

16.14 Effect on Developer. Subject to the following exceptions, the restrictions and limitations set forth in this Section 16 shall not apply to the Developer nor to Units owned by the Developer. The Developer shall not be exempt from the restrictions, if any, relating to requirements that leases or lessees be approved by the Association, pet restrictions, occupancy of Units based on age and vehicular restrictions, except as such vehicular restrictions relate to the Developer's construction, maintenance and marketing activities.

17. Selling and Mortgaging of Units. No Residential Unit Owner other than the Developer may sell his or her Residential Unit except by complying with the following provisions:

17.1 Right of First Refusal. Any Residential Unit Owner who receives a bona fide offer to purchase his or her Residential Unit (such offer to purchase a Residential Unit is called an "Outside Offer," the party making any such Outside Offer is called an "Outside Offeror," and the Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which the Offeree Unit Owner intends to accept shall give notice by registered mail to the Hotel Unit Owner of the receipt of such Outside Offer. Said notice shall also state the name and address of the Outside Offeror, the terms of the proposed transaction and such other information as the Hotel Unit Owner may reasonably require. The giving of such notice to the Hotel Unit Owner shall constitute an offer by the Offeree Unit Owner to sell his or her Residential Unit to the Hotel Unit Owner or its designee upon the same terms and conditions as contained in such Outside Offer and shall also constitute a warranty and representation by the Offeree Unit Owner to the Hotel Unit Owner that such Offeree Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as the Hotel Unit Owner may reasonably request. Not later than thirty (30) days after receipt of such notice, together with such further information as may have been requested, the Hotel Unit Owner or its designee may elect, by sending written notice to such Offeree Unit Owner before the expiration of said thirty (30) day period, by certified mail, to purchase such Unit upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Unit Owner.

In the event the Hotel Unit Owner shall timely elect to purchase such Residential Unit, or to cause the same to be purchased by its designee, title shall close at the office of the attorneys for the Hotel Unit Owner, in accordance with the terms of the Outside Offer, within forty five (45) days after the giving of notice by the Hotel Unit Owner of its election to accept such offer. If, pursuant to such Outside Offer to purchase said Residential Unit, the Outside Offeror was to assume or take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Hotel Unit Owner may purchase the Residential Unit and assume or take title to the Residential Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner shall convey the same to the Hotel Unit Owner, or to its designee, by statutory warranty deed, with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other taxes arising out of such sale. Title shall be good and marketable and insurable and the Offeree Unit Owner shall deliver an abstract or provide a title binder (and subsequently, title insurance) at its expense at least thirty (30) days prior to such closing. Real estate taxes, mortgage interest if any and Common Expenses shall be apportioned between the Offeree Unit Owner and the Hotel Unit Owner, or its designee, as of the closing date.

In the event the Hotel Unit Owner or its designee shall fail to accept such offer within thirty (30) days after receipt of notice and all additional information requested, as aforesaid, the Offeree Unit Owner shall be free to accept the Outside Offer within sixty (60) days after (i) notice of refusal is given by the Hotel Unit Owner, or (ii) the expiration of the period in which the Hotel Unit Owner or its designee might have accepted such offer, as the case may be. In the event the Offeree Unit Owner shall not, within such sixty (60) day period, accept, in writing, the Outside Offer or if the Offeree Unit Owner shall accept the Outside Offer within such sixty (60) day period but such sale shall not be consummated in accordance with the terms of such Outside Offer or within a reasonable time after the date set for closing thereunder, then, should such Offeree Unit Owner thereafter elect to sell such Unit, the Offeree Unit Owner shall be required to again comply with all of the terms and provisions of this Section.

Any deed to an Outside Offeror shall automatically be deemed to provide that the acceptance thereof by the grantee or tenant shall constitute an assumption of the provisions of the Declaration, the By-Laws, the Articles of Incorporation, applicable rules and regulations and all other agreements, documents or instruments affecting the Condominium Property or administered by the Hotel Unit Owner, as the same may be amended from time to time.

Any purported sale of a Unit in violation of this Section shall be voidable at any time at the election of the Hotel Unit Owner and if the Hotel Unit Owner shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Hotel Unit Owner to institute legal proceedings to void the conveyance. Said Unit Owner shall reimburse the Hotel Unit Owner for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

The foregoing restrictions regarding sales of Units shall not apply to the Hotel Unit, Commercial Units, Units owned by the Developer, its designees, assignees or affiliates or by or to any Institutional First Mortgagee acquiring title by foreclosure or by a deed in lieu of foreclosure. Commercial Unit Owners, the Developer, its/their designees, assignees or affiliates and such Institutional First Mortgagees shall have the right to sell Units without having to first offer the same for sale to the Hotel Unit Owner.

17.2 No Severance of Ownership. No part of the Common Elements may be sold, conveyed or otherwise disposed of, except as an appurtenance to the Unit in connection with a sale, conveyance or other

disposition of the Unit to which such interest is appurtenant, and any sale, conveyance or other disposition of a Unit shall be deemed to include that Unit's appurtenant interest in the Common Elements.

- 17.3 Release by the Hotel Unit Owner of the Right of First Refusal. The right of first refusal contained in Section 17.1 may be released or waived by the Hotel Unit Owner only in the manner provided in Section 17.4. In the event the Hotel Unit Owner shall release or waive its right of first refusal as to any Unit, such Unit may be sold or conveyed free and clear of the provisions of said Section 17.1.
- 17.4 Certificate of Termination of Right of First Refusal. A certificate executed and acknowledged by the Hotel Unit Owner stating that the provisions of Section 17.1 have been satisfied by a Unit Owner, or stating that the right of first refusal contained therein has been duly released or waived by the Hotel Unit Owner and that, as a result thereof, the rights of the Hotel Unit Owner thereunder have terminated, shall be conclusive with respect to all persons who rely on such certificate in good faith. The Hotel Unit Owner shall furnish such certificate upon request to any Unit Owner in respect to whom the provisions of such Section have, in fact, terminated or been waived. No fee shall be charged by the Hotel Unit Owner in connection with the furnishing of such certificate in excess of the charges reasonably required for same.
- 17.5 Exceptions. The provisions of Section 17.1 shall not apply with respect to any sale or conveyance of any Unit by (a) the Unit Owner thereof to his or her spouse, adult children, parents, parents-in-law, adult siblings or a trustee, corporation or other entity where the Unit Owner or the aforementioned related persons are and continue to be the sole beneficiary or equity owner of such trustee, corporation or other entity, or to any one or more of the above, (b) or to, the Developer, (c) or to, the Hotel Unit Owner, (d) the Association, (e) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of foreclosure, or (f) a First Mortgagee (or its designee) deriving title by virtue of foreclosure of its mortgage or acceptance of a deed in lieu of foreclosure; provided, however, that each succeeding Unit Owner shall be bound by, and his Unit subject to, the provisions of this Section 17.
- 17.6 Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit by gift, to devise his Unit by will, or to have his Unit pass by intestacy, without restriction; provided, however, that each succeeding Unit Owner shall be bound by, and his Unit subject to, the provisions of this Section 17.
- 17.7 Mortgage of Units. Each Unit Owner shall have the right to mortgage his Unit without restriction.
18. Compliance and Default. The Association, each Unit Owner, occupant of a Unit, tenant and other invitee of a Unit Owner shall be governed by and shall comply with the terms of this Declaration and all exhibits annexed hereto and the rules and regulations adopted pursuant to those documents, as the same may be amended from time to time and the provisions of all of such documents shall be deemed incorporated into any lease of a Unit whether or not expressly stated in such lease. The Association (and Unit Owners, if appropriate) shall be entitled to the following relief in addition to the remedies provided by the Act:
  - 18.1 Mandatory Nonbinding Arbitration of Disputes. Prior to the institution of court litigation, the parties to a Dispute shall petition the Division for nonbinding arbitration. The arbitration shall be conducted according to rules promulgated by the Division and before arbitrators employed by the Division. The filing of a petition for arbitration shall toll the applicable statute of limitation for the applicable Dispute, until the arbitration proceedings are completed. Any arbitration decision shall be presented to the parties in writing, and shall be deemed final if a complaint for trial de novo is not filed in a court of competent jurisdiction in which the Condominium is located within thirty (30) days following the issuance of the arbitration decision. The prevailing party in the arbitration proceeding shall be awarded the costs of the arbitration, and attorneys' fees and costs incurred in connection with the proceedings. The party who files a complaint for a trial de novo shall be assessed the other party's arbitration costs, courts costs and other reasonable costs, including, without limitation, attorneys' fees, investigation expenses and expenses for expert or other testimony or evidence incurred after the arbitration decision, if the judgment upon the trial de novo is not more favorable than the arbitration decision. If the judgment is more favorable, the party who filed a complaint for trial de novo shall be awarded reasonable court costs and attorneys' fees. Any party to an arbitration proceeding may enforce an arbitration award by filing a petition in a court of competent jurisdiction in which the Condominium is located. A petition may not be granted unless the time for appeal by the filing of a complaint for a trial de novo has expired. If a complaint for a trial de novo has been filed, a petition may not be granted with respect to an arbitration award that has been stayed. If the petition is granted, the petitioner may recover reasonable attorneys' fees and costs incurred in enforcing the arbitration award.
  - 18.2 Negligence and Compliance. A Unit Owner and/or tenant of a Unit shall be liable for the expense of any maintenance, repair or replacement made necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent such expense is not met by the proceeds of insurance actually collected in respect of such negligence by the Association. In the event a Unit Owner, tenant or occupant fails to maintain a Unit or fails to cause such Unit to be maintained, or fails to observe and perform all of the provisions of the Declaration, the By-Laws, the Articles of Incorporation of the Association, applicable rules and regulations, or any other agreement, document or instrument affecting the Condominium Property or administered by the Association, in the manner required, the Association shall have the right to proceed in equity to require performance and/or compliance, to impose any applicable fines, to sue at law for damages, and to charge the Unit Owner for the sums necessary to do whatever work is required to put the Unit Owner or Unit in compliance, provided, however, that nothing contained in this Section 19.2 shall authorize the Association to enter a Unit to enforce compliance. In any proceeding arising because of an alleged failure of a Unit Owner, a tenant or the Association to comply with the requirements of