

MASTER DEED

FOR

VALLEY STREAM

A Condominium

Denville, New Jersey

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page 420

THIS MASTER DEED, made this _____ day of _____, 19 ____ by Ashmont Properties, Incorporated, a New Jersey Corporation, having an office at 1280 Route 46, Parsippany, New Jersey (hereinafter referred to as "Sponsor").

1. SUBMISSION OF PROPERTY TO THE ACT. The Sponsor does hereby submit, declare, publish and establish the Property (hereinafter defined) including the parcel of land described in Exhibit A attached hereto, situate in the Township of Denville, Morris County, New Jersey, to the form of ownership known and designated as a Condominium in accordance with the provisions of the Condominium Act of the State of New Jersey (N.J.S.A. 46:8B-1 et seq), as amended and supplemented, for the purpose of establishing a Condominium, hereafter to be designated under the name of "Valley Stream, a Condominium".

2. DEFINITIONS: The terms used herein shall have the meanings stated in the Condominium Act and as follows:

(a) "Act" or "Condominium Act" shall mean the Condominium Act of the State of New Jersey, N.J.S.A. 46:8B-1 et seq. as amended and supplemented.

(b) "Apartment Unit": shall mean a part of the property designed and intended for independent residential use. Each Apartment Unit shall consist of (i) the volumes or cubicles of space enclosed by the unfinished inner surfaces of perimeter and interior walls, ceilings and floors thereof,

Exhibit E



including vents, doors, windows and such other structural elements that ordinarily are regarded as enclosure of space, (ii) all interior dividing walls and partitions, including the space occupied by such walls or partitions, except load bearing interior walls and partitions, (iii) the decorated inner surfaces of said perimeter and interior walls, including decorated inner surfaces of all interior load bearing walls, floors and ceilings consisting of wallpaper, paint, plaster, carpeting, tiles and all other finishing materials affixed or installed as a part of the physical structure of the Apartment Unit, (iv) and all fixtures, mechanical systems and equipment installed and for the sole and exclusive use of the Apartment Unit, commencing at the point of disconnection from the structural body of each building where same enters the Apartment Unit, and from the utility lines, pipes or systems serving the Unit or appurtenant to the Apartment Unit described, including but not limited to individual appurtenants such as heating system equipment, plumbing system which extends from the walls or floors into the interior air space, utility meters not owned by the public utility and all electrical wires extending from the ceiling, floors or walls into the interior air space together with the fixtures, switches, outlets and circuit breakers.

No pipes, ducts, wires, conduits, flues, shafts, public utility installations servicing one or more of the Apartment Units or the Common Elements, shall be deemed to be a part of such Apartment Unit.

(c) "Association": shall mean Valley Stream Condominium Association, Inc., a non-profit New Jersey corporation.

(d) "Board": shall mean the Board of Trustees of the Association.

(e) "Buildings": means all structures or structural improvements located on the Parcel and forming part of the Property and containing one or more Apartment Units, as shown by the plans included in the plat.

(f) "By-laws": means the By-laws of the Association.

(g) "Common Elements": means all portions of the Property except the "Apartment Units" including, without limitation, the land, foundation, walls, hallways, stairways, entrances and exits, parking areas and driveways, laundry rooms, mechanical equipment areas, boilers, roof, master television antenna, pipes, ducts, electrical wiring and conduits, central heating systems, public utility lines, and structural parts of the buildings. Structural columns located within the boundaries of a Unit shall be a part of the Common Elements. Any reference to "Common Elements" appearing on the plat shall be deemed solely for purposes of general information and shall not be limiting in any way, nor shall any such reference defining Common Elements in any way.

(h) "Common Expenses": means the proposed or actual expenses for which the Unit Owners are proportionately liable (in proportion to their percentage ownership of the Limited Common Elements and the Common Elements); including reserves and expenses declared to be common by the Association, any and all expenses of maintaining, repairing, replacing, administering the Common Elements, and those expenses incurred by the Association or their respective trustees, officers, agents or employees in the lawful exercise of their respective responsibilities and the performance of their respective duties.

(i) "Limited Common Elements": shall be those patios, balconies, decks, stairways, the use of which is limited to one or more units within a building. The maintenance of said Limited Common Elements shall be equally shared by the Unitowners permitted to use such limited Common Elements. The Limited Common Elements are set forth on Exhibit B.

(j) "Majority" or "Majority of Unit Owners": means the owners of more than 50% of the aggregate in interest of the undivided ownership of the Common Elements.

(k) "Master Deed": means this instrument, being the instrument by which the owner in fee simple submits the property to the provisions of the Act, and as such Master Deed may be amended from time to time.

(l) "Occupant": means a person or persons in possession of an Apartment Unit, regardless of whether said person is a Unit Owner.

(m) "Parcel": means the land or tract of real estate, described in the within Deed.

(n) "Person": shall mean an individual firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, or any legal entity capable of holding title to real property.

(o) "Plat": means a survey of Parcel and the Plan of all Units, said Plat being attached hereto as Exhibit B.

(p) "Property": means all the land comprising the Parcel, and all buildings and improvements including "Apartment Units" and "Common Elements", together with all easements, rights and appurtenances belonging thereto, and also furniture, fixtures, and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners.

(q) "Sponsor": means Ashmont Properties, Inc., and its successors and assigns.

(r) "Unit" or "Condominium Unit" shall mean an Apartment Unit, as more particularly set forth on Exhibit C attached hereto, together with the proportionate undivided interest in the Common Elements appurtenant thereto.

(s) "Unit Deed": shall mean a deed of conveyance of a Unit in recordable form.

(t) "Unit Owner": shall mean the person(s) owning a fee simple interest in a Condominium Unit. Sponsor shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.

3. DESCRIPTION OF UNIT: The legal description of each Unit shall consist of the identifying letter, number, or symbol of each Unit as shown on the Plat and Exhibit C attached hereto. Every deed, lease, mortgage or other instrument may legally describe such Unit by its identifying letter, number, or symbol and every such description shall be deemed good and sufficient for all purposes as provided in the Act. No Unit Owner shall in any way subdivide or in any manner cause his Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat and Exhibit C, except as provided by the Act or in this Master Deed.

4. OWNERSHIP OF THE COMMON ELEMENTS AND LIMITED COMMON ELEMENTS: Each of the Unit Owners of the Condominium shall own a proportionate undivided interest in the Common Elements and Limited Common Elements, stated as percentages of said ownership in the said Common Elements as set forth in Exhibit C. The undivided interest in the Common Elements and Limited Common Elements is deemed to be conveyed with the fee title to each Unit. The Unit Owner shall own his undivided interest in the Common Elements and Limited Common Elements as a tenant in common with all other Unit Owners and, to the extent Units remain unsold, with the Sponsor. Percentages of ownership interest shall remain constant unless hereafter changed by amendment to this Master Deed. No Unit Owner shall bring any action for partition or division of the Common Elements. The ownership of each Unit shall not be conveyed, transferred, encumbered or otherwise affected separate from the percentage of ownership in the Common Elements corresponding to said Unit. The undivided

percentage of ownership interest corresponding to any Unit shall be deemed conveyed, transferred, encumbered or otherwise affected with that Unit, even though the legal description may refer only to the fee title to that Unit and not expressly mention or describe the percentage interest in the Common Elements corresponding to that Unit.

5. USE OF THE COMMON ELEMENTS: Each of the Unit Owners and the lawful occupants of the Condominium and their agents, servants, tenants, invitees and licensees who are lawfully on the premises, shall have and enjoy the use of the Common Elements with all other Unit Owners as may be required for purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Unit, subject to the terms and conditions hereof.

The portion of the Common Elements designated by the Board as storage areas shall be used in such a manner and subject to such rules and regulations as the Board may prescribe. Similarly, the Board, from time to time in accordance with its rules and regulations, may assign one parking space within the Condominium for each Unit. The Unit Owners right to use his assigned parking space shall be appurtenant to his Unit and shall cease upon conveyance of title to said Unit. Further, the use of the Common Elements are subject to:

(a) All applicable rules and regulations promulgated by the Association being observed.

(b) Any use by a Unit Owner which shall not interfere with the peaceful use of the Common Elements by other Unit Owners.

(c) The provisions of the Act, this Master Deed and the By-laws.

6. COMMON EXPENSES: Each Unit Owner, including Sponsor, shall pay his proportionate share of the common expenses. Except for Sponsor's responsibility as a Unit Owner, as provided herein, Sponsor shall not have any

responsibility for the maintenance, repair, or replacement of any part of the Common Elements after the date Sponsor delivers its Deed to the first purchaser of a Unit. Such proportionate share of the Common Expenses shall be in the percentage interest of the Unit Owner in the Common Elements as set forth in Exhibit C hereof. Payment of the common expenses shall be in such amount and at such times as determined in the manner provided in the By-laws. No Unit Owner shall be exempt from payment of his share of the common expenses for any reason whatsoever.

Sponsor shall pay the common expenses applicable to the Units owned by it until it has initially sold each such Unit to a bona fide purchaser for value.

7. COMMON EXPENSE ASSESSMENTS; LISTS OF ASSESSMENTS; NOTICE OF ASSESSMENTS; CERTIFICATE AS TO PAYMENT; LIEN FOR ASSESSMENTS. It shall be an affirmative and perpetual obligation of the Board to fix Common Expense assessments in an amount at least sufficient to maintain the exterior of the buildings and to maintain and operate all other Common Elements and to pay taxes assessed to the Association. The amount of monies for Common Expenses of the Association deemed necessary by the Board shall be a matter for the sole discretion of the Board, subject to the By-laws.

Annual assessments shall be made for the period from January 1 through December 31 and one-twelfth of each such assessment shall be payable in monthly installments, in advance, due on the first day of each month. Written notice of the Common Expense assessments for each Unit shall be sent to the owners subject thereto. The Board shall cause to be prepared, at least thirty days in advance of the due date of each installment, a list of the Units and common expenses applicable thereto, which list shall be kept in the office of the Association and available for inspection, upon request, by any Unit Owner.

In the event that the Board fails to make an annual assessment, it shall be presumed that an assessment was made in the amount of the last prior year's assessment and any installments on such assessment shall continue to be due upon each installment assessment date and shall change by the amended assessment. In the event an annual 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.

In addition to the annual assessments, the Board may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying the cost of any construction or reconstruction or unexpected repair or replacement upon or to the Common Elements. The due date of any special assessment shall be fixed in the resolution authorizing it.

While the Sponsor maintains the majority of the Board of Directors, it shall make no additions, alterations, improvements or purchases which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a governmental agency, title insurance company, mortgage lender or in the event of an emergency.

Every owner, by accepting a deed or other conveyance for a Unit, shall be deemed to have agreed to pay the Association such sums, by way of annual or special common expense assessments as are herein or in the By-laws of the Association more particularly described. The amount of the current annual assessment payable by the purchaser upon the purchase of the Unit, shall be an amount which bears the same relationship to the annual assessment as the remaining number of full calendar months in the then current annual assessment period bears to twelve, and shall be payable in equal monthly installments.

Such first monthly installment of the annual assessment or a portion thereof to which a purchaser is liable shall be immediately due upon the first day of the calendar month following the closing of title to the purchaser.

Each assessment shall be a continuing lien upon the Unit against which it was made and shall also be the personal obligation of the owner of such Unit as of the time when the Common Expense assessment fell due, together with interest thereon as provided herein and cost of collection thereof including reasonable attorneys fees. Liens for unpaid annual or special Common Expense assessments may be foreclosed by suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. A suit to recover a money judgment for such unpaid assessments may be maintained without waiving the lien securing the same.

If any Unit Owner shall refuse or fail to make payment of the common expenses when due, the Association shall have a lien on each Unit for the unpaid common expenses assessed against such Unit, together with interest thereon at the rate as regularly fixed by the Board, but which rate shall not be greater than the maximum percentage then permitted under the laws of the State of New Jersey. However, any such lien shall be subordinate to the lien of any prior recorded mortgage or trust deed on the Property or any portion thereof, or any part thereof, or on the interest of the Unit Owner owned or held by any mortgagee of the Property, its successors and assigns.

Except as aforesaid, a purchaser or grantee of a Unit shall be required to pay the Common Expenses assessed against the Unit being acquired prior to the acquisition of such Unit. The Association shall provide upon the request of any owner, acquirer or mortgagee, for the issuance, within ten (10) days after the request therefor, of a certificate of the amounts due. Any prospective transferee's liability under this covenant shall be limited to the amount set forth in the certificate.

8. THE CONDOMINIUM ASSOCIATION AND OPERATION OF THE PROPERTY:

(a) The Sponsor has or will create a Condominium Association, to be known as the Valley Stream Condominium Association, Inc., which shall be a non-profit corporation of the State of New Jersey, pursuant to the Articles of Incorporation attached hereto as Exhibit D. Said Association shall be responsible for the maintenance, administration and operation of the Condominium Property. The Association shall have and exercise all powers necessary to effectuate any and all of the purposes for which the Association is organized, and to do all other acts consistent with and to promote and attain the purposes set forth in the Act, this Deed, and the By-laws. The By-laws for the Association are attached hereto as Exhibit E and made a part hereof. Said Association is hereby empowered to exercise any of the rights, powers, privileges and shall undertake to perform such as are duties necessary to or incidental to the proper administration of Valley Stream, a Condominium, and such other rights, powers, privileges or duties which may from time to time be established by law or which may be delegated to the Association by the owners of Units. The Board of Trustees of the Association shall constitute the governing body provided for in the Act and shall be elected and served in accordance with the provisions of the By-laws and of the Act and of this Deed. The Board shall have standing to act in a representative capacity in relation to matters involving the Common Elements for more than one Unit, on behalf of the Unit Owners, as their interest may appear, except as otherwise provided herein or in the By-laws. Each Unit Owner shall be a member of the Association, which membership shall automatically terminate at the time the Unit Owner ceases to be a Unit Owner. Upon the conveyance or transfer of a Unit Owner's interest, the new Unit Owner shall simultaneously succeed to the former Unit Owner's membership in the

Association. Each such Unit Owner shall be a member of the Association in accordance with the percentage of such said Unit Owner's ownership interest in the Common Elements.

(b) Control of Association. The affairs of the Association shall be initially governed by a Board of Trustees comprised of three (3) individuals, all of whom shall be elected, appointed or qualified by the Sponsor. Such exclusive control of the Board of Trustees by the Sponsor shall continue until:

(1) Sixty (60) days after conveyance of 25% of the interest, then not less than 25% of the members of the Board of Trustees, shall be elected by owners;

(2) Sixty (60) days after conveyance of 50% of the interest, not less than 40% of the members of the Board of Trustees shall be elected by the owners;

(3) Sixty (60) days after conveyance of 75% of the interest, the Sponsor's control of the Board of Trustees shall terminate and the Owners shall elect the entire Board except that the Sponsor may retain one member so long as there are any Units remaining unsold in the regular course of business.

At the time that (1) above becomes effective, the Board of Trustees shall be expanded to four (4) members. At the time that (2) above becomes effective, the Board shall be expanded to five (5) members. In calculating the interest as above, it is presumed that such interest will be calculated on the basis of the entire number of interests entitled to membership in the Association.

Sponsor may surrender control of the Board of Trustees of the Association prior to the time specified above, provided that the Unit Owners, by a majority vote, agree to assume control.

(c) Board Authority: The Board shall have the authority to engage the services of a managing agent or management company, to maintain, repair, replace, administer and operate the property to the extent deemed advisable by the Board, subject to the provisions of subparagraph (d) below. The cost of such services shall be a Common Expense.

(d) Initial Management Contract: The First Board, appointed as provided herein, may ratify and approve a Management Agreement between Sponsor, on behalf of the Association and a management company, which may be a corporation related to Sponsor, to act as Managing Agent for the property for a term commencing on the date this Master Deed is recorded and terminating one year thereafter, and continued from year to year or unless sooner terminated, as provided in the Act, which ratification and approval shall not be subject to the provisions of Article 5, Section 10 of the By-laws of the Association.

(e) Apartments for Building Personnel: The Board shall have authority to lease one or more Units for building personnel. All rental paid by the Association pursuant to any such lease agreement shall be a part of the Common Expenses. By the affirmative vote of not less than three-fourths of the votes of Unit Owners present at a meeting duly called for that purpose, the Association may elect to purchase one or more Units or other residential quarters for building personnel.

(f) Use by Sponsor: During the period of sale of any Units by Sponsor, Sponsor's agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from the Property as may be required for purposes of said sale of Units. While Sponsor owns any of the Units and until each Unit is sold and it is occupied by the purchaser thereof, Sponsor and its employees may use and show one or more of such unsold or unoccupied Units as a model Unit or Units

and may use one or more of such unsold or unoccupied Units or a portion of the Common Elements as a sales office and may maintain customary signs in connection therewith. In addition, Sponsor shall have a right of access to the Common Elements for any purpose until it conveys its last Unit in the normal course of business.

(g) Nonliability of the Trustees, Board, Officers, Sponsor: Neither the Trustees, Board, officers of the Association nor Sponsor shall be liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such Trustees, Board, officers or Sponsor, except for such acts or omissions found by a Court to constitute gross negligence or fraud. The Unit Owner's shall indemnify and hold harmless each of the Trustees, officers and Sponsor and their respective devisees, legatees, heirs, executors, administrators, legal representatives, successors and assigns in accordance with the provisions of Article VIII of the By-laws. This paragraph shall not be deemed to exculpate the members of the Board of Trustees appointed by Sponsor from their fiduciary responsibilities.

(h) Determination of Board to be Binding: Matters of dispute or disagreement between Unit Owners or with respect to the interpretation or application of provisions of Master Deed or the By-laws shall be determined by the Board of Trustees, which determination shall be final and binding on all Unit Owners.

9. EASEMENTS:

(a) Each Unit Owner shall have a perpetual easement in, upon, through and over the Common Elements to maintain, operate, repair and replace his Unit, and for ingress and egress to his Unit and to use all pipes, wires, ducts, cables, conduits, public utility lines, cable and master television antenna and other Common Elements which may be located in any other Units and serving

his Unit.

(b) Sponsor reserves easements:

(1) in, upon, through and over the Common Elements for as long as Sponsor, its successors and assigns shall be engaged in the sale or renovation of Condominium Units, which easement shall be for the purpose of maintenance and repair, and for ingress and egress to all Units, Common Elements and for the use of all roadways and parking lots;

(2) to enter into, upon, over or under any Unit for a period of one year after the delivery of the deed for such Unit for such purposes as may be reasonably necessary for the Sponsor or its agents to service any Unit thereof, or the Common Elements, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the owner. However, in a case of emergency, such right of entry shall be immediate, whether the owner is present at that time or not;

(3) a blanket perpetual and non exclusive easement in, upon, over, under, across, and through the Common Elements for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon the property;

(4) through and over the lands comprising the Common Elements for the purpose of maintaining, repairing, replacing and installing sewer, water, power and telephone lines, mains, conduits, waters, poles, transformers and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility system serving the Condominium;

(5) for access to the premises so long as the Sponsor owns any Units in the normal course of business;

(6) to permit its agents, servants, hosts and sales personnel to escort prospective purchasers through the buildings and Common Elements; and

(7) to permit its agents, servants and personnel unrestricted access to the buildings and Common Elements for any reasonable use or purpose and to utilize the parking area without limitation.

(c) A valid easement does and shall continue to exist for the utility suppliers throughout the Common Elements for the purpose of installation, maintenance, repair and replacement of all sewer, water, power, heating, telephone, television and other transmission pipes, lines, mains, conduits, wires, poles and any and all other equipment or machinery necessary or incidental to the proper functioning thereof.

(d) The Association shall have a perpetual irrevocable right exercisable by the Board of Trustees or their duly assigned agents to enter each Unit during reasonable hours for the purpose of maintaining, repairing or replacing the Common Elements or for making any emergency repairs that are necessary to prevent damage to the Common Elements or to another Unit.

(e) To the extent that any Unit or Common Element now or hereafter actually encroaches upon any other Unit or any other Common Element, whether by deviation from the plans in the construction, repair, restoration, renovation, or replacement, or by reason of condemnation or eminent domain proceedings, or shifting and settling of the land, there shall be deemed to be a valid easement for such encroachment.

(f) The Common Elements shall be subject to a valid easement hereby granted to the Township of Denville for the purposes of entering upon such roadways, parking areas, driveways, sidewalks and walkways to maintain the safety, health, welfare, police and fire protection of the citizens of the Township of Denville including the residents of the Condominium.

10. USE AND OCCUPANCY RESTRICTIONS

(a) No part of the property may be used for any purpose prohibited under law nor under this Master Deed or the By-laws.

(b) The Common Elements shall be used only by the Unit Owners, occupants and their agents, servants, tenants, family members, invitees and licensees for access, ingress to and egress from the respective Units and for such other purpose incidental to the use of the Units; provided, however, areas designed for a specific use shall be used for the purposes approved by the Board. The use, maintenance, and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner and shall be subject to any lease, concession or easement presently in existence or entered into by the Board at some future time affecting any part or all of the said Common Elements.

(c) No part of the Property may be used for purposes other than housing and the related common purposes for which the property was designed. The foregoing restrictions as to a residence shall not, however, be construed in such a manner to prohibit a Unit Owner from maintaining a personal professional library, or keeping his business or professional records or accounts or handling his personal business or professional telephone calls or correspondence.

(d) No poles or lines shall be installed or maintained except a collapsible clothes tree is permitted, provided it be removed when not in use and subject further to the reasonable rules and regulations of the Board.

(e) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Elements. No Dogs, cats or other household pets are permitted.

(f) No trailer, tractor, truck (commercial or unregistered), recreation vehicle, boat, boat trailer, and no mobile home of any size shall be stored or housed on the Property.

(g) No portion of the Common Elements or of the Property shall be used or maintained for the dumping of rubbish or debris. Trash, garbage or other waste shall be kept in sanitary containers on the property for weekly or more frequent collection.

(h) No exterior loudspeakers other than as contained in portable radios or television sets shall be permitted. No unshielded flood lights shall be installed in any exterior area of any Unit.

(i) No signs of any kind shall be permitted upon the property except as specifically provided herein or in the By-laws.

(j) No external or visible radio, television or any type of communication aerial shall be installed or affixed on or about the exterior of any building constructed or erected on the Property, or elsewhere on such Property.

(k) Nothing shall be done or kept in any Unit or in or upon the Common Elements which will increase the rates of insurance of the building(s) or the contents thereof beyond the rates applicable for all Units, without the prior written consent of the Association. No owner shall permit anything to be done or kept in his Unit or in or upon the Common Elements which would result in the cancellation of insurance on any of the buildings or the contents thereof, or which would be in violation of any law.

(l) No noxious or offensive activities shall be carried on in or upon the Common Elements or in any Unit, nor shall anything be done therein either willfully or negligently which may be or become an annoyance or nuisance to the other residents in the Condominium.

(m) No immoral, improper, offensive, or unlawful use shall be made of any Unit; all valid laws, zoning ordinance and regulations of all governmental bodies having jurisdiction thereof shall be complied with.

(n) No Unit shall be rented by the owner thereof, (except by the Sponsor or a lender in possession of such Unit following default on a first mortgage, a foreclosure proceeding or any other deed or arrangement in lieu of foreclosure) or otherwise utilized for any period less than one month or for transient purposes; provided, however, that any Unit Owner may rent a Unit for a period of less than one month to a contract purchaser. No owner may lease less than an entire Unit. All leases shall be made in writing and made subject to all provisions of this Master Deed, the By-laws of the Association and other documents referred to herein including any right of amendment thereof 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.

(o) No Unit Owner may make any structural additions, alterations or improvements in his Unit or of the Common Elements without the prior written approval of the Board, except as hereinafter set forth. Should any Unit Owner make any alterations, additions, or improvements within the Unit, such Unit Owner shall be responsible for any damage to other Units, the Common Elements, and the property or any part thereof, resulting from such alterations, additions or improvements.

11. MAINTENANCE, REPAIRS AND REPLACEMENTS: Each Unit Owner shall furnish and be responsible for all maintenance, repairs and replacements within his own Unit, at his own cost and expense. Maintenance of repairs to and replacements within the Limited Common Elements shall be the responsibility of the Unitowners permitted exclusive use of such Limited Common Elements. The costs of such maintenance of repairs to and replacements within the Limited Common Elements shall be equally shared by such Unitowners. Maintenance of repairs to and replacements within the Common Elements shall be responsibility

of and furnished by the Association, as a Common Element cost and shall be part of the common expenses.

12. DECORATING: Each Unit Owner shall furnish and be responsible for all decorating within his own Unit, at his own cost and expense. This shall include but not be limited to painting, wallpapering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating and lighting. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floor and ceiling which constitute the exterior boundaries of the respective Apartment Unit owned by the Unit Owner. Each owner shall maintain his Apartment Unit in good condition. Said maintenance use and use of interior surfaces shall be subject to the rules and regulations of the Association, but each such Unit Owner shall have the right to decorate such surfaces as he may see fit. Decorating of the Common Elements and any redecorating of Apartment Units to the extent made necessary by any damage to existing Apartment Units caused by maintenance, repair or replacement work on the Common Elements by the Association, shall be furnished by the Association as part of the Common Expenses. The interiors of all windows forming a part of a perimeter of a Unit shall be cleaned and washed regularly and at the expense of the Unit Owner of that Unit.

13. INSURANCE:

(a) The Board of Trustees is authorized and directed to obtain and maintain to the extent obtainable, the insurance for the property as more particularly set forth in the By-laws. Such coverage shall be written in the name of and the proceeds payable to the Association, as the Trustee for each Unit Owner in direct ratio to said Unit Owners respective percentage ownership in the Common Elements, as set forth in Exhibit C attached hereto, and for the

holders of mortgages on each Unit, if any. The premiums for such insurance shall be a Common Expense. The Board shall notify all persons insured under such policy in the event of any cancellation thereof.

(b) The Board shall also have authority to and shall obtain comprehensive public liability insurance and workers compensation insurance and other liability insurance insuring the Unit Owners, any mortgagee of record, the Association, its officers, Trustees and Board and the Sponsor and managing agent, if any, and their respective employees and agents and all persons acting as their respective agents, from liability in connection with the ownership, existence, use or management of the property. Sponsor shall be included as an additional insured in its capacity as a Unit Owner. Each Unit Owner shall be included as an additional insured but only with respect to that portion of the property not reserved for their exclusive use. Each such policy shall cover the claims of one or more insured parties against other insured parties and shall also contain, if possible, a waiver of subrogation rights by the insurer against such insured persons or entities. The premiums for such insurance shall be a Common Expense. The Board shall notify all persons insured under any such public liability policy in the event of cancellation thereof.

(c) The Board shall also have authority to and may obtain such insurance as it deems desirable insuring the property and each member of the Board and officer of the Association and member of any committee appointed pursuant to the By-laws of the Association from liability arising from the fact that the person is or was a Trustee or officer of the Association or a member of such committee. The premiums for this insurance shall also be a Common Expense.

(d) A Unit Owner shall be liable for any claim, damage or judgment entered as a result of the use or operation of his Unit or caused by his own

conduct. Each Unit Owner shall be responsible for obtaining his own insurance on the contents of his own Unit, as well as the additions and improvements thereto and personal property stored on the property. In addition, a Unit Owner, at his own expense, may obtain additional insurance insuring his personal liability and loss or damage by fire or other hazards above and beyond the extent that his liability, loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board.

14. CASUALTY AND EMINENT DOMAIN: If any buildings, improvement, or Common Element or any part thereof is damaged or destroyed by fire or casualty, or taken by eminent domain, then the repair, restoration or ultimate disposition shall be as provided in N.J.S.A. 46:8B-24 and 25 and any amendments or supplements thereto.

15. MORTGAGING OF UNITS. Each Unit Owner shall have the right to mortgage or encumber his Unit provided that such mortgage or encumbrance is made to a bank, trust company, insurance company, savings and loan association, pension fund or other institutional lender or a purchase money mortgage made to the Sponsor or to the Seller of a Unit. The Unit Owner shall supply a copy of the mortgage as executed to the Association and shall deliver to the Association the address upon which the Association may serve and deliver all notices to the mortgagee.

16. PROPERTY TAXES, ASSESSMENTS AND CHARGES: All property taxes, special assessments or other charges imposed by any governmental authority are to be separately assessed against each Unit and collected from each Unit Owner, as provided in the Act. In the event that any such taxes, assessments or other charges are not separately taxed to each Unit but are taxed on the property as

a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his proportionate undivided interest in the Common Elements.

17. UTILITIES: Each Unit Owner shall pay for his own telephone, electric and other utilities which are separately metered or billed to each Unit by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the Common Elements, and each Unit Owner shall pay his proportionate share thereof in accordance with his proportionate undivided interest in the Common Elements.

18. PROTECTIVE PROVISIONS FOR THE BENEFIT OF INSTITUTIONAL MORTGAGEES: Each Unit Owner shall have the right, subject to the act and the provisions herein, to make or create or cause to be made or created any mortgage or other lien effecting his respective Unit together with his respective ownership in the Common Elements; provided however that no Unit Owner shall have the right or authority to make or create or cause to be made or created any mortgage or other lien on or effecting the property or any part thereof in excess of his own Unit and the Common Elements corresponding thereto. Sponsor shall have the right to make or create or cause to be made or created one or more mortgages or other liens on or effecting all or some of the Units to which Sponsor has fee simple title, and the Common Elements pertinent thereto.

As to each institutional holder of the first mortgage on any Unit, the following shall apply:

(a) The prior written approval of each institutional holder of the first mortgage ("First Mortgage") on any Unit is required for the following:

(1) The abandonment or termination of the Condominium except for abandonment or termination provided by law in the case of casualty or eminent domain;

(2) Any material amendment to the Master Deed or to the By-Laws or Articles of Incorporation;

(b) No Unit in the Condominium may be partitioned or subdivided without the prior written approval of the holder of any first mortgage of said Unit.

(c) The Association's lien for unpaid Common Expense assessments attributable to any particular Unit shall be subordinate to the lien of real estate taxes and the first mortgage or other equivalent security interest recorded prior to the date of any such Common Expense assessment became due.

(d) In the event of substantial damage to or destruction of any Unit or any part of the Common Elements or condemnation thereof, the institutional holder of any first mortgage shall be given timely written notice of such damage, destruction or taking. No owner or other party shall have priority with respect to the distribution to such Unit Owner of any insurance proceeds or condemnation awards.

(e) If an institutional holder of the first mortgage on any Unit comes into possession of the Unit pursuant to the remedies provided for in such mortgage through foreclosure or deed or assignment in lieu of foreclosure, or if a purchaser of such Unit obtains title thereto at a sale of such Unit as a result of such foreclosure, then such holder or purchaser, as the case may be, and their successors and assigns, shall not be liable for and such Unit shall not be subject to, a lien for the payment of the share of Common Expenses pertaining to such Unit or chargeable to a former owner of such Unit, which became due prior to such possession or foreclosure sale, as the case may be, except for claims for a proportionate share of such unpaid Common Expenses resulting from a proportional allocation thereof among all of the remaining Unit Owners, including such holder or other purchaser at foreclosure, or their successors and assigns.

19. SUBDIVISION OR COMBINATION OF UNITS: Subject to the provisions of this Master Deed, Certificate of Incorporation, the By-laws, and the Act, the Common Elements shall remain undivided and no Unit Owner shall bring any action of partition and division thereof. A Unit may be transferred by the Unit Owner thereof to the owner of a Unit or Units adjacent thereto, and may be combined with such adjacent Unit or Units and made a part thereof, for use together with such adjacent Unit or Units thereby forming a new larger Unit. The Unit Owner or Unit Owners desiring to make such subdivision or transfer and combination shall make written application to the Board requesting an amendment to this Master Deed and containing, in the case of a transfer and combination, a survey of the proposed alteration of the affected Unit or Units and a proposed reallocation to the new Unit to be created by such proposed transfer and combination, of the percentage of interest in the Common Elements appurtenant to such affected Units. No such proposed transfer and combination shall be effective unless first approved in writing by a majority of members of the Board, which approval shall not be unreasonably withheld. If so approved by the Board, such proposed transfer shall be effective upon recording of an amendment to this Master Deed, consistent with and reflecting said transfer and combination and executed by the Unit Owner or owners and the mortgagees of the Units involved therein, together with an amended plat, in accordance with the Act, and all other provisions with this Deed and the By-laws. Any expenses incurred in connection with the accomplishing any such transfer and combination as provided herein, including without limitation attorney's fees, and recording fees, shall be paid by the Unit Owners of the Units involved and such Unit Owners shall be jointly and severally liable for the payment thereof.

20. REMEDIES: In the event of any violation or default by any Unit Owner of the provisions of the Act, Master Deed, By-laws or rules and regulations of the Association (either by his own conduct or by the conduct of any occupant of his Unit) the Trustees shall have each and all of the rights and remedies which may be provided for in the Act, Master Deed, By-laws, rules and regulations of the Association or which may otherwise be available at law or in equity and may prosecute an action or other proceeding against such defaulting Unit Owner and/or others for enforcement of any lien or other right and for the appointment of a receiver for the Unit or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof or the right to take possession of the Unit Owner's interest in the Property and to sell the same or for any combination of remedies or for any other relief. All expenses of the Board in connection with any such actions or proceedings, including court costs, attorney's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate determined by the Board as herein before provided, shall be charged to and assessed against such defaulting Unit Owner and shall be added to and deemed part of his respective share of the Common expenses and the Association shall have a lien for all of the same, as well as for non payment of his respective share of the Common Expenses, upon the Unit of such defaulting Unit Owner and upon all of his personal property in his Unit or located elsewhere on the Property. Provided, however, that such lien shall be subordinate to the lien of any prior recorded mortgage or trust deed on the property or any portion thereof or the interest of such Unit Owner, held by any existing mortgagee of the property, except for the amount of the proportionate share of said Common Expenses which become due and payable from and after the date on which said mortgage or trust deed owner or holder either

takes possession of the Unit, accepts an advance of any interest therein (other than as a security) or files suit to foreclose its mortgage or trust deed and causes a receiver to be appointed. In the event of any such default by any Unit Owner, the Association and the Board of Trustees and the manager or managing agent so authorized by the Board shall have the authority to correct such default and to do whatever may be necessary for such purposes and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner together with interest thereon at the rate aforesaid. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board. This paragraph shall not be amended, changed, modified or rescinded without the prior consent of such holders of a recorded mortgage or trust deed encumbering any one or more of the Units.

The violations of any provisions of the Act, this Deed, the By-laws, or rules and regulations of the Association by any Unit Owner (either by his own conduct or by the conduct of any occupant of his Unit) shall give the Board and its employees and agents the right, in addition to any other rights provided for in this Master Deed, (a) to enter upon the Unit or any portion of the Property upon which or as to which such violation or breach exists pursuant to legal process and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions of this Act, this Deed, the By-laws or such rules and regulations and the Board or its employees or agents shall not thereby be deemed guilty in any manner of trespass, or (b) to enjoin, abate, or remedy by appropriate legal proceedings either at law or in equity, the continuance of any such breach or (c) to take possession of such Unit Owner's interest in the property and to maintain an action for possession of such Unit in the manner provided by law.

If any Unit Owner, either by his own conduct or by the conduct of any occupant of his Unit, shall violate any provisions of this Act, this Deed, or the regulations of the Association and such default or violation shall occur for ten days after notice to the Unit Owner in writing from the Board or shall recur repeatedly during any ten (10) day period after such written notice or request to cure such violation from the Board, then the Board shall have the power to issue to said defaulting owner a notice in writing terminating the rights of the defaulting owner to continue as a Unit Owner and to continue to occupy, use or control his Unit and thereupon an action in equity may be filed by the Board against such defaulting owner for a decree of mandatory injunction against such defaulting owner or occupant or in the alternative for a decree declaring the termination of said defaulting owner's right to occupy, use or control the Unit owned by him on account of said violation and ordering that all right, title and interest of said defaulting owner in the property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and terms as the Court shall determine and except that the Court shall enjoin and restrain said defaulting owner from reacquiring his interest at such judicial sale. The proceeds of any such judicial sale shall be first paid to discharge court costs, reasonable attorney's fees and all other expenses of the proceeding and sale and all such items shall be taxed against said defaulting owner in said decree. Any balance of proceeds after satisfaction of such charges and any unpaid assessments hereunder or any liens shall be paid to said defaulting owner. Upon confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Unit and the Unit Owner's corresponding percentage of ownership in the Common Elements and to immediate possession of the Unit sold and may apply to the Court for a writ of assistance for the purpose of acquiring such possession and it shall be a

condition of any such sale and the decree shall so provide that the Purchaser shall take the interest in the Unit Ownership sold subject to the Master Deed.

22. AMENDMENT OF MASTER DEED. Sponsor hereby reserves for itself, its successors and assigns for such period as Sponsor may be the owner of one or more Units in the Condominium in the regular course of business, the right to execute on behalf of all contract purchasers, Unit Owners, mortgagees, other lien holders or parties claiming a legal or equitable interest in the Condominium, any such agreements, documents, amendments or supplements to this Master Deed which may be required by an institutional mortgage lender or by any governmental agency having regulatory jurisdiction over the Condominium or by any title insurance company selected by Sponsor or others to insure title to any Units or by the Sponsor for such purposes as it deems desirable.

In the event that the Sponsor shall no longer be the owner of one or more Units in the Condominium, this Master Deed then may be amended or supplemented only by the affirmative vote of the Unit Owners representing 75% of the undivided interest in the Common Elements as set forth herein, or in any amendment thereto. In the event that there shall be an amendment or supplement to this Master Deed by such percentage of owners, or by the Sponsor, no amendment or supplement shall change a Unit or Units percent of the Common Elements unless otherwise provided for herein, without the owner of record of said Unit and the holders of record of any liens thereon joining in the execution of the amendment or supplement or executing consent thereto with the formalities of a deed. Such amendments, supplements or consent shall be recorded in the County Clerk's Office before such amendment or supplement becomes effective.

Where the provisions of this Deed have been complied with relating to casualty or eminent domain or combination of Units have been complied with, the Secretary of the Board shall execute and record an amendment to this Master Deed setting forth all pertinent aspects of the events or transactions resulting in such amendment and a legal description sufficient to indicate the location of any property involved in said events or transactions and specifying any resulting reapportionment of percentages of ownership in the Common Elements, provided that any such amended deed, plat or certification shall be prepared at the expense of the Unit Owners affected thereby.

While the Sponsor maintains a majority of the Board of Trustees, it shall make no additions, alterations, improvements or purchases, not contemplated in this Offering which would necessitate the special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender or in the event of an emergency.

The Sponsor shall not be permitted to cast any votes held by him for unsold units or interests for the purpose of amending the Master Deed, By-laws or any other document for the purpose of changing the permitted use of a unit or interest, or for the purpose of reducing the common elements or facilities.

23. RIGHTS AND OBLIGATIONS: The provisions of this Master Deed and the By-Laws and all rights and obligations established hereby shall be deemed to be covenants running with the land so long as the property remains subject to the provisions of the Act. By recording of the acceptance of a deed conveying a Unit or any interest therein, the person to whom such Unit or interest is conveyed shall be deemed to accept and agree to be bound by and subject to all of the provisions of the Act and the provisions of this Master Deed and the By-Laws. Such grantee shall accept same subject to all restrictions,

conditions, covenants, reservations, liens and charges which affect the property.

24. HEADINGS: The headings of paragraphs, Articles and sections in this Master Deed and the By-Laws are for convenience and reference only and shall not in any way limit or define the contents or substance of such paragraphs and sections.

25. NUMBER AND GENDER: As used in this Master Deed, the singular shall include the plural and the masculine, feminine, and neuter pronouns shall be fully interchangeable, where the context so requires.

26. SEVERABILITY: If any provision of the Master Deed or By-laws or any section, sentence, clause, phrase, word or the application thereof, in any circumstances is held invalid, the validity of the remainder of this Master Deed and the By-laws and of the application of any such provision, section, sentence, clause, phrase or word and any other circumstances shall not be affected thereby and the remainder of this Master Deed or the By-laws shall be construed as if such invalid part was never included therein.

27. WAIVER. No provision contained in this Master Deed or the By-laws 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.

28. PERPETUITIES AND RESTRAINTS ON ALIENATION. If any of the options, privileges, covenants or rights created by this Master Deed shall be unlawful, void or voidable for violation of the rule of property known as the Rule Against Perpetuities, then such provision shall continue in force and effect only until 21 years after the death of the survivor of the now living descendants of the President of the United States, Ronald Reagan.

IN WITNESS WHEREOF, the Sponsor has caused these presents to be signed and duly executed the day and year first above.

ATTEST:

ASHMONT PROPERTIES, INCORPORATED

Gerald J. Vuolo, Secretary

By: _____
Robert G. Vuolo, President

STATE OF NEW JERSEY)

COUNTY OF)

ss:

BE IT REMEMBERED that on this _____ day of _____, 198____, before me, the subscriber, _____ personally appeared Robert G. Vuolo, who, I am satisfied is the person who signed the within Instrument as President of Ashmont Properties, Incorporated, the corporation named therein and he thereupon acknowledged that the said instrument made by the corporation and sealed with its corporate seal, was signed, sealed with the corporate seal and delivered by him as such officer and is the voluntary act and deed of the corporation, made by virtue of authority from its Board of Directors.

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