

RULES AND REGULATIONS  
OF  
TERRACE EAST CONDOMINIUM  
AS OF OCTOBER 15, 2008

A. INTRODUCTION.

1. Terrace East Condominium Association, Inc. (the "Association"), acting through its Board of Trustees (the "Board"), has adopted the following Rules and Regulations (the "Regulations"). These Regulations may be amended from time to time by resolution of the Board.

2. Wherever in these Regulations reference is made to "Unit Owners," such term shall apply to the owner of any Unit, to its occupants, servants, employees, contractors, agents, visitors and to any guests, invitees or licensees of such Unit Owner, or occupants. Wherever in these Regulations reference is made to the Association, such reference shall include the Association and its management company (the "Managing Agent"), if any, when the Managing Agent is acting on behalf of the Association.

3. The Unit Owners shall comply with all of the Regulations hereinafter set forth.

4. The Association reserves the right to alter, amend, modify, repeal or revoke these Regulations and/or any consent or approval given hereunder at any time by resolution of the Association or the Board.

5. Because a condominium combines proximate living with home ownership, it is imperative that each member of this community be aware and respectful of the rights of his or her neighbors and his or her own obligations. These Regulations are not designed to constrict lifestyles in any unreasonable manner, but rather are designed to ensure a clean, quiet, safe, and valuable environment for all.

6. The Board is empowered by the Condominium Act, the Master Deed of Terrace East Condominium (the "Master Deed"), the Bylaws, and these Regulations to take such legal and/or administrative action as may be necessary to ensure that all those subject to the Regulations adhere to the provisions of these Regulations. Because violations either may be unintentional, the result of a misunderstanding, or easily remedied by informal means, an internal administrative enforcement mechanism has been established as set forth below in these Regulations. The Regulations will be enforced, without discrimination, for the benefit of all members of our community.

7. Terms not defined herein shall have the meanings ascribed to such terms in the Master Deed.

8. As used herein, "Common Areas" are those portions of the shared areas of the Common Elements accessible to people and intended to be used by people.

B. GENERAL RESTRICTIONS ON USE.

1. Common Areas. Common Areas are not to be used for play, lounging, loitering or storage. No Unit Owner may go or permit others to go onto the roofs of a Building, into mechanical equipment spaces or any other portion of the Building not intended for use by the occupants, their guests, agents, employees or contractors. No Unit Owner may have picnics, parties or other social events located in any of the Common Areas without the prior written approval by the Board. **SMOKING AND CONSUMPTION OF ALCOHOLIC BEVERAGES ARE NOT PERMITTED IN COMMON AREAS INCLUDING LIMITED COMMON ELEMENTS.**

2. Noise and Vibrations. Use of machinery or equipment (including but not limited to musical instruments, televisions or audio equipment) creating noise or vibration that disturbs, annoys or interferes with the quiet enjoyment, comfort and convenience of other occupants of the Property is not



permitted. Special care in using such equipment should be taken between the hours of 9:00 P.M. and 8:00 A.M.

3. Waste. Toilets, sinks, garbage disposals, baths, showers and other water apparatus within Units in a Building shall not be used to dispose of sweepings, matches, ashes, rubbish, rags, pet waste or other improper articles. The cost of repairing any damage resulting from misuse of any of such apparatus shall be borne by the Unit Owner causing such damage.

4. Flammable Substances. No flammable oil or fluid, such as gasoline, kerosene, carbon tetrachloride, naphtha or benzene, nor explosives, fireworks, or other articles extra hazardous to life, limb or property shall be used or brought into or stored in any portion of the Property, except for ordinary use and stored in suitable containers.

5. Heat. All Units in a Building must be heated to a minimum temperature of 60 degrees at all times, in order to prevent pipes from freezing or bursting.

6. Management Employees. The management employees are engaged for maintenance and management and operation responsibilities. It is important, however, that they remain at their posts. They may not run errands, help occupants in Units or assist anyone in a manner that would take them away from their work, except in emergencies. Only a Board member, authorized maintenance person or repairperson is allowed to adjust any of the common sprinklers, electrical, lighting, plumbing, recreational equipment or other common area equipment on the Property. Please contact the Managing Agent as soon as possible if repairs or adjustments are required at (856) 696-4002. If after 5:00 pm, call the same number and record a message on the maintenance prompt. If an emergency, leave a message on the emergency prompt. Please remember to leave your name, Unit number and telephone number.

7. Property Left in Common Areas. The Association is not responsible for security, theft of or damage to property left in Common Areas. At no time shall property be left in the Common Areas.

8. Violation of Law. No Unit shall be used for any unlawful purpose and no Unit Owner shall do or permit any unlawful act in or upon its Unit.

9. Upkeep. The appearance of the Units shall conform to the Condominium's standards of integrity and appearance. Each Unit Owner is fully responsible for maintaining the Unit premises in a good state of upkeep and cleanliness, except for work which is the responsibility of the Association under the Master Deed. If the Association and/or Management Agent has to intercede to maintain said premises, the Unit Owner shall be charged for such service.

10. Telecommunications. Unit Owners shall not operate any devices which interfere with television or other telecommunication reception in the Property.

11. Insurance Risk. Nothing shall be done or kept in any of the Units or Common Elements which will increase the rate of insurance for the Buildings or contents thereof applicable for the permitted uses without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in its or his or her Unit or on the Common Elements which will result in the cancellation of insurance on the Buildings or contents thereof or which would be in violation of any public law, ordinance or regulation.

12. Trash. In a Building, all garbage and trash must be placed in the areas designated for such purpose by the Board and no garbage or trash shall be placed elsewhere on any portion of the Common Elements or on adjoining sidewalks. No garbage cans, containers or bags of any kind shall be placed

anywhere in the Common Elements or on adjoining sidewalks other than areas designated for such purpose by the Board for collection. Move in/move out refuse, including but not limited to cardboard boxes must be broken down and thrown in the appropriate designated dumpster. If the dumpster is full, boxes should be stacked neatly in the dumpster area. Any Unit Owner found placing such items in any portion of the Common Elements shall be fined \$25.00 for each occurrence.

13. Solicitors. Solicitors are not permitted on the Property.

14. Heavy Items. No water beds or other furniture filled with a liquid or semi-liquid shall be installed or used in any Unit in a Building. The Board may limit the weight and position of any other heavy items in the Unit, or appurtenant Limited Common Elements, including, without limitation, safes. Each Unit Owner is responsible for all damages caused by the moving of its, his or her heavy items.

15. Back Entrance. Unit Owners may drive vehicles using the access roadway located toward the back of the Property which utilizes a gate mechanism ("Back Gate"). Any damage or vandalism to the Back Gate caused by a Unit Owner will be held responsible for all costs of damages and must be paid as additional condominium fee. Unit Owner may request a replacement back gate card pass for an additional fee of \$25.00.

16. Entry into Unit. Each Unit Owner may provide to the Association or the Managing Agent, a copy of any key(s) ("Keys") in the event such Unit Owner has locked himself or herself out of his or her Unit. If Unit Owner has locked himself or herself out after regular business hours and has supplied the Association with a copy of his or her Unit key, the Unit Owner must pay a lockout fee of \$25.00.

17. Basins. Catch or detention basins, drainage areas and storm water control improvements are for the sole purpose of controlling the natural flow of water; and no personal property, decorations, obstructions, trash, rubbish, cuttings, trimmings or debris shall be placed in these facilities by any Unit Owner or occupant.

18. Attire. All persons shall be properly attired when appearing in any of the Common Areas of the Property.

19. Prohibited Activities. No sledding, ice skating, skiing, skateboarding, rollerblading, snow boarding or snowmobiling is permitted on the Property. The discharge of firearms, firecrackers, explosive or incendiary devices within the Property is prohibited. The term "firearms" includes, by way of example, but not by way of limitation, rifles, shotguns, pistols, paint pellet guns, BB guns, and all other arms of all types, regardless of size, weight or use which is capable of firing any projectile of any size.

C. RESIDENTIAL RULES. The Regulations in this Section C are applicable to all Units and their Unit Owners.

1. Patios. Nothing may be hung, projected, displayed, exposed, attached to, shaken, swept, allowed to drip, or thrown on or through or from the windows, patios or other exterior portions of a Building. Retractable clothes lines are permissible only if you have a privacy fence and such retractable clothes line must be retracted when not in use. Nothing is to be placed in or on exterior windows, doors or window sills, or the Common Elements including but not limited to awnings, aerials, signs, air conditioners, ventilators, fans and window guards. Patios may not be used for storage. Outdoor grills, such as gas, electric and charcoal, are permitted but must be kept ten (10) feet away from the Building while in use. No patio shall be enclosed or covered. No alterations externally visible from outside the Building shall be made to a patio without specific prior written approval by the Board which may be given subject to reasonable conditions. If exterior surfaces, that is, walls and floors, of patios are not inspected



and repaired periodically, damage to the patios, caused by natural elements, could result in falling pieces of concrete, leakage, or structural unsoundness, either of which could cause severe property damage or personal injury. Accordingly, the Board reserves the right, in its sole discretion, to preapprove all proposed changes to finishes and or any items to be stored on the patio, and in its sole discretion, to require immediate removal, at the expense of the Unit Owner, of all finished, coverings and objects situate on the walls and floors of each patio.

2. Shut Off Valves. Automatic shut-off valves where possible (otherwise manual shut-off valves are required) and reinforced washer hoses are required on all clothes washing machines. Hoses must be changed by Unit Owners every five years.

3. Windows. All windows must be kept closed when necessary to prevent damage from outside elements or freezing temperatures. Draperies, curtains, shades or blinds of white or off-white tones and colors must be installed by each occupant on all windows of a Unit and must be so maintained thereon at all times.

4. Flags. Except as may be permitted by prevailing statutory law, no flags other than the flags of the United States of America and/or the State of New Jersey may be flown or displayed on or from any Unit, Building or the Common Elements.

5. Doors. Each Unit Owner shall be responsible for maintaining its front and screen doors, including patio screen doors, in a good state of upkeep and cleanliness and all screen doors must be free of rips and/or tears.

#### D. PROPERTY SALES AND RENTAL RULES.

1. Auctions. No auction or sale of personal property shall be held in any Unit without the prior written consent of the Board.

2. Sales. "For Sale" signs are restricted to one (1) sign per Unit. Open houses must be scheduled in advance with management. No "Open House" signs or directional signs are permitted only on the Property. The Unit Owner must promptly remove the Open House sign when the Open House is concluded. Open House signs may not be displayed at any other time. Selling Unit Owners are responsible for ensuring their brokers and/or prospective purchasers are in compliance with the Rules and Regulations of the Association. Each Unit Owner must inform the Managing Agent in writing when selling their Unit and provide the name and number of their sales agent.

3. Rentals. "For Rent" signs are restricted to one (1) sign per Unit. Each Unit Owner renting their respective Unit shall provide the Association and Managing Agent the following: (a) names of tenants, (b) home and work phone numbers, (c) vehicle license number make model and color of vehicle(s) and (d) signed release stating that the lessee/renter has received the Rules and Regulations. Unit Owners are responsible for ensuring their tenants are in compliance with the Rules and Regulations of the Association. Each lease agreement entered into between the Unit Owner and the Unit Owner's tenant shall specifically include the tenant/lessee's obligation to adhere to the terms of the governing documents including the Rules & Regulations of the Association. Unit Owners will be fined (in accordance with the Association's fining policy described in Section I) for their tenants' violation of the Rules & Regulations, Bylaws and Master Deed. All "For Rent" signs are subject to the approval of the Association,

#### E. PET RULES.



1. Limitation. In addition to restrictions set forth in the Master Deed, no more than three (3) domesticated pets, which are solely limited to cats and/or dogs, each less than forty (40) pounds in weight, may be raised, bred or kept in any Unit or in the Common Elements without the prior written approval of the Association.
2. No Nuisance. A permitted pet may be maintained in a Unit so long as it is not a nuisance. Actions which will constitute a nuisance include, but are not limited to, abnormal or unreasonable noise, crying, scratching, unhygienic offensiveness and aggressive behavior.
3. Owner Responsibility. Pet owners are fully responsible for personal injuries and/or property damage caused by their pets. Any owner of a pet permitted in the Property shall be obligated to exercise proper care and custody over the pet to ensure the health and welfare of the other occupants of the Property and preservation of the Buildings.
4. Transporting Pets. Pets must be leashed or carried and accompanied by a person capable of controlling such pet whenever outside the Unit.
5. No Pet Areas. Pets are not permitted in any areas which may be designated as no pet areas by the Board.
6. Clean-up. Owners of pets walked in or about the Property must promptly clean up their pet's droppings in all areas.
7. Violations. Any violation of the foregoing provisions shall entitle the Board, in its sole judgment, to fine any such Unit Owner, occupant or invitee or require any pet to be permanently removed from the Property.
8. Certain Prohibited Pets. Animals such as snakes, rodents, birds, reptiles or amphibians are expressly prohibited, as are all varieties of insects.

F. POOL RULES.

1. Pool Rules. The pool is operated on a seasonal license granted by the State of New Jersey from Memorial Day through Labor Day. State law does not require a permanent full time lifeguard so it is imperative that members acquaint themselves with the posted pool rules as highlighted below:

- SWIM AT YOUR OWN RISK WHILE NO LIFEGUARD ON DUTY
- NO ONE UNDER 12 PERMITTED UNLESS ACCOMPANIED BY AN ADULT
- NO GLASS IN THE POOL AREA
- NO RUNNING, JUMPING, CANNON BALLS OR ROUGH HOUSING
- NO DIVING INTO THE POOL
- NO ANIMALS OR PETS ALLOWED IN THE POOL AREA OR IN THE POOL
- NO RADIOS, STEREOS OR MUSICAL INSTRUMENTS
- NO TOYS, INNER TUBES AND OTHER OBJECTS IN EXCESS OF 36" IN ANY DIRECTION FOR SAFETY PURPOSES
- CHILDREN IN DIAPERS ARE NOT PERMITTED IN THE POOL EXCEPT SPECIAL SWIM DIAPERS APPROVED BY THE ASSOCIATION ARE PERMITTED
- NO PERSON WITH A COLD, COUGH, FEVER, INFLAMED EYES, SKIN DISEASE, OPEN SORE, CONTAGIOUS ILLNESS OR INFECTION OR EXHIBITING SYMPTOMS OF ANY MAY USE THE POOL



- NO CELL PHONES SHALL BE USED IN THE POOL AREA OR IN THE POOL EXCEPT IN AN EMERGENCY
- ALL GUESTS MUST BE ACCOMPANIED BY A UNIT OWNER AT ALL TIMES. GUESTS ARE LIMITED TO NO MORE THAN FOUR (4) PERSONS PER UNIT DUE TO THE SWIMMING CAPACITY OF THE POOL WHICH IS NO MORE THAN THIRTY-FIVE (35) PEOPLE AT ONE TIME. GUEST FEES WILL BE ESTABLISHED FROM TIME TO TIME BY THE ASSOCIATION.

2. Food and Beverages. Food will not be served and is not to be taken into the pool area. Beverages may be taken into the pool area but only in plastic containers, except as otherwise approved by the Association.

3. Swim at Own Risk. It is extremely dangerous to swim in the pool outside of the published hours. During closed hours the pool may be undergoing a cleaning schedule or there may be no lifeguard on hand should you encounter difficulties. If any Unit Owner or guest uses the pool during closed hours they do so entirely at their own risk and the Association or Managing Agent shall not be liable for any damage or death. Ignorance of this rule will also result in possible suspension of Unit Owner privileges to the use of the pool.

G. REGULATIONS APPLICABLE TO PARKING.

1. Owner's Sole Risk. All vehicles and personal property in vehicles placed in any portion of the parking areas or any place appurtenant thereto shall be at the sole risk of the Unit Owner and the Association shall in no event be liable for the loss, destruction, theft or damage to such property.

2. Parking Spaces. Each Unit has been designated one (1) numbered parking space and shall have access to one (1) non-numbered parking space. All remaining non-numbered parking spaces may be used on a "first come, first served" basis by any Unit Owner.

3. Use of Employees. Should an employee of the Association or Managing Agent at the request of the Unit Owner move, park or drive any vehicle then, and in every such case, such employee shall be deemed the agent of the occupant. The Association shall not be liable for any loss, damage or expense that may be suffered or sustained in connection therewith.

4. Types of Vehicles. All vehicles parked anywhere on the Property must have current license plates and registration and be in good order and operating condition. No vehicles shall be parked on the Property with conspicuous "For Sale" signs attached.

5. Commercial Vehicles. No commercial vehicles engaged in conducting maintenance or repairs on the Property, or engaged in making deliveries, may be parked on the Property overnight.

6. Moving Vans. Moving vans may not be parked on the Property overnight.

7. Violations. Vehicles parked on the Property in violation of these Rules and Regulations may be towed away by the Association if not promptly removed in response to a written request from the Association for the removal of the vehicle. The Unit Owner shall be charged with all cost, fees and expenses incurred by the Association to identify the owner of the vehicle, and for the towing and storage of the vehicle, all of which shall be a recoverable from the Unit Owner in the same manner as an unpaid assessment.



8. Parking and Traffic Regulations. All Unit Owners shall observe and abide by all parking and traffic regulations set forth herein or as posted by the Association or by municipal authorities. All motor vehicles are to adhere to ten (10) miles per hour limit while travelling within the Property. Vehicles parked in violation of any such regulations may be towed away at the Unit Owner's sole risk and expense.

9. Illegal Parking. Parking so as to block aisles, mailboxes, sidewalks or driveways shall not be permitted. If any vehicle owned or operated by a Unit Owner, any member of his household, tenants, guests, invitees or licensees shall be illegally parked or abandoned on the Property, the Association shall be held harmless by such Unit Owner for any and all damages or losses that may ensue, and any and all rights in connection therewith that the owner or driver may have under the provisions of state or local laws and ordinances are hereby expressly waived. The Unit Owner shall indemnify the Association against any liability which may be imposed on the Association as a result of such illegal parking or abandonment and any consequences thereof.

10. Handicapped Parking. In addition to open handicapped parking spaces, the Board shall have the right to reserve spaces for use only by specific handicapped persons. No parking is allowed at any time in the designated handicapped parking spaces unless a handicap card or license plate is displayed.

11. Prohibitions. No repair or maintenance of any motor vehicle is allowed on the Property, with the exception of such emergency repairs as may be necessary to get a vehicle moving. Permitted emergency repairs include by way of example, but not by way of limitation, jumping a battery, putting gas in an empty gas tank or changing a tire. No vehicle shall be left unattended on a jack, and no vehicle shall be placed upon blocks or ramps. No draining or changing of any motor vehicle fluids, fuels, lubricants, refrigerants or oils nor any washing, cleaning or polishing vehicles may be performed on the Common Elements. No motor vehicle fluids, fuels, lubricants, refrigerants or oils may be held, stored, treated, or disposed on the Common Elements.

12. Recreational Vehicles. No unlicensed scooter, motorcycle or trail bike, and no minibike, ski do, snowmobile, dune buggy, motorized skateboard or scooter, nor any other unlicensed motorized recreational vehicle of any type, may be operated upon the Common Elements. No vehicle of any type which makes, broadcasts or emits any noise or foul odor, including by way of example, but not by way of limitation, vehicles without mufflers, or without operating mufflers, may be used, maintained, kept or operated on the Property.

#### H. IMPROPER TREATMENT OF OCCUPANTS

No occupant or Unit Owner shall engage in conduct that is unreasonably annoying, offensive, intrusive, threatening or that creates an oppressive environment to the detriment of any other occupant peaceful enjoyment of their Unit and the Common Elements of the Condominium. In addition, no Unit Owner or occupant shall engage in conduct that may be fairly deemed to constitute harassment of any occupant of the Condominium.

#### I. THE INTERNAL DISPUTE RESOLUTION COMMITTEE

1. The Board shall appoint three (3) principals of Unit Owners to serve one (1) year terms as members of the Association Internal Dispute Resolution Committee (the "Committee"). Two (2) members shall constitute a quorum and two votes shall be required for any Committee decision. The Committee shall elect its own Chairperson. Any members of the Committee may serve on the Board.

2. The Committee shall be empowered to receive, investigate, attempt to resolve, hold hearings on, and recommend sanctions arising out of complaints from Unit Owners, lessees, mortgagees, or



other aggrieved parties concerning alleged violations of the provisions of the Master Deed, the Bylaws and/or these Regulations.

3. Upon receipt of a written and signed Complaint Form (to be provided by the Managing Agent), the Chairperson of the Committee shall present the same to the management who shall then attempt to informally resolve the dispute in a fair and equitable manner.

4. If the Managing Agent has not resolved the dispute to the complainant's satisfaction within seven (7) days, the Committee shall then give the alleged violator at least ten (10) days notice of a hearing to be held to hear the charges of the complainant. Notice of the hearing date and time and the parties involved shall be publicly posted in the Building and mailed to the record address of any non-resident Owner. The hearing shall be held no more than thirty (30) days after the formal complaint has been filed with the Committee.

5. The hearing shall be conducted as an informal, quasi-judicial proceeding. All parties shall have the right to be represented by counsel, to call witnesses, to introduce documentary or other evidence, and to confront and cross-examine witnesses. Formal rules of evidence shall not be used. Each party shall have the right to have the proceeding transcribed by a court reporter, but the costs shall be borne by the party requesting the transcription and shall be paid in advance.

6. In order to ensure an unbiased tribunal, no member of the Committee may sit and hear a case in which he/she has a personal relationship with either party to the proceeding or in which he/she is intimately involved in any other respect. If any member of the Committee shall excuse him/herself, or be otherwise unavailable, the Board shall appoint another disinterested Unit Owner to temporarily sit in his/her stead.

7. After a full hearing on the dispute, the Committee shall make a written report to the Board (the "Committee Report") and shall recommend sanctions if a violation has been found. The Committee shall make recommendations in accordance with the following Sanction Schedule depending upon the seriousness and frequency of the violation(s):

- (1) First offense - Reprimand/warning
- (2) Second offense - \$ 25.00 Fine
- (3) Third offense - \$ 50.00 Fine
- (4) Fourth offense - \$ 100.00 Fine
- (5) Fifth offense - \$ 200.00 Fine

8. Within fifteen (15) days after receipt of the Committee Report, the Board shall ratify the Committee decision and recommendation, unless the Board finds that the decision is unsupported by the evidence and/or constitutes a manifest abuse of discretion.

9. In the event the Board does not ratify in accordance with paragraph 8, the Board may hold a second full hearing on the matter and reverse, revise or confirm the decision of the Committee. In such case, the Board may also levy a fine different than that recommended by the Committee, and may also, in a proper case, require a repeat offender to deposit with the Association a special security deposit of up to \$2,000.00 to protect the Association and its members against future violations.

10. Decisions of the Board in these disputes are final as set forth in the Master Deed.

11. An aggrieved Unit Owner, lessee, mortgagee, or occupant must first exhaust its, his or her internal remedies with the Committee and the Board before it, he or she may seek redress under the provisions of the Master Deed.

12. Fines shall be payable within ten (10) days of imposition and shall constitute assessment liens as provided by the Condominium Act.

13. Sanctions pursuant to the Sanction Schedule set forth in paragraph 7 above are not exclusive of any other rights and remedies of the Association for violations or for restraining violations.

J. COMPLAINTS

Any complaints by a Unit Owner or occupant regarding the maintenance and condition of the Common Elements, or Limited Common Elements, or the actions of the Board, the Association, or its agents, employees or contractors or of any Unit Owner shall be made in writing to the Board and such complaint shall provide for reasonable time for the Board to consider or act upon such matter.

K. CONSENT

Unit Owners shall submit requests for approval or consent of the Board in writing to the Association's Managing Agent and shall provide for reasonable time for the Board to consider such matter. Any consent or approval given by the Board or its agent under these Regulations may be revoked or modified at any time and shall not be considered waived in any way of strict enforcement of these Regulations.