

THIRD AMENDED MASTER DEED

(ORIGINAL) THIS 12th day of April, 1973, THE GARDEN PLAZA, LTD., a corporation organized and existing under the laws of the State of New Jersey, whose principal office and domicile is situated in Ocean City, Cape May County, New Jersey (hereinafter sometimes referred to as "Developer") does hereby submit all of its right, title and interest in the land hereinafter described and all of the improvements thereon, to the provisions of the Condominium Act of the State of New Jersey, Chapter 257, Laws of New Jersey 1969, effective January 7, 1970 (hereinafter referred to as the "Condominium Act").

(Proposed CHANGE) THE GARDEN PLAZA, INC., is a corporation organized and existing under the laws of the State of New Jersey, whose principal office and domicile is situated in Ocean City, Cape May County, New Jersey and established in accordance with the Condominium Act of the State of New Jersey, Chapter 257, Laws of New Jersey 1969, effective January 7, 1970 (hereinafter referred to as the "Condominium Act"). The GARDENS PLAZA, INC. heretofore has been governed by the Master Deed dated 4/12/ 1973, recorded in Cape May County on 4/13/1973 in Book 1305, page 155, and all amendments to the Master Deed. From this day forward, this third Amended Master deed dated _____, 2017 and adopted by a vote of the membership on _____, 2017 shall replace and supersede all prior Master Deeds and Amendments thereto and shall be the sole controlling Master Deed of the Association unless and until it is properly amended in accordance with its terms.

I. Name

The name by which the property submitted to the condominium form of ownership shall be (DELETE) identified shall be THE GARDENS PLAZA, a Condominium (the "Condominium").

II. Legal description of the Land

The real property submitted to the provisions of the Condominium Act is the following described land situate in Ocean City, Cape May County, in the State of New Jersey:

BEGINNING at a point in the Northeasterly line of Park Place (70-foot wide) distant Southeasterly 120.00 feet from the Southeasterly line of Corinthian Avenue (60 feet wide) thence; (1) South 44 degrees 29 minutes 36 seconds East partly along the Northeasterly line of Park Place 325.25 feet to the Northwesterly line of the Public Boardwalk (20 feet wide) as it now stands; thence (2) North .45 degrees 30 minutes 24 seconds East along the Northwesterly line of said Public Boardwalk 215.00 feet to a point in same; thence (3) North 44 degrees 29 minutes 36 seconds West partly along a Timber Ramp and partly along the Southwesterly line of Third Street (60 feet wide) 444.90 feet to the Southeasterly line of Corinthian Avenue, thence (4) South 45 degrees 30 minutes 24 seconds West along said Southeasterly line of Corinthian Avenue 100.00 feet to the Northeasterly line of a Public Street (15 feet wide); thence (5) South 44 degrees 29 minutes 36 seconds East along said Northeasterly line of Public Street 160.00 feet to a point at the end of the Public Street; thence (6) South 45 degrees 30 minutes 24 seconds West along same 15.00 feet to the Southwesterly line of said Public Street; thence (7) North 44 degrees 29 minutes 36 seconds West along Southwesterly line of said Public Street 40.00 feet to a point; thence (8) South 45 degrees 30 minutes 24 seconds West 100.00 feet to the Northeasterly line of Park Place the point and place of beginning.

Subject to any and all easements, restrictions reservations or limitations of record and any and all

zoning or building ordinances adopted by any governmental authority having jurisdiction of the same.

III. Definitions

A. Assessment means a share of the funds required for the payment of common expenses which, from time to time, is assessed against the unit owner.

B. Association means the Association of Owners of The Garden Plaza, a Condominium, the entity responsible for the administration of the Condominium.

C. By-Laws means the governing regulations adopted under the Condominium Act for the administration and management of the condominium property.

D. Common Elements means the portions of the condominium property not included in the units.

E. Common Expenses means expenses for which the unit owners are proportionately liable, including, but not limited to:

1. all expenses of administration, maintenance, repair and replacement of the common elements;
2. expenses agreed upon as common by all unit owners;

3. expenses declared common by provisions of the Condominium Act or by this Master Deed or by the By-Laws.

F. Common Receipts means funds collected from unit owners as common expenses or otherwise and receipts designated as common by this Master Deed, or the By-Laws.

G. Common Surplus means the excess of all common receipts over all common expenses.

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

I. Condominium Property means the land covered by this Master Deed and all improvements thereon and all easements, rights and appurtenances belonging thereto or intended for the benefit thereof.

J. (ORIGINAL) Developer means The Gardens Plaza, Ltd., a New Jersey Corporation.

(PROPOSED CHANGE - DELETE)

K. Institutional First Mortgage means a first mortgage originally executed and delivered to a bank, life insurance company or a State or Federal Savings and Loan Association, or real estate investment trust.

(PROPOSED CHANGE - DELETE "Institutional" from "Institutional First mortgage")

L. Limited Common Elements means those common elements which are for the use of one or more specified units to the exclusion of other units.

N. Majority or Majority of the Unit Owners means the owners of more than 50% of the aggregate in interest of the undivided ownership of the common elements as specified in this Master Deed.

O. Unit means a portion of the condominium property which is subject to private ownership and includes the proportionate undivided interest in the common elements and in any limited common elements assigned thereto in this Master Deed or any amendment thereof.

P. Unit Owner means the owner of a unit of the Condominium.

IV. Condominium Documents

The documents by which the Condominium will be established consist of this Master Deed and the Exhibits annexed thereto as the same may from time to time be amended, as follows:

Exhibit A - A survey of the land and plans showing the ground level, floors 2-12, 14, 15 and Penthouse Upper Level prepared by Vincent G. Kling and Partners.

Exhibit B - Unit Share Percentage in the common elements, surplus, and share of common expenses.

Exhibit C - By-Laws of the Association of Owners of The Garden Plaza, a Condominium.

Exhibit D - Forms of Unit Deeds.

V. Basic Property Components

The Condominium property means and includes the land in the Condominium and all improvements thereon and all easements and rights appurtenant thereto for use in connection with the Condominium.

A. Improvements - The improvements shall be as follows:

1. The Condominium shall include one 14 floor building containing 184 apartment units, referred to herein as "units" or "apartment units" and 5 units reserved for business and commercial use, referred to herein as "commercial units", all such units being referred to herein collectively as "units". The designation of each unit, its location, approximate area, number of rooms, and common elements and limited common elements to which each has immediate access is set forth in Exhibit A attached hereto. The proportionate undivided percentage interests in the common elements are set forth in Exhibit B attached hereto.

2. In addition to the building, the Condominium shall include the parking areas, driveways. Sidewalks and recreational facilities as set forth in Exhibit A.

B. Easements

The Condominium property is subject to any and all easements for utility services or drainage easements which may be required to service the Condominium, and the Developer reserves the right to grant such easements where necessary.

VI. Indenture (ORIGINAL)

The land described herein is being submitted to the Condominium Act hereunder by the Developer in consideration of the payments to be made to it as provided in the individual Indenture agreements to be executed by each unit owner concurrently with the conveyance to it of each such unit. Developer hereby acknowledges that its rights under such Indenture shall at all times remain under, subject and fully subordinate to any and all rights of the Association, both statutory and as may be granted in this Master Deed in furtherance of the administration of the Condominium, and any and all first mortgages and liens permitted hereunder to be made and placed against the interests of unit owners, subject only to the right of Developer to cure any defaults under such mortgage as set forth in such Indenture agreements. The rights hereinabove referred to are not intended to qualify or limit the estate in condominium herein established. Individual Indenture agreements shall be executed by each unit owner at the time of conveyance of the fee to such unit owner of its unit, and shall not be assigned by any such unit owner separate and apart from such owner's interest in and to said unit. Each such Indenture shall require that the unit owner irrevocably appoint the Association of owners of The Garden Plaza, a Condominium, hereinafter referred to as "the

Association", as the agent for such owner for the purpose of carrying out the duties set forth in paragraph 9 of the Indenture on behalf of such owner, which agency is hereby accepted by the Developer on behalf of the Association; however, each unit owner shall continue to be responsible for the payment of any and all monies which must be paid on behalf of each unit owner or its heirs, successors, or assigns pursuant to the terms and conditions of the Indenture. In the event that a unit owner should elect to prepay to the Developer the full amount of the payments pertaining to such unit at the time of conveyance of the unit from the Developer rather than make the payments pursuant to the terms of the Indenture pertaining to such unit, then such a purchaser shall not be required to enter into an Indenture, and the provisions of this article VI shall have no application to the involved unit or the Unit owner as to such unit. In the event the Developer should sell or lease one of the units contained in the Condominium to the Association for use as a manager's apartment, then and in that event the owner of each unit shall pay its proportionate share of the common expenses pertaining to such manager's apartment, including but not limited to the payments under the Indenture pertaining to such unit, any maintenance and operating expenses, and any mortgage payments in connection with the manager's apartment.

(PROPOSED CHANGE - DELETE)

VII. (ORIGINAL) Developer's Units and Privileges

A. The Developer, at the time of and upon the recording of this Master Deed, has an ownership interest in the individual condominium units together with any appurtenances thereto. The Developer is irrevocably empowered, notwithstanding anything herein to the contrary, to sell, mortgage or lease units to any persons approved by it, and shall have the right to use an apartment unit or units for such purposes. The Developer shall have the right to transact on the Condominium property any business necessary to consummate sale of units, including but not limited to the right to maintain models, erect signs, utilize employees, use the common elements, and to show apartments. A sales office, signs, and all items pertaining to sales shall not be considered common elements and shall remain the property of the Developer. In the event any units remain unsold, the Developer retains the right to be the owner thereof, and to fully deal with the

same without the approval of the Association. None of the provisions in this Article shall be construed so as to relieve the Developer from any obligations of a unit owner as to his proportionate share of common expenses or other expenses under this Master Deed.

B. The Developer specifically disclaims any intent to have made any warranty or representation in connection with the condominium property or condominium documents except as specifically made therein. The estimates of common expenses are believed to be accurate, but no warranty or guaranty is made nor intended in that regard.

This Article shall not be subject to amendment.

(PROPOSED CHANGE - DELETE)

VIII. Ownership of Condominium Units, Maintenance and Alterations.

A. Property Interests

Each unit, together with all the appurtenances thereto, shall, for all purposes, constitute a separate interest in real property which may be assigned, transferred and encumbered in the same manner as any other interest in real property, independently of all other parts of the condominium property, subject only to the provisions of the condominium documents.

B. Possession

Each unit owner shall be entitled to the exclusive possession of his unit.

C. Boundaries

Each unit shall be bounded as to both horizontal and vertical boundaries as shown in the plans (Exhibit A) subject to such encroachments as are contained in the building, whether the same exist now or are created by construction, settlement or movement of the building or permissible repairs, reconstructions or alterations. Each unit shall include that part of the building which lies within the boundaries of the unit, which shall be that area of space which is contained within the undecorated or unfinished exposed interior surfaces of the perimeter walls, floors and ceilings of the unit.

D. Appurtenances

The ownership of each condominium unit shall include, and there shall pass with each condominium unit as appurtenances thereto, whether or not separately described, all of the rights, title and interest of a unit owner in the condominium property which shall include but not be limited to:

1. Limited Common Elements

The exclusive right to use the common elements designated herein as limited common elements and (CHANGE "and" to "are") hereby set aside and reserved for the exclusive use of the unit appurtenant thereto. The

limited common elements so set aside and reserved are those portions of the building shown as balconies contiguous to the units (ADD) and the storage enclosures. (Delete) bearing the same numbers as the units; t (ADD) The roof deck areas contiguous to the penthouse units (unit numbers 1509, 1511, 1515 and 1517) and designated "deck" on plan labeled "Penthouse" (Exhibit "A"), and the remainder of the roof area on said plan (DELETE) which shall be a limited common element solely for the use by the penthouse units (unit numbers 1509, 1511, 1515, 1517) in common.

2. Common Elements. The right to use in common with the other unit owners the common elements which shall be all parts of the Condominium not included within an individual unit or within a limited common element, and include, but are not limited to, the following:

(a) Automobile parking areas as shown in Exhibit A. Each unit will be entitled to reserved parking for one automobile without charge (Delete) , as assigned by the Developer.

(b) Swimming pool facilities and associated equipment.

(c) Lounge areas, including carpeting, furnishings and accessories.

(d) Pump room and associated equipment.

(e) Main lobby and rear lobby and mail room.

(f) Electrical switch gear room and equipment.

(g) Receiving room and maintenance shop.

(h) Mechanical room and associated equipment.

(i) Recreation/library room.

(j) Trash rooms, trash chute and associated equipment.

(k) Electrical and telephone closets.

(l) Penthouse cooling tower, elevator mechanical room and associated equipment.

(Proposed CHANGE) Add:

() Multipurpose (Holloway) Room.

() Elevator.

() Gym/Exercise Room.

() Second Floor Public Bathroom.

(Proposed CHANGE) Items (d), (f), (g), (h), (k), (l) shall be listed as follows: The following common elements shall be for the benefit of all unit owners, but shall be limited to the use of the General Manager and designated employees.

E. Ownership Shares and Voting Rights

Each unit shall bear an undivided share of the common expense of the Condominium.

1. Shares. The individual shares of the unit owners in the common elements and any common surplus, and the undivided share of the common elements assigned to each unit shall be as set forth in Exhibit B hereto.

2. Voting. Voting by the unit owners of The Garden Plaza, a Condominium, in the affairs of the Association shall be on the basis of one vote per unit.

F. Cross Easement. The appurtenances shall include the following easements from each unit owner to each other unit owner and to the Association.

1. Maintenance, Repair and Replacement. Easements through the units and common elements for maintenance, repair and replacement of the units and common elements. Such access to the units shall be only during reasonable hours (ADD) and upon reasonable notice except that access may be had at any time in case of emergency.

2. Support. Every portion of a unit contributing to the support of the unit building shall be burdened with an easement of support for the benefit of all other units and common elements in the building.

3. Utilities. Easements through the units and common areas for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility service to other units and the common elements, provided, however, that such easements through a unit shall be only according

to the plans and specification for the apartment building unless approved in writing by the owner of the units.

H. G. Maintenance. The responsibility for the maintenance of a unit shall be as follows:

1. By the Association. The Association shall maintain, repair and replace at the Association's expense:

(a) All portions of the units which contribute to the support of the building, excluding, however, interior walls, ceilings and floors not damaged due to structural defects, and including without intending to limit the same to the roof, outside walls of the building, structural slabs, interior boundary walls of units, and load-bearing columns.

(b) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of a unit contributing to the support of the building or within interior boundary walls; and all such facilities contained within a unit which service part or parts of the Condominium other than the unit within which they are contained.

(c) All incidental damage caused to a unit by such work as may be done or caused to be done by the Association in accordance herewith shall be promptly repaired at the expense of the Association.

2. By the Unit Owner. The responsibility of the individual unit owner shall be as follows:

(a) (ORIGINAL) To maintain, repair and replace at his expense all portions of the unit except the portions to be maintained, repaired and replaced by the Association. Such shall be done without disturbing the rights of other owners.

(a) (AMENDED 10/1/1998) To maintain, repair and replace at the owner's expense all portions of the unit except those portions of the unit to be maintained, repaired and replaced by the Association. The owner's responsibility shall include the maintenance, repair and replacement of all insulated windows and glass doors serving the unit which require maintenance, repair or replacement as a result of a partial or complete loss of transparency.

(b) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the building (ADD) including the balconies without the written consent of the Board of Directors of the Association.

(c) To promptly report to the Association any defect in or need for repair to improvements which are the responsibility of the Association.

H. Alteration and Improvement. (ORIGINAL) No unit owner shall make any alterations in the portions of the unit and building which are to be maintained by the Association, or remove any portion thereof, or make any additions thereto, or do any work which would jeopardize the safety or soundness of the building, or impair any easement, without first obtaining unanimous approval of all owners of other units in the building, and the approval of the Board of Directors of the Association.

(AMENDED 6/18/1984) No unit owner shall make any alterations in the portions of the unit and building which are to be maintained by the Association, or remove any portion thereof, or make any additions thereto, or do any work which would jeopardize the safety or soundness of the building, or impair any easement, without first obtaining approval of not less than seventy-five percent (75%) of all owners of other units in the building, and the approval of the Board of Directors of the Association.

I. Partition. No action for partition shall lie in favor of any of the unit owners so long as the Condominium is in existence.

IX. Assessments

Assessment against the unit owners shall be made by the Association and shall be governed by the following provisions:

A. Share of Expenses, Common Expenses.

All charges, costs and expenses whatsoever incurred by the Association for or in connection with the operation and maintenance, repair, replacement, and restoration of the common elements and limited common elements (including the managers apartment should the Association purchase or lease a unit for the use of a manager to operate the Condominium) including any additions and alterations thereto, ~~(ADD)~~ repairs to units set forth in Paragraph VIII.G. of this Master Deed, ~~(DELETE)~~ all labor, services, materials, supplies and equipment therefor, and all liability whatsoever for loss or damage arising out of or in connection with such ~~(DELETE)~~ elements ~~(ADD)~~ actions, all premiums for hazard and liability insurance herein required with respect to the Condominium ~~(ADD),~~ and other expenses incurred in connection with the management of the Association shall constitute common expenses of the Condominium. Each unit owner shall be liable for its respective proportionate share of such expenses as set forth in Exhibit B.

B. Accounts

All sums collected from assessments shall be held in trust for the unit owners and shall be credited to the unit owner's account from which shall be paid the expenses for which the respective assessments are made.

C. Assessments for Recurring Expenses.

Assessments for recurring expenses for each account shall include the estimated expenses chargeable to the account and a reasonable allowance for contingencies and reserves, less the unused fund balance credited to such account. Assessments shall be made for the calendar year annually in advance on December first preceding the year for which assessments are made and shall be due in twelve (12) equal consecutive monthly payments on the first day of each month of the year for which the assessments are made. Upon default by any unit owner in the payment of any such monthly installment within thirty (30) days after the due date thereof, the Association, at its option and with notice, shall be entitled to accelerate the payment of the balance of such monthly installments for the then current assessment year. In the event such an annual assessment proves to be insufficient it may be amended at any time by action of a majority of the Board of Directors of the

Association. The increased assessment for the remaining portion of the year shall be due in equal monthly installments on the first day of each month thereafter during the year for which the assessment is made. If an annual assessment is not made as required, a payment in the amount required by the last prior assessment shall be due upon each assessment payment date until changed by a new assessment.

D. Assessments for Emergencies.

Assessments for common expenses of emergencies for which funds are not available from the assessments for recurring expenses, shall be made only after approval by the Board of Directors. After such approval by the Board of Directors, such emergency assessment shall become effective and shall be due after thirty (30) days notice thereof in such manner as the Board of Directors may require.

E. Assessment for Liens.

All liens of any nature, including taxes and special assessments levied by governmental authority which are a lien upon more than one unit or any portion of the common areas, shall be paid by the Association as a common expense and shall be assessed against the units in

accordance with the share of the units concerned or charged as a common expense, whichever in the judgment of the Board of Directors is appropriate.

F. Lien and Liability for Assessments.

(ADD) By virtue of the recording of this Master deed with the Cape May County Clerk, the Association shall have a continuing lien on each unit for any unpaid assessment duly made by the Association for a share of common expenses or otherwise, together with interest thereon and reasonable attorney's fees (ADD) incurred in the collection of such unpaid amounts due.

(ORIGINAL) Such lien shall be effective from and after the time of recording in the public records of Cape May County, New Jersey of a claim of lien stating the description of the unit, the name of the 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. (PROPOSED CHANGE - DELETE)

(ADD) If such lien is formerly recorded in the public records of Cape May County, New Jersey, upon full payment of all sums secured by the lien, the party making payment shall be entitled to a recordable satisfaction of lien (ADD) which shall be prepared and filed by the Association at the affected party's expense. All such liens shall be subordinate to any lien for past due and unpaid taxes, and

the lien of any first mortgage to which the unit is subject. (DELETE): and to any other lien recorded prior to the time of recording of the claim or lien.

Upon any voluntary conveyance of a unit, the grantor and grantee 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 grantee to recover from the grantor any amounts paid by the grantee, but the grantee 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 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. A person other than the unit owner at the time of issuance of 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 obtains title to such unit as a result of foreclosure of the first mortgage, 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 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.

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 same.

G. Collections

1. Interest, application of payments, assessments and installments paid within thirty (30) days after due date shall not bear interest; but all sums not paid on or before thirty (30) days after due date shall

bear interest at a legal rate of interest (ADD) established from time to time by the Board of Directors from the due date until paid. All payments on account shall be applied first to interest, if accrued, and then to the assessment payment first due.

2. Suit. The Association, at its option, may enforce collection of delinquent assessment accounts by suit at law or by foreclosure of the lien securing the assessment, or by any other competent proceeding and, in either event, the Association shall be entitled to recover the payments which are delinquent at the time of judgment or decree, together with interest at a legal rate (ADD) established from time to time by the Board of Directors and costs of suits and attorney's fees.

A unit may be sold by the sheriff on execution, free of any claim not a lien of record, for a common expense 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 foreclosed 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 uncollectible 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 a common expense to be collected from all unit owners, including the purchaser who acquired title at the sheriff's sale, his successors and assigns. The Association may bid in and purchase the unit at a sheriff's sale, and acquire, hold, lease, mortgage and convey the same.

3. Notwithstanding any foreclosure, tax sale or other forced sale of a unit, all applicable provisions of this Master Deed and the By-Laws shall be binding upon any purchaser at such sale to the same extent as they would bind a voluntary grantee, except that such purchaser 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 owner which became due prior to such sale except as otherwise provided in paragraph 2 of this Article.

H. No exemption by Waiver.

No unit owner may exempt himself from liability for his share of common expenses by waiver of the enjoyment of the right to use any of the common elements or by abandonment of his unit or otherwise.

X. Administration

A. The administration of the Condominium, including the action required by the Association by the condominium documents, shall be the responsibility of the Association and shall be governed by this Master Deed, the By-Laws of the Association (Exhibit C) and the Rules and Regulations.

B. The Association of Owners of The Garden Plaza, a Condominium, is hereby established, and, through its officers or governing board, shall have the duties and powers set forth in the condominium documents together with those powers and duties reasonably implied to effect the purpose of the Association and the Condominium. Such powers and duties, which shall be exercised in the manner provided by the condominium documents, shall include the following, the costs of which shall be common expenses:

1. The maintenance, repair, replacement, cleaning and sanitation of the common elements and the limited common elements.

2. The assessment and collection of funds for common expenses and the payment thereof.

3. The adoption, distribution, amendment and enforcement of rules governing the use and operation of

the Condominium and the condominium property and the use of the common elements subject to the right of a majority of unit owners to change such rules.

4. The maintenance of accounting records, in accordance with generally accepted accounting principles, open to inspection at reasonable times by unit owners. Such records shall include:

(a) A record of all receipts and expenditures.

(b) An account for each unit setting forth any shares of common expenses or other charges due, the due dates thereof, the present balance due, and any interest in common surplus.

C. Trust.

All funds and the title to all properties acquired by the Association and the proceeds thereof shall be held only for the use and benefit of the unit owners and for the purposes therein stated.

D. Insurance.

The insurance, other than title insurance, which shall be carried upon the condominium property and the property of the unit owners, shall be governed by the following provisions:

1. Authority to Purchase; Named Insured.

The Association shall purchase and maintain insurance upon the condominium property for the benefit of unit owners and their respective mortgagees, and shall provide for certificates or mortgagee endorsements to the holders of mortgages on the respective units or any of them.

2. Coverage.

(a) Casualty. All common elements and all structural portions of the condominium property and all personal property included in the common elements shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall afford protection against:

(1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and

(2) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use of the buildings on the land, including but

not limited to vandalism, malicious mischief, windstorm, hurricane, tornado, flood and water damage.

(b) Public Liability and property damage insurance against liability for personal injury and death for accidents occurring within the common elements and limited common elements and the defense of any actions brought by reason of injury or death to person or damage to property occurring with such common elements in such amounts with such coverage as shall be required by the Board of Directors of the Association, including but not limited to water damage, legal liability, hired automobile and non-owned automobile and off-premises employer coverages, and with cross liability endorsement to cover liabilities of the unit owners as a group to a unit owner.

(c) Workmen's Compensation policy to meet the requirements of law.

(d) Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

3. Premiums.

Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

4. Insurance.

All insurance policies purchased by the Association shall provide that all proceeds covering property losses shall be paid to the Association, as Trustee, or to such other entity as may be designated as Insurance Trustee by the Association. The Association or such other designated Trustee shall hold such proceeds for the benefit of the aforesaid beneficiaries, in the following shares:

(a) Common Elements. Proceeds on account of damage to common elements, including the involved land - an undivided share for each unit owner in accordance with its share in the common elements.

(b) Units. Proceeds on account of damage to units shall be held for the owners of damaged units in proportion to the cost of repairing the damage suffered by each unit owner, which cost shall be determined by the Association.

(c) Mortgages. In the event a mortgagee endorsement has been issued to a unit, the share of

the unit owner shall be held for the mortgagee and the unit owner as their interest may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions thereof made to the unit owner and mortgagee, pursuant to the provisions of this Master Deed.

5. Distribution of Proceeds.

Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the unit owners in the following manner:

(a) Expense of the Association. All expenses of the Association in obtaining the proceeds shall be first paid or provisions made therefor.

(b) Reconstruction, Restoring and Repair. The remaining proceeds of any insurance policy shall be utilized to defray the cost of reconstructing, restoring or repairing any damage. Any proceeds

remaining after defraying such costs shall be distributed to the beneficial owners, remittance to unit owners and their mortgagees being payable jointly to them.

6. Unit Owner Insurance.

Any unit owner may obtain (ADD) HO6 insurance, at its own expense, covering its real and personal property and for its personal liability, (DELETE) provided such insurance is obtained from an insurance company from which the Association obtains coverage against the same risk.

E. (ORIGINAL) Agent for Service of Process.

Unless and until the Association of Owners of THE GARDENS PLAZA, a Condominium, shall be incorporated, service of process on the Association shall be made by serving Caswell F. Holloway Jr., at 920 Park Place, Ocean City, New Jersey.

(Proposed CHANGE - DELETE)

F. Reconstruction or Repair after Casualty

1. Reconstruction or Repair Required. In the event of any casualty to the common elements or to the individual units, the same shall be repaired or reconstructed, as the case may be, by the Association or the individual unit owner.

2. Plans and specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, portions of which are attached hereto as exhibits; or according to plans and specifications approved by the Board of Directors of the Association, and if the damaged property is the building, by not less than 75% of the unit owners, including the owners of all damaged units, which approval shall not be unreasonably withheld.

3. Encroachments. Encroachments upon or in favor of a unit which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the unit owner upon whose property such encroachment exists, provided that such reconstruction was either substantially in accordance with the plans and specifications for the original building or as the building was originally constructed, or such other plans and specifications approved as provided herein.

4. Responsibility. If the damage is only to those parts of one unit for which the responsibility of maintenance and repair is that of the unit owner, then the unit owner shall be responsible for the reconstruction and repair after casualty. In all other instances the

responsibility of reconstruction and repair after casualty shall be that of the Association.

5. Estimate of Costs. Immediately after a determination to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

6. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the unit owners in accordance with their share in the common elements in sufficient amounts to provide funds for the payment of such costs.

7. Construction Funds. The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Association and funds collected by the Association from assessments against owners, shall be disbursed in payment of such costs in the following manner:

(a) Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than the total of the annual assessment for common expenses during the year in which the casualty occurred, then the construction fund shall be disbursed in payment of such costs upon the order of the Association.

(b) Association - Major Damage. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than the total of the annual assessment for common expenses during the year in which the casualty occurred, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an Architect qualified to practice in New Jersey and employed by the Association to supervise the work.

(c) Unit Owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a unit owner shall be paid by the Association to such

contractors, suppliers and personnel as do the work or supply the materials or services required for such reconstruction or repair, in such amounts and at such times as the unit owner may direct, or if there is a mortgagee endorsement as to such unit, then to the unit owner and the mortgagee jointly, who may use such proceeds as they may be advised.

(d) Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund, as their interests may appear, as ordered by the Board of Directors of the Association.

G. Eminent Domain.

If all or any part of the common elements shall be taken, injured or destroyed by eminent domain, each unit owner shall be entitled to participate through the Association in the proceedings incident thereto. Any damages for the taking, injury or destruction as a whole shall be collected by the Association and distributed among

the unit owners in proportion to each unit owner's undivided interest by it in such common elements, except to the extent that the Association deems it necessary or appropriate to apply them to the repair or restoration of any such injury or destruction.

H. Taxes and Special Assessments.

Anticipated Taxes. It is anticipated that real property taxes and special assessments upon the units and common elements shall be payable by the unit owners.

XI. Use Restrictions

The use of the property of the Condominium shall be in accordance with the following provisions:

A. Single Family Residences.

The apartment units shall be used only for single family residences and shall be occupied only as a residence by the owners thereof, their servants, guests or permitted lessees.

(ORIGINAL) B. Commercial Units and Common Elements.

The Developer reserves the right to itself and its assignees to lease the commercial units or portions thereof to third parties without restriction by the Association or any unit owners for any business permitted by the zoning ordinances of Ocean City.

The common elements shall be used only for the furnishing of services and facilities for which they are reasonably intended.

(PROPOSED CHANGE - DELETE)

C. Nuisance.

No nuisance shall be allowed upon the condominium property nor any use or practice which is the source of annoyance to residents, or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage allowed to accumulate, nor any fire hazard allowed to exist. No unit owner shall permit any use of its unit or make any use of the common elements which will increase the rate of insurance upon the condominium property.

D. Lawful Use.

No immoral, improper, ~~(DELETE)~~ offensive, or unlawful use shall be made of the condominium property nor any part thereof; and all laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. The respective responsibilities of unit owners and the Association of meeting the requirements of governmental bodies which require maintenance, modification or repair of the condominium property shall be the same as provided above for the maintenance and repair of the property involved.

E. Leasing.

Entire units may be rented, provided the occupancy is only by the lessee and his family, servants and guests, and (DELETE), except for units owned by the Developer or its designee title holder, the terms of such lease is not for less than two (2) weeks. (DELETE) The commercial units may be rented to the operators of the businesses to be conducted therein as provided in paragraph B above.

F. Regulations.

Reasonable regulations concerning the use of the condominium property have been made, copies of which have been delivered herewith, and may be amended from time to time by the Association in the manner provided by its By-Laws. Copies of such regulations and amendments thereto shall be furnished to all unit owners.

(ORIGINAL) G. Transfers or Ownership.

In order to secure a community of congenial residents and protect the value of the apartments, the sale, leasing and mortgaging of units by any owner other than the Developer or the Developer designee title holder shall be subject to the following provisions:

1. Sale or lease.

No unit owner may dispose of a unit or any interest therein by sale or by lease without approval of the Association, except to another unit owner. If the purchaser or lessee is a corporation, the approval may be conditioned upon the approval of those individuals who will be the occupants of the unit. The approval of the Association shall be obtained as follows:

(a) Notice to Association. A unit owner intending to make a bona fide sale or a bona fide lease of his unit or any interest therein, shall give notice to the Association of such intention, together with the name and address of the proposed purchaser or proposed lessee, and such other information as the Association may require.

(b) Election of Association. Within thirty (30) days after receipt of such notice, the Association must approve the transaction or furnish a purchaser or lessee approved by the Association who will accept terms as favorable to the seller as the terms stated in the notice. Such purchaser or lessee furnished by the Association may have not less than thirty (30) days subsequent to the date of approval within which to close the transaction. The approval of the Association shall be in recordable form and delivered to the purchaser or lessee. In the event that the Association does not furnish a purchaser or lessee approved by the Association who will accept terms as favorable to the seller as the terms stated in the notice within thirty (30) days after receipt of such notice, then in that event the seller shall be free to sell or lease his unit to the proposed purchaser or lessee and the Association shall provide the purchaser or lessee of said sale or lease with an approval in recordable form.

(c) In the event of the death of the owner of a unit, his heir, devisee, or the grantee or the personal representative of the estate of such deceased owner shall give notice to the Association of the intent of such heir, devisee or grantee or the personal representative of the estate to occupy said unit together with the name and address of the proposed occupant together with such other information as the Association may require. Within thirty (30) days after receipt of such notice, the Association must approve the occupancy of the unit by such applicant or furnish a purchaser who will purchase the unit from said heir, devisee, or grantee or the personal representative of the estate at the then market value of the unit. In the event that the Association does not furnish a purchaser approved by the Association who will purchase said unit from said heir, devisee or grantee, or the personal

representative of the estate at the then market value of the unit, within thirty (30) days after receipt of such notice, then and in that event the Association shall provide the proposed occupant with an approval in recordable form, and said occupant shall be entitled to occupy said unit.

(PROPOSED CHANGE - DELETE)

(d) The Association shall have the right to purchase units in the Condominium and otherwise hold, lease, mortgage and convey the same.

(ORIGINAL) 2. Mortgage. No unit owner may mortgage his unit or any interest therein without the approval of the Association except to a bank, life insurance company, or a state or federal savings and loan association, or real estate investment trust. The approval of any other mortgagee may be arbitrarily withheld. This provision shall not be construed so as to prevent the Developer from accepting a purchase money mortgage as part of the purchase price of a unit, nor to prevent a unit owner from accepting a purchase money mortgage from an approved purchaser.

3. Liens.

(a) Protection of Property. All liens against a unit other than for permitted mortgages, taxes or special assessments shall be satisfied or otherwise removed within thirty (30) days from the date the lien attaches. All taxes and special assessments upon a unit shall be paid before they become delinquent.

(b) Notice of Lien. A unit owner shall give notice to the Association of every lien against his unit other than permitted mortgages, taxes and special assessments, within five (5) days after the lien attaches.

(c) Notice of Suit. A unit owner shall give notice to the Association of every suit or other proceeding which may affect the title to his unit, such notice to be given within five (5) days after the unit owner receives notice thereof.

(d) Failure to comply with this section concerning liens will not affect the validity of any judicial sale.

(PROPOSED CHANGE - DELETE)

4. Judicial Sales.

Except such judicial sale as may be occasioned by the foreclosure of a first mortgage, no judicial sale of a unit or any interest therein shall be valid unless:

(a) Public Sale. The sale is a public sale with open bidding; or

(b) In the event proceedings are instituted to foreclose any mortgage on any unit, the Association shall have the authority to purchase such unit at the foreclosure sale for the amount set forth to be due by the mortgagee in the foreclosure proceedings, and in case of such purchase by the Association, the Association thus purchasing shall take and have clear title to the property purchased, from any claim or right of any grantee, his heirs or assigns of such mortgagor and every person claiming by, through or under such mortgagor. Nothing herein contained shall preclude an institutional mortgagee as defined therein from owning a first mortgage or any unit, and such institutional mortgagee shall have an unrestricted absolute right to accept title to the unit in settlement and satisfaction of such mortgage in

accordance with the terms thereof, the laws of the State of New Jersey, and subject to the terms hereof, and to bid upon such unit at the foreclosure sale, provided such mortgagee owning such mortgage shall give to the Association, its successors or assigns, (DELETE) and the Obligee under any Indenture existing in connection with such unit pursuant to the terms of Article VI hereof, written notice by certified mail or the said default mailed at least thirty (30) days prior to the institution of foreclosure proceedings. Should the Association or any member thereof individually or collectively fail to purchase such mortgage, together with any costs incident thereto, from such mortgagee, within such period, or should the Obligee fail to remedy any such default within sixty (60) days after the service of such notice, then and in that event the mortgagee or any other purchaser taking title on such foreclosure sale may acquire such unit and occupy the same and let, relet, sell and resell the same (DELETE), without any liability for any payments to be made or any other obligations under any such involved Indenture. If the Association purchases or acquires such mortgage, it shall have a

lien against the unit for all sums expended in connection therewith, and shall have the same rights to collect such sums as in the case of a past due assessment.

(ORIGINAL) 5. Unauthorized Transactions. Any sale, mortgage or lease which is not authorized pursuant to the terms of this Master Deed shall be void unless subsequently approved by the Association.

(PROPOSED CHANGE - DELETE)

6. Compliance and Default.

Each unit owner shall be governed by and shall comply with the terms of the condominium documents and regulations adopted pursuant thereto, and said documents and regulations as they may be amended from time to time. A default shall entitle the Association or other unit owners to the following relief:

(a) Legal Proceedings. Failure to comply with any of the terms of the condominium documents and regulations adopted pursuant thereto shall be grounds for relief, which relief may include but shall not be limited to an action to recover sums due for damages or injunctive relief, or both, and which actions may be maintained by the Association or, in a proper case, by an aggrieved owner.

(b) Negligence. A unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family or his or their guests, employees, agents or lessees. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of a unit.

(c) Costs and Attorneys' Fees. In any proceeding arising because of an alleged default by a unit owner, if the Association or the unit owner shall prevail, they shall be entitled to recover the costs of the proceedings and such reasonable attorneys' fees as may be awarded by the Court.

(d) No Waiver of Rights. The failure of the Association or any unit owners to enforce any covenant, restriction or other provision of the condominium documents, shall not constitute a waiver of the right to do so thereafter.

7. Instruments of Transfer.

All sales or transfers of an owner's interest in THE GARDENS PLAZA, a Condominium, other than those by operation of law or by judicial sale, shall be effected by

the execution and delivery by the selling owner of a Unit Deed in one of two forms attached hereto as Exhibit D, as appropriate, and such other pertinent documents.

(ORIGINAL) 8. Exclusive agent.

Any sale or lease of a unit, unless made directly between the unit owner and buyer or lessee without the assistance of any broker or realtor, shall be made only through the Association's designated agent under the prevailing agency agreement. Initial broker's fees shall not exceed twelve percent (12%) of gross rentals plus costs of cleaning, supplying and repairing the unit, and six percent (6%) of any selling price.

(PROPOSED CHANGE - DELETE)

XII. Amendment

A. Master Deed.

Except as herein otherwise provided, amendments to the Master Deed shall be adopted as follows:

1. Notice.

Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

2. Resolution.

A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the unit owners, meeting as members of the Association and, after being proposed and approved by one of such bodies, it must be approved by the

other. Directors and unit owners not present at the meeting considering the amendment may express their approval or disapproval in writing. Such approvals must be by seventy-five percent (75%) of the members of the Board of Directors and by not less than seventy-five percent (75%) of the members of the Association, except as to an amendment altering the shares of ownership in the common elements or the share of the common expenses of the Condominium or the voting rights of any of the owners of the Condominium, any of which shall require the approval of one hundred percent (100%) of the owners.

3. Recording.

A copy of each amendment shall be certified by the officers of the Association as having been duly adopted, and shall be effective when recorded in the Clerk's Office of Cape May County, New Jersey.

B. Proviso.

Provided, however, that no amendment of any condominium document shall discriminate against any unit owner, group of owners or mortgagees unless the parties so affected shall consent to such amendment.

(ORIGINAL) C. Developer's Additional Rights.

Irrespective of anything else herein contained, no amendment may be made to this Master Deed or to any of the Exhibits attached hereto, without the written

consent of the Developer, so long as it retains the ownership of any condominium unit, provided, however, that the right to require said written consent of the Developer shall cease on a date three (3) years from the date of recording this Master Deed.

The Developer retains the right at any time prior to the recording thereof, to make amendments to the proposed Master Deed and Exhibits attached thereto of THE GARDENS PLAZA, a Condominium, so long as said amendments do not affect the percentage of ownership in the general common elements, assessments, voting rights, location or size of any unit, as to any unit previously sold to any purchaser prior to the time of said amendment.

(PROPOSED CHANGE - DELETE)

XIII. Termination

The Condominium may be terminated in the following manner:

A. Agreement.

Termination of the Condominium may be effected by a deed of revocation duly executed by all unit owners or the sole owner of the property and the holders of all mortgages or other liens affecting all units and recorded in the Clerk's Office of Cape May County, New Jersey.

B. Shares of Ownership After Termination

In the event of a voluntary termination of the Condominium by the unit owners, the unit owners, upon the recording of a deed of revocation as provided above,

shall become tenants in common of the land and the improvements thereon in undivided shares equal to the percentage of their undivided interest in the common elements before the recording of such deed, and any liens of mortgagees, other lien holders and other encumbrances shall become such upon the respective shares of the unit owners.

XIV. Covenants Running With the Land.

All provisions of this Master Deed, the By-Laws and Rules and Regulations constitute covenants running with the land and with every part thereof and interest therein, including but not limited to every unit and the appurtenances thereto and every unit owner and claimant of the land or of any part thereof or interest therein; and each unit owner, his heirs, executors, administrators, successors and assigns shall be bound by all of the provisions of such condominium documents and the decisions and resolutions of the Association, and failure to comply with any such provisions decisions or resolutions shall be grounds for an action to recover sums due, for damages, and/or for injunctive relief. All present or future owners, tenants, future tenants or any other person that might use the facilities of the Condominium in any manner,

are subject to the provision of this Master Deed and the mere acquisition or rental of any of the units of the Condominium or the mere act of occupancy of any such unit shall be deemed acceptance and ratification of the provisions of this Master Deed.

XV. Blanket Mortgage

The entire condominium property, or some or all of the units included therein (together with the undivided interests in common elements and limited common elements appurtenant to such units) may be subject to a single or blanket mortgage constituting a first lien thereon created by recordable instrument by all of the owners of the property or units covered thereby; and any unit included under the lien of such mortgage may be sold or otherwise conveyed or transferred subject thereto. The instrument creating any such mortgage shall provide a method whereby any unit owner may obtain a release of his unit (together with the undivided interest in common elements and limited common elements if any, appurtenant thereto) from the lien of such mortgage and a satisfaction and discharge in recordable form, upon payment to the holder of the mortgage of a sum equal to the proportionate share attributable to his unit of the then outstanding balance of unpaid

principal and accrued interest and any other charges then due and unpaid. Such proportionate share attributable to each unit shall be the proportion in which all units then subject to the lien of the mortgage share among themselves in liability for common expenses as provided herein or such other reasonable proportion as shall be specifically provided in the mortgage instrument.

XVI. ~~(DELETE) Severability.~~ (ADD) Interpretation.

The invalidity of any covenant, restriction or other provision in any condominium document shall not affect the validity of the remaining portions thereof.

(ADD) All issues concerning the administration or management of the Association, including the interpretation of the governing documents, shall be subject to and controlled by New Jersey law and any actions to enforce or interpret the governing documents shall be brought in the Superior Court of New Jersey, Cape May venue.

IN WITNESS WHEREOF, The Gardens Plaza, Inc., by its appropriate officers, has executed this Third Amended Master Deed this _____ day of _____, and caused its seal to be affixed.

THE GARDENS PLAZA, LTD.

BY: _____
President

ATTEST: _____
Secretary

Prepared by
State of New Jersey
County of Cape May

Be it remembered that on this _____, before me, the subscriber, personally appeared _____ President of The Gardens Plaza, Inc., a New Jersey corporation, who I am satisfied is the person who signed the within instrument, and he acknowledged that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid, and that the within instrument is the voluntary act and deed of such corporation made by virtue of a Resolution of its Board of Directors.

Notary Public of N.J.