

10. Restrictions

The Condominium Property is subject to all covenants, restrictions and easements of record as well as any restrictions stated in the Master Deed and the attached By-Laws.

a. No Unit, except those Units owned by the Grantor or its Designated Transferee and used as sales offices, administrative offices or models, shall be used for any purpose other than as a private residence.

b. 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 or Regulations. However, this restriction shall not be deemed to preclude any residence of a Unit or his guests from utilizing any driveway immediately adjacent to the Unit for the parking of automobiles, subject to the Rules and Regulations promulgated by the Association and any other restrictions contained in this Master Deed.

c. 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 within the Condominium for the purpose of servicing the Condominium itself or one of the Units, shall be permitted without written consent of the Board.

d. 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 designated areas. Trash, garbage or other waste shall be kept in sanitary containers within the Condominium for weekly or more frequent collections.

e. No exterior loudspeakers other than as contained in portable radios or television sets shall be permitted, nor shall unshielded floodlights be installed in any exterior area of any Unit or any balcony, patio or terrace appurtenant thereto without the permission of the Board.

f. The owner of each Unit, regardless of type, shall not cause or permit any clothes, sheets, blankets, or laundry of any kind or other articles to be hung or displayed on the outside of windows or placed on the outside windowsills, walls or balconies of any Building or in any parking area.

g. 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 residents in the Condominium.

h. 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.

i. No clothes, poles, lines or clothes trees shall be installed or maintained, nor shall any laundry or other thing

be hung out to dry outside of any Unit.

11. Obligations of Grantor

The Grantor covenants and agrees that for so long as it owns one or more of the condominium units, the Grantor shall be subject to the provisions of this Master Deed and of all exhibits attached hereto; and the Grantor covenants to take no action that will adversely affect the rights of the other owners of condominium units and their successors in interest, as their interests may appear, by reason of the removal of any portion of the Condominium.

12. No Partition

Subject to the provisions of the Master Deed and By-Laws and the Condominium Act, the common elements shall remain undivided and no Unit Owner(s) shall bring any action of partition or division thereof. In addition, the undivided 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. Compliance by Unit Owners

Each Unit Owner or occupant shall comply with the provisions of this Master Deed, the By-Laws, the Rules and Regulations of the Association and its representative, and any other documents, amendments or supplements to the foregoing which subsequently may be required by any governmental authority, as same may be lawfully amended from time to time. Failure to comply with any such provisions, rules or regulations shall be grounds for an action to recover sums due, damages or injunctive relief by the Grantor, the Association, and any other Unit Owner.

In the event a Unit Owner or occupant fails to so comply then the Association shall notify the Unit Owner or occupant of the violation, in writing, and in the notice state the viola-

tion(s) and require that it be cured immediately and if not susceptible of being immediately cured then within fourteen (14) days of receipt of the notice. If the violation(s) is not cured within the requisite period then Association shall have the right, but not the duty, to institute the appropriate legal action to force compliance and curing of the violation(s). In the event that the Association institutes legal action then it shall be entitled to recover from the Unit Owner the Association's costs and expenses, including attorney's fees, relative to such proceeding. The cost and expense shall be considered to be a lien affecting that Unit and the Association shall have the right to enforce the payment of such lien as if it were a Common Expense.

14. Amendment

These covenants, conditions and restrictions may be amended as to content as follows:

(a) By the Grantor, for a period of the earlier of six years from the date hereof or the last unit title closing in the ordinary course of business, to effectuate any changes as may be required by any lending institution, any governmental agency insuring a mortgage on any unit, by any other governmental agency having regulatory jurisdiction over this condominium or by any title insurance company that may insure title to a unit. Additionally, the Grantor shall have the sole right to amend Exhibit C relating to the shape, design and size of any units not yet conveyed by Grantor or its Designated Transferee, to a third party. Such amendment shall be effective only upon recordation in the Essex County Register's Office of an instrument in writing, signed and acknowledged by the Grantor, setting forth the amendment. Such amendment in this instance, need only be signed by the Grantor not by the Association, any Unit Owner or any Mortgagee.

(b) The provisions of this Master Deed other than

this Article, may be amended by an instrument in writing, signed and acknowledged by the President and Secretary of the Association, certifying that such amendment has been approved by the vote or written consent of at least seventy-five (75%) percent of the record Owners, subject to the rights of institutional holders of first mortgages as provided in Article 28, and such an amendment shall be effective upon its recordation in the Essex County Register's Office.

Notwithstanding anything to the contrary stated in this Master Deed, the consent of all Unit Owners shall be required for any amendment effecting a change in (1) the boundaries of any unit not owned by the Grantor or its Designated Transferee; (2) the undivided interest in the common elements appertaining to the unit or the liability for common expenses appertaining thereto, (3) the number of votes in the owners association appertaining to the unit, or (4) the fundamental purposes to which any unit or the common elements are restricted.

Notwithstanding anything to the contrary stated in this Master Deed or the attached By-Laws, there shall be no amendment to either document if said amendment shall impair or prejudice the rights and priorities of any mortgagee holding a mortgage encumbering any Unit, or be detrimental to the sale of units by the Grantor.

No amendment shall impair or adversely affect the rights of the Grantor or its Designated Transferee or discriminate against them or cause either of them to suffer any financial, legal or other detriment or assess either of them for capital improvements or directly or indirectly interfere with their sale, lease or ownership of units or their use of units and/or the Common Elements unless the Grantor or its Designated Transferee has consented to such amendment.

15. Restrictions Against Short Term Leases

No condominium unit shall be rented by the Unit Owners

thereof for transient or hotel purposes, which shall be defined as "(a) rental for any period less than four months or (b) any rental if the occupants of the unit are provided customary hotel services, such as room service for food and beverage, said service furnishing laundry and linen and bellboy services". No Unit Owner shall rent less than the entire unit. Other than the foregoing obligations, the Unit Owners shall have the absolute right to lease same provided that said lease is in writing and is made subject to the covenants and restrictions contained in this Master Deed, the By-Laws and other documents referred to herein, including the rights of removal and amendment reserved to Grantor herein. The foregoing restrictions shall not apply to any lender in possession of a unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure.

16. Insurance - Damage or Destruction

(1) The Association, through its Board of Trustees, shall, as stated in Article 9, be required to obtain and maintain fire insurance with extended coverage insuring not only all the Common Elements, but also each building containing the Units (including all of the Units and all structural walls and interior partition walls initially installed therein by the Grantor and any equipment which is part of a Common Element system, but not including carpeting, drapes, wall covering, fixtures, appliances, individual units' heating and air conditioning equipment, furniture, furnishings or other personal property owned supplied or installed by Unit Owners) together with all service machinery contained therein and covering the interests of the Condominium, the Board of Trustees and all Unit Owners and their mortgagees, as their interests may appear, in the amount determined by the Board of Trustees, each of which policies shall contain a standard mortgagee clause in

favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Trustees. All such policies shall provide that adjustment of loss shall be made by the Board of Trustees and that the net proceeds thereof shall be payable to the Association, subject to the rights of the unit mortgagee.

Premiums for any such insurance coverage shall be included in the monthly assessment for common expenses and such premium charges shall be held in a separate escrow account of the Association to be used solely for the payment of said premiums, as same become due.

All policies of physical damage insurance shall contain waivers of subrogation with respect to claims against Unit Owners, and their family members and officers and trustees of the Association and the Association shall use its best efforts to obtain a waiver of subrogation against Unit Owner's guests and Association employees. Said policies shall also contain waivers of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies.

Unit Owners shall carry insurance for their own benefit insuring their carpeting, wall and floor coverings and finishings, appliances, fixtures, individual unit's heating and air

conditioning equipment, furniture, furnishings and other personal property 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 of Trustees shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

(2) In the event of damage or destruction to the Condominium Property said damage or destruction shall be promptly repaired and restored by the Association using the proceeds of insurance for that purpose and all costs for repair or reconstruction, in excess of available insurance proceeds shall be a common expense, subject to the following conditions:

(a) If the Common Elements are damaged to the extent of seventy-five (75%) percent of its then replacement cost, which shall be deemed to constitute substantially total destruction of the Condominium Property and if sixty-seven (67%) percent of both (1) the Unit Owners' and (2) the institutional holders of first mortgage liens (based upon one vote for each mortgage held), vote not to proceed with repair or restoration, the Association shall proceed to realize upon the salvage value of the Condominium Property, either by sale or such other means as the Association may deem advisable and shall collect the proceeds of any insurance. Thereupon the net proceeds of such sale, together with the net proceeds of such insurance shall be considered as one fund to be divided among the Unit Owners in proportion to their respective interests of the Common Elements after first paying out of the share due each Unit Owner, such amounts as may be required to satisfy, to the extent monies are available, unpaid liens on the Unit in the order of priority of such liens.

(b) The Association shall arrange in the case of repair and restoration, for the repair and restoration of the Condominium Property, including damage to the Units (including



any equipment which is part of a Common Element system but not including carpeting, drapes, wallcovering, heating and air conditioning units, appliances, equipment fixtures, furniture, furnishings or other personal property owned, supplied or installed by a Unit Owner).

(c) In the event that net proceeds of insurance received by or payable to the Association shall exceed the cost of such repair or restoration, then the excess of such insurance proceeds shall be paid by the Association to all Unit Owners in proportion to their respective interests in the Common Elements after first paying out of the share due each Unit Owner, such amounts as may be required to reduce unpaid liens on the Unit in the order of priority of such liens.

(d) In the event that the net proceeds of insurance received by or payable to the Association is insufficient to cover the cost of such repair or restoration and the Unit Owners have not voted not to proceed with the repair or restoration then in that event the Association shall cause such repair or restoration to be done and the cost of same not covered by insurance proceeds shall be levied against each Unit in accordance with its respective interest in the Common Elements.

(e) Restoration and repair of the damage to the interior of any individual Unit shall be made by and at the expense of the owner of said Unit and in the event of a determination to rebuild partial or total destruction, it shall be completed as promptly as practicable, and in a lawful and workmanlike manner.

(f) Four (4) months from the date of any partial or total destruction, if a Resolution to not rebuild has not been adopted, as herein provided, or if reconstruction has not actually commenced within said period, then the covenant against partition, shall terminate and be of no further force

and effect.

Any such reconstruction or repair shall be substantially in accordance with the plans and specifications attached hereto as Exhibit C.

Notwithstanding destruction of a Unit and the resulting inability to occupy same, the owner of that Condominium Unit will remain liable for assessments for Common Expenses until such time as the Master Deed is terminated, as aforesaid; in the event of the reconstruction of his Condominium, liability for assessments will, of course, continue.

Notwithstanding any provision to the contrary stated in this Master Deed and the By-Laws, the institutional holder of any first mortgage shall have a first priority as to the distribution to it of the insurance proceeds applicable to that Unit in the event of substantial damage to or destruction of said Unit or in the event that the Unit is the subject matter of any condemnation or eminent domain award.