hereof as **Exhibit "D"**, together with all future amendments or supplements thereto.

1.05. "Certificate of Incorporation" shall mean the Certificate of Incorporation of the Association, a copy of which is attached hereto and made a part hereof as **Exhibit "C"**, together with all future amendments or supplements thereto.

1.06. "Common Elements" shall mean "General Common Elements" or "Limited Common Elements."

1.07. "Common Expenses" shall, subject to the provisions of Article VI 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.

1.08. "Condominium" shall mean (i) all the lands and premises described in **Exhibit "A"** and any additional lands and premises within the Property which are later submitted to the condominium form of ownership; (ii) all improvements now or hereinafter constructed in, upon, over or through such lands and premises; (iii) all privileges or appurtenances pertaining or belonging to the Land described in **Exhibit "A"**; and (iv) the entire entity created by the execution and recording of this Master Deed.

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

1.10. "Eligible Mortgage Holder" shall mean and refer to the holder, insurer or guarantor of a First Mortgage encumbering any Unit who has given written notice to the Association in the manner provided in Section 15.10 herein of its desire to have notice of those matters, which are the subject of Sections 13.02 through 13.06 and 13.09 herein. The notice to the Association must state the name of the Mortgage Holder and the address to which notices to be sent should be directed and must sufficiently identify the Unit for which the Mortgage Holder holds a First Mortgage. It shall be the obligation of the Eligible Mortgage Holder to keep the Association informed of any change of address to which required notices should be sent.

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

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

1.13 "GRAND COVE II CONDOMINIUM ASSOCIATION" shall mean the 51 townhome community located to the east of the Grand Cove I Condominium Association.

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

1.15. "Lease" shall mean any agreement for the leasing or rental of any Unit of the Condominium.

1.16. "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 Article IV of this Master Deed.

1.17 "Master Association" shall mean the GRAND COVE MASTER ASSOCIATION of which Grand Cove I Condominium Association and Grand Cove II Condominium Association, and all owners within these Associations, are members.

1.18. "Master Deed" shall mean the Master Deed for GRAND COVE I CONDOMINIUM together with all future amendments and supplements thereto which are recorded in the Office of the Clerk of Bergen County.

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

1.20. "Member in Good Standing" shall mean a Member shall be deemed to be in good standing and entitled to vote in person or by proxy at any meeting of the Association or in any ballot by mail, if at least five (5) business days prior to the date fixed for such event, he has fully paid all installments due for assessments made or levied against him and his Unit by the Association as hereinafter provided, together with all interest, costs, attorneys' fees, penalties and other expenses, if any, properly chargeable to him and to his Unit.

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

1.22. "Mortgage Holder" shall mean and refer to the holder of record of a Mortgage or one who insures or guarantees any Mortgage.

1.23. "Owner" or "Unit Owner" shall mean and refer to those persons or entities, including the Sponsor, in whom record fee simple title to any Unit is vested as shown in the records of the Bergen County Clerk, unless the context expressly indicates otherwise, but despite any applicable theory of mortgage, shall not mean or refer to any mortgagee or trustee under a deed of trust unless and until such mortgagee or trustee has acquired title to any such Unit pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure, nor shall the term "Unit Owner" refer to any lessee or tenant of a "Unit Owner".

1.24. "Permitted Mortgage" shall mean and refer to any Mortgage that is held by an Institutional Lender or which is a purchase money First Mortgage held by the Sponsor or any

other Seller of a Unit. It shall also mean and include any other Mortgage, the lien of which by the express terms of the Mortgage is subordinate to any and all existing or future common expense liens imposed by the Association. Any acquisition, construction, permanent or other Mortgage placed by the Sponsor upon all or a portion of the Property including any Unit, shall also be a Permitted Mortgage so long as same is expressly made subordinate to the Master Deed and provides a mechanism for securing partial releases for Units in their respective percentage interest in the Common Elements encumbered by same.

1.25. "Property" shall mean the Buildings, the land and premises described in **Exhibit "A"**, consisting of approximately 8.1 acres, of which Grand Cove I Condominium Association is located on 3.26 acres) and shown on **Exhibit "B"** and all improvements now or hereafter constructed in, upon, over or through such land and premises.

1.26. "Rules and Regulations" shall mean those rules and regulations of the Association that may be promulgated by same, together with all future amendments or supplements thereto.

1.27. "Sponsor" shall mean and refer to GRAND COVE I CONDOMINIUM ASSOCIATION, INC., a New Jersey corporation, its successors and assigns, and includes any successor to the Sponsor contemplated by Article XIV of this Master Deed.

1.28. "Unit" shall mean a part of the Condominium designated and intended for independent ownership and use as a residential dwelling regardless of type as more specifically described in Article III 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.

ARTICLE II

GENERAL DESCRIPTION OF CONDOMINIUM

2.01. The Condominium. The Condominium will include the lands described in **Exhibit "A"** aforesaid and is constructed on approximately 3.26 acres of the 8.1 acre tract and consists of one hundred six (106) residential Units of varying types located in two (2) buildings, together with all other site improvements as shown on **Exhibit "B"** aforesaid, and all rights, privileges and appurtenances thereto belonging or appertaining. Each Unit is designated by number and unit type as shown on **Exhibit "E"**.

2.02. Recordation of the Master Deed. Sponsor shall, upon the recording of this Master Deed and any Amendment hereto, be the owner of every Unit within the Condominium, including its appurtenant percentage interest in the Common Elements, regardless of type, 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 and in accordance with the plan of conversion which has been approved by a requisite number of shareholders of the Sponsor.

ARTICLE III

DESCRIPTION OF UNITS

3.01. Boundary. The dimensions, area and location of the Buildings and all of the aforesaid Units within the Condominium are as shown graphically on **Exhibit "B"**. Units are intended to contain all space within the area bounded by the unexposed surfaces of the perimeter walls and the lower most subfloor(s) and the underside of the ceiling joists, as follows:

BOTTOM: The bottom is an imaginary horizontal plane along and coincident with the unexposed (or lower) surface of the ground floor or floor joists of 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 horizontal plane along and coincident with the underside of the ceiling joist 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 side of the studs or masonry facing the respective unit, and extending in every direction to the point where it crosses walls. Where no wall exists, the side is an imaginary vertical plane along and coincident with the exterior surface of the windows and doors located on the perimeter of such Unit.

The sides of each such Unit are bounded by the bottom and top of the Unit.

3.02. Items Included in Unit. Each Unit, regardless of type, also includes all appliances; fixtures; doors, door frames and hardware; windows, window frames, panes, hardware and systems; interior walls and partitions, interior stairways, gypsum Association 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:

- (a) So much of the common plumbing system as extends from the interior surface of the walls, floors or ceilings into the Unit and any special pipes or equipment which a Unit Owner may install within the wall or ceiling, or under the

floor ; and

(b) All electrical wires which extend from the interior surface of walls, floors or ceilings into the Units and fixtures, switches, outlets, circuit breakers, meters, fuse boxes, electrical wiring and conduits from the junction box at the riser into and through the individual Units; and

(c) All cable television wiring which extends from the interior surface of the walls, floors, or ceilings into the Unit; and Any fireplace, chimney or flue; and

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

(e) All equipment, appliances, machinery, mechanical or other systems, including HVAC systems and air conditioning units, which serve the Unit exclusively whether or not same are located within or without the Unit; and

(f) Any utility closet or room located within a Unit.

3.03. Interior Partitions. Interior non-structure partitions within the confines of each Unit may, from time to time, be removed or replaced subject to the prior written approval of the Association. 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 Eligible Mortgage Holder for such Unit and the Association. None of the foregoing approvals shall apply to Sponsor prior to the initial conveyance of any Unit(s) from Sponsor to another Unit Owner. All work described above must be completed consistent with N.J.A.C. 5:23 et. seq. (New Jersey Uniform Construction Code). It is the responsibility of the Unit Owner to obtain all necessary

construction permits and approvals.

ARTICLE IV

DESCRIPTION OF COMMON ELEMENTS

4.01. General Common Elements. All appurtenances and facilities and other items which are not part of the Units described in Article III or part of the Limited Common Elements described in Section 4.02 shall comprise the General Common Elements as graphically shown on **Exhibit "B"**. The General Common Elements shall also include by way of description but not by way of limitation:

- (a) All land described in **Exhibit "A"** aforesaid, whether improved or unimproved;
- (b) All private streets, curbs, walkways, exterior entry patios, courtyards, exterior stairways and sidewalks, subject to the easements and provisions set forth in Article VIII hereof; and
- (c) All landscaped areas, shrubbery and plantings; and
- (d) Conduits, sewer laterals located under the Buildings slabs, and other utility lines, underground sprinkler system, if any, and waterways, subject to the easements and provisions set forth in Article VIII hereof; and public connections and meters for gas, electricity, telephone and water not owned by the public utility or other agencies providing such services; and

- (e) The roof, foundations, footings, columns, girders, beams, supports, exterior or interior bearing or main party walls between Units; and
- (f) Exterior lighting and other facilities necessary to the upkeep and safety of the Buildings and grounds; and
- (g) Any common equipment storage areas located within the Condominium; and
- (h) 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 within the Condominium or for any other purpose; and
- (i) All tangible personal property which may be owned by the Association and which is required exclusively for the operation, maintenance and administration of the Condominium; and
- (j) All tangible personal property which may be owned by the Association and made available for use by all occupants of the Buildings; and
- (k) All other facilities or elements of any improvement within any Buildings or within the Condominium necessary or convenient to the existence, management, operation, maintenance or safety of the Condominium or normally in common use.

4.02. Limited Common Elements. The Limited Common Elements shall be as graphically shown on **Exhibit "B"** aforesaid, and shall include by way of description and not by way of limitation, all of the following:

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

(b) Storage Units – All storage units in the building are owned by the Association. At the time of the conversion to condominium, the existing assignment of storage units and monthly fees for the storage units shown on “**Exhibit I**” as a cooperative will not change. When an owner markets his condominium for sale, the owner shall not be permitted to transfer his storage unit to the purchaser of his unit unless the owner pays the Association a fee to the Association which is initially set at \$500.00. In the event that the owner does not wish to pay the fee to transfer the storage unit to his purchaser, the storage unit space will be assigned to the next person on the waiting list.

In addition, a buyer who wishes to accept the storage unit must pay the Association an initiation fee at closing which is initially set at \$250.00. If either the owner or the purchaser does not wish to pay their respective fees, the storage unit will be assigned to the next owner on the waiting list who must also pay the initiation for a storage unit. To be eligible to be assigned a storage unit from the waiting list, an owner must be current on his maintenance fees and not have been more than 60 days in arrears in his maintenance fees at any point during the previous twelve months. If the owner is delinquent in his maintenance fees at the time when a storage unit is available to him from the waiting list, or has been more than 60 days in arrears at any point in the previous twelve months when a storage unit is available to him from the waiting list, he will be

removed from the top of the waiting list and moved to the bottom of the waiting list, and the storage unit will be assigned to the next eligible owner on the waiting list. Each unit owner may be assigned only one storage unit. The Association reserves the right to change the unit owner's storage unit.

(c) Parking Spaces - All parking spaces under the buildings ("garage spaces") are limited common element which are owned by the Association and will be assigned to unit owners. When the cooperative was formed, the sponsor assigned all 49 garage spaces to particular units. Since the original conveyance, the use of the garage spaces has been transferred with the units when the units have been sold.

At the time of the conversion to condominium, the existing assignment of parking spaces as shown on **Exhibit "J"** will not change. When an owner markets his condominium for sale, the owner shall not be permitted to transfer his parking space to the purchaser of his unit unless the owner pays the Association a fee to the Association which is initially set at \$1,000.00. In the event that the owner does not wish to pay the fee to transfer the parking space to his purchaser, the parking space will be assigned to the next person on the waiting list.

In addition, a buyer who wishes to accept the parking space must pay the Association an initiation fee at closing which is initially set at \$500.00, and the monthly parking fee which is initially set at \$70 per month for a garage parking space. If either the owner or the purchaser does not wish to pay their respective fees, the parking space will be assigned to the next owner on the waiting list who must also pay the initiation fee and the monthly parking fee which is initially set at \$70 per month for a garage parking

space. To be eligible to be assigned a parking space from the waiting list, an owner must be current on his maintenance fees and not have been more than 60 days in arrears in his maintenance fees at any point during the previous twelve months. If the owner is delinquent in his maintenance fees at the time when a parking spot is available to him from the waiting list, or has been more than 60 days in arrears at any point in the previous twelve months when a parking spot is available to him from the waiting list, he will be removed from the top of the waiting list and moved to the bottom of the waiting list, and the parking space will be assigned to the next eligible owner on the waiting list. Each unit owner may be assigned only one parking space beneath the building. The Association reserves the right to change the unit owner's assigned space. All parking spaces not specifically assigned shall be deemed part of the Common Elements.

4.03. Repair and Maintenance of Limited Common Elements. The Owner of a Unit(s) having use of any Limited Common Element shall be responsible to pay the cost and expenses of any maintenance, repairs or replacement of that Limited Common Element necessitated by their own negligent act or omission, misuse or neglect, or the negligent act or omission, misuse or neglect of their family member, household pets, guests, occupant or visitor, regardless of whether authorized by the Unit Owner(s). Any other repairs, maintenance, or replacement of the Limited Common Elements shall be the responsibility of the Association.

4.04. Rights to Use Limited Common Elements. Each Unit Owner's right to use the Limited Common Elements appurtenant to his Unit or Buildings may not be transferred apart from the conveyance of title to his Unit.

ARTICLE V

ESTATE ACQUIRED AND MEMBERSHIP INTEREST

5.01. Estate Acquired. The Owner of each Unit shall have such an estate therein as may be acquired by grant, by purchase or by operation of law, including an estate in fee simple; and shall acquire as an appurtenance thereto an undivided percentage interest in the Common Elements of the Condominium, which shall not be divisible from the Unit to which it appertains, as set forth in **Exhibit "E"** hereto.

5.02. Percentage Interest. Each Unit shall have the Percentage Interest as set forth in **Exhibit "E"** attached hereto and made a part hereof. This percentage has been adjusted to permit it to be expressed as a finite number to avoid an interminable series of digits. In addition, the Percentage Interest applied to one of the Units has been arbitrarily adjusted to a percentage necessary to apportion the entirety of the Common Elements. The percentage interest shall be used to allocate the division of proceeds, if any, resulting from a casualty loss or any eminent domain proceedings which affect any portion of the Condominium.

5.03. Voting. Each Member in Good Standing shall be entitled to cast one (1) vote for each Unit to which he holds title in all elections of Directors and all other questions, which vote shall be equal in weight to the percentage of interest in the Common Elements appurtenant to the Unit for which it is cast.

5.04. No Partition. Subject to the provisions of this Master Deed and Certificate 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 if such interest is not expressly mentioned or described in the conveyance or other instrument.

5.05 Membership in the Association. Upon acceptance of a deed to a Unit, each Unit Owner shall automatically become a member of the Association, and the Grand Cove Master 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 Certificate 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 and shall be entitled to one (1) vote for each of its respective based on the weighted percentage of interest as described in Section 5.03.

5.06. 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 Certificate of Incorporation, By-Laws, Rules and Regulations, or any other documents, amendments or supplements to the foregoing. 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. 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.

ARTICLE VI

ASSESSMENTS

6.01. Covenant to Pay Assessments. Every Unit Owner, by acceptance of a deed or other conveyance for a Unit, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association such sums, by way of any assessments contemplated herein or in the By-Laws.

6.02. Liability for Assessments. No Unit Owner may waive or otherwise avoid liability for any assessments by non-use of the Common Elements. Each assessment and all fines and other charges shall be a continuing lien upon the Unit against which they were made and shall also be the joint and several personal obligation of the Owner of such Unit at the time when the assessment, fine or other charge fell due, and of each subsequent record Owner of such Unit, except as otherwise contemplated by Section 13.11 of this Master Deed or N.J.S.A. 46:8B-21, together with such interest thereon and cost of collection thereof (including reasonable attorney's fees). Liens for unpaid assessments, fines (including late fees) or other charges 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. The Association shall have a limited priority as to customary condominium assessments over prior recorded mortgages and other liens not to exceed a six month period prior to the recording of the lien in accordance with N.J.S.A. 46:8B-21(b)(1). Suit to recover a money judgment for unpaid assessments, fines or other charges may be maintained

without waiving the lien securing the same.

6.03. Annual Common Expense Assessments. It shall be an affirmative and perpetual obligation of the Association to fix Annual Common Expense Assessments in an amount at least sufficient to maintain the exterior of the Buildings and to maintain and operate the Common Elements, as contemplated by the Master Deed or By-Laws and as required by the Condominium Act. The amount of monies for Common Expenses of the Association deemed necessary by the Association and the manner of expenditure thereof shall be a matter for the sole discretion of the Association.

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

6.05. Use of Annual Common Expense Assessments. The Annual Common Expense Assessments levied by the Association shall be used exclusively for promoting the health, safety, pleasure and welfare of the members of the Association, including, but without limitation: building lobbies, exterior lighting; refuse collection; snow clearing from parking areas, roadways, driveways, sidewalks and walkways; landscaping of General Common Elements, the

maintenance and repair of the pool, 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; maintenance, repair and replacement of the Common Elements or any other improvements on the Property including the detention basins; maintenance and repair of all fences; maintenance, repair and replacement of all boilers and hot water heaters; maintenance and repair of retaining walls; payment of taxes and insurance premiums; heating, air conditioning and lighting of all area of the Buildings with common systems and metering; all costs and expenses incidental to the operation and administration of the Association and its Property; and such other items as may from time to time be deemed appropriate by the Association. Annual Common Expense Assessments shall not be used for new capital improvements subject to Section 6.11.

6.06. Allocation; Obligations of the Sponsor. The General Common Expenses shall be allocated among the Units within the Condominium according to their percentage interest in the Common Elements. The proportionate allocation of Common Expenses appurtenant to each Unit shall remain fixed.

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

6.08. Due Dates of Annual Common Expense Assessments/Capital Contribution Fee. Annual Common Expense Assessments shall be made for a yearly period to be determined by the Association, and shall be payable in advance in monthly installments or in such other

installments as may be established by the Association. Upon the conveyance of title to a Unit, the new Unit Owner shall pay an amount equal to three (3) months of the then Annual Common Expense Assessment, plus any arrearages existing on the date of closing. This three (3) month assessment shall be a capital contribution fee collected from each new Unit Owner in this Offering and for successive conveyances in the future. This assessment shall be immediately due upon the closing of title to the Purchaser.

6.09. Emergency Assessments. In the event the Annual Common Expense Assessment proves to be insufficient for an immediate need or emergency, the budget and assessment may be amended at any time by the Association, and the Association may impose an Emergency Assessment. The determination of an immediate need or emergency shall be in the sole discretion of the Association.

6.10. Special Assessments. In addition to the other Assessments herein authorized, in any assessment year, the Association may levy a Special Common Expense Assessment for the purpose of defraying in whole or in part the cost of any reconstruction, repair or replacement of an existing Common Element not determined by the Association to constitute an emergency or immediate need but for which funds held in reserve are inadequate, or for any other lawful purpose, other than the construction or acquisition of new capital improvements, which shall be subject to Section 6.11 hereof.

6.11. Capital Improvement Assessments. In addition to the other Assessments herein authorized, the Association may levy, in any assessment year, a Capital Improvement Assessment for the purpose of acquiring or constructing a new capital improvement. If the acquisition or construction of any new capital improvement exceeds the sum of \$250,000.00

(limit set for fiscal year 2008 which limit shall increase commensurate with the percentage of increase in the Consumer Price Index for All Urban Consumers) such expenditure must be authorized by a majority in interest of the Members in Good Standing. This vote shall be taken at a meeting duly called for this purpose. Written notice of such a meeting, stating the purpose of the meeting, shall be sent to all Unit Owners no less than thirty (30) days in advance together with voting materials and ballots which may be submitted by proxy or by mail. The due date(s) of any Capital Improvement Assessment, or any installment(s) thereof, shall be fixed in the resolution authorizing the Capital Improvement Assessment. For the purposes of this section, a Capital Improvement includes any new construction or acquisition to the common elements but does not include any repair, maintenance, redecoration or replacement of existing common elements including but not limited to those items specified in a Capital Repair or Replacement Reserve Schedule maintained by the Association.

6.12. No Exemption for Capital Improvement Assessments. Anything to the contrary herein notwithstanding, a Permitted Mortgage Holder shall be required to pay any Capital Improvement Assessment regardless of their agreement or consent to such amendment.

6.13. Remedial Assessments. In addition to the other assessments herein authorized, the Association may levy a Remedial Assessment against any individual Unit(s) whenever required or permitted to do so by the provisions of Article VII herein regarding maintenance of Units or Limited Common Elements for which the Unit Owner is responsible. The Association 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 Remedial Assessment.

6.14. Miscellaneous Assessments. Any and all fines, late charges, costs of collection (including reasonable attorneys' fees) interest on unpaid Assessments, capital contributions, membership fees, escrow deposits, real estate tax contributions or any other sums required to be paid to the Association by a Unit Owner(s) by the provisions of this Master Deed, the By-Laws, the Certificate of Incorporation, the Rules and Regulations of the Association or any duly adopted Resolution of the Association, shall be deemed Assessments which each Unit Owner has covenanted and agreed to pay according to the provisions of Section 6.01 and for which each Unit Owner is liable according to the provisions of Section 6.02, and shall be collectible by the Association in the same manner as other assessments pursuant to the provisions hereof and N.J.S.A. 46:8B-21.

6.15 Initial Assessment. At the time of the conversion to condominium, the Association will collect an assessment of \$500,000.00 from the owners in accordance with the percentage of common elements owned. This assessment will be collected at the time of conversion of each unit to condominium and is in addition to the three month capital contribution assessment set forth above.

6.16. Certificate of Payment. Upon the request of any Unit Owner liable for an Assessment, any Permitted Mortgage Holder for any Unit, or any prospective purchaser, the Association shall furnish a certificate in writing, signed by an officer of the Association or designated agent, setting forth whether or not an Assessment has been paid. Such certificate shall constitute conclusive evidence of the payment of any assessments therein stated to have been paid. The Association may impose a reasonable fee for such certificate to defray preparation and delivery costs.

6.17. Interest in Common Surplus. Any common surplus of the Association resulting from the excess of income over expenses shall be allocated among the Members in the same manner as those expenses were assessed and may be distributed to the Members and applied to the Common Expenses of successive years in the discretion of the Association. Any common surplus of the Association resulting from the proceeds of any distribution of assets of the Association shall be allocated among the Members of the Association including Sponsor, according to their percentage interests, subject to an adjustment to reflect an appropriate credit for any initial contribution to working capital, if applicable, in accordance with generally accepted accounting principles.

ARTICLE VII

MAINTENANCE RESPONSIBILITIES

7.01. Responsibilities of Unit Owners/Insurance. Each Unit Owner is responsible to perform all of the maintenance, repairs and replacements that may be required within the boundaries of his own Unit, at his own expense, and in accordance with the requirements of this Master Deed and the By-Laws and any Rules and Regulations of the Association. Unit Owners are responsible for all of the following: plumbing fixtures and internal systems; window panes; electrical wiring, receptacles, appliances, air conditioning units, equipment and lighting fixtures; wallpaper, paint, paneling and other wall coverings; vinyl flooring, carpeting and other floor coverings; draperies, curtains, window shades and other window coverings; and any other items that are within the boundaries of their Units as set forth in Section 3.01 herein. Each Unit Owner shall also be responsible for such maintenance of the Limited Common Elements as set forth in

Section 4.02 herein. In addition, each Unit Owner shall be responsible to perform all of the maintenance, repairs and replacements that may be required for parts of his Unit, which are not located within the boundaries of his Unit, as set forth in Section 3.01 when the following conditions are met:

- (i) the part of the Unit is accessible without a breaking or intrusion into the Common Elements or any other Unit; and
- (ii) the part of the Unit is not functionally connected with a Common Element or a component of an integrated system which serves more than one Unit.

Each Unit Owner and their tenants shall be required to maintain individual liability insurance, with minimum limits to be reasonably determined by the Association of Directors of the Association, for any claims and/or damage resulting from any event or activity emanating from his unit.

7.02. Responsibilities of the Association. The Association shall furnish the maintenance, repairs and replacements that are required for the functioning of the Common Elements, including any common plumbing, common mechanical, common electrical, common water supply systems and detention basin(s). The Association shall also be responsible for such maintenance of the Limited Common Elements as is set forth in Sections 4.02 and 4.03 herein.

7.03. Rights of the Association. The Association may affect emergency repairs to any Unit which the Owner of that Unit has failed to perform, but the expenses incurred by the Association in doing so shall be levied against the Owner of that Unit as a Remedial Assessment. The Association may also effect non-emergency repairs within part of a Unit which the Unit Owner has failed to perform and charge the reasonable expenses of the repair to the Unit Owner

as a Remedial Assessment, but only if (i) any such failure to maintain by the Unit Owner will have a material and adverse impact upon any other portion of the Condominium and (ii) the Unit Owner(s) responsible for such maintenance, repair or replacement has failed to remedy the situation within thirty (30) days after the Association has given the Unit Owner written notice of the need for such repairs or maintenance.

7.04. Damage Due to Negligence, Omission or Misuse. If, due to the negligent act or omission of or misuse by a 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.

7.05 Chart of Maintenance Responsibilities. Despite the general provisions for maintenance set forth herein or in any provisions of the By-Laws, specific maintenance responsibilities and the cost attributable thereto shall, to the extent set forth thereon, be determined pursuant to the Chart of Maintenance Responsibilities attached as **Exhibit "F"** hereto.

ARTICLE VIII

EASEMENTS

8.01. Unit Owner's Easements. Every Unit Owner, his successors 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 the Buildings or a Unit, so that any such encroachment may remain undisturbed so long as the Buildings 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 skylights, windows, or doors, therein), ceilings, floors, patio or porch serving his Unit; and
- (e) An easement in common with the owners of all other Units to use any and all pipes, wires, ducts, cables, conduits, public utility lines, or other General Common Elements located within any of the other Units or Common Elements and serving his Unit; and
- (f) A perpetual and non-exclusive easement in, over and through the General

Common Elements to use the roadways, walks and other common facilities within the Condominium subject to the right of the Association 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 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; and
- (g) A perpetual and non-exclusive easement for pedestrian ingress and egress to and from the swimming pool, and other recreational areas or to other Unit(s) over and through the walkways and roadways and parking areas, which easement shall be for the benefit of all Unit Owners, occupants or their invitees; and
- (h) A perpetual and non-exclusive easement for access to or use of the General and Limited Common Elements within the Condominium or for any other purposes, which easement is for the benefit of all Owners and occupants of Units in the Condominium and their invitees; and
- (i) A perpetual and non-exclusive easement for vehicular ingress and egress reasonably required to and from the Units over and through roadways in the Condominium which easement shall be for the benefit of all Owners and

occupants of Units in the Condominium and their invitees.

8.02. Sponsor's Easements. The Sponsor, its respective successors and assigns, shall have the following easements with respect to the Property:

(a) A blanket and non-exclusive easement in, upon, through, under and across the Common Elements for the purpose of 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 expiration of one (1) year from the date the last Unit is sold and conveyed in the normal course of business. 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 a Buildings 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 Property.

8.03 Association's Easements. The Property shall also be subject to the following

easements:

1. The Association shall have a perpetual exclusive easement for the maintenance of any Common Elements, including those which presently or may hereafter encroach upon a Unit; and
2. The Association, through the Association 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 of the provisions of this Master Deed, the By-Laws or any Rules and Regulations of the Association, and (iii) to perform any operations required in connection with the maintenance, repairs or replacements 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.

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

8.05. Township of Edgewater's Easements. The Property shall also be subject to the

following easements:

(a) A blanket, perpetual and non-exclusive easement of unobstructed ingress and egress in, upon, over, across and through the Common Elements to the Township of Edgewater, its respective officers, agents and employees (but not the public in general) and all police, fire, and ambulance personnel in the proper performance of their respective duties (including but not limited to emergency or other necessary repairs to a Unit which the 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 Section 8.05 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.

(b) A perpetual, blanket and non-exclusive easement in, upon, over, under, across and through the Common Elements to the Township of Edgewater, its respective officers, agents, and employees (but not the general public) for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon the Property. No individual Unit Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Property.

ARTICLE IX

BY-LAWS AND ADMINISTRATION

9.01. Administration of Common Elements. The administration of the Common Elements within the Condominium and all other common facilities shall be by the Association in accordance with the provisions of the New Jersey Condominium Act, this Master Deed, the Certificate of Incorporation, the By-Laws, the Rules and Regulations and any other agreements, documents, amendments or supplements to the foregoing which may be duly adopted or subsequently required by any Permitted Mortgage Holder or by any governmental or quasi-governmental agency having regulatory jurisdiction over the Condominium, or by any title insurance company selected by Sponsor to insure title to any Unit(s). While the Sponsor maintains control of the Association, it shall take no action that adversely affects a Unit Owner's rights under N.J.A.C. 5:25-5.5.

9.02. Sponsor's Power of Attorney. The 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, or until Sponsor conveys title to the last Unit, whichever occurs first, 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 agreements, documents, amendments or supplements to the above described documents which may be so required by any such Institutional Lender, governmental or quasi-governmental agency or title insurance company designated by the Sponsor to insure title to any Unit.

(a) Limitations. 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, except if related to the conversion

of the superintendent unit, or substantially increases the financial obligations of the Unit Owner or reserves any additional or special privileges for the Sponsor which are not already contained in the Condominium Documents, shall be made without the prior written consent of the affected Unit Owner(s) and all owners of any mortgage(s) encumbering the affected Unit(s). Any such agreement, document, amendment or supplement which adversely affects the priority or validity of the lien of any mortgage which encumbers any Unit shall not be made, without the prior written consent of the owners of all such mortgages.

(b) Appointment. 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 lien holder 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 agreements, documents, amendments or supplements to this Master Deed and other instrument(s) necessary to effect the foregoing subject to the limitations set forth herein, (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, (a) to prepare, execute and record any amendments to the Master Deed required under Articles IX, XII and XV of this Master Deed, and (b) to prepare and execute any release from liability given to Sponsor pursuant to the provisions of Article V of the By-Laws Laws and (c) to prepare, execute and record amendments to the Master deed, By-laws and any other

governing documents so as to convert the superintendent apartment which is located on the property and is initially designated as a common element serving as a superintendents' apartment, to a Unit subject to all the rights and obligations attendant thereto, said conversion to be carried out in accordance with the procedure set forth in subsection (c) herein below.

(C) Convertibility of Superintendent Apartments. The Association of Directors, in its discretion and without a vote of the Association, may convert the superintendent Apartment from a common element to a Unit by preparing, executing and recording an amendment to the Master Deed describing the conversion. Such amendment shall assign an identifying number to the Unit and shall allocate to the Unit a portion of the undivided interest in the common elements appertaining to the converted Unit, said interest to be equivalent to the common element interest of other Units in the Condominium of similar size and location. Such amendment shall include a legal description of the Unit and shall further describe or delineate the limited common elements appurtenant to the converted Unit, if any. Such amendment shall include an amendment to Exhibit E "Schedule of Percentage Interests in Common Elements" which reallocates the total percentage interests and the votes in the Association resulting from conversion of the Superintendent Apartment to a Unit. At or prior to conversion to Unit status, the Superintendent Apartment must be legally habitable and in compliance with all laws regarding residential occupancy. Upon the conversion of the Superintendent Apartment to a Unit, such Unit shall be owned by the Association, until sold or conveyed.

(D) Duration. The Sponsor reserves this power of attorney for itself, its successors and assigns for five (5) years from the date the first Unit is conveyed to an individual purchaser or until it conveys title to the last Unit held for sale in the ordinary course of business, whichever

occurs first. Said powers of attorney shall be vested in the Sponsor, its successors and assigns until same effectuate the initial conveyance of all Units or the expiration of the five (5) year period. Thereafter, said powers of attorney shall automatically vest in the Association and may be exercised by its Association of Directors. 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.

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

ARTICLE X

RULES AND RESTRICTIONS

10.01. Covenants and Restrictions. The Board shall have the power and authority to create rules and regulations for the use of the property. The initial set of rules and regulations is attached and made a part hereof as **Exhibit G**.

10.02. Restrictions on Alterations. Nothing shall be done to any Unit or on or in the Common Elements which will impair the structural integrity of the Buildings or which will structurally change the Buildings. No Owner (other than the Sponsor) may make any structural

additions, alterations or improvements in or to his Unit, including partial or complete enclosure of terrace or balcony areas, or in or to the Common Elements or impair any easement without the prior written approval of the Association. The Association may require the Unit owner to provide professional drawings or plans of such alterations and may charge Unit Owners a reasonable fee for its engineer to review the Unit Owner's Plans. The Association shall have the obligation to respond to any request received by it from a Unit Owner for approval of a proposed structural addition, alteration or improvement to his Unit within sixty (60) days after the receipt of all information requested of the owner. Such approval shall not incur any liability on the part of the Association to any contractor, subcontractor, or materialman on account of such addition, alteration, or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The Unit Owner(s) shall furnish the Association with a copy of all required any permits and Certificates of Occupancy. This Section shall not apply to Units owned by the Sponsor and held for sale in the ordinary course of Sponsor's business. Despite the foregoing, nothing herein shall be construed to prohibit the reasonable adaptation of any Unit for use by a handicapped resident in accordance with the provisions of the Fair Housing Amendments Act of 1988, as amended from time to time.

10.03. Restrictions on Leasing and Sale. Except as hereinafter provided, no Unit shall be leased by the Owner thereof (except the Sponsor or 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 twelve (12) months; or (ii) any rental where 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. No Unit Owner may lease less than an entire Unit.

(a) Subject to the foregoing restrictions, the Unit Owners shall have the right to lease their Units, provided that a lease is in writing and made subject to all provisions of this Master Deed, and By-Laws of the Association. Any failure of the lessor and/or lessee to fully comply with the terms and conditions of such documents shall constitute a material default under the lease and be grounds for termination and eviction.

(b) To ensure compliance with the provisions of this Section 10.03, any Unit Owner seeking to offer for lease a Unit governed by this Master Deed shall provide to the Association prior to the signing of such lease a copy of the lease form for the Association's review to determine that the lease is subject to the documents hereinabove set forth. The Association shall not unreasonably withhold its approval and shall review such lease form within thirty (30) days. No lease lacking the approval of the Association shall be valid and enforceable, and no Unit Owner shall cause or allow any tenant to reside in any Unit subject to this Master Deed prior to the Association's approval of said lease. No Unit Owner shall use a lease other than the form lease provided by the Association without amendments, changes, modifications or appendixes. Tenant shall acknowledge and accept the house rules, in writing, as adopted by the Condominium Association and as modified from time to time.

(c) In the event a tenant of a Unit fails to comply with the provisions of this

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 such 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 Association 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 expense shall be deemed to constitute a Common Expense lien on the particular Unit involved, and collection thereof may be enforced by the Association in the same manner as the Association 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 Association as his attorney-in-fact for the purposes described in this Section.

(d) Fines. The Association shall have the power to make such rules and regulations as may be necessary to carry out the intent of these restrictions and shall have the right to bring law suits to enforce the rules and regulations so promulgated. The Association shall 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 \$1,000.00. Each day that a violation continues after receipt of notice by the Unit Owner may be considered a separate violation. Any fine so levied shall be considered a Miscellaneous Assessment to be levied against the particular Unit Owner involved, and collection may be enforced by the Association in the same manner as the Association is entitled to enforce collection of other assessments.

(e) For a period of 18 months from the date of recordation of the Master Deed, the Association of Directors may limit the number of units available for resale upon procedures adopted by the Association. Such procedures shall be designed to maintain the value of the units recently converted from cooperative status and may include, inter alia, restrictions on the number of units available for resale during any monthly period. Such restrictions will give priority to sales of units by unit owners who demonstrate undue hardship. Any procedures promulgated pursuant to this paragraph shall not apply any unit subject to foreclosure proceedings by a Mortgagee.

(f) Lease Rider/Assignment of Rents. The Association may require all unit owners and their tenants to execute a lease rider which provides for a stand by assignment of rents due to the unit owner from his tenant in the event that the unit owner fails to make all required assessment payments when due. The Lease Rider shall require the Landlord/Unit Owner to assign to the Association all of the rents payable by the tenant under the Lease. This assignment shall become

operative upon any default in the payment of common expense assessment to the Association and shall remain in full force and effect so long as the Landlord/Unit Owner remains in default or is delinquent in the payment of such assessments.

This assignment of rents authorizes the Association at its option, by its employees or agents, at its opinion, after Landlord's default in the payment of assessments and the continuance thereof after ten (10) days written notice, to enter the Unit, commence a summary dispossess action or claim for money damages, notify tenant and collect in Landlord's name as assigned, any rents accrued and unpaid, as well as the rents thereafter accruing and becoming payable until the Association notifies tenant that the Landlord is no longer delinquent. It is not the Landlord's intention that such entry by the Association shall constitute the Association a "mortgage in possession" in contemplation of law. It is the Landlord/Unit Owners intention that the Association may enforce this provision.

(g) Sales Rules. Prior to placing a unit for sale, the unit owner must contact the property management office on site and provide the following information to the managing agent:

(i) The name, address and telephone number of the real estate agency (subject to Association approval).

All prospective purchasers and realtors that will visit the property must register with the guard prior to entering on the Association property. No open houses, lock boxes or other sales activity is permitted without permission. No permission shall be granted until the information above is provided and. The holding of open houses is prohibited. No on site

advertising such as signs, posters, etc is permitted.

When a Contract for Sale has been executed, the following must be supplied by the Owner/Seller to the managing agent at least ten (10) days prior to the closing:

1. The buyer's name, address and telephone number;
2. The buyer's attorney, name, address and telephone number;
3. Selling price;
4. Closing date;
5. Executed letter from Buyers that they have received the Master Deed, By-Laws and House Rules.
6. Move out date;
7. Move out security deposit to be paid by the existing Unit Owner which shall be managing agent upon request;
8. Processing fee from Owner/Seller or such other amount to be determined from
9. Seller's forwarding address;
10. Common element charge for the month in which the closing takes place plus any monies outstanding;

Once a closing has taken place, the new owner must provide to the managing agent the following within fourteen (14) days:

1. Move in date;
2. Move in security deposit to be fixed from time to time by the Board of Directors upon request.
3. A capital contribution equal to three (3) months condominium maintenance

payments unless the sale is occasioned by foreclosure.

ARTICLE XI

INSURANCE

11.01 Association Insurance. The Association shall obtain and continue in effect blanket property insurance on the Common Elements in an amount equaling replacement value (exclusive of land, foundations or slabs, excavations and such other items as are usually excluded from insurance coverage) and in form satisfactory to any Permitted Mortgage Holder 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 Association 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 Annual Common Expense Assessment. Notwithstanding any provisions to the contrary in this Master Deed or accompanying By-Laws, the Association shall obtain blanket property insurance coverage to allow for the reconstruction and/or repair of the Buildings specifically to the extent available in the normal commercial marketplace, 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 Common Elements and Unit betterments existing at the time of the initial conveyance from the Cooperative, together with all service machinery appurtenant thereto, as well as common personalty and supplies belonging to the Association, and covering the interest

of the Association, the Association, the Sponsor, all Unit Owners and any Mortgage Holder who has requested the Association in writing to be named as loss payee, as their respective interests may appear, in an amount equal to the full replacement value of the Common Elements (exclusive of foundations and footings) and Unit betterments existing at the time of the initial conveyance, without deduction for depreciation. Unit betterments includes, but is not limited to, kitchen cabinets, kitchen appliances, floor covering, general lighting, windows, doors, interior partitions and alike. Coverage obtained must be sufficient to allow for the reconstruction of any and all units so as to be habitable and qualify for a Certificate of Occupancy from the Township of Edgewater.

11.02. Disposition of Insurance Proceeds. If the Buildings, any improvement or coverage, including vandalism and malicious mischief insuring all Common Elements and Unit betterments existing at the time of the initial conveyance from the Cooperative, together with all service machinery appurtenant thereto, as well as common personalty and supplies belonging to the Association, and covering the interest of the Association, the Association, the Sponsor, all Unit Owners and any Mortgage Holder who has requested the Association in writing to be named as loss payee, as their respective interests may appear, in an amount equal to the full replacement value of the Common Elements (exclusive of foundations and footings) and Unit betterments existing at the time of the initial conveyance, without deduction for depreciation. Unit betterments includes, but is not limited to, kitchen cabinets, kitchen appliances, floor covering, general lighting, windows, doors, interior partitions and alike. Coverage obtained must be sufficient to allow for the reconstruction of any and all units so as to be habitable and qualify for a Certificate of Occupancy from the Township of Edgewater.

11.03 Disposition of Insurance Proceeds. 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 provisions of this Article XI.

11.04. Insurance Proceeds

(a) The Association 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 discretion of the Association, then in conformance with revised plans and specifications provided such repairs or buildings shall be of a quality and kind substantially equivalent to the original construction. The Association 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) The Association 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 and contractor's requisition containing such provisions as may be appropriate under the circumstances and deemed suitable by the Association

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

11.05. Insurance Responsibilities of Unit Owner. All unit owners will be required to

maintain liability insurance in amounts sufficient to address property loss to the common elements or other units arising from the Unit. The amounts of such insurance limits shall be initially set at \$250,000.00 and may be adjusted from time to time by the Association.

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.

11.06. Insurance Proceeds Insufficient. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair of damaged or destroyed Units, or if at any time during or upon completion of reconstruction and repair, the funds for payment of the costs thereof are insufficient, assessments shall be against all Unit Owners as a common assessment, in sufficient amounts to provide funds for the payment of such costs. Despite anything to the contrary in this Master Deed or By-Laws, such assessments shall be in proportion to the Unit Owner's percentage interest in the Common Elements. The foregoing provisions of this Section 11.06 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 and the costs thereof is that of the Unit Owner; provided that 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.

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

11.08. Assignment to Permitted Mortgage Holder. 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 mortgage holder(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.

ARTICLE XII

EMINENT DOMAIN

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

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

12.03. Allocation of Awards. Any awards made in connection with such proceedings shall be collected by the Association and applied or distributed by it in accordance with the

following and Section 5.02 hereof, unless the award or decree provides to the contrary.

12.04. Reallocation Following Condemnation.

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

(b) Units Remaining Habitable. Upon acquisition by the condemning authority, (i) the percentage interest of each affected Unit and its corresponding liability for payment of Common Expenses shall be reduced in proportion to the reduction in square footage of each such Unit as compared with the aggregate square footage of all Units before the taking, and (ii) 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 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 unless the decree provides that the Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Element among the Unit Owners affected in proportion to their respective damage suffered and their respective percentage interest in the Common Elements before the taking on an equitable basis.

ARTICLE XIII

PROTECTIVE PROVISIONS

FOR THE BENEFIT OF ELIGIBLE MORTGAGE HOLDERS

13.01. General. "Eligible Mortgage Holder" shall mean and refer to any Mortgage Holder holding a First Mortgage which has given written notice to the Association in the manner provided in Section 15.10 of this Master Deed or of its desire to have notice of those matters which are the subject of Sections 13.02 through 13.06 and 13.09 of this Master Deed. Any such notice must state the name of the Mortgage Holder and the address to which notices to be sent to it shall be directed and must sufficiently identify the Unit for which the Eligible Mortgage Holder is the Mortgage Holder of a First Mortgage. It shall be the obligation of the Eligible Mortgage Holder to keep the Association informed of any change of address to which required notices should be sent. The Association shall be deemed to have fulfilled its obligations hereunder and an Eligible Mortgage Holder shall be deemed to have been given any required notice hereunder so long as the Association can establish that it served the notice in question in the manner provided herein directed to the Eligible Mortgage Holder at the last address given by it to the Association in the manner provided herein. The manner in which the Association shall give the notices required to notice Mortgagees pursuant to this Article XIII shall be via United States Postal Service by certified mail, with return receipt requested in sufficient prepaid postage affixed thereto, addressed to the last address of the Eligible Mortgage Holder identified to the Association as provided herein.

13.02. Prior Written Approval of 51% of Eligible Mortgage Holders. The prior written approval of at least fifty-one (51%) percent of the Eligible Mortgage Holders is required for any

material amendment to this Master Deed or to the By-Laws or Certificate of Incorporation including, but not limited to, any amendment which would change any provision relating to:

- a). voting rights;
- b). reallocation of interests in the General or Limited Common Elements or rights to their use;
- c). boundaries of any Unit;
- d). a decision by the Association to establish self-management rather than professional management;
- e). any action to terminate the legal status of the Condominium as a Condominium after substantial damage or condemnation occurs; or

13.03 Intentionally left blank.

13.04. Implied Approval of Eligible Mortgage Holders Assumed. The Association may assume implied approval of any Eligible Mortgage Holder failing to submit a written response to any notice given within thirty (30) days after it receives such notice as provided herein and so long as the notice was delivered by certified mail as indicated by a signed return receipt.

13.05. Notice of Non-Material Amendment. Any Eligible Mortgage Holder who requests same shall be entitled to receive thirty (30) days advance notice from the Association of any proposed non-material amendment to the Master Deed, the By-Laws or the Certificate of Incorporation permitted by same, which notice shall include a copy of the proposed change; and any Eligible Mortgage Holder shall be deemed to have implicitly approved such change as proposed unless it states in a written response to the Association its objections or comments relative to such proposed change.

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

(a) any condemnation or casualty loss that affects either a material portion of the condominium or the Unit securing the Eligible Mortgage Holder's mortgage; and no Unit Owner or other party shall have priority over such Eligible Mortgage Holder with respect to the distribution to such Unit(s) of the proceeds of any condemnation award of settlement in the event of condemnation or with respect to the distribution to such Unit(s) of any insurance proceeds in the event of casualty loss; and

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

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

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

The holder, insurer or guarantor of the Mortgage on any Unit must send a written request to the Association stating both its name and address and the address of the Unit on which it holds the Mortgage to be entitled to receive the information discussed in subparagraphs (a) through (d) of this Section 13.06.

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

Association.

13.08. Common Expense Lien Subordinate. Any lien the Association may have on any Unit in the Condominium for the payment of Common Expense Assessments attributable to such Unit is subordinate to the lien or equivalent security interest of any first mortgage on the Unit held by an Eligible Mortgage Holder and recorded prior to the date any such Common Expense Assessment became due. However, the Association shall have a limited priority as to customary condominium assessments over prior recorded mortgages and other liens not to exceed a six (6) month period prior to the recording of the lien in accordance with N.J.S.A. 46:8B-21(b)(1).

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

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

13.11. Liability for Common Expense Assessments. Any Eligible Mortgage Holder that obtains title to a Unit as a result of a judgment by foreclosure, and any purchaser in a foreclosure

sale, is not liable for the share of Common Expenses or other assessments by the Association pertaining to such Unit or chargeable to the former Unit Owner which became due prior to acquisition of title. 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. However, the Association shall have a limited priority as to customary condominium assessments over prior recorded mortgages and other liens not to exceed a six month period prior to the recording of the lien in accordance with N.J.S.A. 46:8B-21(b)(1).

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

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

ARTICLE XIV

SPONSOR'S RIGHTS AND OBLIGATIONS

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

14.02. Rights Reserved to Sponsor. Anything to the contrary herein or in the Certificate 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.

14.03. Transfer of Special Sponsor's Rights. 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 Clerk of Bergen County, New Jersey. The instrument shall not be effective unless executed by the transferee.

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

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

(b) 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.

(c) 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.

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

14.06. Foreclosure, Bankruptcy, Receivership. Upon foreclosure, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings, of all Units in the

Condominium owned by Sponsor:

- a). The Sponsor ceases to have any such Special Sponsor Rights, and
- b). 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.

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

- a). 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..
- b). A successor to all such Special Sponsor Rights, other than a successor described in Section 14.08(c) or (d) 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.
- c). 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.
- d). 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 Section 14.06 aforesaid, may declare his intention in a recorded instrument to hold those rights solely for transfer to another party. Thereafter, until transferring all such Special 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 Association 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 section, 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

14.08. Ineffectiveness. Nothing in this Article XIV 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.

ARTICLE XV

GENERAL PROVISIONS

15.01. Duration. The provisions of this Master Deed shall be perpetual in duration, shall run with and bind all of the land included in the Condominium and shall inure to the benefit of and be enforceable by the Association and the Unit Owners, their respective successors, assigns, heirs, executors, administrators, and personal representatives, except that the covenants and restrictions set forth in Article X shall have an initial term of forty (40) years from the date this Master Deed is recorded in the office of the Bergen County Clerk, at the end of which period such covenants and restrictions shall automatically be extended for successive periods of ten (10) years each, unless at least two-thirds (2/3) of the Unit Owners at the time of expiration of the initial period, or of any extension period, shall sign an instrument, or instruments (which may be in counterparts), in which they shall agree to change said covenants and restrictions in whole or in part; but no such agreement shall become binding unless written notice containing the terms of the proposed agreement is sent to every Owner at least ninety (90) days in advance of the action taken in authorizing said agreement; and, in any event, any changes concerning any such agreement shall not become effective and binding until three (3) years after the recording of the aforesaid fully executed instrument or instruments containing such agreement, and provided further, that in no event may the Common Elements be conveyed to any third person, firm or corporation, without the express consent, by ordinance, of the governing body of the Township of Edgewater (or such municipal corporation or other governmental entity as may then have zoning and subdivision jurisdiction over the Property).

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

ownership upon the written approval of sixty-seven (67%) percent in interest of all non-Sponsor Unit Owners, and the written approval of the Sponsor for so long as it holds one (1) Unit for sale in the ordinary course of its business.

15.03. Amendment of Master Deed. In addition to the rights of amendment reserved to the Sponsor in Section 9.02, this Master Deed may be amended at any time after the date thereof by a vote of at least sixty-seven (67%) percent 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 Article XIII, shall also have the prior written approval of fifty-one (51%) percent of the Eligible Mortgage Holders. The Sponsor shall not be permitted to cast any votes held by them for unsold Units to amend 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 common facilities. No amendment shall be effective until recorded in the Office of the Clerk of Bergen 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 Article IX hereof. In the alternative, an amendment may be made by an agreement, signed and acknowledged by sixty-seven (67%) percent of the Unit Owners and the required percentage of Eligible Mortgage Holders, if any, 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 Bergen County, New Jersey.

15.04. 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 in any covenant herein contained. Failure by the Association or any Member thereof to enforce any covenant herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to thereafter enforce the same.

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

15.06. Validity. The invalidity of any provision of this Master Deed, the Certificate of Incorporation, or By-Laws of the Association shall not be deemed to impair or affect in any manner the validity or enforceability or affect the remainder of this Master Deed or said By-Laws 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.

15.07. Waiver. 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.

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

15.09. 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 the Honorable John G. Roberts, Chief Justice of the Supreme Court of the United States of America, plus twenty-one (21) years thereafter.

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

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

EXHIBIT "A"	Legal Description of the Entire Property
EXHIBIT "B"	Survey for the Entire Property

EXHIBIT "C"	Certificate of Incorporation of the GRAND COVE I
EXHIBIT "D"	By-Laws of the GRAND COVE I CONDOMINIUM
EXHIBIT "E"	Schedule Percentage of Interest in Common Element
EXHIBIT "F"	Chart of Maintenance Responsibilities
EXHIBIT "G"	Rules and Regulations
EXHIBIT "H"	First Year Operating Budget
EXHIBIT "I"	Current Storage Unit Assignments
EXHIBIT "J"	Current Parking Space Assignments

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

Attest:

GRAND COVE I APARTMENT CORPORATION

By: Jimmy Hirschfeld, Board President

CORPORATE PROOF BY THE SUBSCRIBING WITNESS

STATE OF NEW JERSEY) ss.:

COUNTY OF BERGEN)

BE IT REMEMBERED, that on this ____ day of March, 2008, before me the subscriber, the undersigned authority, personally appeared, who, being by me duly sworn on his oath, deposes and makes proof to my satisfaction that he/she is the Secretary of GRAND COVE I APARTMENT CORPORATION, the Corporation named in the within Instrument; that Jimmy Hirschfeld 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 Association of Directors 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.

Sworn and subscribed before me, the date aforesaid.

Notary Public