2511 Fire Road BCCA

Master Deed

Exhibit "A"
Legal description of property

Exhibit "B"
Survey

Exhibit "C"
Bylaws

Exhibit "D"
Percentage Interest Schedule

Bellevue Commons

MASTER DEED & BY-LAWS

Atlantic Realty Management, Inc.
2106 New Road, Suite F-8A
P.O. Box 313, Linwood, NJ 08221
Phone: 609-926-8060
Fax: 609-653-0645

Map

INST # 249649 DATE 12-26-01

SN15084

Prepared by:

Michael J. Garvin
ATLANTIC COUNTY CLERK

R & R TO:
SURETY TITLE AGENCY OF
ATLANTIC CO.
2111 NEW ROAD, STE. 2
NORTHFIELD, NJ 08225

Charles Gemmel, Esquire
GEMMEL, TODD & MERENICH, P.A.
767 Shore Road
P. O. Box 296
Linwood, New Jersey 08221

Instr # 249635
Recorded/Filed LH
12/26/2001 12:11

MICHAEL J. GARVIN
Atlantic County Clerk
Bk 7112 Pg 1 of 55 BEL

MASTER DEED

FOR

BELLEVUE COMMONS CONDOMINIUM

THIS MASTER DEED, made this 14th day of December, 2001, by BELLEVUE PROPERTIES GROUP 2511 FIRE ROAD, L.L.C., a New Jersey limited liability company (the "Sponsor") of 300 Bellevue Avenue, Hammonton, New Jersey 08307.

WHEREAS, the Sponsor is the owner of the fee simple title to those lands and premises in the Township of Egg Harbor, County of Atlantic, and State of New Jersey, more particularly described in Exhibit "A" attached hereto and made a part hereof (which lands and premises are hereinafter referred to as the "Property"); and

WHEREAS, the Property includes two buildings, known as Building A and Building B with Building A containing fifteen (15) units and Building B containing twelve (12) units (the "Units"), together with certain other improvements, all as more particularly shown on that certain survey and plan prepared by Harry S. Harper, Architect, dated August 20, 2001, attached hereto and made a part hereof as Exhibit "B"; and

WHEREAS, this Master Deed is intended to establish the condominium form of ownership for the Property described in Exhibit A aforesaid and as shown on Exhibit "B" to be known as the BELLEVUE COMMONS CONDOMINIUM (hereinafter the "Condominium"); and

WHEREAS, the BELLEVUE COMMONS CONDOMINIUM ASSOCIATION, a New Jersey nonprofit association (hereinafter referred to as "the Association"), has been or is about to be established as the condominium association to have the responsibility for the

Deed Map # 249649

administration, operation and management of the Condominium and other improvements intended for the common use and benefit of the owners of Units; and

WHEREAS, all owners of Units in the Condominium will automatically be members of the Association, subject to the Master Deed and Bylaws of the Association; and

WHEREAS, the Sponsor at this time and by recordation of this Master Deed establishes the Condominium on the land described in Exhibit "A".

THEREFORE, WITNESSETH:

ESTABLISHMENT OF CONDOMINIUM. The Sponsor does hereby submit, declare and establish in accordance with *N.J.S. 46:8B-1* *et* *seq.* the condominium form of ownership for that parcel of lands described in Exhibit "A" together with all the improvements thereon, as well as improvements to be constructed thereon, and as more particularly described on Exhibit "B" as such Exhibit may be amended or supplemented, as the BELLEVUE COMMONS CONDOMINIUM.

1. Definitions.

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

A. "Association" shall mean the BELLEVUE COMMONS CONDOMINIUM ASSOCIATION, a New Jersey nonprofit association, formed to administer, manage and operate the common affairs 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 Bylaws.

B. "Board" shall mean the Board of Directors of the Association and any reference herein to any power, duty, right of approval or any other right of the Association shall be deemed to refer to the Board and not the membership of the Association, unless the context expressly indicates to the contrary. In any reference herein to any power or duty, right of approval or any other right which may be delegated, "Board" shall mean the entity to which such power or duty, right of approval or any other right has been delegated.

C. "Building" shall mean all enclosed structures containing Units and structural improvements appurtenant thereto which are located on the lands described in Exhibit "A" and as shown on Exhibit "B".

D. "Bylaws" shall mean the Bylaws of the Association, a copy of which document is attached here to and made a part hereof as Exhibit "C", together with all future amendments or supplements thereto.

E. "**Common Elements**" shall mean "General Common Elements" and "Limited Common Elements".

F. "**Common Expenses**" shall, subject to the provisions of paragraph 5 hereof, mean all those expenses for which the Unit Owners are proportionately liable, including but not limited to:

(1) All expenses of administration, maintenance, repair and replacement of the Common Elements;

(2) Expenses agreed upon as common by all Unit Owners;

(3) Expenses declared common by provisions of *N.J.S. 46:8B-3e* or by this Master Deed or by the Bylaws; and

(4) All expenses, including reserves incurred or assessed by the Association or its directors, officers, agents or employees in the lawful performance of their respective duties or powers.

G. "**Condominium**" shall mean:

(1) All the lands and premises located or to be located within the Property which are submitted to the condominium form of ownership;

(2) All improvements now or hereinafter constructed in, upon, over or through such lands and premises;

(3) All rights, streets, roads, waters, privileges and appurtenances thereto belonging or appertaining; and

(4) The entire entity created by the execution and recording of this Master Deed;

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

I. "**Eligible Mortgage Holder**" shall mean any holder of a first mortgage encumbering any Unit who has requested notice of certain matters from the Association.

J. "**General Common Elements**" and "**Common Elements Unrestricted**" shall have the same meaning as "Common Elements" pursuant to *N.J.S. 46:8B*-3d, except as same may be modified by the provisions of paragraph 4 hereof.

K. **"Institutional Lender"** shall mean any bank, mortgage banker, savings and loan association or other financial institution or pension fund, which is the record owner of a first mortgage loan which encumbers any Unit.

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

M. **"Limited Common Elements"** shall have the same meaning as "Limited Common Elements" pursuant to *N.J.S. 46:8B-3k*, except as same may be modified by the provisions of paragraph 4 hereof.

N. **"Limited Common Expenses"** shall mean the Common Expenses for which some, but less than all, of the Unit Owners are proportionately liable, including but not limited to those expenses which are declared to be Limited Common Expenses by the provisions of this Master Deed or the Bylaws.

O. **"Majority" or "Majority of the Unit Owners"** means the owners of more than fifty (50%) percent of the aggregate in interest of the undivided ownership of the Common Elements. If a different percentage of Unit Owners is required to be determined, such different percentage of owners shall mean the owners of an equal percentage of the aggregate in interest of the undivided ownership of the Common Elements as so specified.

P. **"Master Deed"** shall mean the Master Deed for the BELLEVUE COMMONS CONDOMINIUM, together with all future amendments and supplements thereto which are recorded in the office of the Clerk of Atlantic County.

Q. **"Member"** shall mean all those Unit Owners who are Members of the Association.

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

S. **"Permitted Mortgage"** shall mean and refer to any mortgage lien encumbering a Unit held by a bank, mortgage banker, trust company, insurance company, savings and loan association, pension fund, governmental agency, or any Eligible Mortgage Holder, or which is a purchase money mortgage held by the seller of a Unit, or any mortgage lien which is expressly subordinate to any existing or future common expense liens imposed against a Unit by the Association.

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

U. "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.

V. "Sponsor" shall mean and refer to Bellevue Properties Group 2511 Fire Road, L.L.C., a New Jersey limited liability company, its successors and assigns, and includes any successor to the Sponsor contemplated by paragraph 26 of this Master Deed.

W. "Unit" shall mean a part of the Condominium designated and intended for independent ownership and use as more specifically described in paragraph 3 hereof and shall not be deemed to include any part of the General Common Elements or Limited Common Elements situated within or appurtenant to a Unit.

Unless the context clearly indicates otherwise, all definitions set forth in *N.J.S. 46:8B-3* are incorporated herein by reference and the definitions set forth above shall be used in conjunction therewith.

2. General Description of the Condominium.

The Condominium shall consist of twenty-seven (27) units located on the land described in Exhibit A with the improvements described or shown in Exhibit B.

3. Description of the Units.

A. The dimensions, area and location of the Buildings and all of the Units within the Condominium are as shown graphically on Exhibit B. Each Unit is intended to contain all space within the area bounded by the interior surface of the perimeter walls of each Unit and the interior surface of the floor and interior surface of the ceiling of each Unit as follows:

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

Top: The top of each Unit is an imaginary plane along and coincident with the interior surface of the ceiling of the Unit.

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

B. Each Unit also includes all built-in appliances, fixtures, interior doors, interior walls and partitions, gypsum board and/or other facing material or the walls and ceilings thereof, the inner-decorated and/or furnished surface of the floors (including all flooring tile, ceramic tile, finish flooring, carpeting and padding) and all other improvements located within such Unit, which are exclusively appurtenant to such Unit, 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 individual Unit only and not any other Unit or any portion of the Common Elements:

(i) So much of the common heating, plumbing and ventilating system as extend from the interior surface of the walls, floor or ceilings into the Unit and, in addition thereto, the hot-water heater and heating units located within the Unit and the air-conditioning compressor unit whether located within or without the Unit.

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

(iii) All utility meters not owned by the public utility agency supplying the service.

(iv) All equipment, appliances, machinery, mechanical or other systems which serve the Unit exclusively whether or not same are located within or without the Unit.

C. Interior partitions or non-bearing walls within the confines of each Unit may, from time to time, be removed or replaced subject to the prior written approval of the Board. In the event a Unit Owner does remove or replace any or all such interior partitions or walls, no amendment of the Master Deed will be necessary or required. No Unit may be partitioned or subdivided without the prior written approval of the Board. The Sponsor shall not be obligated to obtain any approvals prior to the initial conveyance of any Units owned by it to another Unit Owner.

4. <u>Description of General and Limited Common Elements.</u>

A. General Common Elements. General Common Elements shall consist of all the land and improvements in the Condominium other than Units described in Article 3 above, and the Limited Common Elements described in Article 4B below, and shall include but are not limited to the land, parking areas, lawn areas and landscaping, the roof, foundations, footings, columns, beams, supports, exterior or interior bearing or main walls and floors between Units, exterior lighting and tangible personal property required for the maintenance and administration of the Condominium.

B. Limited Common Elements. Limited Common Elements are those Common Elements which are for the use of one or more specified Units to the exclusion of other Units. The Limited Common Elements, if any, shall be as graphically shown on **Exhibit** B. Repairs or maintenance, as well as cleaning, with respect to the Limited Common Elements, shall be the responsibility of the Association.

5. <u>Estate Acquired; Determination of Percentage Interest Common Expenses and Voting Rights</u>.

A. 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 "D" attached hereto and made a part hereof. The percentage interest is based upon and shall be allocated in accordance with the relative square footage of each Unit as set forth in Exhibit "D". Said percentage is expressed as a finite number to avoid an interminable series of digits; the digits have been adjusted to that value which is most nearly correct. The percentage interest shall be used to allocate the division of proceeds, if any, resulting from (1) casualty loss or any eminent domain proceedings which affect any portion of the property within the Condominium or (2) any disposition of the physical assets of the Association.

B. All assessments for the Common Expenses of each Unit in the Condominium shall be allocated in accordance with the percentage interest as set forth in Exhibit "D". Any common surplus of the Association resulting from the operations of the Association shall also be allocated among all the Unit Owners including Sponsor, based upon the percentage interest of each Unit.

C. Each Unit Owner in good standing shall be entitled to cast one vote for each Unit to which he holds title; which vote shall be equal in weight to the percentage interest as set forth in Exhibit "D".

D. The percentage interest shall remain fixed.

6. <u>Maintenance and Capital Improvements Assessments; Lien for Assessments</u>.

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

B. Annual Common Expense Assessments shall be made for an annual period to be determined by the Board, and shall be payable in quarterly installments due on the first day of

January, April, July, and October of each year. The Board shall cause to be prepared annually at least thirty (30) days in advance of the due date of the first Common Expense installment, a list of the Units and the annual Common Expense Assessment applicable thereto according to the names of the Unit Owners, which list shall be kept in the office of the Association and shall be open to inspection, upon request by any Unit Owner. Written notice of the annual Common Expense Assessments shall be sent by mail or delivered to every Unit Owner, as more particularly described in Article XIV of the Bylaws.

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

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

E. In addition to the annual Common Expense Assessments herein authorized, the Board may levy in any assessment year a Special Assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the common property, including the necessary furniture, fixtures, equipment and other personal property related thereto or for other lawful purposes. The due date of any Special Assessment, or any installment thereof, shall be fixed in the resolution authorizing such Special Assessment.

F. 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 annual or Common Expense Assessments or Special Assessment as are contemplated herein or in the Bylaws. Upon the conveyance of title to a Unit, the portion of the then current annual Common Expense Assessment payable by the new Unit Owner shall be an amount which bears the same relationship to the annual Common Expense Assessment or Special Assessment as the remaining number of months in the then current annual Common Expense Assessment or Special Assessment period bears to twelve. Such first annual Common Expense Assessment Special Assessment or portion thereof for which a new Unit Owner is liable shall be immediately due upon the closing of title to the Purchaser.

G. The Association shall, upon the request of any Unit Owner liable for a Common Expense Assessment, or of the Institutional Lender for any Unit, furnish to such Unit Owner or Institutional Lender, a certificate in writing, signed by an officer of the Association, setting forth whether or not such Common Expense Assessment has been paid. Such certificate shall constitute conclusive evidence of the payment of any Common Expense Assessments therein stated to have been paid.

H. No Unit Owner may waive or otherwise avoid liability for a Common Expense Assessment or Special Assessment by non-use of the Common Elements. Each such Assessment shall be a continuing lien upon the Unit against which it was made and shall also be the joint and several personal obligation of the owner of such Unit at the time when the Common Expense Assessments and Special Assessments fall due, and of each subsequent record owner of such Unit, except as otherwise contemplated by subparagraph 24I of this Master Deed together with such interest thereon as may be permitted by law and cost of collection thereof (including reasonable attorney's fees). Liens for unpaid Common Expense Assessments or Special Assessments may be foreclosed by suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. Suit to recover a money judgment for unpaid Common Expense Assessments or Special Assessments may be maintained without waiving the lien securing the same.

I. Until the conveyance of title to the first Unit, the Sponsor shall be solely responsible for all Common Expenses. Following the first conveyance, the owners of Units to whom title shall have been conveyed shall be responsible for their percentage interest of all Common Expenses, and the Sponsor shall be responsible for the payment of all Common Expenses assessed against Units which have not been initially conveyed to a third party purchaser.

7. <u>Common Expenses; Responsibilities of Owners; Damage Due to Negligence</u>.

A. The annual Common Expense Assessments levied by the Board shall be used exclusively for promoting the health, safety, pleasure and welfare of the Members of the Association, including, but without limitation: exterior lighting; refuse collection; snow clearing from sidewalks, walkways and parking areas; landscaping of common property; maintenance, repair and replacement of the Common Elements or any other improvements on the Property; payment of taxes and insurance premiums; all costs and expenses incidental to the operation and administration of the Association; and such other items as may from time to time be deemed appropriate by the Board. The Board may also provide, by its Rules and Regulations, for ordinary maintenance and minor repairs and replacements to be furnished to Units by Association personnel or representatives and charged as a Common Expense.

B. Each Unit Owner shall promptly furnish, perform, and be responsible for, at its own expense, all of the maintenance, repairs and replacements for its Unit, provided, however, that the Association, its agents and employees may effect emergency or other necessary repairs which the Unit Owner has failed to perform; but any and all expenses incurred pursuant to the foregoing provision shall be the responsibility of the Unit Owner affected thereby. Maintenance, repair and replacement of windows, doors, electrical wiring and receptacles, appliances and equipment, and lighting fixtures within or appurtenant to any Unit shall be the Unit Owner's responsibility at its sole cost and expense, and if the Unit Owner fails to perform such work and the failure to do so may negatively affect the Condominium, the Association may do so on the Unit Owner's behalf and charge the reasonable expenses thereof to the Unit Owner.

C. If, due to the negligent act or omission of or misuse by a Unit Owner, 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 expenses, 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 Bylaws and the Rules and Regulations.

8. Easements.

A. Every Unit Owner, its successors and assigns, shall have the following perpetual easements with respect to the Property:

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

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

(3) A nonexclusive easement for ingress and egress to its Unit in, upon, under, over, across and through the General Common Elements including such new access as may be required upon the alteration of Units; and

(4) An easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines, television systems, master antenna facilities or other General Common Elements located within any of the other Units or Common Elements and serving the Unit; and

(5) A perpetual and nonexclusive easement in, over and through the General Common Elements to use the driveways, walks, parking areas and other common facilities subject to the right of the Board to:

(a) Promulgate Rules and Regulations for the use and enjoyment thereof; and

(b) Suspend the enjoyment and voting rights of any Unit Owner for any period during which any assessment for Common Expenses remains unpaid, or for any period during which any infraction of its published Rules and Regulations continues, it being understood that any suspension for either nonpayment of any assessment or a breach of the Rules and Regulations of the Association shall not constitute a waiver or discharge of the Unit Owner's obligation to pay the Assessment.

B. Sponsor, its successors and assigns, shall have the following easements with respect to the Property:

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

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

C. 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 Board or any manager, or managing agent, or their respective agents or employees shall have the perpetual and nonexclusive right of access to each Unit (a) to inspect same, (b) to remedy any violations of the provisions of this Master Deed, the Bylaws or any Rules and Regulations of the Association, and (c) 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 another Unit or the Common Elements; provided that requests for entry are made in advance and that any such

entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not; and

(3) Any Institutional Lender, its officers, agents and employees, shall have a blanket, perpetual and nonexclusive easement to enter the Condominium or any part thereof to inspect the condition and repair the Common Elements, or any Units so encumbered by a first mortgage owned by it. This right shall be exercised only during reasonable daylight hours, and then whenever practicable, only after advance notice to and with the permission of the Board and the Unit Owner; and

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

(5) A blanket, perpetual and nonexclusive easement of unobstructed ingress and egress in, upon, over, across and through the Common Elements to the Township of Egg Harbor, the Association, their 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 subparagraph shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to and with permission of the Unit Owner or Owners directly affected thereby.

9. <u>Bylaws and Administration</u>.

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 Condominium Act, this Master Deed, the Bylaws, the Rules and Regulations and of any other agreements, documents, amendments or supplements to the foregoing which may be duly adopted or subsequently be required by any Institutional Lender designated by the Sponsor or by any governmental 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.

10. Restrictions.

A. No Unit shall be used for any purpose other than to conduct a business, trade or profession. At the time a Unit is conveyed by the Sponsor, the portion of the area that can be used for general office purposes will be established and thereafter cannot be changed without the approval of Board. This restriction shall not be binding upon the Sponsor.

B. No Unit shall be used as a residence. No cooking shall be permitted within any Unit and no Unit Owner shall permit any food odors emanating within a Unit to seep into other portions of the Condominium.

C. There shall be no obstruction of the Common Elements nor shall anything be temporarily or permanently placed upon, stored in or affixed to the Common Elements without the prior written consent of the Board or unless expressly permitted by the Rules and Regulations.

D. No animal of any kind shall be raised, bred, or regularly kept in any Unit or anywhere else within the Condominium.

E. No vehicles of a size larger than a panel truck and no mobile home, recreation vehicle, boat, boat trailer or the like shall be parked within the Condominium, except that those vehicles temporarily with the Condominium for the purpose of servicing the Condominium itself or one of the Units shall be permitted without written consent of the Board.

F. No portion of the Common Elements or other portion of the Condominium shall be used or maintained for the dumping of rubbish or debris except in areas designated by the Board within containers as supplied by the Unit Owner and approved by the Board. Trash, garbage or other waste shall be kept in sanitary containers within a Unit until properly disposed of as above.

G. No exterior loudspeakers shall be permitted, nor shall floodlights or other outdoor lighting be installed in any exterior area of any Unit or any porch or entryway appurtenant thereto without the permission of the Board.

H. Other than the signs shown in Exhibit "B" no signs, awnings, window air conditioning units, grills, fence, canopies, shutters, or radio or television antenna or aerial shall be erected or installed in or upon the Common Elements or any part thereof without the prior consent of the Board. Unit Owners shall not have the right to paint or otherwise decorate or change the appearance of any portion of the exterior of the Building or any parking area. Each Unit Owner is responsible to promptly report in writing to the Board any defect or need for repairs, the responsibility for which is that of the Association.

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

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

K. No Unit Owner or occupant shall burn, chop or cut anything on, over or above the Common Elements. No dangerous, flammable, combustible or explosive material shall be brought into any Unit or the Condominium.

L. To the extent that equipment, facilities and fixtures within any Unit shall be connected to similar equipment, facilities or fixtures affecting or serving another Unit or the Common Elements, then the use thereof by the individual Unit Owners shall be subject to this Master Deed, the Bylaws and the Rules and Regulations of the Association.

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

N. No noxious or offensive activities shall be carried on, in or upon the Common Elements or in any Unit nor shall anything be done therein either wilfully or negligently which may be or become an annoyance or nuisance to the other owners or occupants in the Condominium.

O. No immoral, improper, offensive or unlawful use shall be made of any Unit; and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed.

P. Except as otherwise specially permitted, nothing shall be done to any Unit or on or in the Common Elements which will impair the structural integrity of any Building or which will structurally change any Building. No Unit Owner (other than the Sponsor) may make any structural additions, alterations or improvements in or to its Unit or in or to the Common Elements, without the prior written approval of the Board or impair any easement without the prior written approval of the Board. The Board shall have the obligation to answer any written request received by it from a Unit Owner for approval of a proposed structural addition, alteration or improvement to its Unit within forty-five (45) days after the receipt of such request and failure to do so within the stipulated time shall constitute a denial of the proposal. Any application to any municipal authority for a permit to make an addition, alteration or improvement in or to any Unit must be reviewed by the Board and, if approved, shall be executed by the Board as appropriate and may then be submitted by the Unit Owner. Such approval, however, shall not incur any liability on the part of the Association to any contractor, subcontractor, or materialman on account of such addition, alteration, or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The Unit Owner shall furnish the Board with a copy of any such permit which has been procured. The provisions of this subparagraph shall not apply to Units owned by the Sponsor until such Units have been initially sold and conveyed by the Sponsor.

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

R. Except as hereinafter provided, no Unit shall be leased by the Owner thereof (except a lender in possession of such Unit following a mortgage default, a foreclosure proceeding, or by any deed or other arrangement in lieu of foreclosure) for any period of less than six (6) months. Notwithstanding the foregoing, any Unit Owner, including Sponsor, may rent a Unit for a period of less than six (6) months to any bona fide contract purchaser thereof.

S. Other than the foregoing obligations, the Unit Owners shall have the right to lease same provided that said lease is in writing (with a copy provided to the Association) and made subject to all provisions of this Master Deed, the Bylaws of the Association and other documents referred to herein, including the right of amendment reserved to Sponsor herein, and provided further that any failure of the lessee to fully comply with the terms and conditions of such documents shall constitute a default under the lease.

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

U. Any permitted mortgage which is not a first lien shall expressly and automatically be subordinate to the Common Expense lien of the Association. No other mortgages or encumbrances shall be permitted, other than mortgages executed by the Sponsor, without the prior written approval of the Association.

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

W. Each Unit Owner shall pay for its own telephone, and other utilities, which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed or which serve the Common Elements shall be treated as part of the Common Expenses.

X. The Board shall have the power to make such Rules and Regulations as may be necessary to carry out the intent of these use restrictions, and shall have the right to bring lawsuits to enforce the Rules and Regulations so promulgated. The Board shall further have the right to levy fines for violations of these regulations. Each day that a violation continues after receipt of notice by the Unit Owner may be considered as a separate violation. Any fine so levied shall be considered as a Common Expense to be levied against the particular Unit Owner involved and collection may be enforced by the Board in the same manner as the Board is entitled to enforce collection of Common Expenses.

Y. Each Unit shall be exterminated by the Unit Owner from time to time, unless said function is assumed by the Association.

11. <u>Obligations of Sponsor.</u>

Following the first conveyance, the Owners of Units to whom title shall have been conveyed shall be responsible for their proportionate share of all Common Expenses and the Sponsor shall be responsible for payment of all Common Expenses assessed against Units which have not been initially conveyed to an individual purchaser.

12. <u>No Partition.</u>

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

13. Membership in the Association.

Upon acceptance of a deed to a Unit each Unit Owner shall automatically become a Member of the Association and shall be a Member for so long as it shall hold legal title to the Unit subject to all provisions of this Master Deed, the Condominium Act, and the Bylaws 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 the votes corresponding to the Units owned by it.

14. Compliance by Unit 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, Bylaws, Rules and Regulations or any other documents, amendments or supplements to the foregoing as described in paragraph 9 hereof. Failure to comply with any of the foregoing shall be grounds for commencement of an action for the recovery of damages, or for injunctive relief, or both, by the Sponsor, the Association, or any Unit Owner, in any court or administrative tribunal having jurisdiction, against any person or persons, firm or corporation violating or attempting to violate or circumvent any of the aforesaid, and against any Unit Owner to enforce any lien created by this Master Deed or any covenant contained herein. Failure by the Sponsor, the Association, or any Unit Owner to enforce any covenant herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to thereafter enforce the same.

15. Damage or Destruction to Property.

If any Common Element or Limited Common Element or any part thereof is damaged or destroyed by fire or casualty, the repair, restoration or ultimate disposition of any insurance proceeds shall be in accordance with the following:

A. If the insurance proceeds derived from such loss amount to One Hundred Thousand ($100,000.00) Dollars or less, then the Board shall contract with any licensed contractor or contractors to rebuild or repair such damage or destroyed portions of the Common Elements or Limited Common Elements in conformance with the original plans and specifications, or if adherence to such original plans and specifications is impracticable in the Board's opinion, then in conformance with revised plans and specifications provided such repairs or rebuilding shall be of quality and kind substantially equivalent to the original construction. The Board shall accept bids only in specific amounts and shall not enter into any cost-plus or other sliding scale arrangement for compensation to the contractor.

B. If the insurance proceeds derived from such loss exceed One Hundred Thousand ($100,000.00) Dollars all such insurance proceeds shall be paid directly to an Insurance Trustee as may be designated by the Board, as Trustee for all Institutional and other Lenders holding the first mortgages on any portion of the Common Elements or Limited Common Elements, and all Unit Owners as their interest's may then appear. Disbursement of such funds shall be made only upon the signatures of a majority of the Members of the Board.

(1) Upon notification of the receipt of insurance proceeds by the Insurance Trustee, the Board shall enter into a contract for a specific dollar amount with a licensed contractor or contractors for the repairs or rebuilding of all of the damaged or destroyed portions of the Common Elements or Limited Common Elements, as nearly as practicable to the original plans and specifications thereof and in accordance with all applicable building codes.

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

(3) The Board shall employ a licensed architect or licensed engineer to supervise the repair and rebuilding to ensure 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.

C. If the damage is only to a Unit or a portion thereof, 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.

D. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for payment of the costs thereof are insufficient, assessments shall be made against all Unit Owners in sufficient amounts to provide funds for the payment of such costs. Also, in the event that insurance coverage is subject to payment of a deductible amount, such deductible amount shall be assessed against all Unit Owners whose Units were damaged or destroyed. Anything to the contrary in this Master Deed or Bylaws notwithstanding, such assessments shall be in proportion to the Unit Owner's Percentage Interest in the Common Elements. The foregoing provisions of this subparagraph are applicable to the repairs and reconstruction to be undertaken by the Association and do not cover damages to those portions of the Unit for which the responsibility of maintenance and repair is that of the Unit Owner for which the costs and expenses must be borne by each Owner; provided, however, any portion of the insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an individual Unit Owner shall be paid to said Unit Owner, or if there is a mortgage endorsement as to such Unit, then to the Unit Owner and mortgagee, jointly.

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

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

16. Eminent Domain.

A. If any Building, improvement or Common Element or any part thereof shall be taken, injured or destroyed by eminent domain, each Unit Owner affected shall be entitled to notice of such taking and to participate through the Association in the proceedings incident thereto. Any awards made in connection with such proceedings shall be collected by the Association and applied or distributed by it in accordance with the following, unless the award or decree provides to the contrary:

(1) Upon acquisition by the condemning authority, unless the decree provides otherwise or the Unit remains habitable, each affected Unit's entire Percentage Interest and its liability for payment of Common Expenses shall be automatically reallocated to the remaining Units on the same basis as such Percentage Interest and Common Expense liabilities were initially established pursuant to paragraph 5 of this Master Deed and 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; and

(2) In the case of a Unit which remains habitable after condemnation, upon acquisition by the condemning authority, unless the decree provides otherwise, (a) the Percentage Interest of each affected Unit which remains habitable, and its liability for payment of Common Expenses shall automatically be reduced in proportion to the reduction in square footage of each such Unit as compared with aggregate square footage of all Units before the taking; and (b) the portion of Percentage Interest and Common Expense liabilities divested from the acquired Unit shall be automatically reallocated to the remaining Units on the same basis as such Percentage and Common Expense liabilities were initially established pursuant to paragraph 5 of the Master Deed, with the partially acquired Units participating in the reallocation on the basis of their reduced Percentage Interest and liabilities; and

(3) If a part of the Common Elements is acquired by eminent domain, the award must be paid to the Association and unless the decree provides otherwise, the Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements among the Unit Owners affected in proportion to their respective damage suffered and their respective Percentage Interest in the Common Elements before the taking on an equitable basis; and

(4) If all of the Common Elements are acquired by eminent domain, the award must be paid to the Association and unless the decree provides otherwise, the Association shall divide the award among all Unit Owners in accordance with their respective Percentage Interest in the Common Elements.

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

17. Insurance.

The Board shall obtain, place and keep in force insurance as set forth below.

A. Physical Damage Insurance. Broad form insurance against loss by fire and against loss by lightning, wind storm and other risks normally included within an all-risk extended coverage endorsement, including vandalism and malicious mischief, insuring all improvements existing in the Condominium, together with all service machinery appurtenant thereto, and covering the interests of the Association, the Board, the Sponsor and all Unit Owners and institutional lenders, as their respective interests may appear in an amount equal to the full replacement value of all such improvements (exclusive of foundations, footings and infrastructure improvements of a like nature) without deduction for depreciation. Each policy shall contain a standard mortgagee clause in favor of such institutional lender and shall provided that the loss, if any, thereunder shall be payable to such institutional lender as its interest may appear subject to the provisions of Article 15 of the Master Deed. The amount of any deductible shall be determined by the Board in its sole discretion.

B. Public Liability Insurance. To the extent obtainable, public liability insurance for personal injury and death from accidents occurring within the Common Elements (and any other area which the Board may deem advisable) and the defense of any actions brought as the result of injury or death of a person or damage to the Condominium occurring within such Common Elements. This insurance shall be in such limits as the Board may, from time to time, deem appropriate and shall cover each member of the Board, as well as such other individuals or entities as the Board may determine to be appropriate and shall also cover cross-liability claims of one insured against another.

C. Workers Compensation Insurance. As required by law.

D. Directors and Officers Liability Insurance. In the discretion of the Board.

E. Other Insurance. Such other insurance as the Board may determine.

All policies of insurance shall provide that the adjustment of the loss shall be made by the Board and that the proceeds thereof shall be payable in the manner set forth in Article 15 of this Master Deed and to the extent obtainable contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured and shall provide that such policies may not be canceled without at least thirty (30) days prior written notice to all named insureds, including all Unit Owners and institutional lenders. The premiums for all insurance shall be paid by the Association and shall be a Common Expense. Unit Owners must obtain separate coverage for the contents of their individual Units, general liability, loss of business, and such other insurances as may be advisable to such individual Unit Owners.

18. Amendment of Master Deed.

A. This Master Deed may be amended at any time after the date hereof by the affirmative vote of at least fifty-one percent (51%) of the total number of votes entitled to vote at the time of the amendment.

B. In addition to, and not in lieu of, the rights granted in subparagraph A above, the Sponsor hereby reserves for itself, its successors and assigns, the right to execute on behalf of all contract purchasers, Unit Owners, Mortgage Holders, other lien holders or parties claiming a legal or equitable interest in the Condominium, any such agreement, document, amendment or supplement to the Condominium Documents which may be required to effectuate the changes enumerated in this Article 18, provided, however, that no such agreement, document, amendment or supplement shall affect a material physical modification of a Unit, without the prior written consent of the Unit Owner.

C. 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 contract purchaser, Unit Owner, or occupant, holder of any mortgage or other lien, does automatically name, constitute, appoint and confirm Sponsor, its successors and assigns, as attorney-in-fact for the purpose of executing such amended Master Deed and other instrument(s) necessary to effect the rights reserved herein and 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 and 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.

D. The powers of attorney contained in this article 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 is intended to deliver all rights, title and interest of the principal in and to said powers.

E. Sponsor may use the rights granted in this Article 18 to effectuate the following changes, enumerated by way of description and not limitation:

(1) Adding to or altering the location, size and/or purpose of easements and lands for utilities, roads, access, egress, drainage and/or financing purposes;

(2) To permit the users or occupants of lands owned by or controlled by the Sponsor to utilize easements, roads, drainage facilities, utility lines, and the likes, within or servicing the Condominium;

(3) Correcting, supplementing and providing technical changes to the Master Deed and Condominium Documents.

E. This Master Deed may also be amended at any time after the date hereof to combine, divide or alter adjacent Units by the approval of the Board as set forth in paragraph 5.

F. Any amendment to this Master Deed will become effective upon recording of such amendment in the Office of the Clerk of Atlantic County. The Board shall provide copies of all amendments to each Unit Owner and Eligible Mortgage Holder. For purposes of determining priority, any and all amendments to the Master Deed shall relate back to the date of original filing of the Master Deed and shall be deemed prior to any subsequent lien or mortgage notwithstanding the fact that such subsequent lien or mortgage was recorded prior to the effective date of the amendment. No amendment shall impair or adversely affect the rights of the Sponsor or cause the Sponsor to suffer any financial, legal or other detriment, including but not limited to any direct or indirect interference with the sale of Units, or the assessment of the Sponsor for capital improvement.

19. <u>Enforcement.</u>

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.

20. Waiver.

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

21. Gender.

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

22. 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 or the Bylaws.

23. Rights Reserved to Sponsor.

Anything to the contrary herein or in Bylaws of the Association notwithstanding, Sponsor hereby reserves for itself, its successors and assigns, for as long as it owns one or more Units in the Condominium, the right to sell, lease, mortgage, sublease or otherwise dispose of any unsold Units within the Condominium.

24. Protective Provisions for the Benefit of Eligible Mortgage Holders.

Anything to the contrary in this Master Deed or the Bylaws notwithstanding, the provisions herein shall apply with respect to each Eligible Mortgage Holder. All percentages of Eligible Mortgage Holders shall be calculated based upon the relative percentage interests of the Units upon which the Eligible Mortgage Holders hold first mortgages.

A. The prior written approval of at least seventy-five percent (75%) percent of the Eligible Mortgage Holders is required for any material amendment to this Master Deed or to the Bylaws including, but not limited to, any amendment which would change any provision relating to:

(1) Voting rights;

(2) Reserves for maintenance, repair and replacement of Common Elements;

(3) Responsibility for maintenance and repairs;

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

(5) Boundaries of any Unit;

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

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

(8) Insurance or fidelity bonds;

(9) Leasing of Units;

(10) Imposition of any restrictions upon a Unit Owner's right to sell or transfer its Unit;

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

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

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

(14) Any provisions that expressly benefit Eligible Mortgage Holders.

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

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

(1) 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 of the proceeds of any condemnation award or settlement in the event of condemnation or with respect to the distribution to such Unit of any insurance proceeds in the event of casualty loss;

(2) Any sixty (60) day delinquency in the payment of Common Expense Assessments or other assessments or charges owed to the Association by a Unit Owner of any Unit for which the Eligible Mortgage Holder holds a mortgage;

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

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

D. No Unit in the Condominium may be partitioned, subdivided, combined or its dimensions altered without the prior written approval of any Eligible Mortgage Holder for such Unit.

E. Any lien the Association may have on any Unit in the Condominium for the payment of Common Expense Assessments attributable to each Unit is subordinate to the lien or equivalent security interest of any first mortgage on the Unit held by an Eligible Mortgage Holder and recorded prior to the date any such Common Expense Assessment became due.

F. Any Eligible Mortgage Holder shall, upon request, (1) be permitted to inspect the books and records of the Association during normal business hours; and (2) 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, Bylaws and Rules and Regulations, and any respective amendments thereto.

G. Upon request any Eligible Mortgage Holder shall receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

H. Any Eligible Mortgage Holder that obtains title to a Unit as a result of foreclosure of the first mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser in a foreclosure sale, or their respective successors and assigns, is not liable for the share of Common Expenses or other assessments by the Association pertaining to such Unit or chargeable to the former Unit Owner which became due prior to acquisition of title. 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.

I. Any management agreement for the Condominium entered into prior to the Unit Owners having elected at least seventy-five (75%) percent of the members of the Association's Board shall not be entered into for a period in excess of two (2) years. Any such agreement may not be renewed or extended for periods in excess of two (2) years and at the end of any two (2) year period, the Association may terminate any further renewals or extensions thereof. Furthermore, any management agreement shall terminate ninety (90) days after the first meeting of the Association's Board in which the Unit Owners constitute a majority of the members, unless the Board ratifies the agreement.

J. Notwithstanding the absence of any express provision to such effect in the mortgage instrument, in the event that there is any default in the payment of any installment of a Common Expense Assessment with respect to any Unit, either regular or special, any 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.

K. Any Eligible Mortgage Holder that receives by certified mail, return receipt requested, a written notice under this paragraph and does not deliver to the Association by certified mail, return receipt requested, a negative response within thirty (30) days, shall be deemed to have approved the action stated in the notice.

L. In consideration of the rights granted in this Master Deed to Eligible Mortgage Holders, such Eligible Mortgage Holders agree by making the loan secured thereby and without the necessity of any further documentation that:

(1) In the event that any provisions of such mortgages and the obligations secured thereby are inconsistent with provisions of the Condominium Documents, the Condominium Documents shall control;

(2) Such mortgage and the obligations secured thereby shall be deemed to provide (regardless of whether it expressly so provides) generally that such mortgage and the rights and obligations of the parties thereto shall be subject to the terms and conditions of the Condominium Act and the Condominium Documents;

(3) The mortgagee shall have no right to participate in the adjustment of losses with insurers or in any decision with respect to repairing or restoring damage or destruction to the Condominium; and

(4) The mortgagee shall have no right to receive or apply proceeds of insurance to the reduction of the mortgage debt or otherwise, except in the event and to the extent

that the proceeds of insurance are to be distributed pursuant to the provisions of paragraph 15F and *N.J.S. 46:8B-24.*

25. **Duration.**

The provision of this Master Deed shall be perpetual in duration, shall run with and bind all of the land included in the Condominium and shall inure to the benefit of and be enforceable by the Association and the Unit Owners, their respective successors, assigns, heirs, executors, administrators, and personal representatives, except that the covenants and restrictions set forth in paragraph 10 shall have an initial term of forty years from the date this Master Deed is recorded in the Office of the Atlantic 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 fifty-one percent (51%) 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 Unit 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.

26. **Transfer of Special Sponsor's Rights.**

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

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

(1) A 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.

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

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

C. Unless otherwise provided in a mortgage instrument or deed of trust, in case of foreclosure of a mortgage, sale by a trustee under a deed of trust, or sale under 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 his request, succeeds to all such Special Sponsor Rights, or only to any such Special Sponsor Rights to maintain models, sales offices and signs. The judgment or instrument conveying title shall provide for transfer of only the Special Sponsor Rights requested.

D. Upon foreclosure, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings, of all Units in the Condominium owned by Sponsor:

(1) The Sponsor ceases to have any such Special Sponsor Rights; and

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

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

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

(2) A successor to all such Special Sponsor Rights, other than a successor described in paragraphs (3) or (4) hereof who is not an affiliate of Sponsor, is subject to all obligations and liabilities imposed upon Sponsor by law or the Master Deed, except he is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Sponsor or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Sponsor.

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

(4) A successor to all Special Sponsor Rights who is not an affiliate of Sponsor and who succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Units under subparagraph C aforesaid, may declare his intention

in a recorded instrument to hold those rights solely for transfer to another party. Thereafter, until transferring all such Special Sponsor Rights to any person acquiring title to any Unit owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than the right to control the Board for the duration of any period of Sponsor control, and any attempted exercise of those rights is void. So long as a successor may not exercise Special Rights under this subparagraph he is not subject to any liability or obligation as a Sponsor other than liability for the successor's acts and omissions under the Master Deed.

F. Nothing in this paragraph subjects any successor to a Special Sponsor Right to any claims against or other obligations of a transferor other than claims and obligations arising under the Master Deed.

27. Invalidity.

The invalidity of any provision of this Master Deed or Bylaws 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 Bylaws and in such event all of the other provisions of this Master Deed and said Bylaws shall continue in full force as if such invalid provision had never been included.

28. Notices.

Any notice or communication required to be delivered by the Association to a Unit Owner shall be conclusively deemed to have been delivered to the Unit Owner by the mailing or hand delivering of same to the Unit in question unless the Unit Owner has delivered written notice to the Association of a mailing address other than that of the Unit in which case such notice or communication shall be conclusively deemed to have been delivered upon mailing same to such mailing address by regular mail three (3) days after the same is deposited in the mail, postage paid.

29. Working Capital. At the time of closing, the first purchaser of each Unit shall be required to contribute to the Association, as working capital, an amount equal to two monthly payments of the Common Expense Assessment attributable to the Unit in question. Such contribution shall be non-refundable and shall be held and used by the Association as working capital, or for such other purposes as the Board deems necessary or desirable.

30. Sponsor's Right of First Opportunity. If, while the Sponsor owns a Unit within the Condominium, a Unit Owner other than the Sponsor elects to sell its Unit, the Unit Owner agrees that prior to attempting to sell the Unit to a third party, the Unit Owner shall give the Sponsor the first opportunity to purchase the Unit on such terms and conditions as may be reasonably negotiated by the Sponsor and the Unit Owner, within a negotiating period not to exceed thirty (30) days. If the Sponsor and Unit Owner are unable to satisfactorily negotiate the terms of a sale and purchase of the Unit within the aforementioned period, or if the Sponsor has no interest in

purchasing the Unit, then the Unit Owner shall be free and unrestricted to list the Unit for sale and/or negotiate a sale of the Unit to a third party.

31. <u>Exhibits</u>.

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

Exhibit "A"- Legal Description of Property

Exhibit "B"- Survey

Exhibit "C"- Bylaws of Bellevue Commons Condominium Association

Exhibit "D" - Percentage Interest Schedule

IN WITNESS WHEREOF, the Sponsor has caused this instrument to be executed the day and year first above written.

Witnessed By:

BELLEVUE PROPERTIES GROUP
2511 FIRE ROAD, L.L.C.

By: ______________________
George A. Mortellite, Sr., Member

____
Anthony M. Mortellite, Member

____
George A. Mortellite, Jr., Member

STATE OF FLORIDA :
:ss
COUNTY OF PALM BEACH :

BE IT REMEMBERED, that on 11 DECEMBER, 2001, before me the subscriber, a Notary Public of the State of New Jersey, personally appeared **George A. Mortellite, Sr.,** a member of Bellevue Properties Group 2511 Fire Road, L.L.C. a New Jersey limited liability company, who I am satisfied, is the person named in and who executed the within instrument, and thereupon he acknowledged that he signed, sealed and delivered the same as his act and deed, for the uses and purposes herein expressed.

OFFICIAL NOTARY SEAL
TOMMY L ADAMS
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC 990272
MY COMMISSION EXP. DEC. 26,2004

____
Notary Public of Florida

STATE OF NEW JERSEY:

:ss

COUNTY OF ATLANTIC

BE IT REMEMBERED, that on December 12, 2001, before me the subscriber, a Notary Public of the State of New Jersey, personally appeared **Anthony M. Mortellite,** a member of Bellevue Properties Group 2511 Fire Road, L.L.C. a New Jersey limited liability company, who I am satisfied, is the person named in and who executed the within instrument, and thereupon he acknowledged that he signed, sealed and delivered the same as his act and deed, for the uses and purposes herein expressed.

Notary Public of New Jersey

DANIEL J. PITTARO
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES DEC. 7, 2004

STATE OF NEW JERSEY:

:ss

COUNTY OF ATLANTIC

BE IT REMEMBERED, that on December 12, 2001, before me the subscriber, a Notary Public of the State of New Jersey, personally appeared **George A. Mortellite, Jr.,** a member of Bellevue Properties Group 2511 Fire Road, L.L.C. a New Jersey limited liability company, who I am satisfied, is the person named in and who executed the within instrument, and thereupon he acknowledged that he signed, sealed and delivered the same as his act and deed, for the uses and purposes herein expressed.

Notary Public of New Jersey

DANIEL J. PITTARO
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES DEC. 7, 2004

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY
LOT 12, BLOCK 605
EGG HARBOR TWP., ATLANTIC COUNTY
STATE OF NEW JERSEY

ALL THAT CERTAIN lot, tract or parcel of land situate in the Township of Egg Harbor, County of Atlantic and State of New Jersey, bounded and described as follows:

BEGINNING at a concrete monument set in the Northerly sideline of Fire Road (66 feet wide), where the same is intersected by the dividing line between Lots 12 and 13, Block 605, said monument being also the following two courses from the intersection of Fire Road with the centerline of Spencer Avenue (50 feet wide - formerly known as Risley Avenue);

A. North 49 degrees 34 minutes 00 seconds East, a distance of 690 feet; thence

B. North 40 degrees 26 minutes 00 seconds West, a distance of 45 feet to the beginning point of the herein described Lot 12, Block 605 and from said beginning point running; thence

(1) North 40 degrees 26 minutes 00 seconds West, along the dividing line between Lots 12 and 13, Block 605, a distance of 733.80 feet to a concrete monument set in the Southerly boundary line of Lot 16, Block 605; thence

(2) North 49 degrees 34 minutes 00 seconds East, along said Southerly line, a distance of 489 feet to an iron pin set in the Westerly boundary line of Lot 11, Block 605; thence

(3) South 42 degrees 00 minutes 00 seconds East, along said Westerly line, a distance of 734.08 feet to a concrete monument set in the Northerly sideline of Fire Road; thence

(4) South 49 degrees 34 minutes 00 seconds West, along said Northerly sideline, a distance of 509.07 feet to the point and place of Beginning.

In compliance with Chapter 157 laws of 1977 premises herein are known as Lot 12, Block 605 on the tax map of Egg Harbor Township.

EXHIBIT "B"

SURVEY

N File

EXHIBIT "C"

BYLAWS

OF

BELLEVUE COMMONS CONDOMINIUM ASSOCIATION

ARTICLE I: GENERAL

1. Purpose. These Bylaws are intended to govern the administration of the BELLEVUE COMMONS CONDOMINIUM ASSOCIATION, a nonprofit association organized under the New Jersey Statutes and provides for the management, administration, utilization and maintenance of the Common Elements described in the Master Deed for the BELLEVUE COMMONS CONDOMINIUM.

2. Definition. Unless the context clearly indicates otherwise, all definitions set forth in the Master Deed for the BELLEVUE COMMONS CONDOMINIUM or in *N.J.S. 46:8B-3* are incorporated herein by reference.

3. Fiscal Year. The fiscal year of the Association shall be on a calendar year basis, or such other basis as the Board of Directors shall determine.

4. Principal office. The principal office of the Association is 300 Bellevue Avenue, Hammonton, New Jersey.

ARTICLE II: MEMBERSHIP AND VOTING RIGHTS

1. Members. Every person, firm, association, corporation or other legal entity who is a record owner or co-owner of the fee simple title to a Unit shall be a Member of the Association; provided however, that any person, firm, association, corporation, or legal entity who holds such title or interest merely as a security for the performance of an obligation (including but not limited to mortgagees or trustees under deeds of trust) shall not be a Member of the Association.

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

3. Change Of Membership. Change of membership shall be accomplished by recording in the Atlantic County Clerk's Office a deed or other instrument establishing a record title to a

Unit, and delivery to the secretary of the Association of a certified copy of such instrument. The membership of the prior Unit Owner shall be thereby terminated.

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

A. Promulgate Rules and Regulations governing such use and enjoyment; and

B. Suspend the use and enjoyment of the General Common Elements as provided in section 5 of this Article II.

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

6. Votes. Each Unit Owner shall be entitled to such vote for each Unit to which he holds title as is provided in paragraph 5(c) of the Master Deed. When more than one person holds title, the vote for each Unit shall be exercised as the co-owners among themselves determine. When one or more co-owners signs a proxy or purports to vote for his or her co-owners, such vote shall be counted unless one or more of the other co-owners is present and objects to such vote; or if not present, submits a proxy or objects in a writing delivered to the Secretary of the Association before the vote is counted. If co-owners disagree to the vote, the vote shall be split equally among the co-owners.

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

ARTICLE III: MEETINGS OF UNIT OWNERS

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

2. First Annual Meeting And Regular Annual Meeting. All annual meetings of the Unit Owners of the Association shall be held on the day and month of the year to be established by the Board, except that the first such annual meeting shall be held not more than sixty (60) days after the Unit Owners other than the Sponsor own one (1) or more Units, or on such earlier date as the Sponsor it its sole discretion may elect. At the first annual meeting and each subsequent annual meeting the election of Directors shall take place. If the election of Directors shall not be held at the annual meeting or any adjournment of such meeting, the Board shall cause the election to be held at a special meeting as soon thereafter as may be convenient. At such special meeting the Unit Owners may elect the Directors and transact other business with the same force and effect as at an annual meeting duly called and held. All proxies validly received for the originally scheduled meeting shall remain in full force and effect for any such adjourned meeting or special meeting and new proxies may be received for any such subsequent meeting.

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

4. Notice Of Meeting. Except as otherwise provided by law, notice of each meeting to Unit Owners, whether annual or special shall be given not less than ten (10) days, nor more than ninety (90) days before the day on which the meeting is to be held, to each Unit Owner at his last known address, by delivering a written or printed notice thereof to said Unit Owner, or by mailing such notice, postage prepaid. Every such notice shall state the time and place of the meeting and shall state briefly the purpose thereof. Notice of any meeting of Unit Owners shall not be required to have been sent to any Unit Owners who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the Unit Owners shall not be required to be given except as expressly required by law. Except where otherwise expressly required by law, no publication of any notice of a meeting of Unit Owner shall be required.

5. Quorum And Adjourned Meetings. At such meeting of the Unit Owners, persons (including Sponsor or its representatives) holding fifty-one (51%) percent of the authorized votes present in person or by proxy, shall constitute a quorum for the transaction of business except where otherwise provided by law. In the absence of a quorum, the persons holding votes present in person or by proxy and entitled to vote, may, by majority vote, adjourn the meeting from time to time, until a quorum shall be present or represented. At any such adjourned

meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting originally called.

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

7. Voting. Except as otherwise required by the Master Deed or any law, a quorum being present, a majority of votes present, in person or by proxy, shall be sufficient on those matters which are to be voted on by the Unit Owners. The election of Directors shall be by ballot. Unless determined by a majority of the votes of the Unit Owners present at such meeting, in person or by proxy, or determined by the chairperson of the meeting to be advisable, the vote on any other question need not be by ballot.

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

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

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

A. Calling of the roll and certifying the proxies.

B. Proof of notice of meeting and waiver of notice.

C. Reading and disposal of any unapproved minutes.

D. Appointment of judges of election, if appropriate.

E. Election of directors, if appropriate.

F. Receiving reports of officers.

G. Receiving reports of committees.

H. Old business.

I. New business.

J. Adjournment.

ARTICLE IV: THE BOARD OF DIRECTORS

1. Express And Implied Power And Duties. The property, affairs and business of the Association shall be managed by the Board of Directors, which shall have all those powers granted to it by the Master Deed, these Bylaws, and by law.

2. Number And Qualifications.

A. With the exception of those Directors appointed by the Sponsor, all other Directors shall be Unit Owners. The Board of Directors shall initially consist of three (3) persons. The Sponsor shall appoint all of the members of the Board until twenty-five percent (25%) of the Units have been sold and conveyed, at which time the Board shall be expanded to five (5) members.

B. No later than sixty (60) days after twenty-five percent (25%) of the Units have been sold and conveyed, a special meeting of the Unit Owners shall be held at which time the Board shall be expanded from three (3) members to five (5) members and Unit Owners, other than the Sponsor, will elect two (2) members to the Board from among the Unit Owners other than the Sponsor. The Sponsor will appoint three (3) members to the Board.

C. Within sixty (60) days after seventy-five percent (75%) of the Units have been sold and conveyed, a special meeting of the Unit Owners shall be held and Unit Owners, other than the Sponsor, shall elect four members of the Board and the Sponsor shall appoint one (1) member to the Board.

D. No later than sixty (60) days after the sale and conveyance of one hundred percent (100%) of the Units by the Sponsor, a special meeting of the Unit Owners shall be held and the Unit Owners, other than the Sponsor, shall elect all five members of the Board. The Board, when controlled by the Unit Owners, shall not take any action that would be detrimental to the sale or lease of Units by the Sponsor, and shall continue the same level of maintenance, operation and services as were in existence immediately prior to their assumption of control.

E. Anything in these Bylaws or the Master Deed to the Contrary notwithstanding, the Sponsor shall be entitled to appoint one (1) member of the Board as long as it owns any Units in the Condominium in the ordinary course of business.

3. Election And Term Of Office.

A. Each Unit Owner shall vote in accordance with the provisions of the Bylaws for each position to be filled on the Board of Directors. Each Director elected by the Unit Owners shall serve for a term of two (2) year; provided, however, that if a Director if elected at a meeting other than an Annual Meeting, the Directors shall extend until the next Annual Meeting, regardless of whether that meeting occurs within one year from the date of election.

B. The Directors shall hold office until their respective successors have been duly elected and qualified, or until removed in the manner elsewhere provided. If at any meeting for election of membership to the Board more than twice the number of candidates to be elected at such meeting are nominated, then, and in such event, there shall be two ballots for membership. At the end of the first ballot, the field of nominees shall be reduced so that there are twice as many candidates as there are positions to be filled, with the persons receiving the fewest votes being eliminated from the ensuing ballot. A second ballot shall be held, and on the second ballot, the persons receiving the most votes will be deemed to be elected in order to fill the vacant positions, if there are not more than twice the number of nominees for the number of positions to be filled, then there shall be one ballot, with the persons receiving the most votes being elected in order to fill the vacancies on the Board. If ever applicable, candidates polling the highest votes will be considered elected for the longest period of years. Election of Directors at successive annual meetings shall be in accordance with this section 3.

4. Sponsor's Protective Provisions.

A. So long as the Sponsor owns at least one (1) Unit and holds same for sale in the ordinary course of business, the following shall apply and shall not be amended:

(1) Neither the Association nor its Board of Directors shall take any action that will impair or adversely affect the rights of the Sponsor or cause the Sponsor to suffer any financial, legal or other detriment, including but not limited to any direct or indirect interference with the sale of Units, or the assessment of the Sponsor for capital improvements.

(2) The Association and its Board of Directors shall continue the same level of maintenance, operation and services as provided immediately prior to the assumption of control of the Association and the Board of Directors by Unit Owners other than the Sponsor.

(3) In furtherance of the foregoing provisions, the Sponsor shall have the right to veto any and all actions of the Association or its Board of Directors which may have any direct or indirect detrimental impact upon the Sponsor as may be determined in the sole reasonable discretion of the Sponsor.

(4) The Sponsor shall exercise its veto right, in its sole and absolute discretion, within ten (10) days after its receipt of notice that a resolution or other action is proposed or has been taken by the Association or its Board of Directors. In such event, the Sponsor shall notify the Secretary of the Association of its exercise of its veto right and any such proposal or action shall be deemed null and void *ab initio* and of no further force or effect.

B. The aforementioned protective provisions shall be construed in accordance with and not in derogation of *N.J.S. 46:8B-12.1* of the New Jersey Condominium Act.

5. Removal Of Members Of The Board. The Sponsor-appointed Directors serve at the pleasure of the Sponsor and may be removed only by the Sponsor, at any time, with or without cause. While the Sponsor is in control of the Board, the Unit Owner-elected Director may be removed with or without cause at any duly held regular or special meeting of the Unit Owners by a majority of the Unit Owner votes present, provided that the notice of the meeting expressly includes this item of business on the agenda. In such event a successor shall be elected by the Unit Owners other than the Sponsor in the manner set forth in Article IV, Section 3 herein to fill the vacancy thus created. Each person so elected to fill a vacancy shall be a Director for the remainder of the term of the Director whose term he is filling and until his successor is duly elected and qualified. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding the foregoing, the Sponsor, as the Owner of Units, may not vote to remove a Unit Owner-elected Director. Moreover, the Unit Owner rights of removal shall not apply to any Director appointed by the Sponsor.

6. Vacancies. Vacancies on the Board caused by any reason other then the removal of a Director by a vote of the Unit Owners of the Association shall be filled by a vote of a majority of the remaining Directors, including the Sponsor's appointees, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy. Each person so elected shall be a Director for the remainder of the term of the Director whose term he is filling and until his successor shall have been duly elected and qualified. Notwithstanding the foregoing, until the first annual meeting of Unit Owners, Sponsor shall have the right to fill all vacancies on the Board by appointment. Unit Owner-elected vacancies on the Board shall only be filled with Unit Owners other than the Sponsor, whether same be appointed or elected.

7. Meeting Of The Board; Notices; Waiver Of Notice. The first annual meeting of the Board shall be held within ten (10) days after the first annual meeting of the Unit Owners and at such time and place as shall be fixed by a majority of the Board and no notice shall be necessary. Thereafter, regular meetings of the Board may held at such time and place as shall be determined from time to time by a majority of the Board, but at least one (1) meeting shall be held each year. Notice of regular meetings of the Board shall be given to each Director by telephone, mail,

or telegram at least three (3) days prior to the day of the meeting. Special meetings of the Board may be called by the president on three (3) days' notice to each Director given by telephone, mail or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the president or the secretary in like manner and on like notice on the written request of at least two (2) Directors. Any Director may, at any time, waive notice of any meeting of the Board in writing and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. In the discretion of the Board, meetings of the Board or portions thereof, may be open to Members of the Association for observation or participation in such manner and to the extent the Board may deem appropriate.

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

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

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

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

ARTICLE V: POWERS AND DUTIES OF THE BOARD OF DIRECTORS

1. General Powers And Privileges. The Board shall have those powers which include, but which are not necessarily limited to, the following, together with such other powers as may be provided herein or in the Master Deed, or which may be necessarily implied. The powers to:

A. Do anything and everything necessary for the sound management of the Condominium, including the power to employ, by contract or otherwise, a manager, managing agent or an independent contractor, to oversee, supervise and carry out the responsibilities of the Board. Said manager or said independent contractor shall be compensated upon such terms as the Board deems necessary and proper; and

B. To employ any person, firm or corporation to repair, maintain or renovate the Common Elements of the Condominium; lay pipes or culverts; to bury utilities; to put up lights or poles; to erect signs and traffic and safety controls of various sorts on said Common Elements; and

C. Employ professional counsel and to obtain advice from persons, firms or corporations such as, but not limited to, landscape architects, architects, engineers, lawyers and accountants; and

D. To employ or contract for water and sewer, electricity and gas or other forms of utilities, cable or master antenna; and

E. To employ all managerial personnel necessary, or enter into a managerial contract for the efficient discharge of the duties of the Board hereunder; and

F. To adopt, amend, and publish Rules and Regulations covering the details of the operation and use of the Common Elements; and

G. Secure full performance by Unit Owners or occupants of all items of maintenance for which they are responsible; and

H. Coordinate the plans of Unit Owner and occupants of Units for moving their personal effects or property into the Unit or out of it, with a view toward scheduling such movements so that there shall be a minimum of inconvenience to others; and

I. Establish and enforce Rules and Regulations for parking; and

J. Arrange for security protection as necessary; and

K. Enforce obligations of the Unit Owners including the right to bring or defend lawsuits to enforce the Rules and Regulations and the terms, conditions and restrictions contained in the Master Deed and these Bylaws; and

L. Borrow and repay monies, giving notes, mortgages or other security upon such term or terms as it deems necessary; and

M. Invest and reinvest monies, sue and be sued, collect interest, dividends, and capital gains; exercise rights; pay taxes; make and enter into contracts; enter into leases or concessions; make and execute any and all proper affidavits for various purposes; compromise any action without leave of court; and all other powers contained herein, and those necessary and incidental thereto; and

N. Transfer and obtain easements, licenses, leases and other property rights with respect to contiguous lands; and

O. Purchase or lease or otherwise acquire in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners within the Condominium, Units offered for sale or lease or surrendered by their owners to the Board; and

P. Purchase Units within the Condominium at foreclosure or other judicial sales in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners; and

Q. Sell, lease, mortgage (but not vote the votes appurtenant thereto) or otherwise deal with Units acquired by the Association, and sublease any such Units leased by the Association or its designees, on behalf of all Unit Owners; and

R. Bring and defend actions by or against more than one Unit Owner which are pertinent to the operation of the Condominium, the health, safety or general welfare of the Unit Owners, or any other legal action to which the Unit Owners may consent in accordance with these Bylaws; and

S. Appoint an insurance trustee, who shall not be a Member of the Association, an employee of the Sponsor, or the manager, who shall discharge his duties in accordance with these Bylaws. In the absence of such an appointment, the Board shall be responsible for the disposition of all insurance proceeds; and

T. Create, appoint members to and disband such committees as shall from time to time be deemed appropriate or necessary to aid the Board in the discharge of its duties, functions and powers.

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

A. Cause the General and Limited Common Elements to be maintained according to accepted standards and as set forth in the Master Deed, including, but not limited to such maintenance, painting, replacement and repair work as may be necessary, lawn maintenance and clearing of snow from roadways and walkways as the Board may deem appropriate. All repairs and replacements shall be substantially similar to the original application and installation and shall be of first class quality; and

B. To investigate, hire, pay, supervise and discharge the personnel necessary to be employed, and provide the equipment and materials necessary, in order to properly maintain and operate the Common Elements. Compensation for the services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Association; and

C. Cause to be kept a complete record of all its acts and corporate affairs and to present a summary report thereof to the Members at the annual meeting or at any special meeting when requested in writing by Members entitled to cast at least twenty-five (25%) percent of the total votes of the Association; and

D. Allocate common surplus or make repairs, additions, improvements to, or restoration of the Common Elements in accordance with the provisions of these Bylaws and the Master Deed after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings; and

E. Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises maintained by the Association placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, and order of the Board of Fire Underwriters or other similar bodies; and

F. Place and keep in force all insurance coverages required to be maintained by the Association, applicable to its property and Members including, but not limited to:

(1) Physical Damage Insurance. Broad form insurance against loss by fire and against loss by lightning, windstorm and other risks normally included within all risk extended coverage, including vandalism and malicious mischief, insuring the Common Elements together with all service machinery appurtenant thereto, and covering the interest of the Association, the Board, the Sponsor, and all Unit Owners and Institutional Lenders as their respective interests may appear, in an amount equal to the full replacement value of such improvements, without deduction for depreciation. Each policy shall contain a standard mortgagee clause in favor of each Institutional Lender, which shall provide that the loss, if any, thereunder, shall be payable to each Institutional Lender as its interest may appear, subject to the loss payment provisions set forth in paragraph 15 of the Master Deed.

(2) Public Liability Insurance. To the extent obtainable, public liability insurance for personal injury and death from accidents occurring within the Common Elements (and any other areas which the Board may deem advisable), and the defense of any actions brought as a result of injury or death of a person or damage to property, occurring within such Common Elements, and not arising by reason of any act or negligence of any individual Unit Owner.

Said insurance shall be in such limits as the Board may, from time to time, determine, covering each member of the Board, the managing agent, the manager, and each Member, and shall also cover cross-liability claims of one insured against another. Until the first meeting of the Board following the first annual meeting, such public liability insurance shall be in a single limit of One Million ($1,000,000.00) Dollars covering all claims for personal injury or property damage arising out of any one (1) occurrence. The Board shall review such limits once a year.

(3) <u>Directors' And Officers' Liability Insurance.</u> Liability insurance indemnifying the directors and officers of the Association against liability for errors and omissions occurring in connection with the performance of their duties, in an amount of at least One Million ($1,000,000.00) Dollars, with any deductible amount to be in the sole discretion of the Board.

(4) <u>Workers' Compensation Insurance.</u> Workers' compensation and New Jersey disability benefits insurance as required by law.

(5) <u>Water Damage.</u> Water damage liability insurance.

(6) <u>Other Insurance.</u> Such other insurance as the Board may determine.

G. All policies shall:

(1) Provide that adjustment of loss shall be made by the Board of Directors with the approval of the insurance trustee, if any, and that the net proceeds thereof, if One Hundred Thousand ($100,000.00) Dollars or less shall be payable to the Board, and if more than One Hundred Thousand ($100,000) Dollars payable to the insurance trustee, if any, and, if none, to the Board;

(2) Require that the proceeds of physical damage insurance be applied to the restoration of such Common Elements and structural portions and service machinery as is required by the Master Deed and these Bylaws;

(3) To the extent obtainable contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured; and

(4) Provide that such policies may not be canceled without at least thirty (30) days prior written notice to all of the named insureds, including all Unit Owners and Institutional Lenders.

(5) Where available, contain inflation guard endorsements.

H. Any insurance maintained by the Board may provide for such deductible amount as the Board may determine. Such deductible amount shall be limited to a reasonable amount based upon the overall budget of the Association and the availability and costs of such insurance.

I. Unit Owners shall carry insurance for their own benefit as detailed within the Master Deed provided that all such policies shall contain waivers of subrogation; and further provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owners.

J. The premiums for all insurance and fidelity bonds carried by the Association shall be a Common Expense and shall be borne by the Unit Owners in proportion to their respective obligations to pay Common Expenses.

K. To manage the fiscal affairs of the Association as hereinafter provided in Article VI.

ARTICLE VI: FISCAL MANAGEMENT

1. Common Expense Assessments. The Board shall have the duty to collect from each Unit Owner, its, his, her, or their heirs, administrators, successors and assigns, as "Common Expense Assessments", the proportionate part of the Common Expenses assessed against such Unit Owner as provided in the Master Deed, these Bylaws, and in accordance with applicable law.

2. Determination Of Common Expenses. The amount of monies for Common Expenses deemed necessary by the Board and the manner of expenditure thereof, including but not limited to, the allocation thereof, shall be a matter for the sole discretion of the Board.

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

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

5. Accounts.

(a) The receipts and expenditures of the Association shall be Common Expense Assessments and Common Expenses respectively, and shall be credited and charged to accounts under the following classifications as the Board shall deem appropriate, all of which expenditures shall be Common Expenses:

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

(ii) Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.

(iii) Reserve for replacement, which shall include funds for repair or replacement of the Common Elements and those portions of the improvements located on the property which the Association is obligated to maintain or repair which is required because of damage, depreciation or obsolescence. The amounts in this account shall be allocated among each of the separate categories of replacement items.

(iv) Reserves for capital improvements, which shall include the funds to be used for capital expenditures or for acquisition of additional personal property that will be part of the Common Elements.

(v) Operations, which shall include all funds from the use of the Common Elements or from any other sources. Only the additional direct expense required by any revenue producing operation will be charged to this account, and any surplus from any operation or otherwise shall be used to reduce the assessments for current expenses for the year during the one in which the surplus is realized, or at the discretion of the Board, in the year following the one in which the surplus is realized. Losses from operations or otherwise shall be met by special assessments against Unit Owners, which assessments may be made in advance in order to provide a working fund.

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

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

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

8. Default, Late Payment; Acceleration Of Installments; Late Charges; Interest; Counsel Fees.

(a) If a Unit Owner shall be in default in the payment of an installment upon a Common Expense Assessment, the Board may accelerate the remaining installments of the Assessment and file a lien for such accelerated amount upon notice to the Unit Owner, and if the delinquent installment has not been theretofore paid, the then unpaid balance of the Common Expense Assessment shall become due upon the date stated in the notice, which date shall not be less than five (5) days after delivery of the notice to the Unit Owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur. If such notice is given and default shall continue for a period of thirty (30) days then the Board shall be required to accelerate the remaining installments of the Assessment upon similar notice to the Unit Owner, and to file a lien for such accelerated Assessment as permitted by law if the delinquent Assessment has not been heretofore paid. In such latter event, the Board may also notify any Institutional Lender holding a mortgage which encumbers the Unit affected by such default or publish appropriate notice of such delinquency to the membership of the Association. If said default continues for a period of ninety (90) days then the Board may foreclose the foregoing lien pursuant to law and/or commence a suit against the appropriate parties to collect said Assessment.

(b) The Board at its option shall have the right in connection with the collection of any Common Expense Assessment, or other charge, to impose a late charge of any reasonable amount and/or interest at the legal maximum rate permitted by law for the payment of delinquent real estate taxes, if such payment is made after a date certain stated in such notice. In the event that the Board shall effectuate collection of said Assessments or charges by resort to counsel, and/or the filing of a lien, the Board may add to the aforesaid Assessments or charges a sum equal to the counsel fees incurred by the Association plus the reasonable costs for preparation, filing and discharge of the lien, in addition to such other costs as may be allowable by law.

9. Actions By Or Against Association; Assessment Of Expenses And Allocation Of Awards.

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

(b) Money judgments recovered by the Association in any action or proceeding brought hereunder, including costs, penalties or damages shall be deemed a special fund to be applied to (1) the payment of unpaid litigation expenses; (2) refunding to the Unit Owners the cost and expenses of litigation advanced by them; (3) Common Expense Assessments, if the recovery thereof was the purpose of the litigation; (4) repair or reconstruction of the Common Elements if recovery of damages to same was the motivation for the litigation; and (5) any amount not applied to (1), (2), (3) and (4) above shall at the discretion of the Board be treated either as *(i)* a common surplus which shall be allocated and distributed pursuant to the provisions of paragraph 5 of the Master Deed or *(ii)* a set-off against the Common Expense Assessments generally. Notwithstanding the foregoing, if a Unit Owner, the Board or any other person or legal entity affected by any such distribution, shall assert that the damages sustained or the diminution in value suffered by a Unit Owner was disproportionate to its or their percentage of common interest, in that event the matter shall be submitted to binding arbitration to be decided in accordance with the procedures set forth in Article XV hereof.

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

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

10. Power Of Attorney To Institutional Lender. In the event the Board shall not cause the enforcement procedures provided in Section 9 above to be implemented within the time provided, any Institutional Lender for any Unit as to which there shall be such unpaid Common Expense Assessments is hereby irrevocably granted a power of attorney to commence such actions and to invoke such other remedies, all in the name of the Association. This power of attorney is expressly stipulated to be coupled with an interest in the subject matter.

11. Annual Audit. The Board shall submit the books, records, and memoranda of the Association to an annual audit by an independent certified public accountant who shall audit the

same and render a report thereon in writing to the Board and in summary form to the Unit Owners and such Institutional Lenders or other persons, firms or corporations as may be entitled to same.

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

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

ARTICLE VII: OFFICERS

1. Designation. The principal officers of the Association shall be a president, a vice-president, both of whom shall be Members of the Board, a secretary and a treasurer. The Board may also appoint such other assistant treasurers and assistant secretaries as in its judgment may be necessary. Any two (2) offices, except that of president and vice-president may be held by one person.

2. Election Of Officers. The officers of the Association shall be elected annually by the Board at the first Board of Directors meeting following each annual meeting and such officers shall hold office at the pleasure of the Board.

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

4. Duties And Responsibilities Of Officers.

(a) The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of president of an Association.

(b) The vice-president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice-president is able to act, the Board shall appoint some other Director to so do an interim basis. The vice-president shall also perform such other duties as shall from time to time be imposed upon him by the Board.

(c) The secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Members of the Association; he shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of the secretary.

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

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

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

ARTICLE VIII: COMPENSATION, INDEMNIFICATION AND EXCULPATION

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

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

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

ARTICLE IX: BOARD POWERS FOR ARCHITECTURAL REVIEW AND RULE ENFORCEMENT

1. Purpose. The Board shall assure that the Condominium is maintained in a manner:

(a) Providing for visual harmony and soundness of repair;

(b) Avoiding activities deleterious to the aesthetic or property values of the condominium;

(c) Furthering the comfort of the Unit Owners, their guests, invitees and lessees, and

(d) Promoting the general welfare and safety of the Condominium community.

2. Powers. The Board shall regulate the external design, appearance, use and maintenance of the Common Elements in accordance with standards and guidelines contained in the Master Deed or these Bylaws or otherwise adopted by the Board. The Board shall have the power to issue a cease and desist order to a Unit Owner, his guest, invitees, or lessees whose actions are inconsistent with the provisions of the Condominium Act, the Master Deed, the Bylaws, the Rules and Regulations or Resolutions of the Board (upon petition of any Unit Owner or upon its own motion). The Board shall from time to time, as required, provide interpretations of the Master Deed and Bylaws, Rules and Regulations and Resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a Unit Owner.

3. Authority. The Board shall have the right to impose fines pursuant to Section 2 of Article XI hereof.

ARTICLE X: ADDITIONS, ALTERATIONS OR IMPROVEMENTS MADE BY THE ASSOCIATION; EMERGENCY EXPENDITURES

Whenever, in the judgment of the Board, the Common Elements require improvements costing in excess of the sum of Twenty Thousand ($20,000.00) Dollars, increased by the percentage of increase in the "All Items" Consumer Price Index since the date of the recordation of the Master Deed, said improvements shall not be made unless they have been approved by a majority of votes entitled to be cast by those present in person or by proxy at a meeting of the Unit Owners at which a quorum is present. When said approval has been obtained, all Unit Owners benefiting from same shall be assessed for the cost thereof as a Common Expense. In the event of any emergency which could cause damage to any Building or part thereof, the Board may expend sums in excess of the sum of Twenty Thousand ($20,000.00) Dollars as adjusted herein to protect the said Building or part and the judgment of the Board shall be final.

ARTICLE XI: ENFORCEMENT

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

2. Fines. The Board shall also have the power to levy fines against any Unit Owner for violation of any Rule or Regulation of the Association or for any covenants or restrictions contained in the Master Deed or Bylaws, except that no fine may be levied for more than One Hundred ($100.00) Dollars for any one violation; provided, however, that for each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against any Unit Owner involved as if the fine were a Common Expense owed by the particular Unit Owner. Notwithstanding the foregoing, before any fine is imposed by the Board, the Unit Owner involved shall be given at least ten (10) days prior written notice and afforded an opportunity to be heard, with or without counsel, with respect to the violation asserted.

3. Waiver. No restriction, condition, obligation or covenant contained in these Bylaws shall be deemed to have been abrogated or waived by reason of the failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XII: AMENDMENTS

Subject to the restrictions in Section 4 of Article IV hereof and Section 7 of Article VI hereof, these Bylaws, or any part of them, may be altered or repealed, or new Bylaws may be made, at any meeting of the Association duly held for such purpose, and previous to which written notice to Unit Owners of the exact language of the amendment or of the repeal shall have been sent, a quorum being present, by an affirmative vote of fifty-one percent (51%) of the votes entitled to be cast in person or by proxy, except that *(i)* the first annual meeting may not be advanced, *(ii)* the first Board (including replacements in case of vacancies) may not be enlarged or removed, *(iii)* the obligation of the proportionate responsibility for the payment of Common Expenses with respect to Units or the Common Elements may not be changed by reason of any such new Bylaw, amendment or repeal, or *(iv)* no such new Bylaw, amendment or repeal shall in any way affect the Sponsor, including any successor of the Sponsor, unless the Sponsor, or its successor, has given its prior written consent thereto.

ARTICLE XIII: CONFLICT; INVALIDITY

1. Conflict. Anything to the contrary herein notwithstanding, if any provision of these Bylaws is in conflict with or contradiction of the Master Deed or with the requirements of any law, then the requirements of said Master Deed or law shall be deemed controlling.

2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the enforceability or affect the validity of the remaining provisions of the Bylaws.

ARTICLE XIV: NOTICE

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

ARTICLE XV: ARBITRATION

Any arbitration provided for in these Bylaws shall be conducted before one arbitrator in Atlantic County, New Jersey, by the American Arbitration Association, in accordance with its rules then obtaining and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. All expenses of arbitration hereunder including the fees and expenses of counsel and experts shall be Common Expenses.

ARTICLE XVI

The Association shall have a seal in circular form having within its circumference the words "BELLEVUE COMMONS CONDOMINIUM ASSOCIATION".

IN WITNESS WHEREOF, we, being all of the directors of the Bellevue Commons Condominium Association have hereunto set our hands this 11th day of December, 2001.

BELLEVUE COMMONS CONDOMINIUM ASSOCIATION

DANIEL PITTARO

ANTHONY M. MORTELLITE

GEORGE A. MORTELLITE, JR.

EXHIBIT "D"

PERCENTAGE INTEREST SCHEDULE

UNIT	%	SQUARE FOOTAGE
A-1	2.00%	1,804
A-2	2.10%	1,890
A-3	2.10%	1,890
A-4	4.10%	3,677
A-5	2.36%	2,112
A-6	2.30%	2,062
A-7	2.67%	2,400
A-8	4.45%	4,000
A-9	4.45%	4,000
A-10	4.45%	4,000
A-11	4.45%	4,000
A-12	4.45%	4,000
A-13	4.45%	4,000
A-14	4.45%	4,000
A-15	4.45%	4,000
B-1	2.20%	1,975
B-2	2.34%	2,098
B-3	2.34%	2,098
B-4	4.32%	3,880
B-5	4.45%	4,000
B-6	4.45%	4,000
B-7	4.45%	4,000
B-8	4.45%	4,000
B-9	4.45%	4,000
B-10	4.45%	4,000
B-11	2.97%	2,667
B-12	5.90%	5,295

IN COMPLIANCE WITH STATUTE I HAVE PRESENTED AN ABSTRACT OF THE WITHIN TO ALL ASSESSORS OF THE TAXING DISTRICT THEREIN MENTIONED

Michael Garvin

ATLANTIC COUNTY CLERK

End of Document