

INTERLAKEN OWNERS, INC.

Self-Managed, Garden Cooperative Apartments

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HOUSE RULES

(Revised/Amended July 2013)

The House Rules represent a continuing effort over many years by generations of Board Members to formulate rules which contribute to the collective welfare of the Interlaken community. They are intended to enhance the quality of life of all residents, to protect our homes and our investment, and to create a community of which we are all proud to be a part.

While many issues surface in managing cooperative apartment communities like Interlaken, some issues may be recurring. To save time and promote consistency, clear policies have been developed to deal with these matters. While some of these rules may be included in the bylaws, they will appear as policies in the House Rules. The purpose of the House Rules is not to put unnecessary burdens on individual shareholders. Rules and policies create expectations of how Interlaken will consistently deal with shareholders in certain situations. They replace arbitrary treatment with due process. House Rules are not meant to be excessive or inflexible. Because shareholder board members set the rules for themselves and their neighbors, they aren't likely to impose unnecessary hardships or requirements but come to understand why some policies are needed.

The Board of Directors is empowered to institute administrative fees (fines) and legal action as outlined herein, but is not required to do so and will make its determination on a case-to-case basis. Charges for infraction of the House Rules may be imposed by the Board of Directors. Such charges are to be considered an integral part of these House Rules.

Violation of these Rules will be subject to the following schedule of Administrative Fees (fines):

- First offense - \$50
- Second offense - \$100
- Third offense - \$200
- Third offenses may result in the incurring of legal fees to remedy the issue.
- Trash dumping on the property is an exception to the Administrative Fee schedule. The fine for a first offense is \$100.
- The fine for painting the interior frame of a window is \$1,000.
- Renovation fines are provided on the Construction/Renovation Agreement forms.
- Failure to provide proof of liability insurance is fined at a rate of \$50 per month.
- For serious and/or repeated violations, the Board of Directors will consult with Interlaken Owners' legal counsel to determine if the shareholder's Proprietary Lease should be terminated.
- All legal fees incurred are the responsibility of the shareholder.

Higher administrative fees of up to \$1,000 per incident plus remediation will apply to serious offenses, such as illegal renovations (interior and related to patio areas), failure to use water-based polyurethane to refinish hardwood floors, harboring a dog or other unacceptable pet, and noise complaints related to inadequate carpeting and padding.

Payments are first applied to any open arrears in order of violations, fines, late fees, legal fees, repairs, assessments and any other amounts that are due and payable and lastly, maintenance.

Complaints and suggestions regarding buildings and grounds maintenance must be made in writing to the Property Manager and/or the Board of Directors.

Interlaken has long been regarded as a "family-friendly" community. Nevertheless, from time to time everyday misunderstandings or conflicts can happen between the best of neighbors. If you have a complaint or are bothered by a neighbor breaking a House Rule, we encourage you to speak directly to them to try to resolve it. This is usually the best way to reach a solution. If, however, the issue is not resolved, put your complaint in writing to the Board of Directors.

Inability or failure to conduct oneself in a respectful, neighborly manner may result in revocation of the shareholder's Proprietary Lease. Harassment and bullying are unacceptable behaviors which are strictly prohibited because they represents a violation of each shareholder's right to the quiet enjoyment of their homes as defined in our Proprietary Lease.

The House Rules of Interlaken Owners, Inc. are to be followed in their entirety. Shareholders cannot decide which to follow and which to ignore.

Any consent or approval given under the House Rules by the Board of Directors shall be revocable by the Board at any time.

The House Rules may be added to, amended, or repealed at any time by resolution of the Board of Directors.

I. General information

All Interlaken units are owner-occupied only. Subletting is not permitted and may result in the eviction of the shareholder.

Maintenance payments are due and payable by the tenth (10th) day of the month. Payments can be made by check or money order; cash is not accepted. If the 10th day of the month should fall on a Saturday, Sunday or legal holiday, shareholders will have until 9:00 a.m. the next business day to turn in their maintenance payment to the Management Office.

Shareholders have the option of receiving their monthly statement by email or hand-delivery. In addition, payment can be made by ACH (automated clearinghouse). At this time, Interlaken does not accept EFTs (electronic funds transfers).

The Board is respectful of special circumstances, such as job loss or catastrophic medical bills and is willing to consider a written payment plan from a shareholder who is seriously in arrears. Each situation is reviewed individually by the Board and Interlaken's legal counsel.

II. Shareholders and Guests

Only those adults whose name appears on the Proprietary Lease or who have been properly registered and approved in writing by the Interlaken Board of Directors are eligible to reside on our property. Shareholders are responsible for the conduct and behavior of their household members and guests. Unregistered household members or guests are not permitted to use the common areas of the Co-op unless accompanied by the shareholder.

Shareholders must register all adults (age 18 and over) who wish to reside in their unit for 60 consecutive days or 10 days out of every 30 days and whose name is not included on the Proprietary Lease. The proposed additional adult must complete an Interlaken Owners

Residency Application which is available from the Interlaken Management Office. As with prospective shareholders, new adult residents are required to subject themselves to a criminal background check and must meet the Cooperative's eligibility criteria to ensure the safety of other shareholders and Cooperative property.

III. Noise and disturbances

No television, radio or musical instrument shall be played or any exercise equipment used to the annoyance of other shareholders. If it becomes necessary to dispute, the determination of the Board will be final.

While Interlaken's rules for noise correspond with the Town of Eastchester noise ordinance as far as timeframe, shareholders should contact the Eastchester Police Dept. on their non-emergency number (961-3464) at any time of the day or night if the noise level is excessive.

The floors of each apartment must be covered with rugs or carpeting or equally effective noise-reducing material, to the extent of 80% of the floor area, except in kitchens, bathrooms and closets. In addition, a minimum of ½ inch of padding is required. This rule also applies to coverage of the staircases within duplex apartments.

In the event that any apartment is used for home occupation purposes which are permitted by law, patients, clients or other invitees shall not be permitted for any purpose to wait in the public hallway.

IV. Smoking/Secondhand Smoke

According to the U.S. Surgeon General's Office, there is no safe level of secondhand smoke and Interlaken discourages smoking indoors as well as on common ground, including the lake premises. Interlaken became a smoke-free co-op in 2007. Since that time, incoming residents sign an agreement prior to the transfer of papers for their apartment purchase that neither they nor their guests are permitted to smoke inside their apartment.

Smoking is not permitted in hallways, patios, garages, laundry rooms, or the entry pathways. It is allowed on common ground no less than 20 feet from the building. An area of the lake premises has been designated as the sole smoking area for that location. Cigarette/cigar butts and other debris must be disposed of properly.

Shareholders residing in Interlaken prior to 2007 are permitted to smoke within their apartments. However, if a complaint is received, the smoker will be notified by the Management Office that they must purchase and operate a minimum of one air purifier at all times to remediate the situation. Proof of purchase of the air purifiers must be given to the Office within 10 calendar days of having received notification from the Interlaken Management Office. Secondhand smoke is a serious quality of life issue and it will be vigorously enforced.

V. Fire Safety

Fire and accident prevention are of the utmost concern to our Co-op. It is a New York State requirement that shareholders install and maintain an operative smoke detector in each bedroom along with a carbon monoxide detector. A Smoke or Carbon Monoxide detector can save your life or a family member. Make sure you test your Smoke and Carbon Monoxide detector often and change the battery.

A fire extinguisher is located in each hallway. The extinguishers are inspected and maintained annually. If you hear a smoke detector going off anywhere in the building immediately call 911.

No electric stoves, electric baseboard heaters, garbage disposals, or electric space heaters are permitted in any apartment.

Shareholders are not permitted to use the fire escapes, except in the case of an emergency as a means of egress from the building. In addition, no articles are permitted to be placed or stored on the fire escapes.

Fire escapes must be swept clean of debris a minimum of once each year to prevent damage. Please call the Interlaken Office to schedule cleaning by our maintenance staff.

Lit candles can be dangerous and if their use is necessary, they should be placed on a stable, heat-resistant surface where children and pets cannot reach or knock them over. Burning candles should also be placed away from flammable items - Christmas trees, decorations, curtains and furniture - and kept within sight. Extinguish all candles before you go to bed, leave the room, or leave your apartment.

VI. Household Trash/Recycling/Bulk Garbage

Each year the Eastchester Highway Dept. distributes the Household Trash/Recycling/Bulk Garbage collection schedule. Shareholders leaving appliances, furniture, metal items, etc., must place the item(s) curbside no earlier than 7:00 p.m. the night before the pick-up. It is recommended that shareholder call the Highway Dept. (961-8540) to confirm the removal of their item(s). Household trash should be placed in the subway (in-ground) garbage can assigned to each respective apartment. Be certain that the bags are securely tied and that the lid is shut to prevent animals from getting in and making a mess.

Garbage and recycling should be left in designated places only. Garbage and other debris (including construction materials) may not be left on common ground, including patios.

VII. Plumbing

Toilets and other water apparatus in apartments cannot be used for any purpose other than for which they were constructed, nor shall any sweepings, cat litter, rubbish, rags, disposable diapers, disposable toilet cleaners, paper towels, small toys or any other articles be thrown into the toilets.

Appropriate check valves must be installed in the plumbing system wherever washing machines (installed or portable) are utilized in apartments. Single lever faucets must also have check valves.

VIII. Air conditioners

Non-EnergyStar compliant air conditioners cannot be included in the contract of sale of a unit and must be removed and disposed of properly prior to the final inspection by the Property Manager before the transfer.

Prior written approval from the Property Manager is required before the installation of an air conditioner. Such request must include the make, model and year of manufacture of the air conditioner and must be made available to the Property Manager for inspection of the unit (a copy of the bill of sale can be used). Unit installation instructions are available from the Management Office.

If the Property Manager does not approve the installation of the air conditioner, the shareholder cannot install and operate it. Should the shareholder disregard this, they will be subject to immediate legal action and responsible for Interlaken Owners' attorney's fees and costs incurred.

Ductless air conditioning is permitted with written permission from the Board of Directors.

IX. Apartment Access

The New York State Multiple Dwelling Law, Section 51-c and our Proprietary Lease require that shareholders provide a set of the keys and security alarm codes to their apartment in case of emergency or an appropriate purpose. If no key(s) is/are available, the cost of forcible entry and repair will be borne by the shareholder.

The Property Manager, the Superintendent, or an Interlaken subcontractor accompanied by the Property Manager may enter any apartment with 48 hours of advance notice to the shareholder to inspect the apartment for maintenance problems, foul odors, floors that do not have the 80% required coverage of carpeting and padding, vermin or other pests. If the Board takes measures to inspect and/or remedy these issues, the cost and any legal expenses are borne by the shareholder.

X. Common Grounds

Interlaken is not responsible for any damages to or loss of shareholders' belongings left in common areas.

Courtyards: While courtyards are common grounds, care should be taken to ensure that seasonal furnishings including chairs, tables, barbeque grilles, etc., are labeled and properly maintained. Shareholders with barbeque grilles are encouraged to place them in a non-conspicuous area when they are not in use.

Patios: Anyone wishing to create a new patio or modify an existing one adjacent to their apartment must submit a written proposal to the Management Office. Written approval by the Board of Directors is required prior to the start of any work. Failure to secure approval can result in a significant fine and the removal of the patio.

Patios must be maintained. If a patio is in need of cleaning or repair, Interlaken will notify the shareholder and a minimum of \$50.00 will be charged for the service. The shareholder may also face losing the privilege of having a patio.

Residents who have the privilege of a patio must be respectful of their neighbors and keep their noise to a minimum at all times.

Patio Fencing: Anyone wishing to erect a fence must first obtain written approval from the Board of Directors. New fences must be made of PVC. The color must be white or tan (to match the buildings). Wooden fences can house termites which can damage our buildings. Minor repairs can be made to an existing wooden fence, but if the damage is significant, it must be replaced by one made of PVC.

Swimming Pools: Swimming pools of any size are not permitted on any portion of the common grounds, including patios. In addition, no temporary structures, including tents, gazebos, canopies, animal cages, etc., are permitted without prior written approval from the Board of Directors.

Barbeque Grilles: Barbeque grilles must not be placed in such locations that smoke or odors disturb other shareholders. Grilles should be placed at the furthest point away from the building (no less than 15 feet) and not under a tree, as per Fire Department regulations. There must be a garden hose or a portable fire extinguisher nearby. Hot grilles should never be left unattended.

Shareholders who have barbeque grilles, chairs or picnic tables on common grounds must label their property and maintain it properly. Failure to do so will result in items being disposed of by Interlaken Owners maintenance personnel. This includes tattered American flags, decorations, banners, etc.

Ball playing/Skateboarding: The use of hardballs, such as baseballs, and the playing of any games that are a hazard to other persons and property are forbidden in the buildings and on the common grounds and garage areas. Skateboarding and street hockey are not permitted anywhere on Interlaken property. Regulation-size portable basketball hoops are prohibited on common ground. Should damage to a person and/or property result from these or other activities, the shareholder(s) will be held financially responsible for reparation, plus any legal fees incurred by Interlaken Owners, Inc.

Holiday Lighting/Decorations: Each year, instructions are posted in the hallways defining the specific dates that illuminated holiday lighting can be used. Please ask the other shareholders in your building before placing outdoor or indoor decorations.

Feeding of birds and other animals: No birds or other animals are to be fed from the windows, window sills, or any portion of the building or common grounds.

Storm Preparation: Please remove all decorations from outside building doors and secure patio furniture, barbeque grilles, and other personal property on common grounds to prevent it from becoming airborne and causing damage during a severe storm.

XI. Construction – Alterations and Repairs

All construction – alterations, additions, or repairs – must be approved in writing by the Property Manager. Plans, drawings, contractor licenses, certificates of insurance, etc., must be submitted prior to the beginning of said work. The shareholder must receive permission in writing from the Property Manager and the Town of Eastchester Building Inspector before any work commences. All workmanship and electrical and plumbing materials must comply with requirements of the Town of Eastchester Building Inspector. Any subsequent change or deviation from approved plans or other approval will be deemed a serious violation of the Town Building Code and the Interlaken House Rules. A refundable security deposit is required for each room under construction. The deposit is returned after a successful final inspection of the work by the Property Manager.

All construction – alterations, additions, or repairs – must be conducted between 8:00 a.m. – 5:00 p.m., Monday through Friday, and on Saturday from 10:00 a.m. – 5:00 p.m. No work may be performed on Sundays or holidays. All construction personnel must be off the property by 5:30 p.m.

In addition, a minimum of 2 days written notice before beginning said work must be given to the Property Manager/Management Office, as well as other shareholders in the affected building.

Hardwood floors can only be refinished with water-based varnish (oil based is prohibited). A minimum of 2 business days written notice must be given before beginning said work to the Property Manager/Management Office, as well as to other shareholders in the affected building. **Please be mindful that even refinished hardwood floors require 80% covering by adequate carpeting and the best sound absorbing padding available.** This rule also applies to coverage of the staircase within duplex apartments.

No alterations or improvements to, affecting, or adjoining Interlaken property, including the buildings, grounds and garages, are permitted without prior written approval of the Board of Directors. This includes, but is not limited to, the planting and/or removal of trees and shrubs, fencing, patios, sprinklers, interior garage walls, etc.

Each shareholder must perform promptly all maintenance and repair work to their own apartment (i.e., water and plumbing leaks) that, if neglected, would affect other shareholders. Should a shareholder not effectuate such repair after 5 calendar days, and after written notice by the Board of Directors or Property Manager, Interlaken Owners will have the repairs made and assess the shareholder for the remediation and damage costs.

A shareholder shall be liable for any and all damage to any and all adjoining units and all common grounds for those whose conduct he/she is responsible. It is for this reason that effective February 1, 2013, Interlaken requires proof of liability insurance for all units.

Any employee or contractor of a shareholder may be denied access to the premises for cause, and for whatever period of time deemed appropriate, by the Board of Directors and the Property Manager.

XII. Hallways and common areas

The common elements – e.g., hallways, stairways, lawn/garden areas, and garage areas – shall not be obstructed, littered, defaced or misused in any way.

No bicycles, toys, chairs, recycling containers, baby carriages, shopping carts, skateboards, scooters or similar vehicles, or shoes/sneakers/boots are allowed to stand the hallways, or on entry pathways, or in courtyards. No articles, including clothing, shall be placed in the halls or on staircases or landings, nor shall anything be hung or shaken from the doors or windows, or placed upon window sills.

Notices cannot be posted on hallway bulletin boards or placed under shareholders' doors without prior written approval from the Board. Interlaken Board election information can be placed under shareholders' doors with Board approval.

Use and decoration of hallways, grounds, gardens, and other exterior surfaces such as walls and windows requires prior written consent of all of the shareholders of that building and the Board.

Neither shareholders nor their guests can use the roofs of apartment buildings or garages for play or social activities.

Each building's main entrance door must remain closed at all times and not be held open with any object at any time. The only exception is when items are actively being moved into or out of the building.

Main entrance doors may be locked with the prior consent of all shareholders of a building and notice to the Management Office. The respective keys are available at the Office.

XIII. Household pets/Dog sitting

Pets will not be allowed to create a nuisance via odors, noise, damage to property, or in any other way interfere with other shareholders' rights to the quiet enjoyment of their homes. All complaints concerning said pets will be reviewed by the Board.

Dogs are not permitted, with the exception of service or therapy dogs. Specific rules and regarding therapy dogs and related forms are available from the Management Office. Prior written approval is needed before a therapy dog can be brought onto the property. Shareholders in violation of the "No Dogs" rule will be subject to eviction and required to pay related legal fees incurred by Interlaken Owners, Inc.

Shareholders are permitted to "dog-sit" for a period of no longer than a total of 14 days per year, on 2 occasions per year. Requests for this waiver must be made in writing, a minimum of 1 week in advance, to the Board of Directors.

Daytime dog sitting on a regular basis is not allowed. The pet's owner must accompany the animal at all times.

A maximum of 2 cats are allowed per apartment.

Caged birds, tropical fish and small caged animals such as hamsters and gerbils are also allowed; snakes and exotic pets are not permitted. All pets are to be kept in the owner shareholder's apartment at all times.

XIV. Lake Innisfree

Shareholders and their guests must abide by the rules and regulations set forth for the use, maintenance and operation of Lake Innisfree, including the beach, patio, bathhouse, rafts, docks, boat racks, lawn area, and playground. The rules are sent to shareholders each Spring. Photo identification cards are required for admission to the Lake and Lake premises. Please do not discard your photo ID card at the end of the season. It will be updated annually by the Interlaken Office. The cards are provided for residents who are listed on the apartment's Proprietary Lease, and those who have completed the Interlaken Owners Residency Application, consented to criminal background check, and been interviewed and approved in writing by the Board of Directors. All other persons must have the shareholder purchase a Seasonal Guest Pass.

XV. Laundry rooms

Laundry rooms are solely for the use of Interlaken Owners shareholders. The rooms must be kept clean and are not to be used for anything other than laundry washing and drying. Currently, payment for clothes washing and drying is by a system card (similar to a debit card) on which you can add money as needed. The machines do not accept coins. Please notify the Management Office in writing if equipment requires servicing.

XVI. Moving in and out of apartments

Shareholders must notify the Management Office if they plan to sell their apartment. The Interlaken Management staff will provide guidelines and forms for sellers and buyers upon request.

Move-ins and move-outs must be conducted and completed between 8:30 a.m. and 5:00 p.m., Monday through Saturday. Moving is not permitted on Sundays. The Interlaken Office Manager must give written approval prior to moving.

Shareholders are responsible for the removal of all debris (carpeting and padding, draperies and window treatments, bedding, appliances, etc.) resulting from any household move or interior alterations.

A refundable move-in fee is charged to incoming shareholders to ensure that no damage is made to the common hallway, exterior door and common grounds. The fees are refunded at

the discretion of the Property Manager following his inspection of the common hallway, exterior door and common grounds. A non-refundable move-out fee is charged to outgoing shareholders for the inspection of the apartment prior to the transfer of papers.

XVII. Garages and Reserved Parking Spaces

Garages and reserved parking spaces are the property of Interlaken Owners, Inc. and are available for rent on a month-to-month basis to shareholders. As with apartments, shareholders must provide the security code for their garage in case of emergency or an appropriate purpose. If no key(s) is/are available, the cost of forcible entry and repair will be borne by the shareholder.

Subletting is strictly prohibited. Garages and parking spaces are intended solely for the parking of a car. Any storage in a garage is limited to that which does not interfere with space necessary to accommodate the car of the shareholder. Garage renters are prohibited from using this space for business or hobby purposes. Please refer to the Interlaken Owners, Inc. Garage & Parking Space Agreement for specific details.

Shareholders who are two months in arrears on their maintenance will forfeit their garage or parking space rental.

No vehicle belonging to a shareholder or to a family member or guest or employee of the shareholder can be parked so as to impede or prevent ready access on Interlaken property by another vehicle. This prohibition extends to any form of motorized vehicles including motorcycles, motor scooters and electric bicycles. "No parking" signs are prominently posted around the Interlaken property stating that illegally parked vehicles will be towed by an independent towing service.

All parked vehicles on Interlaken property must be registered with the NYS Dept. of Motor Vehicles as well as in operable condition.

Parking is permitted only in designated, marked parking areas.

Prolonged idling and "gunning" engines (of cars and motorcycles), even in garage areas, in addition to driving or parking on lawns is prohibited.

Children are not permitted to play or ride bicycles or skateboards in garage areas.

Car washing and repairs (beyond simple maintenance) are not permitted on Interlaken property.

Electric garage door openers are permitted with prior written approval from the Property Manager. If a garage with an electric garage door opener is vacated, the opener must remain with the garage and becomes the property of Interlaken Owners. Vacating garage renters must surrender garage keys, remotes and access codes.

The parking of commercial vehicles, taxis, limousines, buses, campers, trailers or similar oversized vehicles is prohibited within Interlaken.

The charging of electric vehicles is not permitted on Interlaken property.

XVIII. Sales of Apartments/Open Houses/Garage Sales

The Board of Directors must be notified in advance, in writing, concerning the sale of an apartment. The seller should contact the Management Office for a copy of the instructions detailing the steps involved in listing the property, open houses, moving out, apartment

inspection, etc. For many years, the Sales Agent for Interlaken Gardens has been A.T. White Realty, 240 Main Street, Eastchester. Phone: (914) 793-4100. Website: www.atwhiterealty.com.

A written request to the Board must also be approved prior to a group tour, open house, garage sale, estate sale, or auction sale in an apartment, garage or on common grounds. An Open House for the purpose of selling an apartment may be conducted during reasonable hours, such as 1:00 p.m.-4:00 p.m. or 12:00 p.m.-3:00 p.m., and in such a manner so as not to disturb other residents. In addition, House Rule XXI regarding signage must be followed.

XIX. Television antennas and satellite dishes

Television aerials or satellite dishes are not permitted. At the present time, Interlaken provides basic cable television service through Optimum (Cablevision). Each unit is charged a fixed monthly amount based on the bulk contract in effect. Cable television services by another provider or beyond "basic service" are the responsibility of the shareholder.

XX. Windows

The interior of the window frames must remain black. They cannot be painted. A fine of \$1,000 will be imposed for violation of this House Rule.

Shareholders must keep the interior and exterior of their windows clean. In case of neglect or refusal of the shareholder after a ten (10) calendar day written notice, cleaning may be done by the Co-op which will have the right to enter the apartment and charge the cost of such cleaning to the shareholder.

No awnings exhaust fans, air conditioners, window guards, ventilators, or fences shall be used in or about the buildings or projected out of any window without the written approval of the Board of Directors. Child window guards, where required by law, must be installed by the shareholder and inspected by the Property Manager. The Board must be notified in writing, in advance prior to the installation.

XXI. Signage

No sign, notice, advertisement or illumination shall be inscribed or exposed on any part of the building, common grounds, or at any window without prior written approval of the Board of Directors. The possible exception to this rule is for "Open House" signs, however, prior written approval must be received for these also from the Management Office.

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