

D. **PLOT PLAN**: Plot Plan for common elements and unit locations are described in Exhibit #1", which is attached hereto.

E. **UNITS**: Each "unit" is comprised that of the Condominium property designated for the independent use of each individual Unit Owner and is identified on the Plan by letter designation; each Unit is listed in Paragraph "G" below.

F. **COMMON ELEMENTS**:

1. Common Elements subject to Exclusive Easements:

- a. Any balcony or patio to which there is a direct access from the interior of a unit shall constitute a common elements subject to exclusive easement for the exclusive use of the owner of such unit. The unit owner shall be responsible for the removal of snow from any balcony or patio and for the maintenance and repair of the same which shall not be a common expense.
- b. The parking area is a common area. The parking area shall be used for the purpose of parking of vehicles for each unit, which rules shall be prescribed by the Association for the purpose of assignment of one parking spot for one unit, together with guest parking.
- c. The driveway is a common area for both units for egress only. No vehicles or obstructions will be made to block The use of the parking facility.

2. Common elements unrestricted: All appurtenances and facilities and other items which are not part of the units hereinbefore described in Paragraph "E" and which are not part of the Common Elements subject to Exclusive Easement hereinbefore described.

G. **INTEREST IN COMMON ELEMENTS**: The Schedule set forth below lists the respective proportionate undivided interest in the Common Elements to be held by each Owner of each Unit as designated by the respective letter-number on the Plan:

SCHEDULE PARAGRAPH "G"

UNIT NO.	INTEREST IN COMMON ELEMENTS
A	15
B	15
C	10
D	25
E	20
F	15

H. **VOTING RIGHTS:** The voting rights of each Unit owner are set forth in Paragraph IV of the By-Laws.

I. **BY-LAWS:** There is enclosed herein (marked Exhibit #2) the By-Laws of Schaffer Building, a Condominium.

J. **AMENDMENT:** This Master Deed may be amended or supplemented by Schaffer Building, a Condominium, in accordance with the procedures set forth in Paragraph VIII of the By-Laws (Exhibit #2); provided, however, that any such amendment shall not be contrary to the procedures set forth in Section 46:8B-11 of the Condominium Act; and provided further that no such amendment shall be contrary to, or in violation of, any provision of any agreement which the Developer or individual Unit Owner may have entered into prior to the time of said amendment with third party lenders for the purpose of securing loans on the real property described herein including any individual Unit. Any amendment to this Master Deed shall be recorded in the same office as this Master Deed before it shall become effective.

K. **ASSOCIATION:** Schaffer Building, a Condominium is an unincorporated Association, and is the entity responsible for the administration and management of the Condominium. Robert Schaffer, Director who resides 1955 Route 35 North, Ortley Beach, Township of Dover, County of Ocean, and State of New Jersey is hereby designated as agent to receive services of process upon the Association.

L. **COMMON EXPENSES:** Common Expenses, as defined by the Condominium Act, shall be assessed and divided between the Unit Owners in accordance with the percentages set forth in Paragraph G above, except water and sewer charges which shall be determined by dividing the number of water fixtures per unit by the total number of fixtures. The specific manner of sharing Common Expenses is set forth in detail in Paragraph VI of the By-Laws, being (Exhibit #2). Common Surplus, as defined by the Condominium Act, if any, shall be divided and distributed to each Unit Owner in accordance with the percentages set forth in Paragraph G, above.

M. **BUILDING ALTERATIONS:** There shall be no alterations or improvements of the real property without the prior written approval of the Association; provided, however, that the Developer reserves the right to change the interior design and arrangement of any Unit and the boundaries between the Units so long as the Developer maintains title to the units being altered; any such change shall be reflected by an amendment of this Master Deed which may be executed by the Developer alone, notwithstanding the procedures for regular amendments set forth in Paragraph J above.

N. **MAINTENANCE AND REPAIR:** The Association, at its expense, shall be responsible for the cleaning, maintenance, repair and any required replacement of the Common Elements, as defined by the Condominium Act which include, without necessarily being limited to, the Parking Areas, Entranceways, Passageways, External Walls, Roof, Condo Units, Fencing and any and all erections permitted to be constructed on said common area under the Zoning Laws of the Township of Dover. Individual Condominium Unit Owners shall be responsible at their expense for the maintenance repair and replacement of all portions of their individual Units as defined by the Condominium Act, which responsibility shall include the maintenance and repair of the inside of all walls forming or dividing each Condominium Unit, plumbing systems, electrical systems, interior side windows, etc., within each Unit. Each Unit Owner will be required to discharge their responsibilities in this regard in such a manner as not to unreasonably disturb the other Condominium Unit Owners and any such repairs which constitute a disturbance to the other Condominium Unit Owners or an unattractive general appearance of the exterior of the building shall be completed in a timely manner.

Casualty damage to any part of the Common Elements shall be the responsibility of the Association to maintain or repair and any such maintenance or repair shall be affected in a reasonable timely manner regardless of whether the damage may affect less than all of the Condominium Unit Owners.

O. **INSURANCE**: The Association shall arrange for casualty insurance coverage to cover the Common Elements. Such casualty coverage shall be in an amount equal to the maximum insurance replacement value thereof as determined annually by the Condominium Association. Such coverage shall afford protection against loss or damage by fire or other hazard covered by a standard extended coverage endorsement available in the Dover Township, New Jersey area. To the maximum extent possible the Association will secure insurance coverage to guard against damage due to vandalism, malicious mischief, windstorm and water damage, in amounts to be determined by the Association. The casualty coverage secured by the Association, as described above, shall not necessarily include protection for personal property of each Condominium Owner which may be located within each Condominium Unit (e.g. furniture, valuables, etc); individual owners are advised hereby to secure at their own expense individual personal property type coverage in this regard. The Association shall arrange for public type coverage in this regard. The Association shall arrange for public liability type coverage in an amount to be determined by the Association. All insurance coverage purchased by the Association shall be for the benefit of the Association, each Condominium Unit Owner and for their respective Mortgagees as their respective interest may appear. All such policies shall provide that all proceeds payable as a result of any casualty loss shall be paid to an appropriate trustee, if any, as selected by the Association in order that the respective interest of those concerned may be protected.

P. **TAXES**: All property taxes, special assessments and other charges imposed by any taxing authority shall be separately assessed against and collected on each unit as a single parcel and not on the Condominium property as a whole as provided by Section 46:8B-19 of the Condominium Act

Q. RULES AND REGULATIONS: The following rules and regulations which constitute restrictive and covenants of record shall continue in existence until such time as such rules and regulations are properly amended or supplemented by the Association in whole or in part in accordance with provisions set forth in the By-Laws to be formulated by Schaffer Building, A Condominium.

1. Condominium Units E and F shall be used for residential use only. No commercial activity of any kind is permitted within any of these Units or upon the common area or within any buildings or erections placed upon said common area.

2. Condominium Units A, B, C and D shall be used for commercial use only. No residential use is permitted within any of these Units.

3. Notwithstanding the above, a Condominium Unit may be leased for residential purposes only, provided, however, that the right is hereby given to the Association to enact and enforce more specific rules with regard to the leasing or subleasing of the said Units in order to promote the general welfare and promote the general welfare and enjoyment of all Unit Owners.

4. No nuisance of any kind may be carried on by any Owner, guest or third party within any Unit or any common area. No immoral, improper, offensive or unlawful use, as defined by the Common Law of the State of New Jersey or by Statute, may be conducted within any Unit or common area. The right is reserved to the Association to enact and enforce more specific rules pertaining to personal conduct at a later date.

5. No Unit Owner may change or alter in any manner or interfere with any common area or any construction or erections therein without the prior written consent of the Association.

6. No Unit Owner may place in the common area any machinery, equipment, supplies, material, etc., without the prior written consent of the Association. This, of course, excludes the off-street parking, allowing at least one car to park off-street for each Unit Owner.

BY-LAWS
OF
SCHAFFER BUILDING, a Condominium

SCHAFFER BUILDING, a Condominium (hereinafter referred to as the Association) is an unincorporated Association created in accordance with the provision of Section 46:8B-12 of the "Condominium Act" of the State of New Jersey; the provisions of the "Condominium Act" are incorporated herein by reference.

I. **MEMBERS:** The Association shall be comprised of Unit Owners. A Unit Owner shall, as a condition of being granted ownership, automatically become a member of the Association as of the date of the deed conveying ownership, which said membership shall continue thereafter until the date on which the Unit Owner conveys the Unit in accordance with the provisions of the Master Deed, at which time membership in the Association shall automatically cease.

II. **PURPOSE:** The Association shall be responsible for the administration and management of the Condominium property including, but not limited to, the conduct of all activities of common interest to the Unit Owners.

III. **MEMBERSHIP MEETINGS:** There shall be an Annual Meeting of the members on June 1 of each calendar year for the purpose of; (a) approving the financial report of the previous years activities; (b) approving a proposed budget for the coming year; (c) enacting regulations governing the use of the Common Elements as defined in the Act; and (d) considering such other matters as may be required in connection with the administration of the Condominium. The Association shall provide each member with no less than thirty and not more than sixty days advance notice of the meeting and of any special matters to be brought to the attention of the membership; such notice shall designate the place at which the meeting is to be conducted and the time at which the meeting shall begin. Special meetings of the membership may be called, at any time, by at least three unit owners in which event the parties calling the Special Meeting shall provide the other Unit Owners with not less than thirty and not more than sixty days advance notice of said meeting and the

matter to be considered by the membership at the meeting; such notice shall designate the place at which the meeting is to be conducted and the time at which the meeting shall begin.

IV. QUORUM/VOTING: At each Annual or Special Meeting of the Association, Fifty Percent (50%) of the Unit Owners will constitute a quorum for the conduct of business. At each Annual or Special Meeting of the membership each Unit Owner shall be entitled to cast a single vote on all matters considered and voted upon. In the event a Unit is owned by more than one person (e.g. a tenancy by the entirety, corporation, partnership, etc.) it is understood that only one of said individuals shall cast a single vote on behalf of the Unit each Unit Owner, as defined by the Act, to select in accordance with its' own procedures, a representative to cast a single vote. Any action which might otherwise be taken by members at an Annual or Special Meeting, may be affected without a formal meeting if the Board of Governors provides advance notice to each owner of the desired action together with a waiver of a formal meeting if One Hundred percent of the members indicate, in writing, their agreement to the proposed action and return executed waiver of formal meeting forms. In all matters voted upon by the membership at an Annual or Special Meeting, a "Majority" (as defined by the Act) vote shall govern. The latest edition of "Robert's Rules of Order" shall establish the Associations Parliamentary Procedures.

V. BOARD OF GOVERNORS: Three Unit Owners, elected annually by the membership, shall constitute the Board of Governors, which shall be responsible, to the members, for the administration of the Association. The duties of the Board of Governors shall be those set forth in Section 46:8B-14 of the Act. The Board of Governors shall be authorized to enter into a Management Agreement with third parties to perform the various services required by Section 46:8B-14 of the Act.

VI. ASSESSMENTS/COMMON EXPENSES: At each Annual Meeting of the membership, the Board of Governors (with the assistance of Management Agents, if desired) shall present a proposed budget listing the estimated required Common Expenses, as defined by the Act, for the coming year. The membership shall consider and approve the proposed budget or some alternative budget. The Board of Governors shall thereupon assess each Unit Owner with this proportionate share, if any, of the required Common Expenses and shall advise each Unit Owner of

the monthly assessment which shall be required during the coming year, if any; the Board of Governors shall issue a written notice in this regard within fifteen days following the Annual Meeting to all Unit Owners. Should extraordinary Common Expenses be required by reason of the necessary of extensive repairs, casualty damage, etc., a Special Meeting of the membership shall be called to consider the existing situation and to assess the required additional Common Expenses. The Board of Governors shall be authorized to initiate interim corrective action when required, in their discretion, and to engage the services of qualified professionals to advise them with regard to the proper discharge of their responsibilities under the Act, the expenses incurred in this regard, to be considered Common Expenses. Any Assessment made by the Association and charged against any Owner of any Unit, 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 they shall be included therein interest and reasonable attorneys fees for enforcing payment of collective 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. No Unit Owner may exempt himself from liability for his share of common expenses by waiver of the enjoyment of the right of use any of the common elements or by abandonment of his Unit or otherwise.

As between the Association and each Unit Owner, the common expenses and other charges and expense represented in the usual monthly assessment, if any, shall become effective as a lien against any Unit on the 30th day of each such month; additional or added assessments for common expenses and other charges and expenses, if any, assessed against Units and not included in any usual monthly assessment, shall become effective as a lien against each Unit as of the date when the expense or charge giving rise to each 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 the County of Ocean, State of New Jersey, of a claim or 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 or lien, the Association shall, in addition to the

amount due, be entitled to recover reasonable expenses of the action including costs and attorneys 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 pursuant to 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.

Any lien of the Association shall be subordinate to any lien for past due real estates, the lien of any mortgage to which the Unit is subject and to any other lien recorded prior to the time of recording to the claim of lien.

Upon any voluntary conveyance of a Unit, 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 occurred up to the date of such conveyance without prejudice to the rights of Grantee to recover from Grantor any amount required to be paid by Grantee.

Any Unit Owner or any purchaser of a Unit may, prior to settlement, request from the Association a Certificate showing the amount of unpaid assessments pertaining to such Unit. Said Certificate shall be provided within ten days of the request therefore.

VII. INDEMNIFICATION: All members of the Board of Governors shall be indemnified by the Association against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon them in connection with any proceeding to which they may be a party by reason of their serving or having served upon the Board of Governors provided that in any case any such member is not adjudicated to have been guilty of willful misconduct in the performance of his duties.

VIII. AMENDMENT OF THE BY-LAWS: The By-Laws may be amended by the affirmative vote of seventy-five percent of the members. Except the residential or commercial use restrictions may be amended by affirmative vote of 60% of the Members.

IX. NOTICES: Each member shall provide the Board of Governors with an address at which official notice can be mailed to him. Notices will be considered effective when mailed to the last address supplied by each individual member.

X. **ARBITRATION:** All disputes by and between Unit Owners concerning maintenance, assessments and/or any other administrative matters with respect to the Condominium, shall be settled by arbitration in accordance with the Rules of American Arbitration Association, and judgment upon the award rendered by the arbitrator may be entered in any Court having jurisdiction thereof.