PREPARED BY:

EMANUEL L. LEVIN, ESQ.

BOOK 1696 PAGE 790

MASTER DEED CREATING AND ESTABLISHING

"BEACH WATCH II MOTEL CONDOMINIUM"

THIS MASTER DEED is made this 17 day of June 1987 by BEACH WATCH ASSOCIATES, INC. (herein called "Grantor"), whose address is 2 South Suffolk Avenue, Ventnor, N. J. 08406.

WITNESSETH THAT:

WHEREAS, the Grantor is the owner in fee simple of the tracts of land hereinafter described on which is constructed a two story building containing a total of 36 motel residential units, parking and recreational areas; and

WHEREAS, by this Master Deed, the Grantor submits said tract of land and the building and improvements erected thereon, and the appurtenances thereunto belonging, to the form of ownership known and designated as a Motel Condominium as provided by the Condominium Act of the State of New Jersey (P.L. 1969,c, 257, approved January 7, 1970, herein called the "Condominium Act") for the specific purpose of creating and establishing "Beach Watch II Motel Condominium", and for the further purpose of defining the plan of ownership and setting forth the rights, privileges and obligations of the Grantor, the Unit Owners, the Association, mortgagees and others who may be interested therein;

NOW, THEREFORE, the Grantor, pursuant to the Condominium Act, does hereby declare and state on behalf of himself, his heirs, successors and assigns, and on behalf of all persons having or seeking to acquire any interest of any nature whatsoever in "Beach Watch II Motel Condominium" as follows:

1. Lands Subject to Condominium. The lands and premises owned in fee simple by the Grantor which are hereby made expressly subject of the provisions of this Master Deed, and are submitted by the Grantor to the provisions of the Condominium Act, are described as follows:

Land and premises situate in the City of Ocean City, in the County of Cape May and State of New Jersey, bounded and described as follows:

Beginning at a point in the northeasterly right-of-way line of Plymouth Place (50.0' wide), said point being 522.57 ft. southeasterly from the point of intersection of the northeasterly right-of-way line of Plymouth Place and the southeasterly right-of-way line of Atlantic Avenue (70.0' wide), and proceeding thence

(1) Northeasterly at right angles to Plymouth Place 75.0 ft. to a point; thence
(2) Southeasterly, parallel with Plymouth Place, 298.0 ft. to a point; thence
(3) Southeasterly at right angles to the preceding course, 24.0 ft. to a point; thence
(4) Northwesterly, parallel with Plymouth Place, 40.0 ft. to a point; thence
(5) Southwesterly, at right angles to the preceding course, 51.0 ft. to a point in the northeasterly right-of-way line of Plymouth Place; thence
(6) Northwesterly in the said northeasterly right-of-way line of Plymouth Place, 258.0 ft. to the point of beginning.
Together with an easement for vehicular and pedestrian ingress and egress over the following described lands, said lands lying adjacent to and southeasterly of the fifth course above recited:

Beginning at a point in the northeasterly right-of-way line of Plymouth Place (50.0' wide), said point lying 780.57 ft. southeasterly of the point of intersection of the northeasterly right-of-way line of Plymouth Place with the southeasterly right-of-way line of Atlantic Avenue, and proceeding thence

(1) Northeasterly, in the said fifth course of the lands above described, reversed 51.0 ft. to a point; thence
(2) Southeasterly, parallel with Plymouth Place and in the portion of the fourth course above recited, 14.0 ft. to a point; thence
(3) Southwesterly, at right angles to the preceding course, 51.0 ft. to a point in the northeasterly right-of-way line of Plymouth Place; thence
(4) Northwesterly in the said northeasterly right-of-way line of Plymouth Place. 14.0 ft. to the point of beginning.
Subject to an easement for vehicular ingress and egress to be conveyed with the adjacent lands to the southeast, Lot 17, said lands lying immediately northwesterly of the fifth course above recited, and being further described at follows:

Beginning at a point in the northeasterly right-of-way line of Plymouth Place (50.0' wide), said point lying 780.57 ft. southeasterly of the point of intersection of the northeasterly right-of-way line of Plymouth Place, with the southeasterly right-of-way line of Atlantic Avenue (70.0' wide), and proceeding thence

(1) Northwesterly in the said northeasterly right-of-way line of Plymouth Place 12.0 ft. to a point; thence
(2) Northeasterly at right angles to Plymouth Place, 51.0 ft. to a point; thence
(3) Southeasterly, parallel with Plymouth Place, 12.0 ft. to a point, said point at the northwesterly end of the fourth course of the lands above

described; thence
(4) Southwesterly in the said fifth course of the lands above described, 51.0 ft. to the point of beginning.
Being proposed Lot 17.01, together with easements adjacent thereto, as indicated on "Plan of Minor Subdivision, Lots 17 and 17.01, Block 701" as prepared by Michael W. Hyland, N.J. P.E. & L.S. #20509, dated October 21, 1985.
Block 701, Lot 17.01 on the Current tax Map of Ocean City.

2. Condominium Name. The name by which the Condominium Property shall hereinafter be identified is "Beach Watch II Motel Condominium."

3. Definition and Terms. The following terms when used in the Master Deed and in the other instruments constituting the Condominium Documents, are intended to be consonant with the meanings ascribed to them by the Condominium Act unless the context clearly indicates otherwise and are defined herein as follows:

"Assessment" means that portion of the cost of maintaining, repairing and managing the Condominium Property which is to be paid by each Unit Owner as determined by the Association.

"Association" means the "Beach Watch II Motel Condominium Association", a non-profit corporation of the State of New Jersey, which is responsible for the administration and management of the "Beach Watch II Condominium" and the Condominium Property as provided by the Condominium Act and the Condominium Documents.

"Board of Directors and/or Board of Trustees" means the governing body of the Association.

"Building or Buildings" means the two (2) story building which is described in Paragraph 4 hereof and which is erected on the lands and premises described in Paragraph 1 hereof.

"By-Laws" means the governing regulations of the Condominium and the Association which are set forth in Exhibit "D" attached hereto and made a part hereof.

"Common Elements" means all that part of the Condominium Property which is not a part of the Residential Unit shown on the plans attached hereto as Exhibits "B1" through "B3" and as more particularly set forth in Paragraph 6 hereof.

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

"Common Expenses" means and includes the actual and estimated expenses for which the Residential Unit Owners are proportionately liable, including but not limited to: (i)

all expenses of administration, maintenance, care, upkeep, protection, insurance, surveillance, repair, replacement and operation of the Condominium Property; (ii) all sums designated as Common Expenses by or pursuant to the Condominium Act or the Condominium Documents; (iii) sums payable under the Master Deed; (iv) all expenses agreed upon as common by all Unit Owners; and (v) any reasonable reserves for the foregoing.

"Common Interest" means the proportionate undivided interest in the fee simple absolute in the Common Elements appertaining to each Unit as expressed in Paragraph 6 C hereof and set forth in Exhibit "C".

"Common Receipts" means (i) rent and other charges derived from leasing or licensing the use of the Common Elements; (ii) assessments and other funds collected from Unit Owners as Common Expenses or otherwise; (iii) contributions which the Association is entitled to receive pursuant to the terms and provisions of the Master Deed; and (iv) receipts designated as common by or pursuant to the Condominium Documents or the Condominium Act.

"Common Surplus" means the excess of all Common Receipts over all Common Expenses.

"Condominium" means "Beach Watch II Motel Condominium".

"Condominium Documents" means and includes this Master Deed, as the same may be amended or supplemented from time to time, and Exhibits annexed hereto and identified as follows:

Exhibit "A"	Survey Plan of the parcel of land referred to and described in Paragraph 1 hereof.
Exhibits "B1" - "B2 "	Typical floor plan, unit plan, location in the building, unit designation and common elements.
Exhibit "C"	Common Elements and percentage of ownership of common elements.
Exhibit "D"	By-Laws of the Condominium and the Association.
Exhibit "E"	Articles of Incorporation.

"Condominium Property" means and includes the land and premises described in Paragraph 1 hereof, the Building and all improvements erected on said land and installed in the Building (except such improvements made to or installed in a Unit by a Unit Owner at such Unit Owner's sole cost and

expense) and all easements, rights and appurtenances belonging thereto or intended for the benefit thereof, including but not limited to the rights, privileges, easements, benefits, covenants and agreements referred to in Paragraph 1 hereof.

"Operation of the Condominium Property" means and includes the administration of the Condominium, the operation, maintenance, repair or replacement of and the making of any additions or improvements in the Common Elements.

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

"Unit" means a part of the Condominium designated and intended for independent ownership and use, all as more specifically described in Paragraph 5 hereof, and as shown on the plans prepared by Edwin N. Howell and Associates, attached hereto and made a part hereof as Exhibits "B1" through "B2 ", respectively. The term shall include a "Sub Unit" where appropriate, but shall not be deemed to include any part of the Common Elements situated within or appurtenant to a Unit.

"Unit Deed" means a Deed of conveyance of a Unit in a recordable form.

"Unit Designation" means the number, letter or combination thereof, or other official designation as shown on the Plans attached hereto and designated under "Unit" above, and assigned to said Unit.

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

4. Description of Building Erected. Constructed on the parcel of land described in Paragraph 1 is a steel and frame structure, two (2) stories in height.

The exact location of the building is shown on Exhibit "A" attached hereto and made a part hereof.

5. Description and Designation of Units. The Grantor, in order to implement the Condominium plan of ownership for the Condominium covenants and agrees that it hereby subdivides the Building described in Paragraph 4 hereof into thirty six (36) parcels of real property, being the 36 Units referred to in this Paragraph 5 and as shown on Exhibits "A", and "B1" through "B2 ", attached hereto and made a part hereof. Every Unit, together with its undivided Common Interest in the Common

Elements, shall for all purposes be and is hereby declared to be and to constitute a separate parcel of real property and may be dealt with by the Unit Owner thereof in the same manner as is otherwise permitted by the Laws of the State of New Jersey for any other parcel of real property. The Unit Owner of a Unit shall be entitled to the exclusive ownership and possession of his Unit subject only to the covenants, restrictions, easements, By-Laws, rules, regulations, resolutions and decisions affecting the same and relating thereto as may be contained in the Condominium Documents or as may from time to time be passed in accordance with this Master Deed and the By-Laws. Each Unit may be held and owned by one or more persons in any form of ownership, real estate tenancy or relationship recognized under the Laws of the State of New Jersey.

The Plans for the building showing the Units therein are attached hereto as Exhibits "B1" through "B2 ".

Each Unit shall be bounded as to horizontal boundaries as shown on the Plans attached hereto as Exhibits "B1" through "B2 ".

Each Unit consists of: (i) the volumes or cubicles of space enclosed by and measured horizontally from the unfinished inner surfaces of the perimeter interior walls, ceiling and floor of the Unit, including doors, windows and vents; (ii) all interior dividing walls and partitions located within the Unit (including the space occupied by such walls or partitions), excepting those interior walls and partitions located within the Unit which divide one Unit from another, or are denoted on Exhibits "B1" through "B2 " as load bearing and further excepting those interior walls and partitions, if any, shown on the Exhibits aforementioned, enclosing the common pipe chases; and (iii) the decorated inner surfaces of said perimeter walls (including the decorated inner surfaces of any load bearing interior walls located within the Unit and of any walls enclosing the common pipe chases), floors and ceilings consisting of paint, plaster board, carpeting, floor tiles and other floor coverings, and all other finished materials affixed or installed as a part of the physical structure of the Unit and all immediately visible fixtures, appliances, mechanical systems and equipment, air cooling systems and equipment installed for the sole and exclusive use of the Unit, commencing at the point of disconnection from the structural body of the Building and from utility lines, pipes, or system serving the Unit. No pipes, wires, conduits or other public utility lines of installation constituting a part of the overall systems designed for the service of any particular Unit, nor any of the structural members of portions of any of the Building, nor any other property of any kind which is not removable without jeopardizing the soundness, safety or usefulness of the remainder of the Building, shall be deemed to be a part of any Unit.

A Unit shall be described in the Unit Deed by Unit Designation and such Unit Deed shall otherwise comply with the provision of the Condominium Act. Every conveyance or lien using the Unit Designation assigned to a Unit shall be deemed to include its Common Interest in the Common Elements and shall

include without requiring specific reference thereto or enumerating them, all appurtenances thereto, whether specifically described or not, and easements in favor of the Unit and similarly shall be subject to all easements in favor of others.

6. Description of Common Elements and Common Interests.

A. The Common Elements are set forth and shown in Exhibits "B1" through "B2 ".

B. The Common Elements consist of all parts of the Condominium Property other than the Units, and include without limitation, the following: (i) the parcel of land shown on the Survey Plan attached hereto as Exhibit "A", and more particularly described in Paragraph 1 hereof; (ii) the Building identified and described in Paragraph 4 and shown in Exhibits "B1" through B2", including space within the Building not otherwise in Paragraph 5 hereof defined as being embraced with the Units located in the Building, and including the foundations, structural and bearing parts, perimeter and load bearing interior walls, supports, floor slabs, roofs, load bearing partitions, pipe chases and interior walls and partitions, if any, enclosing said pipe chases and the space actually occupied by the foregoing; (iii) all water, gas, electric, telephone lines and conduits and all storm and sanitary sewers, sewage pumping station and facilities, storm water seepage and retention pond and other utility facilities which are installed in, upon, under, or across the parcel of land described in Paragraph 1 hereof, subject, however, to the rights of others to use the same as set forth in this Master Deed; (iv) installations of all central services and utilities; (v) all parking areas, access roads, driveways, walkways, pedestrial sidewalks, landscaped and planting areas, retaining walls, street lights and other lighting facilities and fire hydrants; (vi) all apparatus and installations existing or intended for common use; (vii) all other elements of any improvement necessary or convenient to the existence, management, or normally in common use; (viii) all central or common heating systems including the central boilers for heating units and all distribution lines, controls and appurtenances, if any.

C. Each Unit has appurtenant to it a Common Interest in the Common Elements as set forth in Exhibit "C" attached hereto and made a part hereof.

D. The Common Interest of a Unit in the Common Elements shall be inseparable from such Unit, and any conveyance, lease, devise, or other disposition or mortgage or other encumbrance of any Unit shall extend to and include the Common Interest in the

Common Elements, whether or not expressly referred to in the instrument effecting the same. The Common Interests of the Units in the Common Elements and the fee titles to the respective Units conveyed therewith shall not be separately conveyed, transferred, alienated or encumbered and each of said Common Interests shall be deemed to be conveyed, transferred, alienated, or encumbered with its respective Unit notwithstanding the description in the instrument of conveyance, transfer, alienation or encumbrance may refer only to the fee title of the Unit.

E. The Common Elements shall remain undivided and shall not be the object of an action for partition or division.

F. The Common Interest appurtenant to each Unit shall have a permanent character, shall be inseparable from such Unit and shall not be altered or changed without the consent of the Unit Owners affected and the first mortgagee of such Units as expressed in an amendment to the Condominium Documents.

G. Each Unit Owner, tenant and occupant of a Unit, and the invitees, agents and employees of such Unit Owner, tenant and occupant, may use the Common Elements in Common with the Unit Owners, tenants and occupants, invitees, agents and employees of the other Units in accordance with the reasonable purposes for which they are intended without hindering or encroaching upon the lawful rights of the other Unit Owners, but nothing in the paragraph contained shall be deemed to prevent some Unit Owners from enjoying substantially exclusive rights or advantages in a part or parts of the Common Elements by reason of their ownership of a particular Unit or Units.

H. The Association or its designee shall have the irrevocable right, with notice at reasonable hours except in the case of an emergency, to have access to each Unit for the purpose of inspecting and making repairs, replacements or improvements to the Common Elements (and to the Unit itself where the responsibility therefore is upon the Association) contained therein or elsewhere in the Building, or to prevent damage to the Common Elements or other Units, or to abate any violation of law, rules, orders or regulations of any Governmental authorities having jurisdiction thereof.

I. The Association shall, if any question arises, determine the purpose for which a Common Element is intended to be used. It shall have the right to promulgate rules and regulations limiting the use of the Common Elements to Unit Owners and their respective families, guests, invitees and

employees.

J. The maintenance, repair, replacement, cleaning, sanitation, management, operation and use of the Common Elements shall be the responsibility of the Association, but nothing herein contained shall be construed so as to preclude the Association from delegating these duties to a manager or agent or to other persons, firms or other corporations.

K. The expenses incurred or to be incurred for the maintenance, repair, replacement, cleaning, sanitation, management, operation and use of the Common Elements shall be assessed by the Association against, and collected from, the Unit Owners.

L. (i) The Association shall have the right to make or cause to be made such alterations and improvements to the Common Elements as in its opinion may be beneficial and necessary or which is requested in writing by a Unit Owner or Unit Owners and the holders of first mortgages thereon, and is also deemed necessary by the Association. The Associaton may require the consent in writing before undertaking such work of such Unit Owners and the holders of first mortgages thereon, whose rights, in the sole opinion of the Association may be prejudiced by such alteration or improvement.

(ii) When, in the sole opinion of the Association, the alteration or improvement is general in character, the costs thereof shall be assessed as Common Expenses.

(iii) When, in the sole opinion of the Association, the alteration or improvement is exclusively or substantially exclusively for the benefit of one or more Unit Owners that requested it, the cost shall be assessed against such Unit Owner or Unit Owners in such proportion as the Association shall determine is fair or equitable. Nothing herein contained shall prevent the Unit Owners affected by such alteration or improvement from agreeing in writing, either before or after the assessment is made, to be assessed in different proportions.

M. No Unit Owner shall do any work which would affect or alter any of the Common Elements or impair any easement or hereditament therein.

N. Every Unit Owner shall comply strictly with the covenants, conditions and restrictions set forth in the Master Deed and with the By-Laws, rules, regulations, resolutions and decisions adopted pursuant thereto in relation to the use and operation of the Condominium, the Units, the Common Elements and other Condominium Property. Failure to comply with any of the same shall be grounds for an action to recover

sums due, for damages, or injunctive relief or any or all of them. Such action may be maintained by a Unit Owner, the Association on its own behalf or on behalf of the Unit Owners aggrieved, or by any person who holds a mortgage lien upon a Unit and is aggrieved by such non-compliance. In any case of flagrant or repeated violation by a Unit Owner, he may be required by the Association to give sufficient surety or sureties for his future compliance with said covenants, conditions, restrictions, By-Laws, rules, regulations, resolutions and decisions.

O. Each patio and balcony shall be the limited common element of the Unit immediately adjoining it.

7. Administration of Condominium; The Association. The Condominium and the Condominium Property shall be administered, supervised and managed by the Association which shall act by and on behalf of the Unit Owners of the Units in the Condominium in accordance with the Condominium Documents, the By-Laws, comprising part thereof and in accordance with the Condominium Act. The By-Laws form an integral part of the plan of ownership herein described and the Condominium Documents shall be construed in conjunction with the provisions of the By-Laws. Pursuant to Paragraph 12 of the Condominium Act, the Association is hereby designated as the form of administration of the Condominium, and the Association is hereby vested with the rights, powers, privileges and duties necessary or incidental to the proper administration of the Condominium as set forth in the Condominium Documents. The Association shall also be empowered and is hereby empowered and shall be obliged: (1) to fix charges, assessments, fees and rents; (ii) to hold all of the foregoing and funds or other assets of the Condominium and administer them as trustee for the benefit of the Unit Owners; (iii) to maintain itself or through its management agent, accounting records, in accordance with generally accepted accounting principles, open to inspection at reasonable times by Unit Owners, such records to include: (a) A record of all receipts and expenditures, and (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; (iv) to contract for all loans, mortgages, leases and purchase or sale of Units in the Condominium acquired by it or its designee on behalf of all of the Unit Owners, where applicable; (v) to direct all expenditures, select, appoint, remove and establish the salaries of employees and fix the amount of bonds for officers and employees; (vi) to maintain the Common Elements and other portions of the Building as herein specified, paying for services and supervising repairs and alterations; (vii) to adopt rules and regulations as may be necessary for the management and control and orderly use of the Common Elements, and in general it shall manage the Condominium Property as provided herein and in the By-Laws, but nothing herein shall prevent the Association from employing and delegating such powers as it deems advisable to professional management; and (viii) 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 Unit Owners. While the Developer maintains a majority of the Board, he shall have an annual audit of the Association funds prepared by an independent accountant, a copy of which shall be delivered to each Unit Owner within ninety (90) days of the expiration of the fiscal year of this Association. The audit shall cover the operating budget and reserve accounts.

A. No Unit Owner, except as an officer of the Association shall have any authority to act for or bind the Association.

B. Every Unit Owner, upon becoming a Unit Owner, shall become, automatically, a member of the Association and shall remain a member of the Association until such time as such Unit Owner's ownership ceases for any reason, at which time such Unit Owner's membership in the Association shall cease automatically. Other than as an incident to a lawful transfer of the title to a Unit, membership in the Association shall be nontransferable and any attempted transfer shall be null and void.

C. Any conveyance, transfer or alienation of any Unit shall conclusively be deemed to include all of the interest of the Unit Owner in the Association

and any encumbrance upon any Unit shall also be conclusively deemed to attach to all of the interest of the Unit Owner of the Unit in the Association.

8. Voting Rights of Unit Owners. Each Unit Owner shall be entitled to cast one vote per Unit owned.

If a Unit is owned by one individual, his right to vote shall be established by the record title to his Unit. If a Unit is owned by more than one individual, or is under lease, the individual entitled to cast the vote for the Unit shall be designated by a certificate signed by all the record Unit Owners of the Unit and filed with the Secretary of the Association. If a Unit is owned by a corporation, the individual entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by the president or vice president, under its corporate seal, and attested by the secretary or assistant secretary of the corporation and filed with the Secretary of the Association. If a Unit is owned by a partnership, the individual entitled to cast the vote for the Unit shall be designated by a certificate signed by all partners and filed with the Association. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. A certificate designating the individual entitled to cast the vote of a Unit may be revoked by any Unit Owner thereof.

9. Sharing of Common Expenses and Common Surplus.

The Unit Owners shall share, be liable and charged for and be bound to contribute to, Common Expenses in the same proportion as their respective interest in the Common Elements.The Unit Owners shall share, and be entitled to, Common Receipts and Common Surplus in the same proportion as their respective Common Interests in the Common Elements.

Assessment against the Unit Owners shall be made by the Association and the amount of Common Expenses charged to each Unit Owner shall be a lien against such Unit, subject to the provisions of Section 21 of the Condominium Act; such lien shall exist in favor of the Association and there shall be included therein interest as hereinafter provided and reasonable attorney's fees for enforcing payment thereof. A Unit Owner shall, by acceptance of title, be conclusively presumed to have agreed to pay his proportionate share of Common Expenses assessed while he is the Owner of a Unit. However, the liability of a Unit Owner for Common Expenses shall be limited to amount duly assessed in accordance with the Condominium Documents and the Condominium Act. 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. The Common Expenses charged to any Unit shall bear interest from the due date set by the Association at such rate not exceeding the legal interest rate as may be established by the Association or if no rate is so established at the legal rate.

Assessments for Common Expenses shall be made for the fiscal year annually in advance of September 15 of the year preceding the year for which the assessments are made.

Such annual assessments shall be due and payable in equal monthly installments on the first day of each month. The Association may review and reconsider the assessments made and may increase or decrease the same after the first year. Any such increase required for the proper management, maintenance and operation of the Common Elements and other Condominium Property shall be paid by the Unit Owners on the first day of the month next following notice of the increase. Developer guarantees that the Unit Owners will pay only the amounts given in the budget for the first year. However, if insurance rates increase during the first year then this increase may be added into the budget.

Taxes, assessments, water rents, sewer rents, which may be levied against the Condominium Property as a whole before separate assessments for each Unit is made as provided by Paragraph 19 of the Condominium Act, shall be paid by the Association and shall be included in the budget and paid by the Unit Owners as a Common Expense. All liens against the Common Elements of any nature including taxes and special assessments levied by governmental authority may be paid by the Association and shall be assessed by the Association against the Unit or Units in accordance with their respective Common Interests or to the Common Expenses account, whichever in the judgment of the Association is appropriate. All other assessments, either for emergencies or otherwise, shall be made by the Association in accordance with the provisions of the Condominium Act and the Condominium Documents and if the time of payment is not set forth therein, the same shall be determined by the Association.

The assessments against all Unit Owners shall be set forth upon a roll of the Units which shall be available for inspection at all reasonable times by Unit Owners or their duly authorized representatives. Such roll shall indicate for each Unit the name and addresses of the Unit Owner or Unit Owners, the assessments for all purposes and the amounts of all assessments paid and unpaid.

As between the Association and each Unit Owner, the Common Expenses and other charges and expenses represented in the usual monthly assessment shall become effective as a lien against each Unit on the thirtieth day of each such month; additional or added assessments for Common Expenses and other charges and expenses, if any, assessed against Units and not covered by the usual monthly assessments shall become effective as a lien against each Unit as of the date when the expense or charge giving rise to such additional or added assessment was incurred by the Association. As to other persons such liens 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 as provided in Section 21 of the Condominium Act. In the event that any such lien shall have been filed as aforesaid, then such lien may be foreclosed by the Association in the manner provided for the foreclosure of a mortgage on real property; and, in the event of filing of such claim of lien, the Association shall, in addition to the amount due, be entitled to recover reasonable expenses of the action including costs and attorney's fees. The right of the Association to foreclose the lien aforesaid shall be in addition to any other remedy which may be available to it as law or equity for the collection of all assessments duly made by the Association including the right to proceed personally against any delinquent Unit Owner for the recovery of a personal judgment against such Unit Owner.

At the sole option of the Association, in the event any Unit has been delinquent on the payment of three (3) consecutive monthly assessments, the Association may declare immediately due and payable a sum equal to one year's Association's assessments against said Unit Owner.

All such liens shall be subordinate to any lien for past due real estate taxes, the lien of any mortgage to which the Unit is subject and to any other lien recorded prior to the time of recording of the claim of 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 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 of any such certificate who relies upon such certificates 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 purchase 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.

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 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 sale may be reassessed by the Association as Common Expenses to be collected from all Unit Owners including the purchaser who acquired title to 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.

Notwithstanding any foreclosure, tax sale, or other forced sale of a Unit, all applicable provisions of the

Condominium Documents and rules and regulations of the Association, 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 the Common Expenses or other assessments by the Association pertaining to such Unit or chargeable to the former Unit Owner which became due prior to such sale except as otherwise provided in the preceding paragraphs.

10. Maintenance and Repair of Units.

A. No Unit Owner shall make any structural modifications or alterations within his Unit without the written consent of the Association or of its duly authorized representative, and no act shall be done under any circumstances by any Unit Owner which does or may tend to impair the structural integrity of the Building or adversely affect or jeopardize the soundness or safety of any part of the Condominium Property or impair any easement or right appurtenant thereto or affect the Common Elements without the unanimous written consent of all Unit Owners who might be affected thereby. No Unit Owner shall contract for or perform any maintenance, repair, replacement, removal, alteration or modification of the Common Elements, except through the Association and its officers.

B. It shall be the responsibility of the Association to maintain, repair, or replace:

(i) All portions of the Unit which contribute to the support of the Building, including the main bearing walls, but excluding the painting, wall papering, decorating or other work on the interior surfaces of walls, ceilings and floors within the Unit:

(ii) All portions of the Unit which constitute a part of the exterior of the Building;

(iii) All Common Elements within the Unit;

(iv) All incidental damage caused by work done by direction of the Association.

C. It shall be the responsibility of the Unit Owner:

(i) To maintain, repair, or replace at his own expense all portions of the Unit which may cause injury or damage to the other Units or to the Common Elements except the portions thereof mentioned and described in Paragraph 10 hereof;

(ii) To paint, wall paper, decorate and maintain the interior surfaces of all walls, ceilings, doors, window frames and vents, floors, within the Unit;

(iii) To pay the expenses incurred by the Association in making repairs or replacements of the Common Elements necessitated by his act, neglect, carelessness or misuse;

(iv) To pay the expense incurred by the Association in making repairs or replacements of the patio or balcony which he has the exclusive easement to use caused or permitted by his negligence, misuse or neglect;

(v) To maintain and pay the expenses involved in repairing his individual air conditioning unit, garbage disposal, kitchen range, refrigerator and the like and also maintain his inside plumbing and electrical work;

(vi) To perform his responsibilities in such a manner and at such reasonable hours so as not to disturb other Unit Owners residing in the Building;

(vii) To refrain from repairing, altering, replacing, painting or otherwise decorating or changing the appearance of any portion of the Common Elements without first obtaining the consent in writing of the Association and to refrain from repairing, altering, replacing, painting, decorating or changing any balcony, patio, or other exterior appendages to the Unit whether exclusively used by the Unit Owner or otherwise without obtaining the aforementioned consent; and

(viii) To promptly report to the Association or its agent all work that he intends to perform for repair of any kind, the responsibility for the remedying of which lies with the Association. Any consent by the Association to the performance of such work, by the Unit Owner, shall not constitute an assumption by the Association to pay therefore. Also, the failure of the Association to take action on the notice shall not be deemed a waiver by it of its rights and shall also not constitute a consent by the Association or an assumption by it to pay for any work performed by the Unit Owner. Any consent given by the Association may set forth the terms of such consent and the Unit Owner shall be required to abide thereby.

D. Nothing in this Paragraph 10 contained shall be construed so as to impose a personal liability upon the Association or any of the members of the Board of Trustees, or officers, of the Association for the maintenance, repair or replacement of any Unit or Common Element or give rise to a cause of action

against them. The board of trustees, as such, shall not be liable for damages of any kind except for willful misconduct or bad faith.

E. Nothing herein shall be construed to prohibit the reasonable adaption of any unit for handicap use.

11. Restrictions and Covenants. Each Residential Unit is intended to be and shall be used as a private residence only.

The Grantor and every Unit Owner by the acceptance of the Unit Deed, and their heirs, successors and assigns covenant that they will faithfully observe all of the terms, covenants and conditions wherever imposed in the Condominium Documents.

Each Unit Owner, Commerical or Residential, his heirs, successors and assigns further covenant that:

A. He will not use, cause or permit the Unit to be used other than as provided in the Condominium Documents, nor will any Residential Unit Owner cause a Residential Unit to be subdivided, changed or altered without first having obtained the written approval of the Association; except that it is expressly understood that interior alterations to the Units are permitted by the Unit Owners.

B. He will not use, permit or allow the Unit or any part thereof to be used for an offensive or unlawful purpose nor will he permit or allow any nuisance within the Unit, nor will he use, permit or allow the Unit to be used in a manner which will be a source of annoyance to the residents or which in any way interferes with the peaceful possession, enjoyment and proper use of the Condominium Property by the other residents.

C. In order to maintain the recreational and vacation atmosphere of the Condominium and to preserve the quality of the investment in same, leases of the units by unit owners shall be limited to leaseholds no longer than one month in duration.

12. Encroachments; Easements.

A. In the event that any encroachment upon any Unit by any portion of any Common Element or any other Unit as upon any Common Element by any Unit shall occur as a result of:

(i) settling of the Building; or

(ii) alteration or repair to the Common Elements; or

(iii) repair or restoration of the Building or

a Unit after damage by fire or other casualty; or

(iv) condemnation or eminent domain proceedings; then

a valid easement shall exist for the encroachment and for the maintenance of same so long as the Building stands. In the event that any one or more of the Units or of the Building, or other improvements comprising part of the Common Elements is partially or totally destroyed and is then rebuilt of such rebuilding any portion thereof shall encroach as provided in the maintenance thereof, so long as it stands, shall and does exist.

B. In interpreting any and all provisions of the Condominium Documents, subsequent Unit Deeds to, and mortgages of the Units, the actual location of the Unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered notwithstanding any minor deviations, either horizontally, vertically or laterly, from the proposed locations as indicated on Exhibits "B1" through "B3 ".

C. A valid easement does and shall continue to exist throughout the Condominium Property for the purpose of installation, maintenance, repair and replacement of sewer, water, gas, power, telephone and television pipes, lines, mains, conduits, wires, poles, transformers and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility system; provided, however, any easements through a Unit shall be only according to Exhibits "B1 through "B3 " annexed hereto, and referred to in Paragraph 3 hereof, for the Building containing the Unit, unless approved in writing by the Unit Owner.

D. The Association shall have the irrevocable right, to be exercised by the Trustees and their agents and employees, to have access to each Unit from time to time during reasonable hours with notice, except in the case of an emergency, as may be necessary for the inspection, maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or for making emergency repairs necessary to prevent damage to the Common Elements or to any other Unit or Units.

13. Insurance.

A. Except title insurance, the Association shall obtain and maintain, to the extent available, insurance on the Building and all other insurable improvements upon the land, including but not limited to, all of the Units, the heating and air cooling apparatus and equipment and bathroom fixtures and kitchen cabinets and appliances initially installed

therein as supplied by the Grantor, together with the service machinery and equipment and all other personal property as may be held and administered by the Association for the benefit of the Unit Owners covering the interest of the Association and all Unit Owners and their mortgagees as their interest may appear. The insurance shall be purchased from recognized insurance companies duly licensed to operate in the State of New Jersey.

B. The Association shall obtain master policies of insurance which shall provide that the loss thereunder shall be paid to Beach Watch II Motel Condominium Association as insurance trustee. Under the said master policies, certificates of insurance shall be issued which indicate on their face that they are a part of the Condominium and its Common Elements. A certificate of insurance with proper mortgagee endorsement shall be issued to the Unit Owner and the original thereof shall be delivered to the mortgagee,
if there be one, or retained by the Unit Owner if there is no mortgagee. The certificate of insurance shall show the relative amount of insurance covering the Unit and the interest in the Common Elements of the Condominium Property and shall provide that improvements to a Unit or Units which may be made by the Unit Owner or Owners shall not affect the valuation for the purposes of this insurance of the Building and other improvements upon the land. Such master insurance policies and certificates shall contain provisions that the insurer waives its right to subrogation as to any claim against the Association, its agents and employees, Unit Owners, their respective servants, agents and guests, and of any defense based on the invalidity arising from the acts of the insured, and providing further that the insurer shall not be entitled to contribution from casualty insurance which may be purchased by individual Unit Owners as hereinafter permitted. The original master policy of insurance shall be deposited with the insurance trustee and a memorandum thereof shall be deposited with any first mortgagee who may require same. The insurance trustee must acknowledge that the insurance policies and any proceeds thereof will be held in accordance with the terms hereof. The Association shall pay, for the benefit of the Unit Owners and each Unit mortgagee, the premiums for the insurance hereinafter required to be carried at least thirty (30) days prior to the expiration date of any such policies and will notify each Unit mortgagee of such payment within ten (10) days after request for verification of payment.

C. The Condominium Property shall be covered by:

(i) Casualty or physical damage insurance in an amount equal to the full replacement value of

the Building without deduction for depreciation as determined annually by the Association with the assistance of the insurance company affording such coverage. Such coverage shall afford protection against the following:

(a) Loss or damage by fire and other hazards covered by the standard extended coverage endorsement together with coverage for the payment of Common Expenses with respect to damaged Units during the period of reconstruction.

(b) Such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use as the Building, including but not limited to, vandalism, malicious mischief and windstorm and such other insurance as the Association may determine. The policies providing such coverage shall provide that, notwithstanding the provisions thereof which give the carrier the right to elect to restore damage in lieu of making cash settlement, such option shall not be exercisable without the approval of the Association or where in conflict with the terms of the Master Deed.

All policies of casualty or physical damage insurance shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice to all insureds, including all mortgagees of Units, and certificates of such insurance and all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and their mortgagees at least thirty (30) days prior to the expiration of the then current policies if such verification is requested by said Unit Owners or their mortgagees. The insurance policy shall provide that it will not be cancelled on the account of the conduct of any individual officer, employee, Unit Owner, or manager without giving the Board or manager an adequate time to cure such defect.

(ii) Public liability insurance against claims for bodily injury, death or property damage, such insurance to afford minimum protection in respect of bodily injury or death of not less than $500,000 for any person, and less than $1,000,000 for any one occurrence, and in respect of property damage not less than $100,000 which such insurance shall also cover claims of one insured against another, or in lieu thereof,

public liability insurance in such amounts and in such form as shall be required by the Association.

(iii) Workmen's compensation insurance to meet the requirements of law.

(iv) Fidelity insurance covering those officers and employees of the Association and those agents and employees hired by the Association who handle Condominium funds, in amounts as determined by the Association and if required by the Association.

D. Each Unit Owner may obtain insurance at his own expense affording coverage upon his personal property and for his personal liability, but all such insurance shall contain the same waiver of subrogation as that referred to in Paragraph 13B hereof. Each Unit Owner may obtain physical damage insurance at his own expense upon his Unit but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the Association or shall be written by the same carrier. If a casualty loss is sustained and there is a reduction in the amount of proceeds which would otherwise be payable on the insurance purchased by the Association pursuant to Paragraph 13C hereof due to proration of insurance purchased by the Unit Owner under this Paragraph 13D, the Unit Owner agrees to assign the proceeds of this latter insurance to the extent of the amount of such reduction, to the Association to be distributed as herein provided. Any Unit Owner who shall obtain separate individual fire insurance coverage must report such coverage to the Board which shall keep a record of all fire insurance on the Units or the total property.

E. Premiums upon insurance policies purchased by the Association shall be paid by it and charged as Common Expenses.

F. All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Association as hereinabove set forth shall be paid to it. The Association shall act as the insurance trustee. The sole duty of insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purpose elsewhere stated herein, and for the benefit of the Unit Owners and their respective mortgagees.

G. Each Unit Owner shall be deemed to have delegated to the Association his right to adjust with the insurance company all losses under policies purchased by the Association.

H. In no event shall any distribution of proceeds be made by the Association directly to a Unit Owner where there is a mortgage endorsement on the certificate of insurance. In such event any remittances shall be to the Unit Owner and his mortgagee jointly. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by him.

14. Reconstruction or Repair of Casualty Damage. Except as hereinafter provided, damage to or destruction of the Building shall be promptly repaired and reconstructed by the Association, using the proceeds of insurance, if any, on the Building for that purpose, and deficiency shall constitute Common Expenses. In the event, however, the Building is destroyed or substantially damaged and seventy-five (75%) percent or more of the Unit Owners voting in accordance with the procedures established by the By-Laws shall determine not to proceed with repair or restoration, then and in that event the Condominium shall be terminated and the Condominium Property, or so much therof as shall remain, shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies, if any, shall be considered as one fund and shall be divided among all the 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 fund all liens on his Unit.

Any such reconstruction or repair shall be substantially in accordance with the original plans and specifications.

Immediately after a casualty causing damage to Condominium Property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Association desires.

The proceeds of insurance collected on account of casualty, and the sums received by the Association from collections of assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

A. If the amount of the estimated cost of reconstruction and repair of the damaged or destroyed Condominium Property is less than $15,000, then the construction fund shall be disbursed in payment of such costs upon order of the Association, provided, however, that upon request of a mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter pro-

vided in the following Paragraph B.

B. If the estimated cost of reconstruction and repair of the damaged or destroyed Condominium Property is more than $15,000, then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in New Jersey and employed by the Association to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect, or other persons who have rendered services or furnished materials in connection with the work: (i) that the sums do not exceed the value of the services and materials furnished; (ii) that there is no other outstanding indebtedness known to the said architect for the services and materials described; and (iii) that the cost as estimated by said architect for the work remaining to be done subsequent to the date of such certificate, does not exceed the amount of the construction fund remaining after payment of the sum so requested.

In the event there is any surplus of monies in the construction fund after the reconstruction or repair of the casualty damage has been fully completed and all costs paid, such sums may be retained by the Association as a reserve or may be used in the maintenance and operation of the Condominium Property, or in the discretion of the Board of Trustees of the Association, it may be distributed to the Unit Owners and their mortgagees who are the beneficial owners of the fund.

15. Eminent Domain; Obsolescence.

A. If all or any part of the Common Elements shall be taken, injured or destroyed by the exercise of power of eminent domain, each Unit Owner shall be entitled to notice of such taking and to participate through the Association in the proceedings incident thereto. Any damage shall be for the taking, injury or destruction as a whole and shall be collected by the Association and distributed by it among the Unit Owners in proportion to each Unit Owner's Common Interest in the Common Elements except to the extent that the Association deems it necessary or appropriate to apply them to the repair or reconstruction of any such injury or destruction.

B. In the event the Board of Trustees of the Association shall determine that the Building is obsolete, the Board, at any regular or special meeting of the Unit Owners, may call for a vote to determine whether or not the Condominium Property shall be sold and the Condominium terminated. In the event the Unit Owners voting in accordance with the procedures

established by N.J.S.A. 46:8B-26 shall determine that the Condominium Property shall be sold, then the provisions of Paragraph 16B hereof shall become effective.

16. Termination.

A. The Grantor reserves the right to terminate this Master Deed and to revoke and discharge the sameof record if the Grantor, on or before December 31, 1986, has not sold or contracted to sell more than 25 of the Units and mortgage commitments in the required amounts have not been issued to the prospective purchasers. It is distinctly understood and agreed by all persons having any interest in this Condominium that a deed of revocation by the Grantor to this effect shall be sufficient to revoke and discharge the same of record.

B. If the Condominium shall be terminated by the Unit Owners voting in accordance with the procedures established by N.J.S.A. 46:8B-26, then the Condominium Property shall be subject to any 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 the Unit Owners in proportion to their respective Common Interest, provided, however, that no payment shall be made to a Unit Owner until there has been first paid off out of his share of such net proceeds all liens on his Unit. Such withdrawal of the property from the Condominium Act shall not bar its subsequent submission to the provisions thereof in accordance with the terms of the Condominium Act.

C. If the Condominium shall be terminated in accordance with the provisions of the Condominium Documents, then all Unit Owners and the holders of all mortgages or other liens affecting all units shall be bound to execute a deed of revocation and record the same in the Clerk's Office of Cape May County, New Jersey.

D. After the recording of the deed of revocation, the Unit Owners as of the date of recording of such deed shall own the Condominium Property as tenants in common in undivided interests and the holders of mortgages and liens against the Unit or Units formerly owned by such Unit Owners shall have mortgages and liens upon the respective undivided common interest of the Unit Owners in the entire property. Such undivided common interests of the Unit Owners shall be as set forth in Exhibit C. All funds held by the Association and insurance proceeds, if any, shall be and continue to be held for the Unit Owners in proportion to the amount of their respective Common Interests. The costs incurred by the Association in

connection with a termination shall be a Common Expense.

17. Amendment. Except for alteration in the Common Interests which cannot be done except with the consent of all Unit Owners and of the holders of first mortgages thereon, the Condominium Documents may be amended in the following manner:

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

B. A resolution adopting a proposed amendment may be proposed by either the Board of Trustees or by the Unit Owners at a meeting called for this purpose. Members of the Board of Trustees and Unit Owners not present at the meeting considering such amendment may express their approval in writing. Such amendment must be approved by not less than seventy-five (75%) percent of the Unit Owners voting in accordance with the procedures established by the By-Laws.

C. A copy of each amendment shall be certified by the President, Vice President and the Secretary and Treasurer 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. Copies of same shall be sent to each Unit Owner in the manner elsewhere provided for the giving of notices but the same shall not constitute a condition precedent to the effectiveness of such amendment.

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

18. Provisions Applicable to Grantor. Nothwithstanding any other provisions herein contained, for as long as the Grantor continues to own any of the Units, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Grantor from any obligations of a Unit Owner to pay assessments as to each Unit owned by it in accordance with the Condominium Documents:

A. The Grantor reserves the unrestricted right to sell or lease any Unit which it continues to own after the recording and filing of the Condominium Documents.

B. The Grantor specifically disclaims any intent to have made any warranty or representation in connection with the Condominium Property or the Condominium Documents except as specifically set forth herein or in any agreement of sale for a Unit, and no person shall rely upon any warranty or representation not so specifically made herein.

C. The Grantor reserves the right to change the interior design and arrangement of all Units, and to alter the boundaries between Units, so long as the Grantor owns the Unit so changed or altered. No such change shall increase the number of Units nor alter the boundaries of the Common Elements without amendment of the Condominium Documents as herein provided. If the Grantor shall make any changes in the Units so authorized, such changes shall be reflected by an amendment to the Condominium Documents. If more than one Unit is concerned, the Grantor shall apportion between the Units the Common Interest in the Common Elements which are appurtenant to the Units concerned.

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

19. Provisions Applicable to Mortgages.

A. All mortgagees shall be given written notice of any amendment to the Master Deed or By-Laws.

B. If a mortgagee should accept a deed in lieu of foreclosure, the mortgagee shall not be liable for any unpaid assessments against any Unit conveyed which accrued prior to such conveyance by deed in lieu of foreclosure.

C. In the event that the Master Deed or the By-Laws permit less than 100% of the Unit Owners to vote to terminate the status of the Condominium Property as a Condominium if the Property is substantially damaged by fire or other casualty, mortgagees shall be given written notice not less than thirty (30) days prior to the filing of a statement of termination.

D. Notwithstanding anything in the Master Deed or By-Laws to the contrary, a mortgagee is not reponsible for any action or omissions of the Grantor in connection with the Master Deed or By-Laws.

E. No suit shall be commenced against a Unit Owner for any default under the Condominium Documents until the Board has given the holder of a mortgage on that Unit notice of its intention to file such suit and that mortgagee has been given ten (10) days thereafter in which to cure such default. If the default cannot be cured by the payment of money, the Board shall not commence suit against the Unit Owner if, within thirty (30) days of its giving prior written notice to said mortgagee, the mortgagee has commenced to cure the default by obtaining possession, com-

mencing foreclosure proceedings, or taking any other action reasonably intended to cure the default and proceeds with reasonable diligence to complete curing such default.

F. Notwithstanding anything to the contrary contained herein, any sums distributed upon termination of the Condominium Property shall be applied first to the payment of any mortgages and other liens on a Unit in order of their priority, before any such sums are distributed to the Unit Owners.

20. Limitations on Occupancy. In order to maintain the investment quality and the recreational nature of this condominium motel, all occupants, including owners, are limited to occupancy of no more than 120 consecutive days and no more than 200 days in a 365 day period.

21. Captions. Captions used in the Master Deed are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect of any of the text of the Condominium Documents.

22. Provisions Binding Upon Successors and Assigns; Covenants Running with the Land. The present title to the Condominium Property hereby subjected to the form of ownership known as a Condominium 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 provisions of this instrument and the acquisition of title to a Unit by a person shall be conclusively deemed to mean that the acquirer approves, adopts and ratifies the provisions of this instrument, the By-Laws, and Rules and Regulations of the Association and other Condominium Documents and will comply therewith. All provisions of the Condominium Documents shall be construed to be covenants running with the land and to every Unit and the appurtenances thereto; and every Unit Owner and claimant of the Condominium Property or any part thereof or interest therein, and his heirs, executors, administrators, successors and assigns shall be bound by all of the provisions of the Condominium Documents.

23. Gender, Singular, Plural. Whenever the context so permits, the use of the plural shall include the singular, the singular shall include the plural and any gender shall be deemed to include all genders.

24. Severability. If any provisions of the Condominium Documents or any section, sentence, clause, phrase or word, or the application thereof in any circumstances be judicially held in conflict with the Laws of the State of New Jersey, then the said laws shall be deemed controlling and the validity of the remainder provisions, sections, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

IN WITNESS WHEREOF, The Grantor has executed this Master Deed the day and year first above written.

ATTEST:

BEACH WATCH ASSOCIATES, INC.

BY: Mildred Midelton
Mildred Midelton, Pres.

STATE OF NEW JERSEY:
COUNTY OF ~~ATLANTIC~~ Cape May:

I CERTIFY that on June 17, 1987, MILDRED MIDELTON personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person signed, sealed and delivered the attached document as President of Beach Watch Associates, Inc., the corporation named in this document;

(b) the proper corporate seal was affixed; and

(c) this document was signed and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors.

Charlice J. Culvert

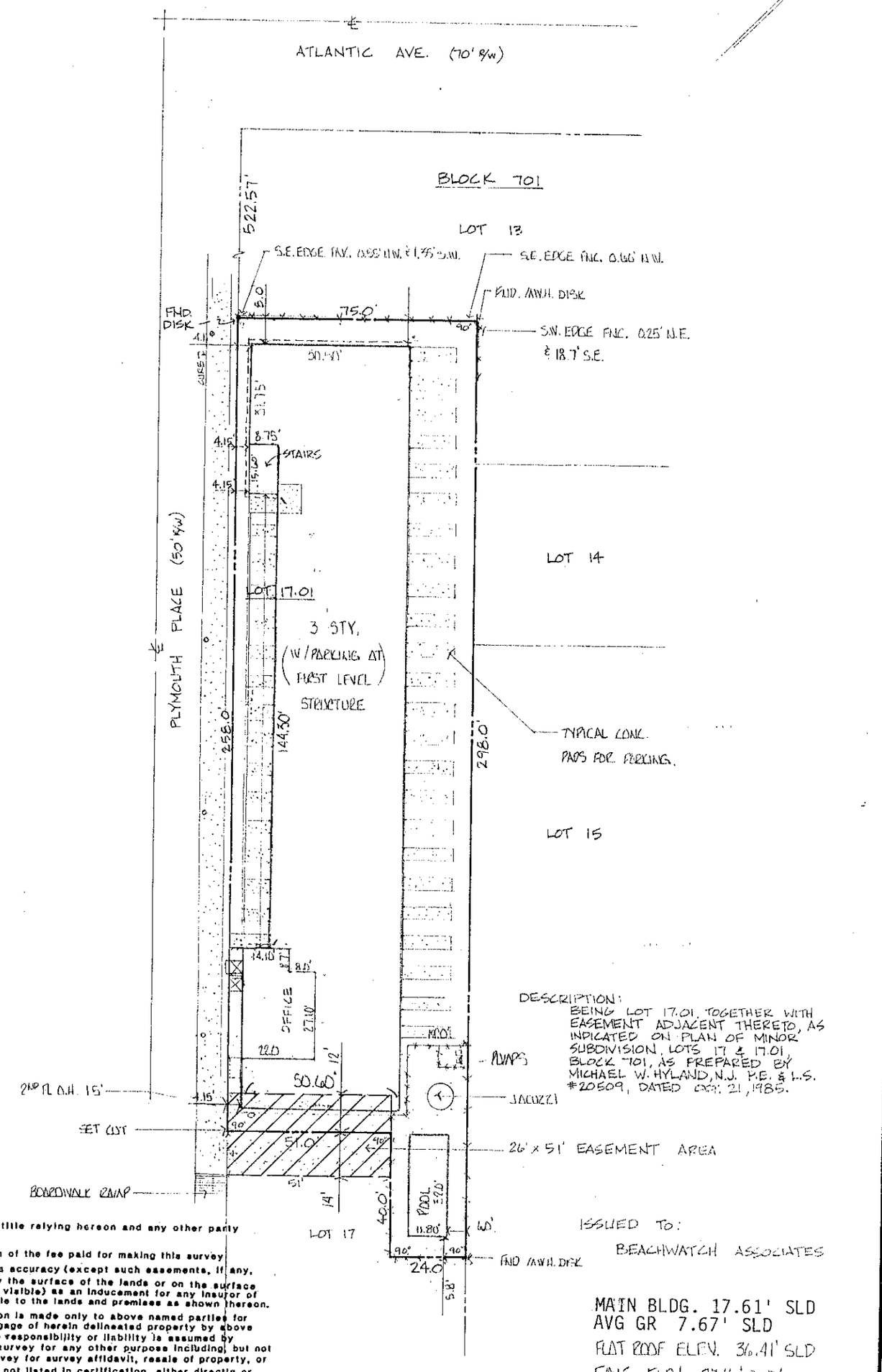
CHARLICE J. CULVERT
Notary Public of New Jersey
My Commission Expires Feb. 16, 1990

BOOK 1696 PAGE 817

MASTER DEED
CREATING AND ESTABLISHING
BEACH WATCH II MOTEL CONDOMINIUM

"EXHIBIT A"

BOOK 1696 PAGE 818



DESCRIPTION:
BEING LOT 17.01, TOGETHER WITH EASEMENT ADJACENT THERETO, AS INDICATED ON PLAN OF MINOR SUBDIVISION, LOTS 17 & 17.01, BLOCK 701, AS PREPARED BY MICHAEL W. HYLAND, N.J. P.E. & L.S. #20509, DATED OCT. 21, 1985.

ISSUED TO:
BEACHWATCH ASSOCIATES

MAIN BLDG. 17.61' SLD
AVG GR 7.67' SLD
FLAT ROOF ELEV. 36.41' SLD
EAVE ELEV. 27.16' SLD
LOWEST FLOOR 10.02' SLD

Any insuror of title relying hereon and any other party in interest:

In consideration of the fee paid for making this survey I hereby certify to its accuracy (except such easements, if any, that may exist below the surface of the lands or on the surface of the lands and not visible) as an inducement for any insuror of title to insure the title to the lands and premises as shown thereon.

This certification is made only to above named parties for purchase and/or mortgage of herein delineated property by above named purchaser. No responsibility or liability is assumed by Surveyor for use of survey for any other purpose including, but not limited to, use of survey for survey affidavit, resale of property, or to any other persons not listed in certification, either directly or indirectly.

REV. 6-16-87 W.O.# 15885

Michael W. Hyland Associates
ENGINEERS/ARCHITECTS/SURVEYORS/PLANNERS
DESIGN CONSULTANTS
101 E. Eighth Street • Ocean City, N.J.
08226 • 609-398-4477

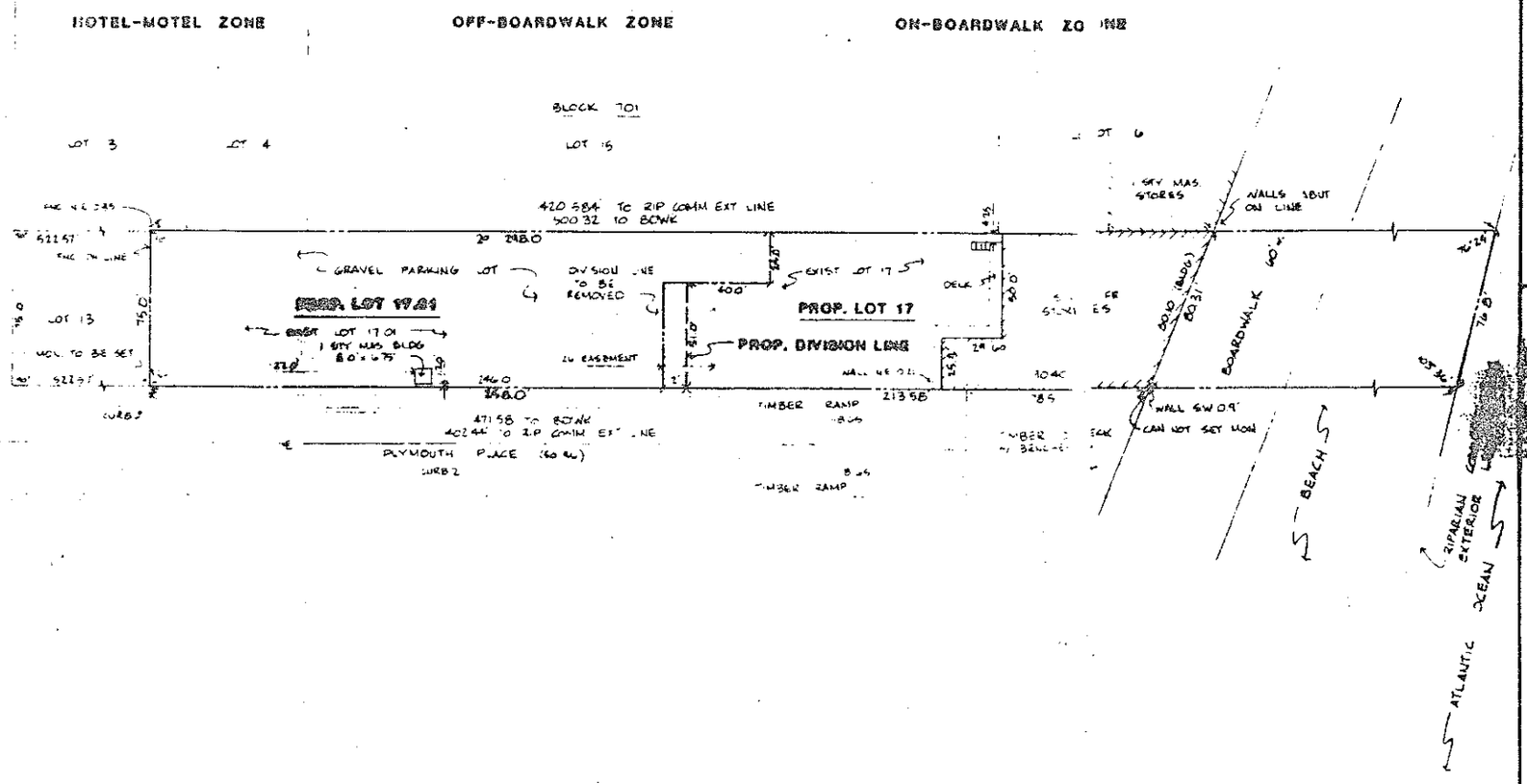
SURVEY OF PREMISES
LOT 17.01 BLOCK 701
OCEAN CITY, CAPE MAY COUNTY, N.J.
"EXHIBIT A"

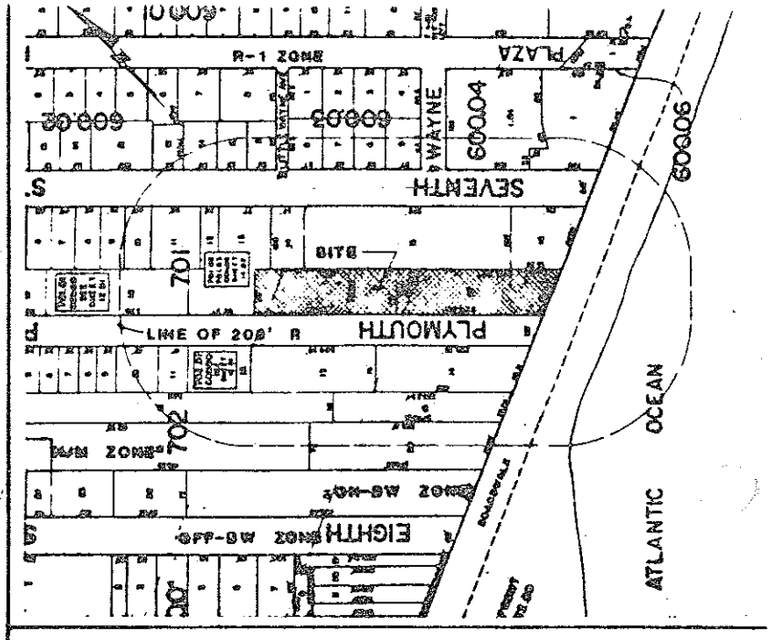
DRAWN BY DMB
DATE 8-14-86
CHECKED BY SBG
DATE 8-15-86
SCALE 1" = 40'
PROJ. NO. 882
W.O. NO. 14703

MICHAEL W. HYLAND
N.J. P.E. & L.S. No. 20509
N.J. R.A. NO. AI 09025

BK. 281 PG. 65-66
DWG. NO. S-16453

BROWNS 40-520 66052





AREA MAP

SCALE 1" = 600'

FROM OCEAN CITY TAX MAP - SHEET 12

GENERAL NOTES:

1. SITE IS IN ON-BOARDWALK (ON-BW), OFF-BOARDWALK (OFF-BW) AND HOTEL-MOTEL (H-M) ZONES
2. NO UTILITIES ARE LOCATED.
3. ——— EXISTING LOT LINE
   ——— PROPOSED LOT LINE
4. ZONING REQUIREMENTS

ZONE	ON-BW	OFF-BW	H-M
AREA	—	—	10000 SF
FRONTAGE	40'	40'	100'
SIDE YARD	—	8' (1)	10'
REAR YARD	25'	25'	25'
FRONT YARD	—	4'	15'

	PROP. LOT 17 (ON-BW, OFF-BW ZONES)	PROP. LOT 17.01 (OFF-BW, H-M ZONES)
AREA	85,595.25± S.F.	10,510± S.F.
FRONTAGE	213.58'	25'
SIDE YARD	5.W.O.G.	
REAR YARD	23.18'±	BUILDING LIES IN ON-BW ZONE
FRONT YARD	0'	

5. [ ] DENOTES AREA OF PROPOSED 26.0' EASEMENT FOR INGRESS AND EGRESS.
6. OWNER/SUBDIVIDER
   DR. RICHARD L. RAAB

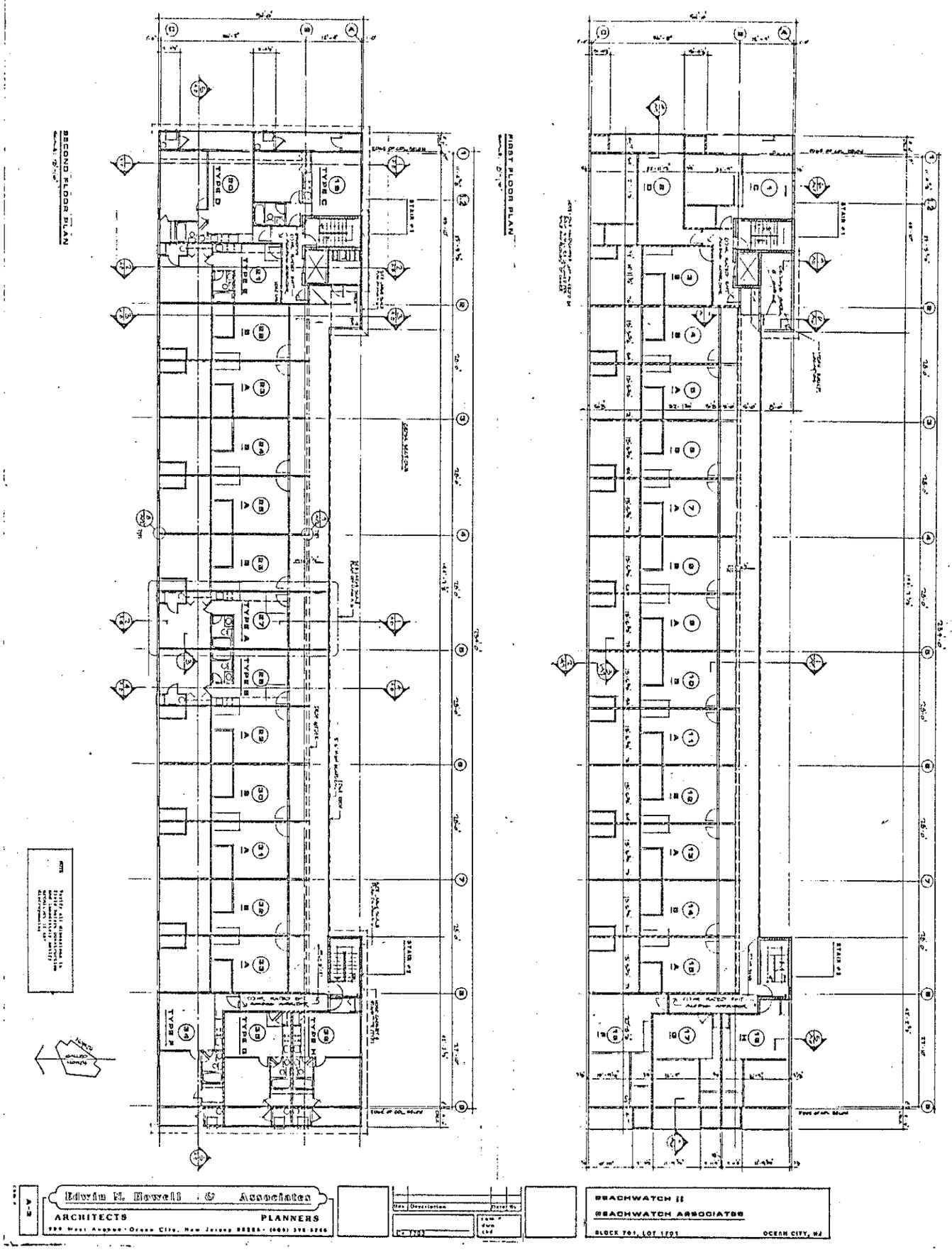
NOTE
SURVEY INFORMATION AS PER PROPOSED MINOR SUBDIVISION OF LOT 17 BLOCK 701 FOR DR. RICHARD RAAB PREPARED BY MICHAEL W. HYLAND ASSOC. DATED 5-31-83 DRWG. NO. H-1768

0 15 30 60

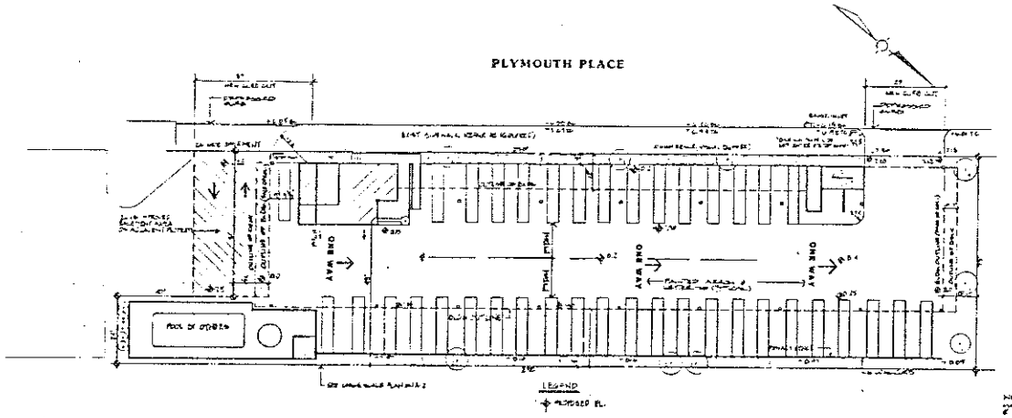
MICHAEL W. HYLAND ASSOCIATES
ENGINEERS PLANNERS SURVEYORS
OCEAN CITY, N.J.

PROPOSED MINOR SUBDIVISION

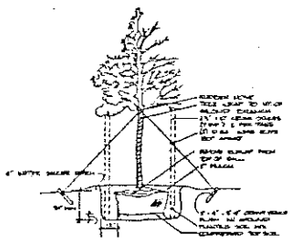
Exhibit A


SECOND FLOOR PLAN
FIRST FLOOR PLAN
TYPE A
TYPE B
TYPE C
TYPE D
TYPE E
TYPE F
TYPE G
TYPE H
STAIR #1
STAIR #2
STAIR #3
Edwin H. Howell & Associates
ARCHITECTS
PLANNERS
BEACHWATCH II
BEACHWATCH ASSOCIATES
BLOCK 701, LOT 1701
OCEAN CITY, NJ

E-1

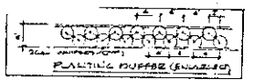


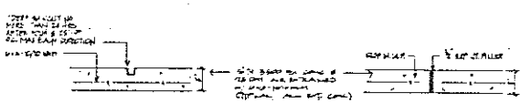
SITE PLAN



Planting Detail: Tree

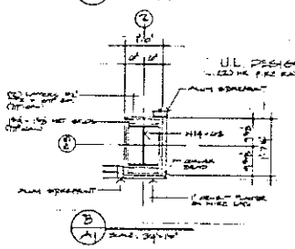
PLANTING SCHEDULE			
KEY	DESCRIPTION		NOTES
1	[illegible]	[illegible]	[illegible]
2	[illegible]	[illegible]	[illegible]
3	[illegible]	[illegible]	[illegible]
4	[illegible]	[illegible]	[illegible]
5	[illegible]	[illegible]	[illegible]



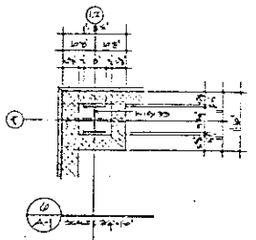


1/A1 CONTROL JT.

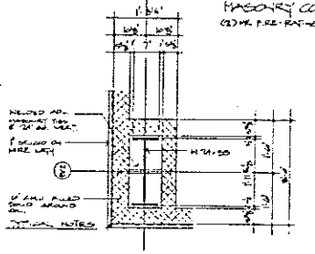
2/A1 EXP. JT.



3/A1



4/A1



7/A1

CODE ANALYSIS

BUILDING DESCRIPTION:

1. 3 Story, 36 Unit - Motel
2. Open parking facility beneath 3-1 and group 1 and Room 16 requirement section 1313 (c).

   (2) hr. fire-resistance wall (noncombustible construction) and sprinkler protected heated room fire-protection Table 1402

3. Ocean City Zoning Ordinance - "Boardwalk Zone".
4. FIRM flood insurance rate "Zone AT, elevation of 9' MSL"

TABLE 501

USE GROUP: R-1, Motels/Hotel

CONSTRUCTION CLASSIFICATION: 5-C Non-combustible, Protected

ANALYZED FLOOR: 10,700 sf (excluding stairs and elevators)

NUMBER STORIES: Three

ALLOWABLE AREA PER FLOOR PER TYPE OF CONSTRUCTION:

A. 14,500 S. F. (Reduction factors 6100 sf
B. 300 (Floor Number on Fire) perimeter (all) 50' 10'.
   Actual perimeter 1,570'
   $(1,570 \times 0.25 + 0.25) \times 10 = (392.5 + 1 = 393.5)$
   $393.5 \times 0.25 = 98,250$. Allowable Sectional area for type 5C construction

TABLE 601

1. FIRE SEPARATION: (See Note 10 supplement table 1607.3 & 1607.5)
   A. Stair walls: 2" separation ..... 2HR rated
   B. Elev walls: 1" separation 1HR
   C. Elev walls: 1" separation 1HR
   D. Bond walls: 1" separation 1HR
2. SOUND-BEARING WALLS: 1HR
3. FIRE ENCLOSURES OF SHAFT: 2HR
4. HEATS & CLOTHES HOISTWAY: 1HR
5. EXIT ACCESS CORRIDORS: 1HR

USE NOTE 8: "In all accommodations except Use Group R-1 and R-3, each individual building 30 or fewer occupants may be considered as one fire separation having not less than one hour fire resistive rating when provided with an approved automatic sprinkler system installed in accordance with section 903.3.1."

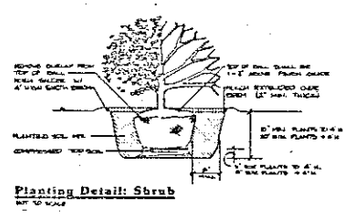
6. ENCLOSURE SHAFT SEPARATION 1HR
7. INTERIOR BEARING WALLS, PARTITIONS, COLUMNS, SPANDREL AND FRAMING: 1HR
8. FLOOR CONSTRUCTION INCLUDING BEAMS: 1HR
9. ROOF CONSTRUCTION 1HR

NOTE:

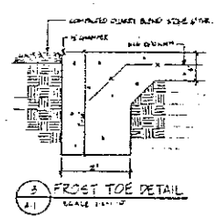
1. Sprinkler throughout: NFPA
2. Occupancy Group: R1 apartments occupancies over 3 floors
3. Fire separation distance:
   A. Boardwalk: 75'
   B. Ocean, Inlet, Northeast: NFPA
4. Fire resistive Rating Wall: 2HR

LIST OF DRAWINGS

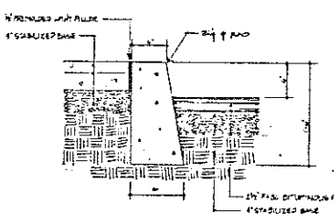
A-1 SITE PLAN, DETAILS, NOTES
A-2 GROUND LEVEL PLAN, LARGE SCALE PLAN
A-3 FIRST AND SECOND FLOOR LEVELS
A-4 ROOF PLAN, DETAILS
A-5 REFLECTED CEILING PLANS
A-6 LARGE SCALE PLAN (UNITS), DOOR SCHEDULE
A-7 ELEVATIONS
A-8 CROSS SECTIONS
A-9 WALL SECTIONS 1,2,3
A-10 WALL SECTIONS 4,5,6
A-11 WALL SECTIONS 7,8,9
A-12 DETAILS

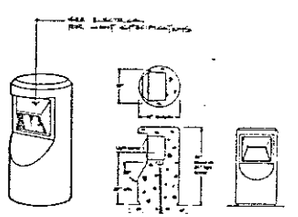


Planting Detail: Shrub

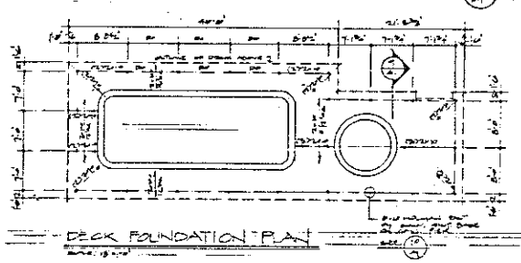


3/A1 FROST TOE DETAIL

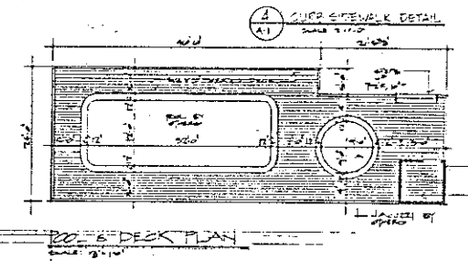




5/A1 BOLLARD DETAIL

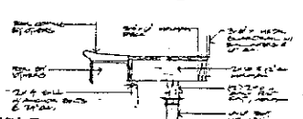


DECK FOUNDATION PLAN

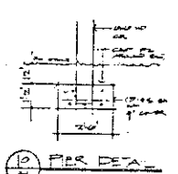


1/A1 OVER SIDEWALK DETAIL

1/2" = 1'-0" DECK PLAN



9/A1 DECK DETAIL



10/A1 PIER DETAIL

TYPICAL NOTES

NOTE: See wall - section number 3 on drawing A-9 for typical insulation types.

NOTE: See wall sections 2 & 3 on drawing A-9 for typical notes similar construction and related dimensions

NOTE: Verify all dimensions in field before construction and immediately notify architect of any discrepancies

Edwin H. Maxwell & Associates
ARCHITECTS
PLANN
BEACHWATCH II
BEACHWAY ASSOCIATES
OCEAN CITY, NJ
BLOCK 701

A-1

PROPORTIONATE INTEREST IN COMMON ELEMENTS

Unit No.	Percentage	Unit No	Percentage
1	2.97	19	2.97
2	3.25	20	3.25
3	2.88	21	2.88
4	2.72	22	2.72
5	2.72	23	2.72
6	2.72	24	2.72
7	2.72	25	2.72
8	2.72	26	2.72
9	2.72	27	2.72
10	2.72	28	2.72
11	2.72	29	2.72
12	2.72	30	2.72
13	2.72	31	2.72
14	2.72	32	2.72
15	2.72	33	2.72
16	2.95	34	2.95
17	2.57	35	2.57
18	2.74	36	2.74

EXHIBIT "C"

Exhibit C

BY-LAWS OF

BEACH WATCH II MOTEL CONDOMINIUM
AND
BEACH WATCH II MOTEL CONDOMINIUM ASSOCIATION

ARTICLE I

APPLICABILITY, MEMBERS, MEMBERSHIP AND DEFINITION

1. These are the By-Laws of "Beach Watch II Motel Condominium" (hereinafter called the "Condominium") and of the "Beach Watch II Motel Condominium Association", a non-profit corporation of the State of New Jersey (hereinafter referred to as the "Association"). The administration and management of the Condominium and the Condominium Property and the actions of the Association and the Members thereof shall be governed by these By-Laws.

2. All present and future Unit Owners, tenants, future tenants, their licensees, invitees, servants, agents, employees, and any other person or persons that shall be permitted to use the Condominium Property of the Condominium, shall be subject to these By-Laws and to the Rules and Regulations issued by the Association to govern the conduct of its Members. Acquisition, rental or occupancy of any of the Units in the Condominium shall be conclusively deemed to mean that the Unit Owner, tenant or occupant has accepted and ratified these By-Laws and the Rules and Regulations of the Association and will comply with them.

3. As used throughout these By-Laws, the term "Member" means the Unit Owner of a Unit in the Condominium. Other terms used herein shall have the same meanings set forth in the Master Deed.

4. Membership in the Association shall be limited to the Unit Owners of Units in the Condominium provided, that whenever title to a Unit is vested in two or more persons, such co-owners shall be entitled jointly to only the number of votes for their particular Unit as designated on the membership certificate.

In the event that a Unit Owner shall lease or permit another to occupy his Unit, the tenant or occupant shall be permitted to enjoy the Condominium Property to the extent that such Unit Owner shall be entitled, but shall not vote in the affairs of the Association unless he shall be designated the Voting Representative. The use of the Condominium Property shall be limited to Unit Owners, tenants and occupants of Units and their licensees, invitees, servants, agents and employees.

If a Unit is owned by more than one individual or is owned by a corporation or partnership, or if a Unit is under lease, then the individual named in the certificate given pursuant to Paragraph 8 of the Master Deed (said individual being in these By-Laws called the "Voting Representative").

BOOK 1696 PAGE 824

Every lawful transfer of title to the Unit Owner's Unit shall include membership in the Association and upon making such transfer, the previous Unit Owner's membership shall automatically terminate. Except as aforesaid, membership in the Association may not be assigned or transferred and any attempted assignment or transfer thereof shall be void and of no effect.

5. Each Unit Owner shall receive a certificate which shall be numbered and entered upon the books of the Condominium as they are issued. The certificate shall state the number of votes to which the Unit designated is entitled. Upon presentation of satisfactory proof of the change of ownership of the Unit to the Secretary of the Condominium, the old certificate of membership of the Unit shall be cancelled and a new certificate of membership issued to the new Unit Owner.

In the determination of the record date for the purpose of voting, the ownership of the Unit upon the membership list of the Condominium shall control.

The Trustees shall have power to close the membership list for ten (10) days preceding any special or annual meeting of the Unit Owners.

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association shall be Plymouth Place, Ocean City, New Jersey 08226, but thereafter, may be located at such other suitable and convenient place or places as may be permitted by law and designated by the Trustees.

ARTICLE III

MEETINGS OF MEMBERS, VOTING

1. All annual and special meetings of the Members of the Association shall be held at the principal office of the Association or at such other suitable convenient place as may be permitted by law and from time to time fixed by the Trustees and designated in the notices of such meetings.

2. The first annual meeting of the Members of the Association shall be held at 7:30 P.M. on the first Monday of the third month after recording of the Master Deed. Subsequent annual meetings shall be held at 7:30 P.M., on the first Monday of March of each year if not a legal holiday, or if that day be a legal holiday, then on the next business day following at the same hour, at which time the Unit Owners shall elect the Board of Trustees in accordance with these By-Laws. The Unit Owners or their Voting Representatives may also transact such other business as may properly come before the annual meeting.

3. Special meetings of the Members may be called by the President, Vice President, Secretary or by a majority of the Trustees and must be called by such officers upon receipt of a written request from the Unit Owners owning not less than twenty-five (25%) percent of all Units. Such written request transacted at a special meeting shall be confined to the purposes stated in the notice.

Unless Unit Owners representing at least fifty (50%) percent of all votes entitled to be cast request such a meeting, no special meeting may be called to consider any matter which is substantially the same as a matter voted upon at any meeting of the Unit Owners held during the preceding twelve (12) months, which determination shall be made by the Board in its sole and absolute discretion.

4. For the purpose of determining the Unit Owners entitled to notice of any meeting of the Members, or any adjournment thereof, or for the purpose of any other action, the Trustees shall fix in advance a date as the record date for such determination. Such date shall not be more than thirty (30) days nor less than ten (10) days before the date of the meeting. If no record date is fixed, then the date shall be deemed to be the tenth day before the date of the meeting.

5. Notices of meetings of the Members of the Association shall be in writing. Notice of the meetings other than the annual meeting shall indicate and state that it is being issued by or at the direction of the person or persons calling the meeting. Such notice shall be mailed or delivered not less than ten (10) days prior to the date of the meeting. Notice of all meetings at which disposition is to be made of assets, or the granting of rights or easements in the Condominium Property must also be given to the holders of the first mortgages on the Units.

6. Notice of meetings need not be given to any Unit Owner who personally, or by his Voting Representative, signs a waiver of notice whether before or after the meeting. The attendance at a meeting of any Unit Owner or his Voting Representative, without protesting prior to the conclusion of the meeting the lack of proper notice of such meeting shall constitute a waiver of notice of the meeting by him.

7. A quorum at meetings of the Unit Owners shall consist of Unit Owners or their Voting Representatives holding twenty (20%) percent of the total outstanding valid and authorized votes of the Association present in person or by proxy.

8. Each Unit Owner shall be entitled to cast one vote for each Unit owned.

9. Proxy ballots shall be permitted with respect to all elections of the Trustees, and all amendments to the Articles of Incorporation, the Master Deed or these By-Laws, or any other matter which is to come before a meeting of the membership of the Association. Each proxy shall be in writing, signed by the Unit Owner whose vote is being cast by the proxy or, where a Unit is owned jointly, by one of the Unit Owners whose vote is being cast by the proxy, or by his or their duly authorized representative, and shall be delivered to the Secretary of the Association, or such other person as the President may designate, at least twenty-four (24) hours prior to the commencement of the meeting at which ballots are to be cast. Proxies may be revoked at any time prior to the opening of the polls, and no proxy shall be voted on after eleven (11) months from its date unless said proxy provides for a longer period, not to exceed three (3) years from the date of execution.

All proxies shall be substantially in the form prescribed by the Board and if not in such form, shall be deemed to be invalid by the Board, which shall exercise its sole and absolute discretion in making such a determination.

10. Only Unit Owners in good standing shall be entitled to vote in the affairs of the Association at any annual or special meeting thereof. A Unit Owner shall be deemed to be in "good standing" and "entitled to vote" if, and only if, he shall have fully paid all assessments made or levied against him and his Unit or Units by the Trustees as hereinafter provided, together with all interests, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his Unit or Units, at least three (3) days prior to the date fixed for such annual or special meeting.

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

12. A Unit which has been acquired by the Association in its own name or in the name of its agent, designee or nominee on behalf of all the Unit Owners shall not be entitled to vote so long as it continues to be so held.

13. As to matters involving the disposition of assets, or the granting of rights or easements in the Condominium Property, the affirmative vote of Unit Owners or their Voting Representatives representing a majority of the

total outstanding votes of the Association, which affirmative vote must be accompanied by the consent of the holders of the first mortgages on the Units with respect to other decisions of the Unit Owners, unless otherwise expressly set forth herein shall require for passage the affirmative vote of the Unit Owners or their Voting Representatives representing a majority of the total votes represented at any given meeting.

14. Any action involving the disposition of assets or the granting of rights or easements in the Condominium Property, or the amendment of these By-Laws may be taken without a meeting on such matters by written consent setting forth the action so taken or to be taken of the required number of Unit Owners or their Voting Representatives. Approval or disapproval of a Unit Owner on any matter whether or not the subject of a meeting shall be by the person holding title to the Unit on the books of the Condominium at the time of the execution of this instrument, or his Voting Representative if no meeting is being held, or by the person owning the Unit on the record date, or his Voting Representative, if such record date has been fixed and a meeting is to be held.

15. The Secretary shall compile and keep up to date at the principal office of the Association, a complete list of the Members and their last known post office addresses. Such list shall also show opposite each Member's name, the number of the Unit or Units owned by him, the percentage of Common Interest of the Member in the Common Elements in the Condominium, the number of votes which the Unit Owner is entitled to vote at meeting of the Association, and the Voting Representative, if any. This list shall be open to inspection by all Members and other persons lawfully entitled to inspect the same at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the minute book of the Association, containing the minutes of all annual and special meetings of the Association and all resolutions of the Trustees.

16. The order of business at the annual meeting of the Members shall be:

(a) Calling the role.
(b) Proof of the notice of the meeting certification as to waivers.
(c) Selection and appointment of inspectors of election.
(d) Election of Trustees.
(e) Reading of minutes of preceding meeting.
(f) Reports of the Officers.
(g) Reports of the Trustees.
(h) Reports of Committees.
(i) Unfinished business.
(j) New business.
(k) Adjournment.

17. The order of business at all other meetings of the Members shall as far as practical conform to the order of business at the annual meeting insofar as the special purpose of the meeting will permit.

ARTICLE IV

BOARD OF TRUSTEES

1. Until the first annual meeting of the Association, which is to take place within sixty (60) days after the conveyance by Grantor of 9 Units to individual purchasers, the Condominium shall be administered and managed, and the affairs of the Association shall be governed, by a Board of Trustees consisting of three (3) persons designated by Grantor, each of whom shall be over the age of 18 years. They need not be Unit Owners.

2. At the first meeting, the Board will be expanded to consist of five (5) Trustees, three (3) of whom will be appointed by Grantor and two (2) of whom shall be elected by the Unit Owners. The elected Trustees will serve for three-year terms and the appointed Trustees will serve for two-year terms.

When Unit Owners other than the Grantor own 27 Residential Units, four (4) members of the Board shall be elected by the Unit Owners and the remaining Board member shall be appointed by the Grantor. The Trustees shall serve an initial term of two (2) years. However, when the Grantor sells its last Unit in the normal course of business, it will lose any right to appoint a Trustee at Large and an election will be held to fill the vacancy for the balance of the unexpired term.

3. At least two (2) months preceding the annual meeting of the Members, the President shall appoint a nominating committee of five (5), at least one of whom shall be a member of the Board of Trustees, whose nominating committee, after first considering the qualifications of individuals, shall select an individual or individuals to be elected as a Trustee. Such committee shall report its nominees to the President at least fifteen (15) days prior to the annual meeting.

Any six (6) Unit Owners in good standing, or the Unit Owner of six (6) or more Units may nominate candidates to the Board of Trustees by presenting such nominations in writing signed by them to the Secretary. Such petition shall be presented not less than fifteen (15) days before the annual meeting.

At least ten (10) days prior to the annual meeting, the Unit Owners shall be notified in writing of all candidates to the Board of Trustees and shall be furnished with ballots. The names of all candidates shall be either typed or printed upon all ballots. Where there is more than one candidate, such names shall be arranged in alphabetical order.

Those candidates receiving the greater number of votes out of the number to be elected shall be declared elected and in case of a tie vote as to the last place to be filled, a new ballot shall be cast in order to determine the last successful candidate excluding those with a similar number of votes who shall be declared defeated. Cumulative voting shall not be permitted.

Unit Owners or their Voting Representatives may cast their vote prior to the annual meeting by depositing their ballots with the Secretary, to be opened by him at the meeting, and are not required to be present at the meeting to cast their ballots for the election of the Trustees.

4. If the office of any Trustee shall become vacant by reason of his death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Trustees, at a special meeting duly called for such purpose, shall choose a successor who shall serve for the remaining unexpired term of the Trustee replaced.

5. Trustees (except those selected by the Grantor under the Master Deed pursuant to the provision of 18 (ii) thereof) may be removed with or without cause, by the affirmative vote of Unit Owners or their Voting Representatives having two-thirds of the outstanding votes of the Association of any annual or special meeting of Members duly called for such purpose. When a member of the Board who has been elected by Unit Owners other than the Developer is removed or resigns, that vacancy shall be filled by a Unit Owner other than the Sponsor.

6. The first or organizational meeting of each newly elected Board of Trustees shall be held immediately upon adjournment of the meeting of Members at which they were elected and at the same place where the meeting of Members was held, provided a quorum is present. If a quorum of the Board is not then present, such first or organizational meeting shall be held as soon thereafter as may be practical, provided notice is given to each Trustee as set forth in 7 of this Article or unless waivered as provided in 8 of this Article.

7. The Board of Trustees shall meet regularly at least once a month on the first Tuesday of each month or on such other day as the Board may fix. The meetings shall be held at the principal office of the Association or at such other places as the Board may determine. The annual meeting of the Board shall be held immediately following the annual meeting of the Members at the place where such annual meeting of the Members is held. A special meeting of the Board may be called by the President or Vice President on two days notice given either in writing, in person, by telephone or by wire to each Trustee. Such special meeting must be called on the demand or request of two members of the Board.

8. Regular meetings once established may thereafter be held without notice at the time and place agreed upon by the Board. If the time or place of a regular meeting be changed by circumstances beyond the control of the Board, notice of the change shall be given in the same manner as for a special meeting. Notice of a meeting need not be given to any Trustee who submits a waiver of notice, whether such waiver be before or after the meeting. Attendance at the meeting shall be deemed to be a waiver of notice thereof.

9. At all duly convened meetings of the Board of Trustees, a majority of the Trustees shall constitute a quorum for the transaction of business except as otherwise expressly provided in these By-Laws or by law, and the acts of the majority of the Trustees present at such meeting at which a quorum is present, shall be the acts of the Board of Trustees. If at any meeting of the Board of Trustees there shall be less than a quorum present, the Trustee or Trustees present may

adjourn the meeting from time to time, and at any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting as originally called, may be transacted without further notice to any Trustee.

10. The Board of Trustees shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of the Association and the administration and management of the Condominium and Condominium Property, and may do or cause to be done all such other lawful acts and things as are not by law, by these By-Laws or otherwise directed or required to be done or exercised by the Unit Owners, or by others. In the performance of its duties as the administering body of the Association and the Condominium, the Board of Trustees shall have powers and duties set forth in the Condominium Documents, including, but not limited to, the following:

A. The operation, management, maintenance, renewal, replacement, repair, care, cleaning, upkeep, protection and surveillance of the Condominium, and the Condominium Property and all other property, real or personal, of the Association.

B. The preparation not later than September 15 of each fiscal year of a budget or estimate of Common Expenses for the next succeeding fiscal year which shall include, but not be limited to, reasonable reserves for depreciation, retirements and renewals. The total amount of such budget or estimate shall be assessed against all of the Units and the respective Unit Owners thereof, in the same proportion as their respective undivided Common Interests in the Common Elements as set forth in the Master Deed. The proportionate amounts thus found applicable to each Unit shall be payable by the Unit Owner thereof to the Association in equal monthly installments as provided in Paragraph 9 of the Master Deed. On or before the due date of the first installment, the Association shall prepare and deliver or mail to each Unit Owner and the holder of any permitted Mortgage a statement showing the amount thereof and the amount assessed against such Unit for the entire fiscal year and shall not be obligated to give notice of any subsequently occurring monthly payments for such fiscal year, and the omission of notice of such installment shall not relieve such Unit Owner from his obligation to pay such monthly installments promptly when and as they become due and payable. The omission by the Board of Trustees to fix the assessments for the next fiscal year shall not be deemed a waiver or modification in any respect of the provisions hereof or the Condominium Documents, or a release of the assessments, or any installment thereof for any such year, but the assessment fixed for the preceding fiscal year shall continue until a new assessment is fixed.

C. By majority vote of the Board, to adjust or increase the amount of any annual assessment for the Common Expenses and quarterly installments thereof, and to levy and collect in addition thereto, special

assessments for Common Expenses in such amounts as the Board may deem proper, whenever the Board is of the opinion it is necessary to do so in order to meet increased operating costs, or additional capital expenses, or because of emergencies; provided, however, that all such increased or special assessments shall be made or levied against the Unit Owners and the Units owned by them respectively, in the same proportions or percentages as provided in Subsection B, 10 of this Article IV. Anything to the contrary herein notwithstanding, neither Sponsor nor any Institutional Lender on any Unit shall be required to pay any assessment for capital improvements of any kind, including reserves, whether by way of regular or special assessments or otherwise. Further, this provision may not be amended without the written consent of the sponsor and that of every Institutional Lender.

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

D. To use and expend any sums collected from such assessment for the operation, management, maintenance, renewal, replacement, repair, care, cleaning, upkeep, surveillance and protection of the Condominium Property and all of the real and personal property of the Association. No expenditure for capital improvements in excess of $5,000.00 for any one item shall be made by the Trustees without the affirmative vote of the Unit Owners or their Voting Representatives representing a majority of the total votes at an annual meeting or special meeting called for that purpose at which a quorum was present. In the event there shall be any Common Surplus remaining at the end of each fiscal year, then the same shall be returned or credited to the Unit Owners in the same proportion as their Common Interest therein as soon as practical after the end of such fiscal year.

E. The Board may impose upon each Unit Owner, upon acquisition of title to his Unit, a non-refundable contribution to the capital of the Association in an amount to be determined by the Board, but not to exceed $250.00. If imposed, payment of such fee shall be a condition precedent to membership in the Association. Any unpaid membership fee shall be deemed a lien on the Unit in the same manner as any unpaid Common Expenses attributable to such Unit.

F. To require all officers and employees of the Association and Managing Agent handling, or responsible for funds of the Association or funds in its possession or under its control to furnish adequate fidelity bonds, in form, penalties and with corporate surety satisfactory to the Board of Trustees. The premiums on such bonds shall be paid by the Association as part of the Common Expenses. While the developer maintains a majority of representation on the executive board, he shall post a fidelity bond or other guarantee acceptable to the Agency, in an amount equal to the annual budget. For the second

and succeeding years, the bond or other guarantee shall include accumulated reserves.

G. To pay all taxes and assessments levied against any property of the Association, exclusive of any taxes or assessments levied against any Unit or otherwise property chargeable to the Unit Owner or Unit Owners thereof.

H. To employ and dismiss such clerks, workmen, janitors, watchmen and other personnel, and to purchase or arrange for such services, machinery, equipment, tools, materials and supplies, as in the opinion of the Board of Trustees may from time to time be necessary for the proper operation and maintenance of the Condominium and the Condominium Property, except the portions thereof required to be maintained by the Unit Owners.

I. To collect delinquent levies or assessments made by the Association through the Board of Trustees against any Units and the respective Unit Owners thereof, together with such costs and expenses incurred in connection therewith, including but not limited to filing fees, court costs and attorney's fees, whether by suit or otherwise, to abate nuisances and enforce observances of the Rules and Regulations relating to the Condominium, by injunction or such other legal action or means as the Board of Trustees may deem necessary or appropriate.

K. To employ or retain legal counsel, engineers and accountants, and to fix their compensation whenever such professional advice or services may be deemed necessary by the Board for any proper purposes of the Association, including but not limited to those hereinbefore or hereinafter referred to in these By-Laws.

L. To cause such operating account, and escrow and other accounts, if any, to be established and opened as the Board of Trustees may deem appropriate from time to time and as may be consistent with good accounting practices.

M. (1) To cause a complete audit of the books and accounts of the Association to be made by a competent certified public accountant at the end of each fiscal year, and at such other time or times as may be deemed necessary.

The Board of Trustees shall also prepare at the end of each fiscal year and furnish to the Unit Owner of each Unit a report of the business and affairs of the Association, showing its transactions and reflecting fully and accurately its financial condition.

(2) To keep detailed books of account, in chronological order, of the receipts and expenditures affecting the Condominium and its administration and specifying the amount of the Common Expenses, Common Receipts and Common Surplus, and the portions thereof attributable to each Unit.

(3) While the Developer maintains a majority of the Board, he shall have an annual audit of Association funds prepared by an independent accountant, a copy of which shall be delivered to each Unit Owner within ninety (90) days of the expiration of the fiscal year of the Association. The audit shall cover the operating budget and reserve accounts.

N. To make and enforce compliance with such reasonable Rules and Regulations relative to the operation, use and occupancy of the Units, the Common Elements and other Condominium Property (including the assignment to each Unit of the exclusive right to the use of certain parking spaces on a uniform, reasonable and equitable basis, if deemed necessary or proper), and to amend the same from time to time as the Board shall deem necessary or appropriate, which Rules and Regulations when approved by appropriate resolutions shall be binding on the Unit Owners and the tenants and occupants of Units. A copy of such Rules and Regulations and copies of any amendments thereof shall be delivered or mailed to each Unit Owner of a Unit promptly upon the adoption thereof. The Rules and Regulations shall be subject to change by a majority of Unit Owners.

O. The Board of Trustees shall maintain the insurance and keep the Condominium Property insured as provided in Paragraph 14 of the Master Deed. The Board of Trustees shall review the insurance requirements and limits thereof once each year.

P. The Association shall pay the premiums on the aforementioned policies as Common Expenses. In the event the amount of any premium on such insurance shall be increased above the normal premium because of a particular use of, or hazard or risk in, a Unit, then the Unit Owner of such Unit shall be solely liable for the increase, and the same shall not constitute a Common Expense.

Q. To collect all proceeds of all casualty or physical damage insurance and to apply the same towards the cost of repair, restoration or replacement of any damaged Condominium Property in accordance with the provisions of the Master Deed and these By-Laws.

R. To prosecute all proceedings with respect to the taking, injury or destruction by eminent domain of the Common Elements or any part thereof, or any part of the Condominium Property, provided, however, that the Board of Trustees shall not compromise any claim without the affirmative vote of Unit Owners or their Voting Representatives representing at least a majority of the total outstanding votes of the Association of an annual meeting or special meeting thereof called for that purpose. The Board of Trustees shall also determine whether it shall be appropriate to apply any sums payable with respect to such taking, injury, destruction to the repair or replacement of the Common Elements or Condominium Property injured or destroyed as a result thereof and shall distribute any sums not so applied in Paragraph 15A of the Master Deed.

S. To purchase any Unit in the Condominium on which the Association has a lien as a result of the failure of a Unit Owner to pay his pro rata share of Common Expenses following execution upon such lien in order to protect the interest of the Association and

the Members thereof, and to purchase and lease Units pursuant to the provisions of Paragraph 9 of the Master Deed, and otherwise to hold, lease, sublet, mortgage and convey same.

T. To lease or license the use of Common Elements in a manner not inconsistent with the rights of the Unit Owners.

U. In its discretion to employ a professional Managing Agent and to delegate to such Agent the following powers and duties:

(1) Ministerial duties, which by the Condominium Act, are not required to be done by the Association or the Unit Owners;

(2) Powers which require only ministerial functions in order to carry out the intent and purpose of the power, which powers are not required to be enforced only by the Association or the Unit Owners; and

(3) Delegate all powers and duties not prohibited by law or by these By-Laws.

V. To perform such other duties as are contained in the Master Deed or any amendment or supplement thereto.

11. Grantor's Protective Provisions. After control of the Board of Trustees has become vested in Trustees elected by Unit Owners other than the Grantor, and so long as the Grantor owns at least one (1) Unit and holds same for sale in the ordinary course of business, the following shall apply:

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

B. The Association and its Board of Trustees shall continue the same level of maintenance, operation and services as provided immediately prior to the assumption of control of the Association and the Board of Trustees by Unit Owners other than the Grantor.

C. In furtherance of the foregoing provisions, the Grantor shall have the right to veto any and all actions of the Association or its Board of Trustees which may have any direct or indirect detrimental impact upon the Grantor as may be determined by the sole discretion of the Grantor.

D. The Grantor shall exercise its veto right, in its sole and absolute discretion, within ten (10) days after its receipt of notice that a resolution or other action is proposed or has been taken by the Association or its Board of Trustees. In such event, the

Grantor shall notify the Secretary of the Association of its exercise of its veto right and any such proposal or action shall be null and void ab initio and of no further force or effect.

The aforementioned protective provisions shall be construed in accordance with and not in derogation of N.J.S.A. 46:8B-12.1 of the New Jersey Condominium Act and N.J.A.C. 5:26-8.4 of the regulations promulgated pursuant to the New Jersey Planned Real Estate Development Full Disclosure Act, N.J.S.A. 45:22A-21 et seq.

ARTICLE V

OFFICERS

1. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer. The secretary may be eligible to the office of Treasurer. The President and Vice President shall also be members of the Board of Trustees.

2. The officers of the Association shall be elected annually by the Board of Trustees at the organization of each new Board and shall hold office until their successors are elected or appointed by the Board, and qualify, provided that each officer shall hold office at the pleasure of the Board of Trustees and may be removed either with or without cause and his successor elected at any annual or special meeting of the Board called for such purpose, upon the affirmative vote of a majority of the members of the Board. The Board of Trustees may, from time to time, appoint such other officers as in their judgment are necessary.

3. The President shall be the chief officer of the Association and shall preside at all meetings of the Members and of the Board of Trustees. He shall have the general powers and duties usually vested in the office of President of an Association, including but not limited to, the power to appoint committees from among the Members and Voting Representatives from time to time as he may deem appropriate to assist in the conduct of the affairs of the Association. He shall execute such deeds, leases, mortgages, bonds, notes, contracts and other instruments, in the name and on behalf of the Association and under its corporate seal when the signing and execution thereof shall be delegated by the Board of Trustees to another officer or agent of the Association.

4. The Vice President shall perform all duties as shall be delegated to him by the President. He shall serve as chairman of the respective committees which the President shall deem appropriate. He shall exercise the powers and perform the duties of the President in his absence or disability.

5. The Secretary shall attend all meetings of the Board of Trustees and all meetings of the Members and record all notes and minutes of all meetings and proceedings, including resolutions, in a minute book to be kept for that purpose and shall have charge of the minute book and such records and papers as the Board shall direct and perform all duties incident to the office of Secretary, including the sending of notices of meetings to the Members, the Board of

Trustees and committees and such other duties as may be prescribed by the By-Laws or by the Board of Trustees or the President. He shall also have custody of the corporate seal and when authorized by the Board, affix same to any instrument requiring it and attest the same when appropriate.

6. The Treasurer shall have responsibility for the Association's funds and securities and shall deposit all monies, checks and other valuable effects in the name and to the credit of the Association as such depositories as may from time to time be designated by the Board of Trustees. He shall disburse the funds of the Association as may from time to time be ordered by the Board of Trustees, at the regular meetings of the Board or whenever they or either of them shall require, an account of his transactions as Treasurer and of the financial condition of the Association.

7. The officers of the Association shall serve without compensation except that they shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties, unless one officer shall act as collection and/or management agent, then a fee to be determined by the Trustees shall be allowed. Said fee shall be deducted without further approval, from the monies collected each month and shall be shown accordingly on all accounting records and statements.

ARTICLE VI

INDEMNIFICATION OF OFFICERS AND DIRECTORS

1. The Trustees and officers shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify every Trustee and officer, his heirs, executors and administrators, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit, or proceeding to which he may be a party by reason of his being or having been a Trustee or officer of the Association except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for willful misconduct or bad faith. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified had not been guilty of willful misconduct or bad faith in the performance of his duty as such Trustee or officer in relation of the matter involved. The foregoing rights shall not be exclusive of other rights to which such Trustee or officer may be entitled. All liability, loss, damage, cost and expenses incurred or suffered by the Association by reason arising out of or in connection with the foregoing indemnification provisions shall be treated by the Association as Common Expenses provided, however, that nothing in this Article contained shall be deemed to obligate the Association to indemnify any Member or Unit Owner who is or has been a Trustee or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of his membership in the Association or as a Unit Owner of a Unit. Nothing contained herein to the contrary shall serve to exculpate members of the Board appointed by the Sponsor from their fiduciary responsibilities.

ARTICLE VII

MORTGAGES

1. A Unit Owner who mortgages his Unit shall notify the Association of the name and address of his mortgagee and the Association shall maintain such information in a book entitled "Mortgages of Units".

2. The Trustees, whenever so requested in writing by a mortgagee of a Unit shall promptly report any then unpaid assessments for Common Expenses due from, or any other default by, the Unit Owner of the mortgaged Unit.

3. The Trustees, when giving notice to a Unit Owner of a default in paying assessments for Common Expenses or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has therefore been furnished to the Association.

4. Each mortgagee of a Unit who shall have given the aforesaid information to the Association shall be permitted to examine the books of account of the Condominium at reasonable times, on business days.

ARTICLE VIII

FISCAL YEAR

1. The fiscal year of the Association shall begin on the first day of September in each year.

ARTICLE IX

CORPORATE SEAL

1. The corporate seal of the Association shall contain the name "Beach Watch II Motel Condominium Association", the words "Incorporated, New Jersey", and the year of the incorporation.

ARTICLE X

AMENDMENTS TO BY-LAWS

1. Amendment of the By-Laws shall be proposed by either the Board of Trustees or by Unit Owners of at least five (5) Units. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon.

2. The affirmative vote of Unit Owners or their Voting Representatives representing seventy-five (75%) percent of the total outstanding vote of the Association shall be required to amend these By-Laws.

3. The developer shall not be permitted to cast any votes held by him for unsold lots, parcels, units or interests for the purpose of amending the master deed, by-laws or any other document for the purpose of changing the permitted use of a lot, parcel, unit or interest, or for the purpose of reducing the common elements or facilities.

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ARTICLE XI

PARLIAMENTARY RULES

1. Roberts Rules of Order (latest edition) shall govern the conduct of the proceedings of the Association and the Board of Trustees.

ARTICLE XII

DISSOLUTION

1. In the event it shall be deemed advisable and for the benefit of the Members of the Association that the Association shall be dissolved, the procedures concerning dissolution set forth in Chapter 12 of Title 15A of the Revised Statutes of the State of New Jersey, entitled "The New Jersey Nonprofit Corporation Act" shall be followed.

2. In the event of dissolution, the assets of the Association, after the payment of all debts including mortgages and other encumbrances, shall be distributable to the Unit Owners in the same proportion as their respective Common Interests in the Common Elements.

RULES AND REGULATIONS

OF

BEACH WATCH II MOTEL CONDOMINIUM

1. The walkways, entrances, halls, corridors, and stairways shall not be obstructed or used for any purpose other than ingress to and egress from the Units.

2. The exterior of the Units and all other areas appurtenant to a Unit shall not be painted, decorated, or modified by any Owner in any manner without proper consent of the Association, which consent may be withheld on purely aesthetic grounds within the sole discretion of the Association.

3. No article shall be hung or shaken from the doors or windows or placed upon the outside window sills of the Unit.

4. No bicycles, scooters, baby carriages or similar vehicles or toys or other personal articles shall be allowed to stand in any of the common areas.

5. No Owner shall make or permit any noises that will disturb or annoy the occupants of any of the Units or do or permit anything to be done which will interfere with the rights, comfort or convenience of other Owners.

6. Each Owner shall keep such Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

7. No awnings, window guards, light reflective materials, hurricane or storm shutters shall be used in or about any Residential Unit except as shall have been approved by the Association, which approval may be withheld on purely aesthetic grounds within the sole discretion of the Association.

8. No sign, notice or advertisement shall be inscribed or exposed on or at any window or other part of any Residential Unit except such as shall have been approved in writing by the Association nor shall anything be projected out of any window of any Residential Unit without similar approval.

9. Waterclosets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed. Any damage resulting from misuse of any waterclosets or other apparatus shall be paid for by the Owner in whose Unit it shall have been caused.

10. No Owner shall request or cause any employees of the Association to do any private business of the Owner, except as shall have been approved in writing by the Association.

11. No radio or television aerial or antenna shall be attached to, or hung from, the exterior of the Units or the roofs thereon.

12. The agents of the Association and any contractor or workman authorized by the Association may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the By-Laws of the Association or Management Agreement. Except in case of emergency, entry will be made by prearrangement with the Owner and at a reasonable hour.

13. All damage to the Units caused by the moving or carrying of any article therein shall be paid by the Owner responsible for the presence of such article.

14. No Owner, except for a Commercial Unit Owner in the regular course of business, shall use or permit to be brought into the Units any inflammable oils or fluids such as gasoline, kerosene, naptha or benzine, or other explosives or articles deemed extra hazardous to life, limb or property.

15. No Residential Unit Owner shall be allowed to put their names on any entry of the Units or mail receptacles appurtenant thereto, except in the proper places and in the manner prescribed by the Association for such purpose.

16. The Association may retain a passkey to each Unit. No Owner shall alter any lock or install a new lock on any door leading into the Unit of such Owner without the prior consent of the Association. If such consent is given, the Owner shall provide the Association with a key for the use of the Association.

17. Any damage to the Building, recreational facilities, or other common areas or equipment caused by any resident or his guests shall be repaired at the expense of the Owner.

18. Parents shall be held responsible for the actions of their children and their guests.

19. Complaints regarding the management of the Units and grounds or regarding actions of other Owners shall be made in writing to the Association.

20. Any consent or approval given under these Rules and Regulations by the Association shall be revocable at any time.

21. No pet shall be kept or harbored in the Condominium unless the same in each instance be expressly permitted in writing by the Association, which permission may be conditioned on such terms as the Association in its sole discretion deems to be in the best interests of the Condominium as a whole. Such permission in one instance shall not be deemed to institute a blanket permission or permissions in any other instance and any such permission may be revoked at any time in the sole discretion of the Association. In no event shall dogs be permitted in any of the public portions of the Condominium unless carried on a leash, and only in such places as may from time to time be designated by the Association. The Owner shall indemnify the Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from or growing out

of having any animal in the development. If a dog or other animal becomes obnoxious to other Owners by barking or otherwise, the Owner thereof must cause the problem to be corrected; or if it is not corrected, the Owner, upon written notification by the Association, will be required to dispose of the animal.

22. No one-bedroom Unit shall be occupied by more than two permanent occupants.

23. These Rules and Regulations may be modified, added to, or repealed at any time by the Association.

24. No glass containers, bottles, etc., or food shall be permitted in the pool area.

25. The pool shall be open from May to October, seven days a week, between the hours of 10:00 A.M. and 6:00 P.M. Use of the pool when it is closed shall be prohibited.

26. All persons must shower prior to entering pool area.

27. No person having any infectious or communicable disease shall be permitted to use the pool.

28. No person having open blisters, sores or cuts shall be permitted in the pool area.

29. Discharging of human waste, blowing nose, etc. are prohibited in the pool area.

30. Running, boisterous or rough play in the pool area is prohibited.

31. All animals are prohibited in the pool area.

32. All children and non-swimmers must be accompanied by a responsible adult in the pool area.

CERTIFICATE OF INCORPORATION

OF THE

BEACH WATCH II MOTEL CONDOMINIUM ASSOCIATION

This instrument is to certify that we, HERBERT MIDELTON, MILDRED MIDELTON, STANLEY MIDELTON and LYNNE MIDELTON, do hereby associate ourselves into a corporation under and by virtue of the provisions of an Act of the Legislature of the State of New Jersey, entitled "The New Jersey Non Profit Corporation Act" (Title 15 A of the New Jersey Statutes) and the amendments thereof and supplements thereto, for a lawful purpose other than pecuniary profits as hereinafter stated, and to that end we do by this instrument certify that:

FIRST: The name by which this corporation shall be known in law shall be the BEACH WATCH II MOTEL CONDOMINIUM ASSOCIATION, INC.

SECOND: The purpose for which this corporation is formed is for management, administration, maintenance, repair and replacement of the property of The Beach Watch II Motel Condominium Ocean City, New Jersey, a condominium created pursuant to R.S. 46:8B-8 et seq.

THIRD: The said corporation shall be located and its activities shall be conducted in the City of Ocean City, County of Cape May and State of New Jersey.

FOURTH: The corporation shall have a single class of members. The qualifications for membership and rights and limitations of members shall be as set forth in the By-laws.

FIFTH: The number of trustees selected for the first year of existence of said corporation shall be four and the names and addresses of the said trustees follow:

Herbert Midelton	2 South Suffolk Avenue Ventnor, New Jersey
Mildred Midelton	2 South Suffolk Avenue Ventnor, New Jersey

EXHIBIT E

Stanley Midelton	1422 Black Horse Pike Cardiff, New Jersey
Lynne Midelton	1422 Black Horse Pike Cardiff, New Jersey

Trustees shall thereafter be elected as set forth in the By-laws.

SIXTH: The name and address of the resident agent of te said corporation, upon whom process against the said corporation may be served is Emanuel L. Levin, Esquire, Suite 344, 1125 Atlantic Avenue, Atlantic City, New Jersey 08401.

SEVENTH: The method of distribution of the assets of the corporation shall be as set forth in the By-laws.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this 6 day of February, 1986.

HERBERT MIDELTON

MILDRED MIDELTON

STANLEY MIDELTON

LYNNE MIDELTON

STATE OF NEW JERSEY:

COUNTY OF ATLANTIC:

BE IT REMEMBERED, that on this 6 day of February, 1986, before me, the subscriber, personally appeared HERBERT MIDELTON, MILDRED MIDELTON, STANLEY MIDELTON and LYNNE MIDELTON, who, I am satisfied, are the persons named in and who executed the within Instrument, and thereupon have acknowledged that they signed, sealed and delivered the same as their act and deed, for the uses and purposes therein expressed.

Arlene M. Devlin

ARLENE M. DEVLIN
A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 26, 1986

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RECEIVED IN THE CLERK'S OFFICE OF CAPE MAY COUNTY, AT CAPE MAY COURT HOUSE, N. J. ON THE 6th DAY OF June 1987 AT 10:30 A.M. AND RECORDED IN BOOK No. 1696 DEEDS, PAGE 790

Angela L. Richards
CLERK

BOOK 1696 PAGE 844

THE TITLE COMPANY OF JERSEY
Ocean City, New Jersey 08226