

*BEACON HILL ESTATES
COOPERATIVE INC.*

DOBBS FERRY, NEW YORK 10522

HOUSE RULES and
REGULATIONS MANUAL

THE PLACE TO GO FOR INFORMATION ON

MOVING TO BEACON HILL

LIVING AT BEACON HILL

MOVING FROM BEACON HILL

October 2015

Dear Shareholder,

This is your new updated HOUSE RULES and REGULATIONS MANUAL. It has been revised through October 2015.

Please take the time to read this and point out the relevant items to all occupants in your unit.

This book is a permanent reference and will be updated as changes are made. Each page is numbered and dated. As changes are made, replacement pages will be sent to you showing the page number it replaces and the date of the change.

Below is a tear off strip that is to be signed by the shareholder(s) acknowledging that you have received this book. Should you, at any time, opt to sell your stock, this book must be returned with your stock certificate. A charge of \$25 will be made for books not returned and/or for additional or replacement books issued.

.....

I have received the book containing the Beacon Hill Estates Cooperative, Inc. House Rules, Regulations and Procedures.

Shareholder(s) signature _____

Date _____

Shareholder(s) address _____

Unit Number _____

BEACON HILL ESTATES COOPERATIVE, INC.

Dobbs Ferry, New York 10522

HOUSE RULES AND REGULATIONS

Revised October 2015

Emergency Telephone Numbers

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Finger & Finger, a Professional Corporation: (914) 949-0308

a) Kenneth J. Finger, Esq.

b) Carl L. Finger, Esq.

c) Daniel S. Finger, Esq.

Police Department (914) 693-5500

Ambulance Service (914) 693-5500

Fire Department (914) 693-3000

Community Hospital at Dobbs Ferry (914) 693-0700

Realtor, Fatin Beiner at Sotheby's (914) 438-4370

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Introduction

To the Shareholders,

Beacon Hill Estates Cooperative, Inc. (referred to hereinafter as the "Cooperative") was established in 1954 under the provisions of Section 213 of the Federal Housing Act (FHA). It maintains a ninety-nine year lease with a 99 year lease renewal thereafter on 9.086 acres, on which stand ten buildings, containing one hundred fifty-eight family units, and it also owns more than one acre of land which has a pool complex for the use of its shareholders.

Beacon Hill Estates Cooperative, Inc. is a complex venture with all the financial, legal and administration facets of a large corporation. However, unlike an ordinary business, it requires the active cooperation and support of every shareholder in order to accomplish its purposes.

To protect your investment and to maintain good community living, the Board of Directors urges you to honor the house rules and regulations contained in this manual.

The Board of Directors
Beacon Hill Estates Cooperative, Inc.
October 2015

Board of Directors

The Board of Directors is responsible for the administration of the Cooperative. It consists of Shareholders elected at the annual Shareholder's meeting. Members serve for a period of three (3) years without salary or other form of compensation. Officers of the Board are elected by the members of the Board for a term of one (1) year and new or the same officers are voted on after the Annual Meeting.

The Board generally convenes at 7:00 p.m. on the fourth Wednesday of every month in the "F" building Board Room. Shareholders are invited to observe open meetings as per a published schedule (normally once per quarter). One half hour is allotted for any issues Shareholders would like to present to the Board.

The President of the Board is empowered to call an Executive Session, a "closed" meeting of Board members only.

Suggestions and Grievances

The Board welcomes suggestions or grievances regarding cooperative rules. Shareholders may present suggestions or grievances in any of the following methods

- a. By letter to the Managing Agent
- b. By letter to the President of the Board
- c. By personal appearance at the designated open quarterly Board meetings at 7:00 p.m. The Board acts on matters brought to its attention either directly or by assigned committees. Actions are governed by the Certificate of Incorporation of the Cooperative, the Bylaws, the Occupancy Agreement and the established policies of the Board, including the House Rules and Regulations.

Personnel and Maintenance

Managing Agent

A Managing Agent serves the Cooperative under contract, which is on file.

The Managing Agent has the following responsibilities:

- a) To supervise the overall activities of the Superintendent and staff in accordance with the union contract;
- b) To review and pay invoices where appropriate for mortgage, taxes, utilities, work, labor, services, insurance and supplies, among other things;
- c) To handle the inspections of all units;
- d) To contract for and to purchase all supplies and materials necessary for the operation of the Cooperative, subject to approval by the Board;
- e) To prepare and submit monthly statements to the Board of the Directors including expenditures, invoices, and work with the Board on budget preparations;
- f) To offer suggestions and recommendations to the Board for maintaining Cooperative property efficiently and to have complete and current knowledge of the operation of the Cooperative at all times;
- g) To supervise the overall activities of all contractors employed by the Cooperative;
- h) To monitor the activities of contractors hired privately by Shareholders.
- i) To receive complaints and grievances in the first instance and to review same and make recommendations to Board;
- j) To solicit bids repair/reconstruction/capital improvements;
- k) To deal with accidents and damage to cooperative property.
 - I) Assist in the enforcement of the House Rules and Occupancy Agreement requirements.

Superintendent

The Superintendent is under the **direct supervision** of the Managing Agent and must see that all Cooperative property, both interior and exterior, and all surrounding grounds are kept in good repair and condition.

Maintenance Personnel Porters, Handymen, and Utility Workers

The maintenance personnel, porters, handymen and utility workers are under the **direct supervision** of the Superintendent and/or Managing Agent.

Procedure for Obtaining Maintenance or Repair Service

In the event of equipment or facility failure, Shareholders should report the problem to the Superintendent. The Shareholder will also need to fill out a "Work Order" request form, obtained from the Superintendent's office or in the laundry rooms. This is a three-part form. The Shareholder fills out the form, signs and keeps the last page of the form before it is submitted to the Superintendent.

Shareholders are not to direct the Superintendent or the Maintenance Personnel to perform any work without proper authorization or a completed "Work Order" form unless it is in an emergency.

The scheduled work week for employees of the Cooperative is 8:00 a.m. to 5:00 p.m. Monday through Saturday. It is absolutely forbidden for a Cooperative employee to work personally for a Shareholder during normal work hours. Employees rendering personal services during work hours are subject to immediate dismissal.

Additional Professional Support Services

Additional professional support services are provided to the Cooperative under contract or agreement as follows:

- a) General Counsel on retainer to provide routine legal service and advice to the Board; to do the documentation necessary for the resale of apartments, transfer of shares and applications to become Shareholders;
- b) Certified Public Accountants to audit the accounts maintained by the Cooperative and furnish a Certified Annual Report and such other reports as the Board may require;
- c) Real Estate Broker who handles the resale of Cooperative stock.

Payments to the Cooperative by Shareholders

All monies due the Cooperative by the Shareholders must be paid to the Managing Agent.

The following charges when applicable are included in the monthly bill

- a) Monthly carrying charges for the apartment and garage rent;
- b) Monthly electrical usage;
- c) Charges for repairs and/or replacements made by the Superintendent or other employees, and which are the liability of the Shareholder, in accordance with the Occupancy Agreement or/and the House Rules and Regulations;
- d) Any other legal charges approved by the Board;
- e) Charges caused by a Shareholder's negligence.

Late Charges

The Cooperative requires prompt payment of all monies owed by the Shareholders so that it can pay each month's obligations without incurring "late" penalty charges. All monthly payments are due to the Cooperative by the tenth of the month. If payment has not been received by that date, a late fee will be added to the amount owed by the Shareholder. The amount of such late fee to be determined, from time to time, by the Board of Directors. Legal proceedings may be instituted if carrying charges, including the late fee, if any, have not been paid within one month of the due date. All legal costs are to be borne by the delinquent Shareholder.

Any Shareholder with a garage who is in arrears in maintenance payments or other charges to Beacon Hill Estates Cooperative, Inc. in an amount in excess of \$250.00 for a period of 60 days or more will be notified that they are about to lose all garage parking privileges. If the account is not brought current within 30 days of the date the notification is sent, the right to the garage will terminate. The Shareholder will be required to surrender the garage as of the last day of the month after the notification is sent. If the Shareholder does not surrender the garage, a legal action will be brought to obtain possession of the garage and the

Shareholder will be responsible for all legal fees, court costs, and expenses attendant thereto. Upon the Shareholder becoming current in payments due to Beacon Hill Estates Cooperative, Inc. for six continuous months, the Shareholder may reapply for a garage. Upon such application, the Shareholder will, for the purpose of these rules and regulations be treated as a new Shareholder and go to the bottom of the list.

Building Regulations

Public Halls and Stairways

The public halls and stairways shall not be obstructed or used for any purpose other than entering and leaving the apartments.

Nothing, including but not limited to trash, folding chairs, beach chairs, baby carriages, bicycles, boots, sleds, garden equipment or any personal articles may be left in public halls, landings, entrances, garden areas, or Cooperative pathways. The Superintendent has been instructed to remove such property and place it in locked storage.

Children should not play in the public halls or stairways.

No bicycles, scooters or similar vehicles shall be allowed in public halls, stairways, public rooms or public areas, except in areas designated for such purpose.

Chair lifts may not be installed without prior written consent of the Board. Those Shareholders requesting a chair lift must have supporting documentation from a physician. The chair lift must be installed in accordance with the rules and regulations of the Cooperative and in accordance with all laws, rules and regulations, of any governmental agency.

No public hall shall be decorated or furnished without prior consent of the Board of Directors.

Smoking Prohibited Inside Buildings

New York State Law prohibits smoking inside of all buildings except within ones own living space. All residents, guests and workmen must refrain from smoking in all interior and outside common areas of buildings at Beacon Hill Estates. Cigarette butts are not to be thrown on the lawn or on the sidewalks at Beacon Hill.

Holiday Decoration Guidelines

Displays and holiday lights are not permitted on the exterior of our buildings. Since we are fortunate in having large living room windows, we have ample space for creating holiday displays that may be enjoyed from both inside and outside of our apartments. This regulation prevents damage to our buildings from attaching decorations to exterior surfaces. It also insures against problems that may arise from having illegal and potentially dangerous electrical lines outside of our buildings.

CO Detectors and Smoke Alarms

The law requires that CO detectors and smoke alarms be installed in all living units in New York State. The unit specified by Dobbs Ferry must be the type that plugs directly into an electric outlet at baseboard level. It must have a digital readout in PPM's and a battery backup in case of a power failure.

Windows and Remainder of Building

No signs, signals, flagpoles, advertisements, or illuminations may be inscribed or exposed on or at a window or other part of the building without prior written consent of the Board.

Nothing may be projected out of a window without prior written consent of the Board.

Nothing may be placed upon a window-sill, ledge, roof, or exterior portion of a building without prior written consent of the Board. This includes plants, holiday lights, satellite dish, radio or television aerial or other antennae. U.S. flags of a size approved by the Cooperative may

be placed from the canopy area provided prior approval is received as to the size of the flag and the method of placing the flag on the canopy.

Rugs, mops, clothes, sheets, pillows, blankets, and the like may not be placed in windows or shaken from windows or entrance doors.

The Shareholder must keep the windows of the apartment clean. In case of refusal or neglect of the Shareholder during ten (10) days after notice in writing from the Cooperative or Managing Agent to clean the windows, such cleaning may be done by the Cooperative, which shall have the right, by its officers or authorized agent, to enter the apartment for that purpose and to charge the cost of cleaning to the Shareholder.

Use of Public Rooms, Attics, Roofs and Crawl Spaces

Cooperative public storage rooms may be used solely for storage of personal items at the sole risk of the shareholders. Please do not store any items that will cause you anguish if lost. All items must be labeled with the Shareholder's name and unit number. The Cooperative reserves the right to inspect and remove items not labeled or not in accordance with our rules and regulations.

Entering into or using attics, roofs or crawl spaces of any Cooperative building is prohibited.

Liability

Shareholders are personally responsible and liable for damage to or defacement of any part of the Cooperative property or buildings caused by themselves, their families, employees, agents or guests. All shareholders must have homeowners' insurance.

Complaints Regarding Service

Complaints regarding service of the Buildings must be made in writing to the Managing Agent, or a designee of the Managing Agent.

Apartment Occupancy Regulations

Each Shareholder shall use his apartment solely as a private dwelling and for residential purposes only.

Each apartment shall be occupied only by the Shareholder together with his or her immediate family and/or a caregiver. Immediate family shall be defined as "spouse, children, parents, and domestic partner." For purposes of this definition and residence with a shareholder, "grandchildren, grandparents, in-laws, brothers and sisters or anyone other than spouse, children, parents or domestic partner" are not considered "immediate family." In accordance with the "Roommate Law" of New York State, if the Occupancy Agreement was entered into by one person, it shall be construed to permit occupancy by the shareholder, immediate family of the shareholder, one additional occupant, and dependent children of the occupant provided that the shareholder or the shareholder's spouse occupies the premises as his or her primary residence. In the event the occupancy agreement was entered into by two or more shareholders, it shall be construed to permit occupancy by the shareholders, immediate family of the shareholders, occupants and dependent children of occupants; provided that the total number of shareholders and occupants, excluding occupants' dependent children, does not exceed the number of shareholders specified in the occupancy agreement, and that at least one shareholder or a shareholder's spouse occupies the premises as his or her primary residence.

In no event may the apartment be occupied by anyone in the absence of the shareholder(s).

In the event that anyone else is to live in the apartment with the shareholder, that person or persons shall be required to complete an application in such form and substance as required by the Board of Directors and shall be required to consent to a credit check as well as a criminal and sex offender check and if required by the Board of Directors shall be required to attend an interview with the Board and/or its designated committee.

In the event anyone is living in the apartment with the shareholder(s), other than the shareholder's children who have continuously resided in the apartment with the shareholder(s) except for absence due to schooling or military service, the shareholder and that person or persons must execute a document in a form prepared by and satisfactory to counsel to Beacon Hill Estates Cooperative, Inc. which form, in substance provides that the other occupant or occupants waive any right to succession to the occupancy agreement and upon the vacating of the apartment by the shareholder(s) or death of the shareholder(s) or termination of the apartment as the primary residence of the shareholder, the additional occupants agree that they will vacate the apartment within two (2) calendar months thereafter and will have no claim to succession to the occupancy agreement or occupancy of the apartment.

Except for the shareholders and the children of the shareholders who have resided with the shareholders continuously (excluding periods of temporary residence for schooling or military service) since either being born (or adopted) or moving into Beacon Hill with the shareholders, the limit on the number of persons who may reside in an apartment is four (4) persons for a two (2) bedroom apartment and six (6) persons for a three bedroom apartment and at no time may more than four (4) persons occupy a two (2) bedroom apartment nor more than six (6) persons occupy a three (3) bedroom apartment. Therefore, no application will be considered where there are or will be more than said number of occupants. In addition, in the event additional occupants move into an apartment with a shareholder, the total number of occupants cannot exceed four (4) persons for a two (2) bedroom apartment and six (6) persons for a three (3) bedroom apartment.

No apartment may be subleased by a shareholder without prior written consent of the Board of Directors which consent may be granted or withheld by the Board of Directors in its sole discretion.

Entry into Apartment

It is of the utmost importance for the Cooperative to have access to each and every apartment in the event of an emergency. Keys for the apartments are kept in a secure key system, accessible only to the building staff.

A set of entrance keys to the apartment must be left with the Superintendent for the purpose of gaining entrance in the event of an emergency. If a complete set of entry keys is not provided, the violating shareholder shall be responsible for any and all damage that may occur as a result of the Cooperative or any emergency agency requiring access to the apartment.

The agents or employees of the Cooperative may enter any apartment with notice at any reasonable hour of the day for the purpose of inspecting such apartment to ascertain whether or not measures are necessary or desirable to make repairs to any portion of the apartment and/or control or exterminate any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests.

Redecorating and Structural Alterations

All painting and redecorating of the interior of the apartment must be done at the expense of the Shareholder. Settlement cracks are a common fault to be handled by the Shareholder as a part of redecorating.

No structural, mechanical, plumbing or electrical alterations may be made in an apartment without prior written consent of the Board or Managing Agent.

All renovations, improvements or alterations and all work in the apartment requiring the use of an outside contractor require compliance with filling out a Renovation package provided by the Managing Agent.

No Shareholder may permit anything to be done to the premises that would increase the Cooperative's rate of insurance.

Replacement of Appliances and Kitchen Floor Covering

Subject to the provisions of the Occupancy Agreement, ranges, refrigerators, dishwashers and kitchen floor covering must be replaced at the expense of the Shareholder.

Inspection of Apartments

There will be mandatory periodic inspections of apartments. If after two notifications, access has not been granted, there will be an administrative fee of \$100 (as of October 2015) for each month that access is denied. Should the inspection report indicate that repairs or redecorating are essential to the proper maintenance of the apartment, such work must be done immediately at the expense of the Shareholder. If necessary, the Cooperative will perform the work and back-charge the shareholder.

Risks and Liabilities

Any space, storage room, play area, pool and pool area, laundry room, clothes drying area, or other facility used by the Shareholder, the Shareholder's family, employees or guests do so at their own risk. The Cooperative is not responsible or liable for loss of or damage to personal property of a Shareholder, Shareholder's family or guests.

Garages, Parking Areas and Motor Vehicles

Garages

Only shareholders and permanent full time residents shall be permitted to rent a garage. There are ninety-three (93) enclosed garages on the premises. The Parking and Garage Committee is responsible for assigning garages in accordance with policies established by the Board. Since there are fewer garages than apartments, waiting and switch lists for garages are maintained which will be published and posted in the Laundry Rooms. When a garage becomes available, it is offered to the Shareholder whose name appears at the top of the appropriate list for the particular garage and/or location. If the person notified does not respond within 48 hours, the next person on the list will be called, and so on until the garage space is rented. When a Shareholder wishes to change garages, he or she should submit a written request for the change to the Managing Agent or a member of the Garage Committee, at which time the name will be added to the bottom of the switch list.

Any Shareholder with a garage who is in arrears in maintenance payments or other charges to Beacon Hill Estates Cooperative, Inc. in an amount in excess of \$250.00 for a period of sixty (60) days or more will be notified that they are about to lose all garage parking privileges. If the account is not brought current within thirty (30) days of the date the notification is sent, the right to the garage will terminate. The Shareholder will be required to surrender the garage as of the last day of the month after the notification is sent. If the Shareholder does not surrender the garage, a legal action will be brought to obtain possession of the garage and the Shareholder will be responsible for all legal fees, court costs, and expenses attendant thereto. Upon the Shareholder becoming current in payments due to Beacon Hill Estates Cooperative, Inc. for six (6) continuous months, the Shareholder may reapply for a garage. Upon such application, the Shareholder will, for the purpose of these rules and regulations be treated as a new Shareholder and go to the bottom of the list.

- a. No garage may be subleased to others or traded with another Shareholder.
- b. Garages shall be used primarily for the storage of currently registered motor vehicles and must always be able to accommodate at least one automobile.
- c. Flammable or combustible materials shall not be stored in garages.
- d. No garage shall be used for business or living purposes.
- e. No smoking is permitted in the garages.

These regulations are enforced through periodic garage inspections. Garage occupancy may be terminated for any violation of these regulations.

Garage doors must be closed and locked at all times except when entering or exiting. No additional locks are permitted on these doors.

Under no circumstances may the water or drainpipes in garages be used as racks. In addition, access must be left clear to reach these pipes in an emergency.

No electric lines may be drawn into garages.

There will be an administrative fee charged for not returning garage keys and/or remote.

Shareholders are responsible to clean out and broom sweep when surrendering their garage. Shareholders are given two days to move out of or move into a garage and surrender keys and remote.

Children are forbidden to play with garage doors or inside garages.

Parking Area

Only vehicles with Cooperative parking permits are permitted on Cooperative property.

A properly licensed motor vehicle owned by, leased by, or leased for a Shareholder is eligible for a parking permit subject to regulations below. Commercial vehicles are eligible for a parking permit only if the load capacity is less than 2,000 pounds. A commercial parking fee of \$25 per month will result in an assigned spot in the commercial designated parking area.

A parking permit will be issued for each vehicle registered to a Beacon Hill Address and limited to one permit per resident licensed driver. To obtain a permit a Shareholder must present both a valid driver's license and a valid vehicle registration. Parking permits will be given to any registered vehicle as long as the number of vehicles does not exceed the number of licensed drivers residing in the home. No parking permit will be issued to anyone who does not reside full time at Beacon Hill.

Authorized Shareholder vehicles (Beacon Hill permit stickers) must be parked only in designated parking areas and must face landscaped areas so as not to cause damage to shrubbery by exhaust fumes.

Parking in designated spaces is limited to one week. Extended parking must be arranged with the Managing Agent.

Washing, polishing and making minor repairs are permitted in

designated parking areas. All precautions must be taken, however, to ensure that the pavement will not be stained with grease or oil, littered, or otherwise left soiled, dirty or unsightly.

Hoses connected to Beacon Hill spigots are not permitted and may not be used for washing cars.

Electric lines may not be drawn from buildings, garages, or apartments to parking areas. Electric connections are not allowed from the garage door opener system or any other electrical outlet for use in a garage.

Parking areas may not be used as play areas.

The Cooperative is not responsible or liable for loss or damage to personal property of a Shareholder or Shareholder's family while parking in open spaces on Beacon Hill Estates property.

Motor Vehicles and Recreational Vehicles

The speed limit on Cooperative driveways is ten (10) miles per hour.

No vehicles other than licensed vehicles with appropriate authorization stickers permanently affixed to that vehicle are permitted on Cooperative property.

Recreational vehicles such as mini-bikes and motor scooters are not permitted on Cooperative property.

Laundry Rooms and Drying Areas

A number of rooms in various buildings are assigned to card-operated clothes washers and dryers. They may be used during the following hours

Monday through Saturday -- 8:00 a.m. to 9:00 p.m.
Sunday and Holiday --10:00 a.m. to 9:00 p.m.

Any money lost in a laundry machine may be recovered by contacting the laundry equipment operator in accordance with posted instructions.

Shareholders must keep laundry room doors closed and locked and make certain that lights and exhaust fans are OFF when the rooms are not in use.

All washing machines have adjustments to allow the washing of clothes with hot, warm or cold water. At no time are the water "shut-off" valves to be used for cutting off any hot or cold water supply.

Washing machines may not be used to dye clothing.

Clothes may be hung on the clotheslines in the designated outdoor drying areas. No clothes may be hung for any purpose on railings, benches, or other places either indoors or outdoors, except in the Shareholder's own apartment.

Each laundry room has a bulletin board. It is to be used for posting the minutes of the Board meetings and notices approved by the Board.

The Cooperative shall have the right from time to time to curtail or relocate any space devoted to storage or laundry purposes.

Completed laundry not removed promptly from laundry equipment may be removed.

Storage Rooms

Storage rooms are intended solely for the storing of suitcases, trunks or other property, which can be contained in plastic bins and securely tied and tagged. Furniture, household appliances no longer in use, automobile tires, solvents, paints, mattresses, and other items constitute health and fire hazards and may not be stored in the storage rooms. The Board and/or Managing Agent reserve(s) the right to remove such property without notice.

All permissible stored materials not properly marked and/or tagged with the name and apartment number of the owner, will be removed by the Superintendent upon instructions from the Board and/or Managing Agent.

Children of Shareholders may not have unsupervised access to storage areas.

The Cooperative is not responsible for loss of, or damage to property stored in a storage room.

Garbage Rooms, Outdoor Sheds, and Waste Materials

Waste Disposal Regulations

Shareholders are urgently requested to use only those garbage sheds or rooms assigned to them.

Shareholders leaving rubbish, garbage or non-recyclable waste on any portion of the premises other than those designated for that purpose by the Cooperative will be charged a violation processing fee plus any other expenses incurred by the Cooperative as a result of the violation.

Each garbage room and shed is provided with large receptacles to hold the garbage. Bags containing garbage may not be placed on the floor. All non-recyclable waste materials must be placed in plastic bags and tied. All recyclable items must be placed in the appropriate recyclable bins, **with all cartons collapsed**. Empty plastic bags are to be put in the "garbage bin," **not in the "plastic" bin as per the recycling regulations of the Village of Dobbs Ferry**. There are signs in each garbage shed, which clearly state where garbage, paper/cardboard, and plastic/glass/metal are to be placed. Cardboard boxes need to be broken down. Anyone not following these rules will be charged an administrative fee.

All wet garbage and most appropriate food waste must be disposed of in the apartment sink disposal unit.

Garbage shed doors must be kept closed at all times.

Electric lights must be extinguished in those rooms that contain a light switch.

Discarded furniture and furnishings of a large size may be placed in the garbage shed. Arrangements of the disposal of such items must be made by notifying the Managing Agent or the Superintendent as these items must be discarded on designated days.

Lawns and Grounds

General Grounds Regulations

Walking upon, or using the lawns or grassy areas for any purpose other than grass or ground care is prohibited.

The grounds, whether paved or otherwise, may not be used for any meeting, show, picnic, sale or sporting event without prior written consent of the Board of Directors. In order to preserve lawns and landscaping, designated paths shall be used for crossing the grounds, and the grounds shall not be used as play areas.

Benches, seats, blankets or lawn chairs may not be placed upon the lawns or grassy areas.

The use of tables, chairs, or cooking apparatus of any type on the lawns or grassy areas is strictly prohibited.

No personal property may be placed or left on the lawns or grassy areas.

No fences may be erected on the premises.

Littering is prohibited. Under no circumstances may household trash or garbage be placed in the outside containers located in the sitting areas.

Receptacles are provided in strategic locations for such refuse.

Electric lines may not be drawn from any outlet to the lawns or grounds.

Bird seed, bread, or other food may not be scattered on the Cooperative grounds. Please do not feed the birds and animals.

Regulations for the Cultivation of Grounds by Shareholders

All plantings must be cleared through the Board of Directors. No artificial plants or flowers are permitted.

Up to two planters with or without stands may be placed in front of an entry. The planters must not interfere with the safe entry or exit from the building. Adequate drainage must be provided so no standing water will encourage mosquitoes that may carry West Nile Virus. Planters must be maintained by the individual resident who installed them.

Regulations for Outdoor Grilling and Barbecuing

Portable grilling or barbecuing equipment may only be used in the designated portion of the pool area and in drying areas.

Household Pets

The keeping or harboring of any dogs, or un-caged animals on the Cooperative premises is prohibited with the exception of two indoor cats per unit.

The owner of the animal is solely responsible for any damage or injury caused by said animal. He or she will be required to take immediate steps to repair or replace any property damaged by the animal, and will be required to pay for said repair or replacement and for any injuries caused by the animal.

No visiting dogs shall be permitted under any circumstances.

Television Antennas

All apartment buildings are equipped with basic cable service from Optimum. Shareholders may not install outside antennas or satellite dishes of any kind to the building.

Pathways have been provided for Verizon FIOS service which, at the Shareholder's discretion, may be contracted for at the expense of the Shareholder.

Auxiliary television or radio antennas may not be installed in an attic.

Noise and Other Disturbances

Shareholders must take all steps necessary to prevent anything from being done which would interfere with the rights, comfort, or convenience of the other Shareholders or residents.

No Shareholder may make disturbing noises in the buildings or on the Cooperative grounds by himself or by his family, agents or visitors.

Shareholders and/or their visitors may not play any musical instrument on the premises between the hours of 10:00 p.m. and 9:00 a.m.

Radios, audio equipment, television sets, or musical instruments are not to be played so loudly at any time that the sound could be disruptive to the normal degree of peace and tranquility expected by all Shareholders.

No mechanical work of a noisy nature may be done in an apartment except on weekdays (not including legal holidays) and only between 8:30 a.m. and 5:00 p.m. (unless emergency conditions require work to be done at other times).

All floors in second floor apartments, with the exception of kitchens, bathrooms, and closets must have carpet covering 80% of the surface.

All moves in or out by incoming or outgoing Shareholders must not be made by moving companies before 8:00 a.m. or after 6:00 p.m. and not on Sundays.

Appliances and Fixtures

Kitchen and Attic Fans

The Cooperative is not responsible for repairing or removing kitchen or attic fans or housings. Shareholders must repair, replace, or remove inoperable fans and restore housings at their own costs.

Tub Enclosures

Tub enclosures must be kept in working condition at all times. The area around the tub and shower must be kept properly grouted. It is the responsibility of the Shareholder to fill out a Work Order should such repairs be needed. Shareholders not notifying management of the need to grout and who allow further deterioration of the grout and tiles which requires excessive repairs will be held responsible for any additional cost. All such charges will be billed as an administrative charge to the shareholders. The installation of "*Bath Fitters*" is not allowed.

Venetian Blinds and Window Shades

The Cooperative is not responsible for the maintenance or replacement of venetian blinds or window shades.

In-sink Disposal Units

An in-sink disposal unit is provided by the Cooperative in all kitchens. The Cooperative will repair or replace disposal units that fail due to normal wear and tear.

Bathroom Exhaust Fans

The Cooperative will be responsible for repair or replacement of those bathroom exhaust fans in bathrooms lacking windows. These fans are considered an original installed amenity.

Plumbing Fixtures

Cracked toilet bowls, tubs, or sinks are not considered normal wear and tear but a liability of the individual Shareholder.

Normal wear and tear of kitchen and bathroom faucets as well as toilet flushing mechanisms are the responsibility of the Cooperative.

Air Conditioners

Air conditioner sleeves may not be installed in apartments without prior written consent of the Board and a renovation package must be obtained from the Managing Agent. When such consent has been given, the installation must comply strictly with specifications set forth by the Board. The installation and wiring costs are to be borne solely by the Shareholder.

Air Conditioners should meet the following conditions

Living Room	10,000 to 16,000 btu and 208 volts
Bedroom	5,000 to 9,000 btu and 110 volts

Under no circumstances may an air conditioning unit be plugged into an electrical outlet other than one installed and wired specifically for that purpose. No other outlet may be connected to the wiring of an air conditioning outlet, and no other appliance may be operated from an air conditioning outlet.

If Shareholders desire air conditioning outlets or sleeves in addition to the one provided their living room, they must have each additional outlet installed at their sole cost and expense and in accordance with the rules and regulations of the Cooperative and in accordance with all laws, rules and regulations and of any governmental agency.

No replacement or new window air conditioners will be permitted without the express written consent of the Board and only when a sleeve cannot be logistically installed.

Free-standing air conditioning units, which require only an exhaust positioned in the window shall be permitted but must be connected to an outlet installed and wired specifically for that purpose.

Clothes-Washing Machines

Washing machines may be installed in apartments only after written consent has been obtained by the Board and a renovation package must be obtained from the Managing Agent. Installations must be made by licensed plumbers and electricians.

The following are the minimum requirements of a washing machine installation:

1. The machine must be an energy star approved washer.
2. It must be installed with easily accessible lever type water cutoff valves.

3. It must be installed with restricted flow reinforced hoses.
4. It must be installed with a closed output connection to the buildings plumbing system, gravity output will not be allowed.

Shareholders having washing machines in their apartment must show proof to the Managing Agent of adequate liability insurance covering this equipment. **Use of washing machines in an apartment is restricted to the following hours:**

Monday to Saturday 8:00 am. to 9:00 p.m.
Sunday and Holidays 10:00 a.m. to 9:00 p.m.

If a Shareholder having a washing machine moves, and the incoming Shareholder does not want the plumbing connection, the outgoing Shareholder must remove the pipes and return the walls to their original condition at their own expense.

Clothes Dryers

Dryers are permitted with Board of Directors approval. The appliance must be a gas dryer, vented outside in accordance with Board rules and regulations, and must be installed by a licensed and insured plumber and electrician.

Renovation agreement, insurance certificate and Hold Harmless Agreement (see page 30) must be received and approved by the Managing Agent.

Unauthorized Installation and Use of Electrical Equipment

The following action will be taken by the Board on equipment found in use in an apartment where consent of the Board for the use of such equipment is required and such consent has not been given.

An administrative charge will be levied immediately, plus interest, based on the schedule established for the use of the equipment from the date of the purchase. A receipted bill and canceled check must be produced by the Shareholder substantiating the date of purchase and/or installation. If such proof cannot be produced, the Shareholder will be charged as of the date of occupancy of the apartment at the discretion of the board.

If the equipment is of a type not permitted for use in an apartment, it must be removed immediately by the Shareholder.

In the event that the Shareholder does not remove a prohibited piece of equipment after notification by the Cooperative, the Cooperative will remove the same and add to the Shareholder's next monthly carrying charges any cost for such removal, the cost of repairing any damage, and any other costs incurred as a result of the installation, use or removal of the equipment.

Renovation Procedures

Written consent is required before any work is performed in the Cooperative, whether in an individual's apartment or in the building's common area by anyone other than the actual apartment occupant. The definition of work includes construction, reconstruction, renovation, repairs, painting, plumbing, electrical, heating or maintenance by any Contractor or person other than the Shareholder or occupant. The Cooperative requires that before it can give its consent to any work that there be a written contract between the Shareholder and the contractor which provides, among other things, that the Contractor shall name the Cooperative as an additional named insured on its insurance policies and must also agree to hold the Cooperative harmless and indemnify the Cooperative, its Managers, officers, agents, servants and employees.

In the event there is no written contract or the contract does not contain the required language, or if work is done without the Cooperative's permission, and an employee of the contractor is injured, then the Cooperative can be held liable merely because it is the property owner where the injury happened. This liability can very adversely affect the Cooperative's loss experience and may result in a substantial increase in future insurance premiums.

Additionally, in order to protect the Cooperative and assure that in the event of major renovations and repairs the appropriate steps are taken to assure the consent of the Cooperative to the repairs, the Board has also passed a formal policy as to renovations and major repairs.

In light of the above, your Board of Directors has enacted a resolution amending the House Rules and Regulations to add a new provision which requires that before any Work is performed in any unit, the Shareholder must enter into a written contract which contains insurance, defense and indemnification language as is acceptable to the Cooperative and must also supply appropriate evidence of insurance to the Cooperative. In the event that the Shareholder does not obtain such consent or does not enter into a contract, in addition to a fine or administrative fee payable by the Shareholder, the Shareholder or person in whose Unit the work is being performed may be personally liable for any damages sustained by the Contractor or Contractor's employee who is injured in the Unit.

This is a very significant matter and will be strictly enforced by the Cooperative. We suggest that you review same and should you so desire, consult with your insurance representative or legal counsel.

In the event the Shareholder seeks to undertake a renovation or reconstruction in his unit, the Shareholder must comply with the following procedures

Procedure for Renovations in your Unit.

- 1) All repairs, renovations and alterations of any type must comply with the Building Code of the Municipality in which your building is located.
- 2) The Cooperative must approve any renovations and alterations pursuant to its Occupancy Agreement, By-Laws and House Rules procedure.
 - a) A Renovation Package must be submitted to the Cooperative with a request for approval. These plans should be prepared by either a licensed architect or engineer, or if the Cooperative so elects, by a person qualified to prepare such drawings and plans;

b) The plans must be reviewed, at the option of the Cooperative, by either a representative of the Cooperative or Managing Agent or an engineer or architect, at the expense of the Shareholder. If the alterations or improvements are structural, we recommend that an engineer or architect prepare the plans;

c) The Cooperative's architect or engineer, if required, must approve the renovations prior to the Cooperative issuing its approval. Again, if the alterations or improvements are structural, we would recommend that an engineer or architect review the plans.

d) The Shareholder must submit a copy of the contract with the contractor who is doing the renovations and/or alterations, which contract must include a clause prohibiting the contractor from filing a mechanics' lien against the Cooperative.

e) The Shareholder must execute a Hold Harmless Agreement agreeing that if there should be any claim as a result of the renovations and/or alterations, the Cooperative will be held harmless as to same.

3) If the approved changes are deemed by the Board of Directors to be structural, the Shareholder must, after the Cooperative gives its approval, submit the plans to the municipality in which your building is located and apply for a building permit. If the municipality requires any changes in the proposed renovation/alterations as approved by the Cooperative the Shareholder must secure the Cooperative's approval of the changes.

4) The Shareholder cannot commence construction until written permission is received from the Board of Directors or Managing Agent.

5) The Shareholder must have a written contract with the Contractor doing the work and that contract must contain a broad form "hold harmless and indemnity" provision in favor of the Cooperative. The Contract must also name the Cooperative as an additional insured on the certificate. An original insurance certificate must be supplied the Cooperative prior to the commencement of the work.

6) The Shareholder must sign an agreement with the Cooperative and the Contractor.

7) The Shareholder must supply a copy of an insurance policy regarding the renovations/alterations, which policy must cover both liability and workers compensations insurance and must insure the Cooperative.

8) If electrical or plumbing work is being performed, it must be done by a licensed contractor.

9) The Managing Agent or a representative of the Board of Directors has the right to inspect the work on a regular basis during its progress and after its completion.

10) All fees and permits must be paid for by the Shareholder. If the work is structural and is approved in advance by the Cooperative, it will require a building permit from the Village of Dobbs Ferry. In such case, if approved in advance by the Cooperative, a Certificate of completion or occupancy shall be required from the Village upon the completion of the work.

11) All work must be performed only between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday.

12) Materials must be transported and delivered as designated by the Managing Agent.

13) There is to be no disruption of essential services in the Cooperative.

14) A plan for removal of debris must be submitted and approved by the Managing Agent.

15) The Shareholder must agree that if in the sole discretion of the Board of Directors, the work creates a danger to the building or the possibility of damage to the building, the work will be immediately halted and will not be resumed until the damage and/or damage issue is fully resolved to the satisfaction of the Board of Directors in its sole discretion.

16) The Board of Directors maintains the right, in its sole discretion, to approve and/ or disapprove any requests for renovations/alterations.

17) All fees and expenses, including engineering or architectural costs shall be borne solely by the shareholder.

Guidelines for Kitchen and Bathroom Renovations

General

A renovation package must be obtained from the Managing Agent for all plumbing and electrical alterations. These alterations must be done by licensed contractors and must meet building code specifications.

All requests for renovations or alterations must be presented to the Managing Agent for approval and must include a sketch with dimensions and a description of the proposed work and materials to be utilized.

All contract work must be in compliance with the standard renovation agreement of Beacon Hill Estates, Inc.

Kitchen

- a) Plumbing — any changes must comply with all local codes. Shutoff valves are mandatory for plumbing fixtures as well as appliances utilizing water. Check valves are required on clothes washing machines.
- b) Faucets — replacement faucets must be Delta or equivalent quality. The Cooperative prefers the Delta line due to ease of repair and availability of replacement parts.
- c) Sinks — replacement sinks are limited to porcelain or enamel on cast iron or the best quality heavy gauge stainless steel, equipped with the best silencing pads or coating. Sinks must have a minimum depth of 8 inches. The major manufacturing brands preferred are American Standard, Eljer, Kohler or equivalent.
- d) Exterior kitchen exhaust — Sleeve type, through the wall with a downdraft hood (Nutone type metal housing)

Bathroom

- a) Plumbing — any changes in the existing system must be made with copper or brass piping for water and iron piping for waste and must comply with all local codes. Shut-off valves are mandatory for plumbing fixtures as well as appliances utilizing water.
- b) Basins must have a minimum depth of 6 inches. The major manufacturing brands preferred are American Standard, Eljer, Kohler or equivalent.
- c) Faucets — replacement faucets must be Delta or equivalent quality. The Cooperative prefers the Delta line due to ease of repair and availability of replacement parts.
- d) Medicine cabinets and lighting fixtures may be changed.
- e) If tub or shower enclosures are installed, safety glass doors must be used.
- f) Electrical — ground fault receptacle or GFI type circuit breaker.
- g) Bath Fitters type of enclosures shall not be considered an acceptable alteration

HOLD HARMLESS AGREEMENT

Name of Cooperative Beacon Hill Estates Cooperative, Inc.
(referred to herein as the "Cooperative")

Address of Cooperative Unit 104 Ashford Avenue, or Beacon Hill Dr, or _____
Manor House Dr, Dobbs Ferry, NY 10522, (referred to as the "Premises")

Name of Shareholder _____
(includes the Shareholder, lessee, tenant, occupant or member of the family or
guest, subtenant (if permitted), agent or employee of a Shareholder or Lessee
(collectively referred to herein as the "Shareholder")

Apartment Number of Shareholder
(referred to herein as the "Unit") _ _____

Address of the Shareholder
104 Ashford Avenue, or Beacon Hill Dr, or ____ Manor House Dr,
Dobbs Ferry, NY 10522,

Name of Contractor (referred to herein as the "Contractor")

Name _____

Address of the Contractor _____

The Shareholder(s) and the Contractor herewith agree that that if any claim is made against the Cooperative as a result of any Work performed in the Unit then the Shareholders and the Contractor will hold the Cooperative harmless as against any such claim, judgment, loss, penalty, expense, damage, injury, attorney's fees, costs, disbursements, and the like as a result of any such action and will indemnify the Cooperative as a result of any such claim and for any judgment, claim, loss, penalty, expense, damage, injury, attorney's fees, costs, disbursements and the like and will pay for same. The Cooperative will be entitled to retain their, his or her own counsel, at the expense of the Shareholders and Contractor for the defense of any such claim, action or litigation.

Shareholder _____ , **date** _____

Shareholder _____ , **date** _____

Contractor _____ , **date** _____

By _____ **Title** _____

Resale Policy

As our Cooperative ages, daily use can diminish the resale value of our apartments. We all take pride in our homes, and for most of us that means maintaining and upgrading them as use and conditions warrant. However, on occasion we find that a departing Shareholder has failed to make appropriate renovations and allowed his apartment to degrade to a point that makes it un-saleable.

In recent years, bringing such units to marketable condition — including the installation of new kitchen counters and cabinets and bathrooms — has cost the Cooperative tens of thousands of dollars. As a consequence, our capital fund, which covers such critical projects as paving and boiler repair, receives a lower contribution from the sale of such units. Because of the neglect of our departing neighbors, we can do less for our remaining community.

The cost of renovations required to bring a unit to marketable condition is deducted from the selling price of the unit when calculating the net sales price.

If a Shareholder desires to move from the Cooperative, he or she must notify the Managing Agent by letter, with a copy to the President of the Board. Notice must be sent by certified or registered mail with return receipt and must be received by the Managing Agent not more than ninety (90) days (three calendar months) and not less than sixty (60) days (two calendar months) prior to the last day of the month in which the Shareholder intends to vacate. The notice must be effective the last day of the month.

In addition, the Shareholder must provide access to the Resale Committee for an inspection of their unit in order to inform the board of the current conditions that exist in the apartment. Such access must be provided so that an inspection may be conducted within ten (10) days of the postmark of the certified letter of intent to move.

Pursuant to Article 15 of the Bylaws, the Cooperative then has thirty (30) days from receipt of notice to notify the selling Shareholder that it intends to purchase the Shareholder's shares of stock effective with the vacate date.

When the apartment is offered for sale, the stock certificate, endorsed in blank covering the apartment, and the Occupancy Agreement must accompany the notification. Thereafter, the Seller must supply any forms which may be required by the Transfer Agent, Finger & Finger, A Professional Corporation, including a NY State Release of Tax Lien in the case of an estate and such other forms as are required by Finger & Finger. Please contact Finger & Finger at (914) 949-0308 upon the shares being offered. Finger & Finger will prepare the contract of sale and advise of the procedures and expenses to the outgoing shareholder if the Cooperative has exercised its option to purchase the shares of the outgoing shareholder.

If the outgoing shareholder has vacated the unit within the two (2) month time period of the notice, the outgoing shareholder will not be responsible for maintenance after the end of the second full month after the giving of the notice, if the Cooperative exercises its option to purchase the shares. If the Cooperative does not exercise its option to purchase the shares of the outgoing shareholder, the outgoing shareholder will be responsible for the payment of the maintenance until the shares are sold to an approved purchaser and the closing takes place.

Resale Committee

A Resale Committee has been created by the Cooperative to interview all prospective Cooperators. Everyone who will be living in the unit must be at the interview. Failure of all future parties who will be living in the unit to attend this interview will result in the postponement of the interview. This committee checks on all facets of the application, including matters of finance and references. The Resale Committee, in its sole discretion, will accept or reject any applicant, whether obtained by the Cooperative or by the outgoing Shareholder, regardless of whether or not the Cooperative has picked up the option to buy the stock. Although not required to do so, the Cooperative may give preference to children of Shareholders.

Waiver of Option

If the Cooperative waives its right to purchase the Shareholder's stock or fails to exercise its option within the aforementioned period, the Shareholder may sell his stock to any person. However, the sale may

not be consummated and new occupancy may not take place unless and until the prospective buyer has been interviewed and approved by the Cooperative Resale Committee.

Sale Policy

The Board of Directors employs a real estate broker in the sale of the stock at a commission negotiated by the Board which is shared by the Cooperative and the outgoing Shareholder. This is the exclusive broker who will be used by the Cooperative for the sale of any shares as to any apartment where the Cooperative has exercised the option to purchase the shares.

No open houses, group tours or exhibition of any apartment or its contents may be conducted, or any auction sale be held, without the consent of the Board of Directors.

When the Cooperative exercises its right to purchase a Shareholder's stock, every effort will be made to sell the stock at fair current market value. According to the Occupancy Agreement, the Cooperative is only obligated to pay the book value for the stock. If the selling price is greater than the outgoing shareholder's original cost as adjusted, then the outgoing shareholder will receive the original cost, plus the assessment of \$725.00 and a share of the profit. The profit share split is listed below.

Profit is determined as being the difference between the price paid for the stock (essentially the purchase price of the apartment) by the outgoing Shareholder and the current resale price after deduction of all applicable expenses. This calculation includes any renovation that may have been performed by the Shareholder. No additional payment will be made for any renovation or betterment completed in any apartment by the Shareholder. If during the inspection or move-out it is discovered that any renovation work needs to be removed, or that renovation work is required to bring the apartment into marketable condition, the cost of this work will be added (as a charge back) to the Shareholder.

The net profit will be divided as follows for a shareholder leaving the Cooperative

50% to the Cooperative and 50% to the Shareholder

Moves within the Cooperative

When a Shareholder moves within the Cooperative, the sale of the stock will be governed by the following resale policy.

In all cases of moves within the Cooperative, the Board will endeavor to have the date of vacating the old unit coincide with the date of occupying the new unit.

From a 3 bedroom to a 3 bedroom 50% Cooperative/50% Shareholder
From a 2 bedroom to a 3 bedroom 50% Cooperative/50% Shareholder
From a 3 bedroom to a 2 bedroom 40% Cooperative/60% Shareholder

Apartment Inspection before Moving

In the course of resale of a unit there will be a preliminary and a final inspection of the apartment. The Resale Committee will use an internal inspection sheet indicating all items necessary in order to bring the unit up to current standards.

The cost of renovation of the apartment for resale will be deducted from the gross sale price thus creating a net sales price. Thereafter, the outgoing Shareholder will receive back the original purchase price for the stock plus 50% of the profit over the original price, less items that are chargeable directly to the Shareholder, such as mortgage payoff, interest adjustment, transfer fees, state transfer tax and the like, among other things. By way of example only, some of the items that might be deducted from the gross sales price can include the total replacement of kitchens and bathrooms, removal of carpeting and sanding and refinishing floors, removal of built in cabinets, closets and shelves, removal of old wires from door frames and baseboards, patching and painting apartment and replacement of light fixtures.

The Cooperative reinvests its 50% into the enhancement and upkeep of our facilities. Among the expenses that have been covered by resale funds in recent years are:

- Building entrance renovations -- \$225,000
- Asbestos removal -- \$650,000
- Burst pipe -- \$80,000
- Roofing -- \$700,000
- Landscaping -- \$250,000
- A Five year paving project — Over \$2,000,000

The cost to Shareholders for all these expenses was \$0.

Responsibilities of the Outgoing Shareholder

Normal wear and tear will not be considered chargeable to the outgoing Shareholder. Sliding closet doors replaced by hinged doors do not need to be restored by the seller.

The outgoing Shareholder may be required to restore all interior walls and ceilings to their original condition. The Board of Directors will determine the degree and extent of the restoration.

Lighting fixtures, doors, kitchen and bathroom cabinets, and other permanent apartment fixtures must exist except for approved renovations and upgrades as governed by the renovation policy. If the outgoing shareholder removes and doesn't replace lighting fixtures, this would be considered a charge-back.

The outgoing Shareholder is required, when requested by the Managing Agent, to remove or pay for the removal of floor covering, tiles and carpeting from all rooms as well as wallpaper or other wall coverings.

Final Inspection

At the final inspection, the Resale Committee will verify the condition of the apartment and take photographs of the apartment. The photographs and the inspection sheet will determine the required renovations.

Closings

The closings will take place at the office of the Transfer Agent, Finger & Finger, a Professional Corporation at 158 Grand Street, White Plains, New York 10601.

Key Surrender Policy

The outgoing Shareholder is responsible for the surrender of all keys to their unit, including mailbox, storage room, laundry room, (and garage key and remote, if applicable) to the Superintendent.

The Superintendent shall report surrender of keys to Managing Agent. The report will include the number and designation of each key.

The Superintendent shall replace the lower lock on the door. This allows us to rotate the locks for security reasons.

The Superintendent shall have keys made such that there are three complete sets of keys.

Exchange of Funds

All funds, including deposits involved in the sale of stock, plus allowable extras, must pass through the Cooperative and all checks must be made payable to Beacon Hill Estates Cooperative, Inc.

Stock Ownership

The Bylaws provide that the common stock of the Cooperative shall be issued only to those individuals who desire to obtain for themselves and their immediate family dwelling accommodations in Beacon Hill Estates. Stock Certificates therefore will be issued only to an individual or an individual and spouse. We are now allowing "trusts" which are subject to approval from the Board of Directors and our Legal Council.

Residency

The Occupancy Agreement limits residency to the shareholder and the shareholder's immediate family, which is defined as spouse or domestic partner, and unmarried children.

Transfer of Right of Occupancy

The Occupancy Agreement provides for the transfer of shares and the right of occupancy appurtenant to the shareholder's apartment (the "Apartment") to a member of the shareholder's immediate family. The Board interprets "immediate family" as the Shareholder's child of eighteen (18) years or older, or the husband, wife or domestic partner of the Shareholder.

The Board further interprets that the transfer of shares and right of occupancy to a member of his or her immediate family shall be to an immediate family member who maintained the Apartment as his / her primary residence and has been in continuous residence in the Apartment for a period of at least two (2) years prior to the date of transfer or death of the shareholder. Such transfer shall be by gift, bequest, assignment, or otherwise. Further it is required that such transferee must, in writing, assume the Occupancy Agreement and become the legal holder of shares of the Corporation's common stock appurtenant to the Apartment within three (3) months of the death of the shareholder. Such transfer of stock will be without resale cost and will be subject to approval of the Board in accordance with Article 8a of the Occupancy Agreement.

Insurance

All shareholders shall be required to carry a homeowner's policy which shall cover fire, theft and liability and be in such form and such amounts as are reasonably acceptable to the Board of Directors.

The Managing Agent and the Board of Directors shall have the right to require shareholders to provide proof of current, in-force insurance on a yearly basis.

Approval of Lenders

- 1) Lenders granting loans secured by the shares of Shareholders stock in Beacon Hill Estates Cooperative must be approved by the Board of Directors.
- 2) In the case of purchase money loans, a minimum of 10% of the purchase price must be paid in cash.
- 3) In all cases, the amount of any loan shall not exceed 90% of the sale price. In the event that the lender obtains an appraisal and the appraised value is less than the selling price, that value will replace the sale price as the figure from which the maximum loan is to be calculated but will not change the sale price of the stock.
- 4) No loans are to be approved except those obtained from licensed banking institutions that are supervised by governmental agencies.

- 5) The existing policy of obtaining credit reports is to be applicable to both purchase money and equity source loans.

Pool Guidelines

Pool Season and Hours

The pool area is available on weekends beginning Memorial Day weekend. The pool and pool area opens every day from July 4th through Labor Day. The pool is open weekends in September after Labor Day when lifeguard staff is available and weather is suitable.

The hours of operation are from 11:00 a.m. to 7:30 p.m. weekdays and 10:00 a.m. to 8:00 p.m. on weekends. The hours may change depending on actual pool usage or other considerations.

Admissions

Each shareholder and family members residing in their unit should submit one square inch photo ID for each occupant, which can be placed on a 3x5 card with their name and address along with the pool membership application. IDs will be retained by the lifeguard. Shareholders will not be admitted without current photo ID.

A pool photo ID may be purchased for a mother's helper or caregiver over the age of sixteen (16) years, and at a cost to be determined by the Board of Directors.

Lifeguard

To ensure the safety and comfort of all, the directions of the lifeguard must be obeyed. The lifeguard has the authority to expel anyone from the pool area who in any way endangers pool users.

The pool cannot be used unless the lifeguard is in attendance.

Children

Shareholders' children under twelve (12) must be accompanied by an adult or a mother's helper sixteen (16) or over. Shareholders children

over twelve (12) will be permitted at or in the pool without a supervising adult only when their swimming ability is certified by the lifeguard. Otherwise they must be in the company of an adult or a mother's helper sixteen (16) years or over.

Diapers

Young children will only be allowed in the pool wearing Luvs "Splashwear" or "Huggies Little Swimmers" or similar swimming diapers.

Guests

The use of the pool is primarily intended for the pleasure of Beacon Hill residents and members of the immediate family who are permanent residents. This includes full time students who are the children of the Shareholders.

Guests will be permitted under the following conditions

- a) Guest books contain twenty (20) passes and cost \$40.00. They can be purchased from the Managing Agent and/or the lifeguard on duty. No individual passes will be sold. A check must be used, payable to Beacon Hill Estates.
- b) Children under two (2) years of age will not be charged or counted as a guest.
- c) The Cooperative reserves the right to limit the number of guests. If you intend to have more than four (4) guests, you must have prior written authorization from the Managing Agent.
- d) Passes must be surrendered to the lifeguard upon entering the pool area.
- e) Guests must be accompanied by a Shareholder.

Guest entrance to the pool area will cost one pass per person per day.

Pool passes do not have an expiration date.

Food and Drink

No food or beverages of any kind may be brought to the swimming pool area. Parents and children must deposit all litter in the provided receptacles. Clubhouse lavatory facilities are available to all pool users.

Diving

No diving shall be permitted to ensure the safety of Shareholders and their guests.

Dress

The only approved swimming attire is bathing suits and sun-protective shirts. No one may swim in the pool wearing jeans, shorts or cutoffs. All applicable NYS Westchester County Local Health Regulations are enforced.

Personal Belongings

Rafts are prohibited in the pool and adjoining areas. Playpens and bicycles are prohibited. Light beach chairs and lounges are permitted. Personal belongings that are brought to the pool area should be removed before the pool closes each day. A maximum of two (2) chairs per Shareholder family may be stored in storage areas at the Shareholders risk.

Barbeque grills and/or charcoal are not to be stored in the pump (filter) room, chemical room, bathhouse or lifeguard's room.

Mother's Helpers and Caregivers

Identification cards for mother's helpers and caregivers are issued for the pool season at a cost to be determined by the Board of Directors. These passes are issued upon presentation of Shareholder's applications to the Managing Agent's office and certification that such a person is so employed.

General

Radios and other audio equipment are permitted when used with earphones. There is no ball playing, running or jumping in the pool area. Children's toys or pets are not permitted. Ball playing should be confined to the enclosed paddleball court area.

To enable the lifeguard to have better control of guests, Shareholders must check in with the lifeguard upon entering the pool area.

These Rules and Regulations will be strictly enforced. Any break or violation of the Rules and Regulations will result in disciplinary action by the Board of Directors, which can include suspension and revocation of the use of the pool. The lifeguard has the right and duty to remove anyone from the pool area for infraction of an order.

No Rule or Regulation shall be deemed to have been waived by reason of any failure to enforce the same, irrespective of the number of breaches that may occur.

Smoking is not permitted in the pool complex.

Picnic Areas

To ensure fair and full use of the limited space available at the deck and picnic areas, Shareholders and their guest must conform to the following

- a) Chaise lounges and lawn chairs are not permitted on the deck.
- b) No cooking of any kind is permitted on the deck or tabletops.
- c) Tables and permanent grills may be reserved only with prior notification and approval by the Board of Directors. Use them when needed and then make them available for others.
- d) Charcoal must be extinguished and disposed of in the designated area.
- e) Chemical starters and self-lighting briquettes should not be used.
- f) Use of "chimney" type starters with newspaper is recommended.
The "chimney" starter is available in the Lifeguard Room.

Changes to Rules

The Rules and Regulations of the Swimming pool are set by the Board of Directors and are subject to change without further notice as the needs of the Cooperative change.

Conclusion

The Shareholder is liable and responsible for any breach or violation of the Cooperative Certificate of Incorporation. Bylaws, Occupancy Agreement or Proprietary Lease, or Rules and Regulations and for any damage or injury to the Cooperative premises resulting from the acts, deeds, or words of himself, the members of his family, his servants, agents or guests in the same manner and with the same force and effect as if he had committed the acts of deeds or spoken the words himself.

The Rules and Regulations may be changed by the Board of Directors at any time.