

THIS MASTER DEED, made this day of , 1982, by
SHORE THREE ASSOCIATES, a New Jersey corporation, having an office
at 730 Clifton Avenue, Clifton, New Jersey, (hereinafter referred
to as "Grantor")

WHEREAS, Grantor is the owner of the fee title to those lands
and premises described in Exhibit "A" attached hereto and made a
part hereof, which lands and premises are hereinafter referred to
as the "Entire Tract"; and

WHEREAS; said lands and premises were previously developed as
a garden apartment complex now known as Sunnyfield Garden Apart-
ments, consisting of three buildings containing 40 rental units.
Grantor, by this Master Deed, proposes to convert the aforesaid
lands and premises, together with all improvements constructed
thereon, all as shown graphically on the exhibits attached hereto
into a condominium and to offer the rental units for sale, subject
to the limitations contained in this Master Deed and subject to
existing rental leases; and

WHEREAS, Grantor has deemed it desirable for the efficient
preservation of the values and amenities in said community, to
create an entity, which shall own land and common facilities and
to which should be delegated and assigned the powers of maintain-
ing and administering the common elements and facilities admini-
stering and enforcing the covenants and restrictions and collect-
ing and disbursing the assessment and charges hereinafter created;
and

WHEREAS, Grantor shall incorporate under the laws of the
State of New Jersey, as a non-profit, "Sunnyfield Association,
Inc.", for the purpose of exercising the functions of the afore-
said.

WHEREFORE WITNESSETH:

1. Purpose:

Grantor does hereby submit, declare and establish

"Sunnyfield, A Condominium", in accordance with NJSA 46:8B-1 to 30, for that parcel of land and premises described in Exhibit "A" aforesaid, all as shown on one certain final map entitled "Survey of Sunnyfield Condominium, Borough of West Caldwell, County of Essex, N.J." prepared by Rigg Surveying Associates, dated August 24, 1981 and attached hereto as part of Exhibit "B-1".

2. Definitions:

The term used herein and in the By-Laws shall have the meanings stated in the Condominium Act and as follows unless the content otherwise requires:

- (a) "Assigns" means any person to whom rights of a unit owner have been validly transferred by lease, mortgage or otherwise.
- (b) "Association" means the entity responsible for the administration of Sunnyfield, A Condominium, which entity shall be incorporated.
- (c) "By-Laws" means the governing regulations adopted pursuant to the Condominium Act for the administration and management of the Condominium property.
- (d) "Common Elements" means general common elements and limited common elements, all as hereinafter defined. Common elements do not include a Unit.
- (e) "Common Expenses" means expenses for which the unit owners are proportionately liable, including but not limited to:
 - (i) all expenses of administration, maintenance, repair and replacement of the common elements and limited common elements;
 - (ii) funds collected from unit owners as common expenses or otherwise; and
 - iii) receipts designated as common by the provisions of the Condominium Act, the Master Deed or the By-Laws.
- (f) "Common surplus" means the excess of all common receipts over all common expenses.

(g) "Condominium" means the form of ownership of real property under a Master Deed providing for ownership by one or more owners of units of improvements together with an undivided interest in common elements appurtenant to each such unit.

(h) "Condominium property" or "property" means the land covered by the Master Deed, and all improvements thereon, including the three buildings consisting of a total of forty apartments, and all easements, rights and appurtenances belonging thereto or intended for the benefit thereof.

(i) "Grantor" means Shore Three Associates, its successors and assigns.

(j) "General common elements" means all appurtenances and facilities and other items set forth in NJSA 46:8B-3(d) which are not part of the Units nor are limited common elements.

(k) "Institutional holders of a first mortgage" means a savings and loan association, a commercial bank, a savings bank, an insurance company or any entity that is approved to handle governmental related or insured mortgage loans.

(l) "Limited common elements" means those common elements which are for the use of one or more specified units to exclusion of other units.

(m) "Majority" or "majority of the unit owners" means the holders of 51% or more of the aggregate number of votes of the Association.

(n) "Master Deed" means the Master Deed recorded under the terms of the Condominium Act, as such Master Deed may be amended or supplemented from time to time.

(o) "Member" means the owner or co-owner of a unit.

(p) "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof.

(q) "Unit" means a part of the Condominium property designed or intended for residential use, having a direct exit to a common element or common elements leading to a public street or way or to an easement or right of way leading to a public street or way, and includes the proportionate undivided interest in the common elements and in any limited common elements assigned thereto in the Master Deed or any amendment thereof. A unit is more particularly described in Article 4 of this Master Deed.

(r) "Unit deed" means a deed of conveyance of a unit in recordable form.

(s) "Unit owner" means the person or persons owning a unit in fee simple.

(t) "Utility services" includes but is not limited to electric power, gas, hot and cold water, heating, refrigeration, air-conditioning, garbage and sewage disposal.

3. Description of Project: The entire tract consists of three two and a half story buildings, the buildings contain a total of forty apartments as well as any other structures thereon, and all rights, roads, waters, privileges and appurtenances there-to belonging or appertaining. The building is located within the one section as more specifically shown on Exhibit "B-1" attached hereto. The buildings have an alphabet designation and each unit has a numerical-letter designation to identify location and type. Said designations being more particularly set forth in Exhibit C, Sheets 1-5 attached hereto.

4. Description of Units:

a. Each of said forty (40) units consists of and is defined to include (a) the volumes or cubicles of space enclosed by the unfinished inner surfaces or perimeter and interior walls, ceilings and floors thereof, including vents, doors, windows and such other structural elements that ordinarily are regarded as enclosures of space and (b) all interior dividing walls and partitions (including the space occupied by such walls or partitions) excepting load bearing interior walls and partitions and (c) 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 wall paper, paint, plaster, carpeting, tiles and all other finishing materials affixed or installed as a part of the physical structure of the unit and all immediately visible fixtures, mechanical systems and equipment installed and for the sole and exclusive use of the unit, including, but not limited to, the air conditioning and

heating systems, commencing at the point of disconnection from the structural body of the buildings and from the utility lines, pipes or systems serving the unit. No pipes, wires, conduits or other public utility lines or installations constituting a part of the overall systems designed for the service of any particular single unit or for the entire building or other units therein nor any of the structural members or portions of any kind, including fixtures and appliances within the unit, which is not removable without jeopardizing the soundness, safety or usefulness of the remainder of the buildings shall be deemed to be a part of any unit. The word "unit" when used throughout this instrument shall be deemed to refer to each of the aforesaid forty (40) units as herein described. The dimensions, area and location of each unit are as shown graphically on the plans attached hereto and made a part hereof as Exhibit "C", Sheets 1-5 respectively, as same may be amended from time to time, as herein provided.

b. Each unit also includes all appliances, fixtures, interior partitions and other improvements to be constructed or constructed located within the unit described and shall include the following individual appurtenances which are exclusive to such unit although all or parts thereof may not be located within the unit:

- (1) Complete heating system and any air conditioning units which may be installed.
- (2) Complete plumbing system.
- (3) All utility meters not owned by the public utility or agency supplying service.
- (4) All electrical wiring and fixtures.

The respective units shall not be deemed to include any pipes, wires, conduits or other utility lines running through such unit which are utilized for or serve more than one unit, the same being deemed common elements as hereinafter provided.

5. Common Elements:

The term "common elements" when used throughout this instrument shall mean both general and limited common elements (in all instances the term "general common element(s)" shall also mean "general common area(s)" and the term "limited common element(s)" shall also mean "limited common area area(s)") and the ownership of both are vested in all the unit owners subject to provisions hereinafter stated in this instrument.

A. General Common Elements:

All appurtenances and facilities and other items set forth in N.J.S.A. 46:8B-3(d) which are not part of the units or individual appurtenances as hereinabove described in Article 4 or not limited common elements as hereinafter described, shall comprise the general common elements as graphically shown on Exhibit "B" and "C" aforesaid. The general common elements shall include by way of description, but not by way of limitation:

- (a) All lands described in Exhibit "A" aforesaid and which are not limited common elements hereinafter described, whether or not occupied by a building or structure containing the above described units.
- (b) All streets, curbs, sidewalks, stoops, driveway areas, yards, walkways, parking areas, subject to the right of the Association to adopt rules and regulations governing the use of the driveway and parking areas.
- (c) Lawn areas, shrubbery, conduits, utility lines and waterways, subject to the easements and

provisions set forth in Article 7c hereof.

(d) The electrical, cable T.V. and telephone wiring network throughout the condominium tract.

(e) Public connections for gas, electricity, light, telephone and water.

(f) The foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, and entrances and exits of the building.

(g) Exterior lighting and other facilities necessary to the upkeep and safety of the buildings and grounds.

(h) The workshop area and storage area located under Apartments 20 and 21 subject to the right of the Association to adopt rules and regulations governing the using of same.

(i) The Master T.V. antenna and wiring network.

(j) Any easement or other right hereafter granted for the benefit of the unit owner(s).

(k) All other appurtenances, facilities or elements of the Condominium rationally of common use or necessary to the existence, upkeep and safety thereof.

Each unit owner or co-owner, tenant or occupant of a unit may use the elements held in common in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other owners, co-owners, tenants or occupants. The Association shall have the right, by proper Board of Directors' actions, to adopt regulations governing the use of the parking areas.

The parking garages located within the three buildings are

part of the Common Elements. As to twenty-seven (27) of these garages same shall be used exclusively, in perpetuity, by unit owners designated by the Grantor, these unit owners shall be solely responsible for all usual and ordinary repair and maintenance associated with the use and occupancy of said garage space. The Association shall be responsible for all structural repairs and replacements unless caused by the negligence of the user or a third party. The remaining six (6) garages shall be for the exclusive use, in perpetuity, by the Association. The Association may either enter into a rental agreement with a Unit Owner to lease a garage space and thereafter provided the charge for said garage is duly paid, said space shall be for the sole and exclusive use of that particular Unit Owner or (b) use the garage space(s) for Association purposes. As to any garages leased by the Association, the lessee shall be responsible for normal cleaning, but the Association shall be responsible for all repairs and maintenance to the garage unless same is caused by the negligence of said Unit Owner in which event the Unit Owner shall pay for same or cause the necessary repairs to be done within ten (10) days of notification by the Association.

The Association shall have the right to adopt regulations governing the use of any parking areas.

B. Limited Common Elements

The stairwells, balconies and terraces, appurtenant to second floor or ground floor Units as designated on Exhibit "C", Sheets 1-5, are Limited Common Elements and are reserved for the exclusive use of such Units but they may not be added to, modified or altered without the written consent of the Association and, except for normal housekeeping, shall be repaired and maintained by the Association.

6. Ownership Estate and Interest The owners of a 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 to each Unit, an undivided interest in the common elements of the Condominium as set forth in Exhibit "D" attached hereto and made a part hereof, subject to any amendments as herein provided. The said appurtenant undivided interest in the common elements shall not be divisible from the unit from which it appertains.

The foregoing undivided interest as designated in Exhibit "L" shall be used to allocate the burden of common expenses, the division of proceeds, if any, resulting from casualty loss and eminent domain proceeding or any sale and the division of profit, if any, of the condominium unit(s) having common ownership of the common elements. Such interest shall not be changed without the acquiescence of all of the owners of all of the condominium units aforesaid, which change, if made, shall be evidenced by an appropriate amendment to this Master Deed recorded in the Office of the Register of Essex County.

Said interest is expressed as a finite number to avoid an interminable series of digits. The fifth digit has been adjusted to that value which is most nearly correct.

The foregoing interest shall have no relation to the number of votes allocated to each unit owner as a member of Sunnyfield Association, Inc. In that matter each unit, after conveyance from the Grantor, shall be entitled to two votes, all as more specifically set forth in the Association's By-Laws.

The Grantor reserves the right, for so long as it shall

remain the owner of any of the units to change the price of such units. However, no change in the price of any of the units shall change or otherwise affect the undivided interest of any of the said units in the general and limited common elements.

7. Easements

(a) Grantor, for itself, its successors and assigns, hereby declares that every unit owner shall have a perpetual easement in, upon, through and over the land described in Exhibit "A" aforesaid, to keep, maintain, use, operate, repair and replace his unit in its original position and in every subsequent position to which it changes by reason of the gradual forces of nature and the elements.

(b) Grantor hereby reserves unto itself, its successors and assigns an easement in, upon, through and over the common elements for as long as the said Grantor, its successors and assigns, shall be engaged in the renovation, development and sale of condominium units, which easement shall be for the purpose of renovation, installation, maintenance and repair of the existing building and appurtenances thereto, for ingress and egress to all condominium units and all common elements, and for use of the areas, roadways, parking lots, existing and future model units for sales promotion and exhibition. The right of ingress and egress to the Units shall be during reasonable hours with prior notice except in the event of an emergency.

(c) Grantor, for itself, its successors and assigns hereby declares that, subject to the additional rights and easements created in this Article 7, each second floor and ground floor unit owner shall have a perpetual easement for the possession, use and enjoyment of that limited common element, the stairway to the unit, and the balcony or terrace to the unit which is appurtenant to a unit. The aforesaid limited common element shall be an incident of ownership of the unit.

Additionally, Grantor for itself, its successors and assigns hereby declares that each unit owner, subject to the provisions of this Master Deed, shall have a perpetual easement to use the common foyers, exterior stairs, common entrances, walkways, parking and driveway areas.

Lastly, Grantor for itself, its successors and assigns does hereby authorize the Association to lease or otherwise deal exclusively with the parking areas all as more specifically provided in Article 5A.

(d) Grantor, for itself, its successors and assigns, further declares that every unit owner shall have a perpetual and exclusive easement to use and enjoy the surfaces of the main walls (including windows, doors and chimneys therein), ceilings and floors contained within their unit together with an easement for the maintenance, use, operation, repair and replacement of any portion of the heating, any air conditioning, plumbing, utility or other mechanical systems and facilities not located within the unit.

(e) Grantor reserves unto itself, its successors, (including the Association) assigns and agents, an easement in, upon, through and over the property comprising the common elements for the purpose of installation, maintenance, repair and replacement of all sewer, water, power and telephone, cable T.V., pipes, 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 property. Grantor's rights, but not the Association's, its assigns or agents rights, shall expire upon title closing of the 31st unit.

(f) Every unit owner shall have a perpetual easement for the continuance and maintenance thereof, of any encroachment by his unit on any surrounding unit or on any common element, or

any encroachment by a common element on a Unit or Units, now existing as a result of the renovation, maintenance, repair, settlement, construction, reconstruction, shifting or movement of any portion of the building, or which may come into existence hereafter as a result of the building of a unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the building stands.

(g) A perpetual easement to and for the benefit of the Borough of West Caldwell, Essex County, New Jersey, but not the public in general) to enter upon the common elements, including, but not limited to, all roadways, streams, parking areas, driveways, easements, walkways, and sidewalks thereon, for the purposes of maintaining the safety, health, welfare, police and fire protection of the citizens of the Borough, including the residents of these properties.

(h) Any utility easements, and any other easements and restrictions of record heretofore filed, or filed hereinafter by Grantor, provided that any mortgage recorded prior to any easement or restriction of record shall have priority over such easement or restriction.

(i) The right of the Association, as provided in its By-Laws, to suspend the enjoyment rights of any unit owner for any period during which any assessment remains unpaid, or for any period during which any infraction of its published rules and regulations continues, it being understood that any suspension for either non-payment of any assessment, or a breach of the rules and regulations of the Association, shall not be a waiver or discharge of the unit owner's obligation to pay the assessment.

(j) The right of the Association to dedicate or transfer, provided that any such dedication or transfer is first subject to the acceptance thereof by such public entity or agency,

all or any part of the common elements to any public entity, including any municipal, County, State, Federal, or other public agency, authority or utility, for such purposes and subject to such conditions as may be agreed upon by the unit owners and first mortgage holders, provided that no such dedication, transfer, or determination, as to the purposes of, or as to the conditions of, such dedication or transfer, shall become effective unless such dedication, transfer and determination as to the purpose and conditions thereof shall be authorized by the vote in person or by proxy of two-thirds (2/3) of all of the votes eligible to be cast by all of the members of the Association, and all first mortgage holders, and unless written notice of the proposed resolution, authorizing such action is sent to every unit owner and first mortgage holder at least ninety (90) days in advance of the scheduled meeting, at which such action is taken. A true copy of such resolution, together with a certificate of the result of the vote taken thereon, shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association, and such certificate shall be annexed to any instrument of dedication or transfer affecting the common elements, prior to the recording thereof in the Office of the Essex County Register. Such certificate shall be conclusive evidence of authorization by the unit owners.

8. By-Laws and Administration

The administration of the common elements of Sunnyfield, A Condominium, shall be in accordance with the provisions of the Condominium Act, this Master Deed, the Articles of Incorporation, the By-Laws attached hereto as Exhibit "E" and made a part hereof, and any other documents, amendments, or supplements to the foregoing which may subsequently be required by a lending institution, the Federal Housing Administration, Veterans Administration, Federal National Mortgage Association or other governmental agency

insuring the mortgage on any unit, by any other governmental agency having regulatory jurisdiction over the Condominium, or by any title insurance company selected by Grantor to insure title to any unit(s). Grantor hereby reserves for itself, its successors and assigns, for a period of the earlier of two (2) years from the date hereof, or the last unit title closing in the ordinary course of business, the right to execute on behalf of all contract purchasers, unit owners, mortgages, other lienholders or parties claiming a legal or equitable interest in the Condominium, any such agreements, documents, amendments or supplements which may be so required.

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, or holder of any mortgage or legal or equitable interest in said Condominium does automatically and irrevocably name, constitute, appoint and confirm Grantor, its successors and assigns, an attorney-in-fact for the purpose of executing the foregoing instruments. The Power of Attorney aforesaid is expressly declared to be coupled with an interest in the subject matter and same shall run with the title to any and all Condominium units and be binding upon the successors and assigns of any of the foregoing parties. Further, said Power of Attorney shall not be affected by the death or disability of any principal.

Sunnyfield, A Condominium, shall be administered, supervised and managed by Sunnyfield Association, Inc., a non-profit corporation of the State of New Jersey, presently having its principal office at 730 Clifton Avenue, Clifton, New Jersey which shall act by and on behalf of the owners of the units in Sunnyfield, A Condominium, in accordance with this instrument, the By-Laws of the Association annexed hereto as Exhibit "E" and in accordance with the Condominium Act of the State of New Jersey, its

supplements and amendments. The said By-Laws form an integral part of this plan of ownership herein described and this instrument shall be construed in conjunction with the provisions of said By-Laws. Pursuant to the requirements of the Condominium Act of the State of New Jersey, Sunnyfield Association, Inc. is hereby designated as the form of administration of Sunnyfield, A Condominium, the same being more particularly set forth in the By-Laws of the Association hereunto attached. The said Association shall also be empowered to exercise any of the rights, powers, privileges or duties, which may, from time to time, be established by law or which may be delegated to it by the owners or co-owners of units in Sunnyfield, A Condominium.

All owners of units shall be members of the Association and agree by acceptance of a deed to any unit or by acceptance of any other legal or equitable interest in the Condominium that they shall be bound by the By-Laws or Rules of the Association for the use of the units or common areas, as these Rules and By-Laws presently exist or as they are hereinafter adopted or amended by the Association as provided in its By-Laws.

9. Management

Sunnyfield Association, Inc. is hereby designated as the managing body of the Condominium and its Common Area. The incorporators and/or initial Directors of the Association shall be appointed by Grantor.

The Association through its Board and at their option, and for the benefit of the Condominium and the Owners may acquire and may pay for out of the maintenance fund, hereinafter provided for, the following:

(a) Water, sewer, garbage, electrical and gas, and other necessary utility services for the Common Areas and (if not separately metered or charged) for the Units, maintenance and gardening service for the Common Areas.

(b) Those premiums relating to bonds and policies of insurance as are required pursuant to the provisions of the Association's "By-Laws" as well as any other kinds and types of insurance which the Association's Board of Directors may deem prudent and desirable. Such insurance shall include, but not by way of limitation, fire and extended property insurance, public liability insurance, workmen's compensation, fidelity bonds, boiler insurance and Director's liability.

(c) The services of a person or firm (the "Manager") to manage the Common Areas to the extent deemed advisable by the Association as well as such other personnel as the Board of Directors of the Association shall determine shall be necessary or proper for the operation of the Common Elements whether such personnel are employed directly by the Association or are furnished by the Manager.

(d) Legal and accounting services necessary or proper in the operation of the Association, the Common Elements, or enforcement of these restrictions.

(e) Painting, maintenance and repair, construction and reconstruction of the General Common Elements and such furnishings, equipment and planting for the General Common Elements as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to acquire the same for the Common Elements.

(f) Any other property services, taxes or assessments which the Association is required to secure or pay for, pursuant to the terms of this Master Deed or the By-Laws, or which, in its opinion, shall be necessary or proper for the operation of the Common Elements; provided, however, that if the Association

determines that any such property services, taxes or assessments are provided or paid for a single Unit, the cost thereof shall be especially assessed to the Unit Owner of such Unit; provided further, that nothing herein shall permit the Association to assess the Unit Owners for any new improvements or additions to the Common Elements except as hereinafter provided or as stated in the By-Law, Exhibit "E".

(g) Any amount necessary to discharge any lien or encumbrance levied against the Common Elements, or any part thereof, which may, in the opinion of the Association, constitute a lien against any part of such areas rather than merely against the interest therein of particular Unit Owners; where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it.

(h) All assessments against the Unit Owners for costs incurred for the ownership, operation and maintenance of such real and personal property which is or may be held or leased by the Association for the use and benefit of the Unit Owners.

The Association may delegate any of its duties, powers or functions to any person, corporation or firm to act as Manager. Neither the Association, nor the members of its Board, shall be liable for any omission or improper exercise by the Manager of any, such duty, power or function so delegated.

The Association or its agents may enter any Unit in the event of any emergency involving illness or potential danger to life or property, or when necessary in connection with any maintenance or construction for which it is responsible. Such entry shall be made with as little inconvenience to the Unit Owner as practicable, and any damage caused thereby shall be repaired by the Association at the expense of the maintenance fund.

The Association shall provide for an annual independent audit of the accounts of the Association and for delivery of a copy of

such audit to each Unit Owner within thirty (30) days after completion thereof.

The Association is authorized and empowered to grant such licenses, easements and rights-of-way for sewer lines, CATV, water lines, underground conduits, storm drains and other public or private utility purposes as may be necessary and appropriate for the orderly maintenance, preservation and enjoyment of the Common Elements, or for the preservation of the health, safety, convenience and welfare of the Unit Owners over, in, through those those portions of the Common Elements upon which no building or other structure has been erected and through those portions of the property's General Common Elements.

Other than as stated herein or in the By-Laws, (Exhibit E), relating to restoration of damaged improvements, the Association may construct new improvements or additions to the Common Elements of the Property or demolish existing improvements provided that in the case of any improvement, addition or demolition involving a total expenditure in excess of \$3,500.00 the vote of a majority of the Unit Owners (other than Grantor) in the project as to the maximum total cost therefor shall first be obtained, and provided that no Unit shall be altered or damaged by any such demolition or construction without the consent of the Unit Owner thereof. The Association shall levy a special assessment on all Unit Owners in the Property for the cost of such work. The Grantor, while in control of the Association, will not make any additions, alterations, purchases or improvements that will cause a special assessment or a substantial increase in the monthly assessment except in cases of emergency, or unless required by a governmental agency or mortgage lender. Additionally, Grantor will not cast any votes so as to change the use of any units or cause an encroachment upon the Common Elements.

10. Restrictions This Master Deed is subject to all

covenants, restrictions and easements of record.

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.

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 two 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. Such amendment shall be effective only upon recordation with the Essex County Register of an instrument in writing, signed and acknowledged by the Grantor, setting forth the amendment. Said amendment in this instance, need only be signed by the Grantor and not by the Association.

(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, (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.

15. Restrictions Against Short Term Leases

No condominium unit shall be rented by the Unit owners there- of for transient or hotel purposes, which shall be defined as "(a) rental for any period less than sixty (60) days' 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 in 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 Directors, shall, as stated in Article 9, be required to obtain and maintain not only flood insurance for those Common Elements located in a designated flood hazard area but also 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 the bathroom and kitchen fixtures initially installed therein by the Grantor, but not including carpeting, drapes, wall covering, fixtures, air-conditioning units, furniture, furnishings or other personal property supplied or installed by Unit Owners) together

with service machinery contained therein and covering the interests of the Condominium, the Board of Directors and all unit owners and their mortgagees, as their interests may appear, in the amount determined by the Board of Directors, 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 Directors. All such policies shall provide that adjustment of loss shall be made by the Board of Directors 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 directors 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 cancelled 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, wallcovering, fixtures, furniture, air conditioning units, 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 Director 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 three-fourths 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 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 the bathroom and fixtures and appliances supplied or installed by the Grantor but not including carpeting, drapes, wallcovering, fixtures, air conditioning units, furniture, furnishings or other personal property 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) Six 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.

When utilizing the provisions of this Article, a Unit shall also include an adjacent terrace or balcony, which would otherwise be defined as a part of the General, Common or Limited Common Elements.

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.

17. Blanket Mortgages

At its option, Grantor may, with the unanimous written approval of all unit owners, encumber the entire Condominium property or some or all of the units therein with a single or blanket permanent mortgage constituting a first lien thereon and any such units may be sold or otherwise conveyed or transferred subject to the lien of such mortgage, all in accordance with the provisions of N.J.S.A. 46:8B-23.

18. Common Expenses

Common expenses shall be charged to unit owners according to the percentage of their respective undivided interest in the

Common Elements as set forth in Exhibit D of this Master Deed and shall be subject to enforcement by the right of lien, all in accordance with the provisions of the Condominium Act, this Master Deed and By-Laws. These Common Expenses shall be paid by each unit owner through a monthly assessment, as more particularly set forth in the Association By-Laws.

In addition to the monthly assessment, the Association shall have the power through its Board of Directors to levy a special assessment(s), against each unit owner according to each unit's undivided percentage interest, all as more specifically set forth in the Association's By-Laws.

Common expenses being those expenses of administration and of maintenance, repair or replacement of the Common Elements and the expense of administering and maintaining Sunnyfield Association, Inc. and all of its real and personal property in proportions and amounts as shall from time to time, be fixed by the Directors of the Association and to any other expense and reserves that may be lawfully agreed upon. No unit owner may exempt himself from contributing toward such expense by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit owned by him. Additionally, the Association shall establish a Reserve Fund and each unit owner by the acceptance of a deed to a Unit, whether it be expressed therein or not, shall be obligated to pay his share of the Common Expenses, monthly assessments, special assessment and Reserve Fund, all as more specifically set forth in the Association's By-Laws.

19. Unpaid Assessment Liens - Foreclosure - Purchase
All charges and expenses chargeable to any unit shall

constitute a lien against said unit in favor of Sunnyfield Association, Inc. which lien shall be prior to all other liens except (1) assessments, liens and charges for taxes past due and unpaid on the unit, (2) a bona fide mortgage lien, if any, to which the unit is subject, and (3) any other lien recorded prior to recording the claim of lien. Such lien shall be effective from and after the time of recording in the public records of Essex County of a claim of lien stating the description of the unit, the name of the record owner, the amount due and the date when due. Such claim of lien shall include only sums which are due and payable when the claim of lien is recorded and shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by the lien, the party making payment shall be entitled to a recordable satisfaction of lien. All assessments that remain unpaid for over thirty days shall bear interest from the assessment due date at the highest rate permitted by law.

Liens for unpaid 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. The Association shall have the power to bid in the unit at foreclosure sale and to acquire, hold, lease, mortgage and convey. The title acquired by any purchaser following any such foreclosure sale shall be subject to all of the provisions of this instrument, the By-Laws and Rules and Regulations of Sunnyfield Association, Inc. and the Condominium Act of the State of New Jersey, and by so acquiring title to the unit, said purchaser covenants and agrees to abide and be bound thereby.

The Association shall file a claim of lien, as aforesaid, if said monthly assessment remains unpaid for a period of two (2) months. Thereafter, if said lien is not paid within one (1) month from the date of recording same, the Association shall foreclose same, as aforesaid. The Association shall have the right as part

of the aforesaid foreclosure action to accelerate the remaining monthly assessments for that calendar year provided that at least two months of unpaid monthly assessments constitute the basis of the foreclosure action. In any such action the Association shall be entitled to recover attorneys fees and costs of suit.

The Association may maintain suit against a delinquent unit owner, as provided in the By-Laws, to recover a money judgment for any unpaid expenses and assessments without foreclosing or waiving the lien securing same.

20. Unit Conveyances - Unpaid Assessments

Upon any voluntary conveyance of a unit, the Seller and Buyer of such unit shall be jointly and severally liable for all unpaid assessments pertaining to such unit duly made by the Association or accrued up to the date of such conveyance, without prejudice to the right of the Buyer to recover from the Seller any amounts paid by the Buyer but the Buyer shall be exclusively liable for those accruing while he is the unit owner. Any unit owner or any purchaser of a unit prior to completion of a voluntary sale may require from the Association a certificate showing the amount of unpaid assessments pertaining to such unit and the Association shall provide such certificate within ten (10) days after request therefor. The holder of a mortgage or other lien on any unit may request a similar certificate with respect to such unit. Any person other than the unit owner at the time of issuance on any such certificate who relies upon such certificate shall be entitled to rely thereon and his liability shall be limited to the amounts set forth in such certificate.

If a mortgagee of a first mortgage of record or other purchaser of a unit acquires title to such unit as a result of foreclosure of the first mortgage, or by a deed in lieu of foreclosure, such acquirer of title, his successors and assigns, shall not be 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 as a result of the foreclosure. Such unpaid share of common expenses shall be collectable from all of the remaining unit owners including such acquirer, his successors and assigns.

A unit may be sold by the sheriff on execution, free of any claim, not a lien of record, for common expenses or other assessments by the Association but any funds derived from such sale remaining after satisfaction of prior liens and charges but before distribution to the previous unit owner, shall be applied to payment of such unpaid Common Expenses or other assessments if written notice thereof shall have been given to the sheriff before distribution. Any such unpaid Common Expenses which shall remain uncollectable from the former unit owner for a period of more than sixty (60) days after such sheriff's sale may be reassessed by the Association as Common Expenses to be collected from all unit owners including the purchaser who acquired title at the sheriff's sale, his successors and assigns.

21. Subordination of the Assessment Lien to Mortgages

The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now, or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property, pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer of such property shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

22. Structural Changes - Architectural Control Committee

(a) Review

No addition, change, modification, or alteration of the

Unit's exterior, including, but not limited to the exterior finishings, color, enclosing of decks or the erection or implantment of antennae of any nature, shall be made as to any Unit nor shall any building, fence, wall, or structure of any kind be commenced, erected or maintained upon the Condominium property unless done by the Grantor, nor shall any unit owner make any structural modifications or alterations of any nature to the exterior of the Unit or anything within the Unit's Limited Common Limited Common Elements, until the plans and specifications, showing the nature, kind, shape, height, materials and location in relation of the same shall have been submitted to and approved, in writing, as to harmony of external design and location in relation to surrounding structures by the Board of Directors of the Association, or by the Architectural Control Committee, composed of three (3) or more representatives, appointed by the Board. In the event said Board, or its designated committee, fail to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, or in any event, if no suit to enjoin the addition, alteration or change has been commenced prior to the completion thereof, approval will not be required, and this Article will be deemed to have been fully complied with.

(b) No act shall be done, under any circumstances, which does, or may tend to impair the structural and/or architectural integrity of any multi-unit building, or adversely affect any of the Common Elements.

(c) Compliance with Local Ordinances and Regulations

Notwithstanding any language to the contrary stated in Subsection (a) of this Section 22 each unit owner shall be bound by and comply with all local ordinances and regulations of the Borough of West Caldwell.

23. Exterior Maintenance and Repairs

(a) Exterior Grounds:

The Association shall be responsible for the general maintenance of the Common Properties, its grounds, all Common Element building and facilities, and any building owned by the Association, including the grounds surrounding the Units. Such maintenance of the grounds shall only be as to the grass and plantings existing at the time of title closing, or subsequently installed by the Grantor. Each unit owner shall be responsible for the maintenance of any landscaping plantings installed by unit owner.

However, as to any garage to which a Unit Owner in the Deed to his Unit, has been granted a perpetual and exclusive right to use that garage space, then as to that garage, the Unit Owner shall be responsible for all usual and ordinary repairs and maintenance.

(b) Unit Exterior:

The Association shall be responsible for the exterior maintenance, exterior painting and exterior decoration of all Units and all improvements on or about the exterior of the Unit, i.e. the Unit's Common Elements, including, but not limited to the roof, exterior building surfaces, windows and doors, gutters, downspouts and walks subject to the provisions of Article 23(c).

(c) If, due to the negligent act or omission of a unit owner, or of a member of his family or household pet or of a guest or other authorized occupant or visitor of such unit owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such unit owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association.

24. Unit Interior Maintenance, Repairs and Decorating

(a) The Association shall perform normal repair work to a Unit; normal repair work shall be deemed not to include the

replacement in whole or in part, of any of the Unit's fixtures, appliances, or the mechanical, plumbing, electrical, heating/air conditioning systems; any system which is an integral part of the Common Elements and not for the benefit of any one Unit shall be repaired by the Association. Normal repair work shall also be deemed not to include any work that requires the services of a technician or a licensed contractor. (b) Each unit owner shall

furnish and be responsible for at his own expense, all of the maintenance, repairs and replacements within his own Unit; provided, however, such maintenance, repairs and replacements as may be required for the functioning of the plumbing within the Unit and for the bringing of water and electricity to the Unit shall be furnished by the Association as part of the Common Expenses. The Association may provide, by proper resolution of its Board, for ordinary maintenance and minor repairs and replacements to be furnished to the Units by Association personnel and charged as a Common Expense.

(c) To the extent that equipment, facilities and fixtures within any Unit or Units shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or the Common Elements, then the use thereof by the individual unit owners shall be subject to the By-Laws and the rules and regulations of the Association. The authorized representatives of the Association or Board of Directors, or of the manager or managing agent for the building, shall be entitled upon prior notice, except in cases of emergencies, to reasonable access to the individual Units as may be required in connection with the maintenance, repairs, or replacements of or to the Common Elements or any equipment, facilities or fixtures affecting or serving other Units or the Common Elements.

(d) The stairwell leading to a second floor and ground floor unit shall be for the exclusive use of the owners of such

Units. Any such stairwell shall be kept free and clean of debris, dirt and any other accumulation by the owners of such Units who shall also make all repairs thereto caused or permitted by their negligence, misuse or neglect. All other repairs in, to or with respect to such stairwells shall be made by the Board of Directors, and the cost thereof shall be a common expense.

(e) A terrace or balcony to which there is direct access from the interior of a Unit shall be for the exclusive use of the owner of such Unit. Any such terrace or balcony shall be kept free and clean of snow, ice and any other accumulation by the owner of such Unit, who shall also make all repairs thereto caused or permitted by his negligence, misuse or neglect. All other repairs in, to and with respect to such terrace or balcony shall be made by the Association and the cost thereof shall be a common expense.

(f) Each unit owner shall furnish and be responsible for, at his own expense, all of the decorating within his own Unit from time to time, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each unit owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings, which constitute the exterior boundaries of the respective Unit owned by him, and such owner shall maintain such interior surfaces in good condition at his sole expense as may be required from time to time, and each such owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. The exterior surfaces of all windows forming part of a perimeter wall of a Unit shall be cleaned or washed as part of the Common Expenses by the Association at such time or times, as the Board of Directors shall determine. The use of and the covering of the interior surfaces of such windows, whether by

draperies, shades or other items visible on the exterior of the building, shall be subject to the rules and regulations of the Association. Decorating of the Common Elements (other than interior surfaces within the Units as above provided) and any redecorating of Units to the extent made necessary by any damage to existing decorating of such Unit 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.

25. Unit Access

Sunnyfield Association, Inc. shall have the irrevocable right, to be exercised by the Directors or manager of the Association, to have access to each unit from time to time during reasonable hours, with prior notice, except in case of emergencies, as may be necessary for the maintenance, repair or replacement of any of the common elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the common elements or to another unit or units.

In addition thereto, Sunnyfield Association, Inc., or its authorized personnel shall have the "Right of Access" to a unit, as more specifically provided in the "By-Laws".

26. Title

The present title to the property hereby owned by the Grantor, and the title to each unit which shall be hereafter conveyed or acquired in any manner is hereby expressly declared and made subject to the terms and conditions of this instrument and the By-Laws and the acquisition of title by any person to a unit shall be conclusively deemed to mean that that acquirer approves, adopts and ratifies the provisions of this instrument, the By-Laws and Rules and Regulations of Sunnyfield Association, Sunnyfield Association, Inc. and will comply therewith. The covenants, agreements and restrictions set forth herein shall run

with the land and shall be binding upon the Grantor, its successors and assigns and by all persons claiming by, through or under said Grantor, their heirs, executors, administrators and assigns.

27. General Provisions:

Section 1: Duration.

(a) All provisions of this Master Deed and the By-Laws annexed thereto, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be easements appurtenant to the land or covenants running with the land, as the case may be, and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, successors and assigns and shall restrict the use of the Units, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public, other than other rights that may be created by law.

(b) The Condominium shall continue until (i) terminated by casualty loss, condemnation or eminent domain as more particularly provided herein, or (ii) such time as withdrawal of the Property from the provisions of the New Jersey Condominium Act is authorized by a vote of at least 80% in number and in common interest of the Units subject to the rights of first mortgages as provided in this Master Deed. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any unit owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all unit owners in proportion to their respective common interests, provided, however, that no payment shall be made to a unit owner until there has first been paid off out of his share of such net proceeds all liens on his Unit. The foregoing right of

partition shall be subject to the right of the Board of Directors, upon an 80% vote of the full Board, within 120 days of the vote authorizing the termination, to accept an offer for sale of the Property.

Any deed of revocation to remove the condominium property from the provisions of the Condominium Act shall be duly executed by all Unit Owners and the holders of all mortgages or other liens affecting all Units and the deed of revocation shall be recorded in the same office as the within Master Deed all in accordance with New Jersey Statutes Annotated, N.J.S.A. 46:8B26 et seq.

Section 2: Notices. Notices provided for in the Act, Master Deed or By-Laws shall be in writing, and shall be addressed to the Association or to any unit owner at the building or at such other address as hereinafter provided. The Association or Board of Directors may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all unit owners at such time. Any unit owner may also designate a different address or addresses for notices to him by giving written notice of his change of address to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail or when delivered in person with written acknowledgment of the receipt thereof, or, if addressed to a unit owner, when deposited in his mailbox in the building, or at the door of his Unit in the building.

Section 3: Enforcement. Enforcement of this Master Deed and By-Laws shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant, provision or restriction, of same documents, either to restrain violation or to recover damages, and against the Unit to enforce any lien created by these documents; and failure by the Association or any unit owner to enforce any covenant, provision or

restriction of said documents herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4: Severability. If any term, condition or provision of this Master Deed is declared illegal or invalid for any reason by a court of competent jurisdiction, the remaining terms, conditions and provisions of this Master Deed, shall nevertheless remain in full force and effect and such invalidity shall in no way impair title to the condominium units and common elements established hereby.

Section 5: Priority. Notwithstanding any language to the contrary contained within this entire Master Deed, and any amendments or supplements thereto, all the terms, conditions and provisions of same shall, at all times, be subject and subordinate to all of the ordinances, codes, resolutions and regulations of the Borough of Verona.

28. Protective Provisions for the Benefit of Institutional Mortgagees

Notwithstanding anything to the contrary in this Master Deed or the By-Laws or Articles of Incorporation of the Association, the following shall apply with respect to each institutional holder of a first mortgage on any Unit.

(a) The prior written approval of sixty seven (67%) percent of the institutional holders of a first mortgage (hereinafter called "first mortgage") lien on any Unit in the Condominium is required for the following:

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

(ii) Any material amendment to the Master

Deed or to the By-Laws or Articles of Incorporation, including, but not limited to, any amendment which would change the percentage interests of the unit owners in the Condominium, the number of votes of a unit owner in the Association and any amendment which pertains: to the reserves in the Association's budget; the expansion or contractions of the project or addition, annexation or withdrawal of property from the project; the boundaries of a Unit; the right to sell or lease a Unit; to any provisions relating to rights of mortgage holders, insurers or guarantors; or the purposes to which any Unit or the Common Elements are restricted.

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

An institutional holder of a first mortgage who receives a written notice pursuant to the provisions of this subsection (a) and does not deliver to the Association a negative response within thirty (30) days of receipt of said notice shall be deemed to have approved such request.

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

(c) Any lien the Association may have on any Unit in the Condominium for the payment of Common Expenses assessments attributable to such Unit is subordinate to the lien or equivalent security interest of any first mortgage on the Unit recorded prior to the date any such Common Expense assessments become due.

(d) By virtue of the provisions of this Master Deed and

the By-Laws and Articles of Incorporation of the Association an institutional holder of a first mortgage on a Unit in the Condominium is, upon request, entitled to: (i) inspect the books and records of the Condominium during normal business hours; and (ii) receive an annual audited financial statement of the Condominium within ninety (90) days following the end of any fiscal year of the Association; (iii) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings; and (iv) notice of any default under this Master Deed or By-Laws which gives rise to a cause of action against the owner of a Unit subject to the mortgage of such holder, where the default has not been cured within 30 days.

(e) In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the institutional holder of any first mortgage on a Unit is entitled to timely written notice of any such damage or destruction. No unit owner or other party shall have priority over such institutional holder with respect to the distribution to such Unit of any insurance proceeds.

(f) If any Unit or portion thereof, or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first mortgage on a Unit is entitled to timely written notice of any such proceeding or proposed acquisition and no unit owner or other party shall have priority over such institutional holder with respect to the distribution to such Unit of the proceeds of any award or settlement.

(g) If an institutional holder of a first mortgage lien on the Unit obtains title to a Unit as a result of foreclosure of the first mortgage, then such acquirer of title, his successors and assigns, is not liable for the share of Common Expenses and

other assessments by the Association pertaining to such Unit or chargeable to the former unit owner which became due prior to acquisition of title as a result of the foreclosure. Such unpaid share of Common Expenses and other assessments shall be deemed to be Common Expenses collectible from all of the remaining unit owners including such acquirer, his successors and assigns.

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

29. Exhibits

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

1. Exhibit A-----Metes and bounds description of the "Entire Tract"
2. Exhibit B-----Survey, Sunnyfield Condominium, Borough of West Caldwell, County of Essex, N.J., prepared by Rigg Surveying Associates, dated August 24, 1981
3. Exhibit C-----Architectural plans of "Sunnyfield, A Condominium", Verona, N.J., prepared by K. Feinberg Associates dated September 1, 1981, consisting of sheets 1-5.
4. Exhibit D-----Chart consisting of "Schedule of Unit's Interest in Common Elements" according to unit type.
5. Exhibit E-----By-Laws of Sunnyfield Association, Inc.

IN WITNESS WHEREOF, the said Grantor hath caused its corporate seal to be hereto affixed and attested by its Secretary, and these presents to be signed by its President the day and year first above written

Attest:

SHORE THREE ASSOCIATES

Secretary _____

BY _____
President