

SOMERSET HILLS CONDOMINIUM TRUST

Rules and Regulations

A. The following Rules and Regulations apply to all Units generally:

1. There shall be no obstruction of the Common Areas and Facilities nor shall anything be stored in the Common Areas or Facilities without the prior consent of the Trustees, except as herein or in the Declaration of Trust expressly provided. Each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit in accordance with the provisions of the Declaration of Trust.

2. Nothing shall be done or kept in any Unit or in the Common Areas or Facilities which will increase the cost of insurance for the Condominium, or for the contents thereof, without the prior consent of the Trustees provided that the Unit Owner requesting such exception shall agree to promptly pay any increase in insurance premiums resulting therefrom. No Unit Owner shall permit anything to be done, or kept in his Unit, or in the Common Areas or Facilities which could result in the cancellation of insurance for the Condominium, or for the contents thereof, or which would be in violation of any law. No Unit Owner or occupant of a Unit, or any agent, servant, employee, licensee, lessee, or visitor of either, shall at any time bring into or keep in his nit any flammable, combustible, or explosive fluid material chemical, or substance except such lighting and cleaning fluids as are customary for residential use.

3. The Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls or doors of the Condominium, and no sign, air conditioner, awning, canopy, shutter, or radio or television antenna (except for the master antenna system) or other items referred to in the Master Deed or Declaration of Trust shall be affixed to or placed upon the exterior walls or doors, roof or any part thereof, or exposed on or at any window, without the consent of the Trustees, except as expressly provided in the Master Deed. The Unit Owners will not be allowed to put their names in any entry passageway, vestibule, hall, or stairway of the Condominium except in the proper place, if any, designated by the Trustees or on the mailbox provided for the use of the Unit.

4. No animals or reptiles of any kind shall be raised, bred, or kept in any Unit without the prior consent of the Trustees, provided that no such prior consent shall be required for the keeping of up to two small customary house pets in any Unit. With respect to any and all pets entitled or permitted hereunder to be kept within the Condominium: (a) no such pet shall be kept, bred or maintained for any commercial purposes, and (b) in no event shall any cat, dog or other pet be permitted in any portion of the Common Areas and Facilities unless carried or on a leash, or be permitted in any grass or garden plot under any circumstances.

5. No Unit Owner shall cause or permit any unlawful, immoral, or improper use of his or her Unit, nor any nuisance thereon, nor any noisy or otherwise offensive use thereof which is a source of unreasonable annoyance to other Unit Owners, including, without limitation, the playing or use of musical instruments, stereos, amplifiers, televisions and radios at such times or in such manner as to disturb other Unit Owners. Between the hours of 11:00 p.m. and the following 8:00 a.m., no Unit Owner shall cause or permit the playing or use of any musical instrument, stereo, amplifiers, television or radio at such volume that the same may be heard outside such Unit. With respect to any Unit having a wood floor, if, in the sole judgment of the Trustees, the use thereof is creating an annoyance to other Unit Owners, the Trustees shall have the right to require that the Owner of such unit cover, at such Owner's expense, up to 80% of the wooden floor area with carpeting.

6. Nothing shall be done in any Unit or in, on or to the Common Areas or Facilities that will impair the structural integrity of the Condominium.

7. No clothes, sheets, blankets, laundry, towels, or any other kind of articles shall be hung from the windows or sun decks, patios or balconies or placed upon the window sills of any Unit of the condominium; nor shall any rugs or mops be shaken or hung from or off any of the windows, doors, sun decks, patios or balconies of any Unit of the Condominium. The Common Areas and Facilities shall be kept free and clear of all rubbish, debris, and other unsightly materials. No garbage or trash cans shall be designated for that purpose by the Trustees.

8. There shall be no playing or lounging, parking of baby carriages, playpens, bicycles, wagons, toys or vehicles, or placing of benches or chairs, on any part of the Common Areas or Facilities other than those areas, if any, specifically designed for such purposes by the Trustees, except that, unless otherwise provided herein, sun decks, patios, balconies or porches may be used for their usual purposes.

9. Except as may be permitted by the Master Deed, no industry, business, trade or occupation of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Condominium. Further, except as may be permitted by the Master Deed or Declaration of Trust, or specifically authorized by the Trustees, no "For Sale", "For Rent", "For Lease" signs or other window displays or advertising shall be maintained or permitted in any part of the Condominium or in any Unit, nor shall any Unit be used or rented for transient, hotel or motel purposes.

10. Except as provided in Section 17 of the Master Deed, there shall be no alteration or construction in, or removal of, any part of the Common Areas, Facilities or elements, except with the consent of the Trustees.

11. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, from the doors, or windows thereof, any dirt or other substance. The toilets and other water drains shall not be used for any purpose other than that for which they were constructed, and no sweepings, rubbish, rags, paper, ashes, or other substances shall be thrown therein. Any damage resulting from such misuse shall be paid by the Unit Owner from whose Unit such materials were introduced into the toilets and other water drains.

12. The Trustees, and their agents (including any managing agent appointed by the Trustees), and any contractor or workman authorized by the Trustees or the managing agent, may enter any room or Unit in the Condominium at any reasonable hour after forty-eight (48) hours prior notification (except that no notification shall be required in case of emergency, whether the Unit Owner is present or not) in order to inspect such Unit and for the purpose of taking such measures as may be necessary to make repairs to such Unit or the Common Areas and Facilities, or to control or exterminate vermin, insects or other pests.

13. To facilitate such right of access, each Unit Owner shall furnish the Trustees or managing agent with keys to locked entrances to his or her Unit, and shall promptly furnish new keys when and if such locks are supplemented or changed. No entrances to a Unit shall be barred by a sliding bolt or other device which renders access by such keys difficult or impossible. Any Unit Owner failing to comply with such requirements shall be fully liable for any damage resulting to the Common Areas or Facilities of the Condominium and/or to the Unit Owner's Unit or any other Unit as a result of the inability of the Trustees or their agents or the

management agent or his agents to gain access to the Unit of such Unit Owner in order to make emergency repairs or take other corrective actions as may be provided for in the Master Deed, the Declaration of trust or these Rules and Regulations.

14. If any key or keys are entrusted by a Unit Owner or occupant or by his agent, servant, employee, licensee or visitor to the Trustees, any agent of the Trustees, or the managing agent except pursuant to the provisions of this paragraph, whether for such Unit or an automobile or other item of personal property, the delivery of the key shall be at the sole risk of such Unit Owner or occupant, and neither the Trustees nor the managing agent shall be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom.

15. No sundeck, patio, porch, terrace, or balcony shall be decorated, or covered by any awning or otherwise without the approval of the Trustees.

16. All personal property of the Unit Owners, or any other occupant of a Unit, shall be kept in the Unit or elsewhere in the Condominium at the sole risk and responsibility of the respective unit Owner, or occupant, and the Trustees shall not bear any responsibility therefore.

17. Supplies, goods and packages of every kind are to be delivered to any Unit Owner in such manner as the Trustees or the managing agent may prescribe and neither the Trustees nor the managing agent shall be responsible for the loss or damage of any such property.

18. Any consent or approval of the Trustees required by these Rules and Regulations shall not be effective unless given in writing.

19. These Rules and Regulations may be amended from time to time as provided in the Declaration of Trust.

20. Capitalized terms used and not defined herein shall have the respective meanings set forth in the Master Deed of even date with the Declaration of Trust.