RULES and REGULATIONS

Governing Tenancy at THE HOMES, INC.

These Rules and Regulations governing tenancy at The Homes, Inc. are a part of the Lease Agreement between the tenant and The Homes, Inc. A violation of these Rules and Regulations constitutes a breach of the Lease Agreement. These Rules may be amended from time to time as the Board of Directors in the exercise of its discretion may determine.

Maintenance payments

**1.** Maintenance payments are **due on the 1st day of each month**. Payments not received by the close of business of the 10th day of the month are considered late and a **$25.00 late fee** shall be assessed. If the 10th falls on a Saturday, Sunday or official holiday, payment will be timely if placed in the office Night Drop Box before 8:00 a.m. on the next regular business day. Effective September 1, 2006, no partial payments will be accepted by the office for monthly maintenance or other charges due. This means any outstanding balances and other charges must be included with your maintenance payment. If the entire balance is not paid in full, your check or other method of payment will not be accepted and will be returned to the stockholder.

Satellites and Antennas

**2.** Tenants must obtain written permission from The Homes, Inc. before installing any outside aerial, antenna, satellite dish, or similar device. No outside device that can reasonably be expected to interfere with the telephone, radio or television reception of another tenant, or that constitutes a health or safety hazard will be approved. The installation of any outside device that violates federal, state or local laws and ordinances is absolutely prohibited.

Parking

**3**. Parking at The Homes, Inc. shall be limited to established parking areas only. The parking of vehicles in a manner that impairs the safe and orderly flow of traffic, or that does damage to grass or decorative vegetation is prohibited. Parking on sidewalks, curbs or yards is prohibited.

Parking - trailers and boats

**4.** City ordinance prohibits the parking of motor homes, dump trucks, boats, trailers and the like on city streets. The Homes, Inc. also prohibits the parking of vehicles, trailers and/or motorcycles on the grass in The Homes, Inc. area. Vehicles that are not operable (running condition) may not be left on the street. Working on vehicles is prohibited in the streets, parking bays and parking lots.

Business operation from your home

**5**. Tenants must obtain approval from the Board of Directors before establishing any commercial business in The Homes, Inc. Any tenant wishing to establish a business in The Homes, Inc. shall have the burden of demonstrating to the satisfaction of the Board of Directors that the proposed business will not violate any federal, state, or local law or ordinance, and that the proposed business will not expose the corporation, its officers and employees to liability, or otherwise constitute a nuisance, or create parking problems, or impede the orderly flow of traffic in the area.

Loss or Property Damage

**6**. The Homes, Inc. shall not be liable for damage of or any loss of or damage to property of tenants or their guests. Nor shall The Homes, Inc. be liable for any loss or damage to property that occurs in the parking areas of The Homes, Inc. This includes loss or damage due to theft, fire or vandalism.

Combustible Materials

**7**. Tenants are prohibited from storing highly combustible materials including, but not limited to, gasoline, kerosene, and propane in their units. The accumulation or storage of paper, newspapers, magazines, paper and wooden boxes in a unit in such quantities that pose a fire hazard is also prohibited.

Hazardous Waste

**8.** The storage, accumulation or improper disposal of any hazardous waste, including antifreeze, used motor oil, paint thinners and Freon is prohibited.

Long-term guests

**9**. Individuals who remain more than thirty (30) days as the guest of a tenant must qualify as a long-term guest in order to remain on the premises. A tenant shall seek the approval of the Board of Directors for a long-term guest, and shall provide such information to the Board of Directors about the guest in the manner and in the form as the Board of Directors shall from time to time establish. Tenants shall be responsible for the actions of their guests.

Use of Heaters

**10**. Tenants will not be permitted to use any other method of providing heat for their unit other than the furnace provided. Any other heating units must be approved, in writing, by the Board of Directors. (See, Contract of Lease, Section 3).

Pets

**11**. Permission to keep pets such as dogs, cats or other legal pets will be withdrawn by the Board of Directors upon receipt of valid complaints about the pets. Pets are to be penned, on a tie-out or leash at all times they are outdoors. Residents are allowed no more than two (2) dogs or five (5) cats per unit. Any combination of up to five (5) pets is allowed as long as there are no more than two (2) dogs. No excessive barking between the hours of 11 p.m. and 8 a.m. is allowed. Pets should not be tied near street-side sidewalks. These sidewalks are for public pedestrian use and are not to be obstructed. Pets who are required to do so by city ordinance should be licensed and vaccinated for rabies yearly. Defecation must be removed from the yard on a regular basis. If the stockholder is unable to do this work for any reason, there are services listed under pets in the yellow pages that will do this work for a nominal fee. If The Homes, Inc. has to remove excessive pet waste from a stockholder’s yard, there will be a $50.00 charge for each occurrence.

Permission for structural changes

**12**. No structural or physical changes may be made in or on any building without approval of the Board of Directors. Such proposed changes shall be described in such form and in such detail as the Board of Directors shall from time to time establish. When authorized to make such changes, the tenant shall be responsible for securing all permits required by law or ordinance, and shall be responsible for all labor and material associated with the project.

Licensed Technicians

**13**. No work shall be carried out on the premises by any individual not licensed to engage in such work. Such work shall include work normally done by a licensed electrician, plumber, or heating, ventilation and air conditioning technician.

Permission to Enter Units

**14**. Tenants shall permit duly-authorized representatives of The Homes, Inc. to enter a unit without prior notice during reasonable hours for the purpose of effecting repairs or otherwise servicing the unit. Representatives of The Homes, Inc. shall not be interfered with while providing such service.

Smoke Alarms

**15**. Functioning smoke alarms shall be maintained in each living unit by the shareholder. Two-story units must have TWO alarms, one upstairs and one downstairs.

Fences

**16**. No fence or fencing shall be erected on any property that is in excess of 18" in height. Any exceptions must be approved by the Board of Directors.

Gardens

**17**. Vegetable gardens shall be located at the rear of the units only, and shall be maintained in a manner so as not to create an unsightly condition.

Sidewalk and Porches

**18**. Sidewalks and porches must be kept clear of all obstacles including debris, toys, leaves, trash, and other litter so as to maintain a safe passage way and to maintain an attractive appearance. Appliances and automobile parts shall not be stored on any porch or in any yard.

Trash

**19**. Trash may not be kept outside of a unit unless it is kept in a trash container with a lid. Yard waste in plastic bags is the only exception. If trash is stored outside the unit, outside a trash container, maintenance will collect it and the stockholder will be charged $30 for each occurrence. Garbage and trash containers must have lids with the lids securely fastened. Garbage and trash should be placed at the curb no earlier than 4:00 p.m. the day before scheduled pick-up. Stockholders are responsible for cleaning up any trash left at the curb for any reason (i.e., dogs tearing the bags, wind, trash man spillage, etc.) by 8:00 a.m. the day after pick-up unless arrangements have been made with Deffenbaugh and The Homes, Inc. office. If, for any reason, garbage is still at the curb the day after pick-up and the maintenance men have to clean it up, the stockholder will be charged a fee of $30.00 plus costs for each occurrence. If, for any reason, a garbage can is left at the curb after 8 a.m. the day after trash pick-up, the maintenance men will pick up any such garbage can, along with any toys, bikes, and other items left lying in the common areas, as rubbish.

Accumulation of materials

**20**. No tenant shall accumulate, or allow to be accumulated, any rubbish, garbage and waste material inside the unit or around the outside of the unit in such a manner as to create a health hazard, a fire hazard or that detracts from the appearance of the property.

Outdoor Furniture

**21.** Any furniture kept outside must be designed for outside use.

Exterior

**22**. Nothing shall be attached to the siding on the exterior of any unit without the prior written approval of the Board of Directors.

Porch and Railing Trim

**23**. Tenants are responsible for keeping the porch trim, ceiling, door and all wrought iron painted.

Waterbeds

**24**. Waterbeds are authorized for one-story units only. Prior to installation of a waterbed, an inspection of the floor MUST be done by The Homes, Inc. Should the floor need to be reinforced prior to installation, it will be at the expense of the stockholder. Any damages caused by a waterbed will be repaired at the expense of the stockholder. Unauthorized waterbeds shall be removed at the expense of the stockholder.

Posting Signs

**25**. The display of all exterior signs is prohibited, including but not limited to Garage Sale and For Sale signs.

Changing Locks

**26**. Changing, replacing or placing additional locks shall not be allowed on any door without the prior approval of the Manager, who will require a copy of the key to be left with him or her.

Clubroom Usage

**27**. Tenants shall have the opportunity to use the Clubroom/Deck at The Homes, Inc. for social gatherings such as parties and receptions. The tenant must reserve the facility for the event in advance, and provide clean-up following the event. Tenants who are delinquent on maintenance payments are not allowed to use the Clubroom/Deck.

Rights and Responsibility of Stockholder Grounds

**28.** Each tenant is granted specific authority over the grounds for which (s)he is responsible, including the authority to prevent trespassing on those grounds. The Homes, Inc. shall determine the specific grounds for which each tenant is responsible. The tenant may take all reasonable actions to prevent actions from any source, other than employees of The Homes, Inc. that would damage trees, shrubbery or lawn. Each tenant is responsible for sweeping or shoveling his sidewalk, cutting the grass, and keeping his or her yards free of litter or trash.

Harassment and Disturbing the Peace

**29**. Any tenant who harasses or disturbs the peace of another tenant which, in the opinion of the Board of Directors is detrimental to the welfare of The Homes, Inc., shall be subject to eviction. Complaints of harassment or disturbing the peace must be in writing and the complainant willing to appear at a regular or a special Board of Directors meeting.

Responsible for reporting damage

**30**. The Homes, Inc. and the tenant shall cooperate in the care of the buildings and the grounds. It is the responsibility of the tenant to notify The Homes, Inc. of damage or needed repairs.

Late Payments

**31**. No partial payments will be accepted by the office for monthly maintenance or other charges due. This means any outstanding balances and other charges must be included with your maintenance payment. If the entire balance is not paid in full, your check or other method of payment will not be accepted and returned to the stockholder. If your payment is not received in full by the 10th of the month, you will incur late fees in accordance with your lease terms. If the charges are not paid by the stockholder at the time the next month’s rent is due, eviction proceedings may be started.

Storm and Screen Doors

**32**. Tenants are required to have a functional storm/screen door on all exterior openings. Screens and glass panes are required to be in good repair and must be capable of fastening securely at all times. The minimum standard for the storm/screen door is metal. Existing storm/screen doors meet the existing standard as long as screens and glass panes are in good repair. Any deviation constitutes a change request and approval from the board. Installation must be done by a qualified individual. If the screen door has a lock that requires a key, a copy of that key must be provided to the office.

Utilities

**33**. It is a requirement to leave utilities on at all times. If the unit is left vacant for any reason during the months of October through March and the utilities are turned off, the unit will be winterized automatically and the stockholder will be charged $200.00. If the stockholder turns the utilities back on within three (3) months, The Homes, Inc. Will refund $150.00 of this charge to the stockholder. If the stockholder turns the utilities back on after three (3) months, there will be no refund given.

Sheds

**34**. If a stockholder owns a shed, it is his responsibility to maintain it to the following standards: if the shed has windows, they must be in good condition and properly secured. Doors must be in good condition and locked; exterior wood or metal must be painted or protected against the weather. No rust or rotting lumber shall be exposed; roofs must be in good repair, no sagging, rusting or rotting, and must be functioning according to manufacturer’s recommendations or requirements; floors on pads, concrete or footings must allow for water run-off and be in good repair.