

Schedule B

The Village at Flat Rock Community Rules and Regulations

The Landlord and the Landlord's management staff (as used throughout, "management" or "we") are pleased that you have chosen to make our Community your home. We are committed to providing our residents pleasant surroundings within a safe, peaceful and attractive Community and have created these Rules and Regulations to help us achieve this goal.

Residency and Community Living. It is our policy to offer equal housing opportunities to all qualified applicants without discrimination based on race, color, national origin, religion, sex, disability, familial status or any other class protected by law.

We require every person residing in the home to be listed on Addendum A-1 of the Lease, either as a Tenant signing the Lease or as an occupant. A standard application for residency must be completed; and, for the protection of all residents, every resident over the age of 18 must pass our standard background check. Any guest staying on the Premises for more than 7 consecutive nights must be registered with the Lessor and may also be required to complete the standard application for residency.

In order to maintain our status as a single-family community, no more than 2 unrelated persons may inhabit a home, and, in the interest of our residents' safety, no more than 2 persons may occupy each bedroom.

Our Community is strictly residential meaning that no person may operate a business in the Community. Furthermore, we prohibit solicitation in the community in order to promote privacy and safety. We ask that residents notify management if there are instances of business solicitation in the Community.

In order to maintain appropriate records, Rent (as defined in your Lease) must be paid in full on or before the close of business on the 6th day of a calendar month. If full payment is not received by close of business on the 6th, late charges will be applied. The purpose of this late fee is to compensate Landlord for the expense of processing a delinquent account.

Children and Guests. Tenants signing the Lease are responsible for any occupants living at the home; as well as for guests, including adults and children. Any violation of these Rules and Regulations by an occupant or guest shall be treated as a Tenant violation. Any guest staying on the Premises for more than 7 consecutive nights must be registered with the Lessor at which time the Lessor reserves the right to require the standard residency application be completed by the guest.

In the interest of safety, parents are expected to supervise their children at all times, and children are not permitted to play near the roads or entrance to the Community. Recreational areas in the Community, where applicable, are provided exclusively for residents, their supervised children and guests who are accompanied by a resident. There is a curfew in the Community of 9:30 p.m. for persons under the age of 15 years old, unless with an adult.

Use of Community Property. Since the actions of one resident affect all residents in the Community, each resident must treat others with courtesy and respect, take care of Community property and refrain from participating in activities that disturb neighbors and the tranquility of the Community.

Residents shall use Community property, appliances and water and sewer apparatus and fixtures for purposes in which they were designed and shall be responsible for the repair and/or

replacement costs of any misuse, including, but not limited to, disposal of improper articles into the sewer system.

Maintaining an Attractive, Clean and Safe Community. In order to maintain an aesthetically pleasing Community, management has the sole discretion to determine whether an applicant-owned home may be admitted into the Community. Management will work with each approved applicant to mutually decide on a homesite for the approved applicant-owned home. Residents are responsible for the structural integrity of each resident-owned home and the set-up of the home in accordance with applicable codes, ordinances and laws. Residents shall hire licensed and insured cottage home movers and installation professionals to perform work in the Community, and residents must be present at all times when such work is being performed. The resident shall give management at least 48 hours' notice of the date and time that an approved home is being moved into the Community.

Management is responsible for maintaining the common areas throughout the Community, and each resident is responsible for maintaining the appearance of his/her home and homesite in an attractive, neat and sanitary condition, as reasonably determined by management or as set forth in these Rules and Regulations. Residents may not store items outside the home except in a storage shed installed in accordance with local ordinances and these Community Rules and Regulations. To make our Community a more enjoyable place to live, the homesite should be free of litter and debris at all times, and residents must keep lawns neat and regularly mowed, trimmed and raked. Skirting on resident-owned homes shall be cement board (vinyl is not permitted) or other material approved by management prior to moving into the Community and must be uniform and in good condition at all times, free from damage or fading. We are happy for residents to express their opinion, political or otherwise, by displaying a maximum of one sign on the homesite; however, signs may not be larger than 18"x24" and may not contain offensive language as determined by management.

Vehicles. For the safety of all of our residents and their children, residents shall exercise extreme caution while driving within the Community and obey all traffic signs when posted. If a sign to the contrary is not posted, the speed limit within the Community is not to exceed 15 miles per hour. The use, operation and storage of motorized vehicles upon the private roadways of the Community, upon the tenant's leased premises, or otherwise for any purpose within the boundaries of the Community must be in all respects carried out at all times in compliance with applicable local, state and federal laws, including, but not limited to, observance of posted speed limits, stop signs and unidirectional street designations.

A maximum of 2 cars is allowed in the Community per homesite unless written permission is received in advance from management. Vehicles may only be parked in designated parking areas within the Community and must be properly registered and in running condition. Trailers, boats, RVs, campers, etc. are not allowed to be parked in the Community without the prior written consent of management.

Out of consideration for their neighbors, residents may not rev engines or operate vehicles with open exhaust systems in the Community. Vehicle repair or washing is not permitted in the Community. Cars leaking oil or other fluid are not to be driven or parked in the Community.

Any vehicle that is in violation of these rules may be towed at the owner's expense. Management may, in its sole discretion, implement a parking policy requiring that all vehicles that make use of parking spaces within the Community display parking permits to be provided by the management office. In the event management elects to implement such a policy, management will provide parking permit decals to each tenant for up to two (2) tenant vehicles. The display of parking permit decals will become mandatory thirty (30) days after such decals are received by tenant.

Trash Disposal. To ensure a sanitary environment, residents with curbside garbage service shall be responsible for placing trash in trash bags that are sealed at all times. Residents shall be responsible for acquiring such bags and keeping them out of sight except for the day that the trash is collected. If dumpster service is available, residents must place trash in closed plastic bags in the dumpster. Trash may not be placed on the ground near the dumpster. Residents are responsible for the disposal of their large items such as furniture, equipment, building materials etc., if any, in full compliance with local guidance; or, to the extent none is available, in a reasonable manner appropriate under the circumstances, which disposal of bulk trash shall be made , in the same way other residents that own homes elsewhere in Henderson County are required to do; these items shall not be placed at the curb or in or near a dumpster for pickup.

Safety. While we want all residents to enjoy their home and Community, there are certain items and activities that we must prohibit in order to maintain a safe environment, including: fireworks; burning of leaves or any other outside fire except for supervised grills; trampolines; pools of any kind; ATVs, go karts, etc.; skateboard ramps and rails; and any other activity that management, in its sole discretion, determines is unsafe. This may be an inconvenience to some residents, but we feel that these activities must be restricted for the protection of our residents, their guests and children.

Guns and Firearms. As posted throughout the Community, the open or concealed carry of guns or firearms by any person is strictly prohibited within all areas of the Community. No person, regardless of whether such person shall have a valid concealed carry permit, may carry a firearm upon or within the Community unless they are specifically permitted to do so by applicable federal or state law, for example, law enforcement officers. The discharge of guns or firearms within the Community for any purpose whatsoever, other than as permitted by law, is extremely dangerous to the health and safety of all residents and strictly prohibited. Persons with valid concealed carry permits may bring their firearms onto the property only if the firearm remains safely and securely locked, stored and out of sight (in accordance with applicable law) in the licensed individual's vehicle or Tenant Home for the duration of the time the firearm is located on Landlord's property. These provisions are intended to protect the health, safety and enjoyment of our Community and staff.

Noise and Disturbance. Any music, noise or other disturbance from vehicles, parties or any activity of Tenants and their guests, as may be determined, in Landlord's sole and reasonable discretion, be kept below 99 decibels (dB); provided, however, that at no point during any designated quiet Hours be no more than 89 dB. If Management believes disturbance below this dB level that last for more than 5 minutes is detrimental to the health and enjoyment of the residents in the Community it reserves the right to require a cessation of the noise.

Personal Injury or Property Damage. Except to the extent required by law and/or in accordance with the Lease, neither management nor the Community is responsible for fire, theft or acts of nature causing damage of any kind to any home, vehicle or other personal property belonging to residents and/or their guests. Additionally, neither management nor the community will be liable, except to the extent required by law, for any personal injuries to any person within a home, homesite or the Community. In addition to any insurance coverage required by law or your Lease, management strongly advises residents to obtain insurance for the full replacement value of any personal property kept in the home, on the homesite, or otherwise within the community.

Additions/Improvements. We are in favor of making improvements to a home or homesite, and we encourage residents to make investments in their homes and neighborhood. However, to ensure consistency within the Community, management must approve in writing any improvement or modification to a home or homesite such as a deck, carport, shed, paint color etc. Prior to management's approval, the resident must complete and submit a Modification Request Form, including plans (or a sketch to scale) showing the proposed improvement and location with samples of materials and colors where applicable. Modification Request Forms are available from management upon request. Management will provide a response to submitted Modification Request Forms within 14 days of submission. In order for your request to be approved, you must first submit your building permit. All additions and improvements must comply with all applicable codes, ordinances and laws, as may be related to the project. The resident is responsible for contacting utility providers to verify the location of any underground utilities and is liable for any damage to the utility lines and all copies of the 811 survey are to be filed in the Lessors office. Management reserves the right to inspect the completed improvement or modification to ensure consistency with the approved plans. A \$100 refundable deposit must be given at the same time as submitting your Modification Request Form to management, which shall be held in escrow by management and returned to the resident upon successful completion of the approved project in accordance with the plan approved by management. This deposit is intended to incentivize completion of the project and secure the requesting resident's compliance with applicable laws, regulations and dig guidelines. If the requesting resident fails to make the deposit within the three (3) day period, the resident must re-submit their request for management approval on a new Modification Request Form.

Animals. Management recognizes that pets are an important part of many families in our Community. While Management supports a pet-friendly environment, in the interests of health and safety, no pet may enter or live in the Community without the prior written approval of Management via our Pet Approval Form. Management retains sole and absolute discretion in determining whether to approve any pet, to rescind its prior approval of any pet at any time, or to limit the number of pets a resident may keep at the Premises. Residents with pets are solely responsible for the behavior of their pet(s). Management, in its sole discretion, may charge a monthly fee per approved pet. Applicants for residency in the Community and residents in the Community who wish to acquire a pet must provide evidence of the pet's immunization and licensing to Management.

Dogs. The following breeds are not permitted as pets under any circumstances: Doberman Pinschers, German Shepherds, Rottweilers, Pit Bulls, Staffordshire Bull Terriers, Chow Chows, Akitas, wolfdog mixes, any dog which is a mix of the above breeds, or any dog that exhibits aggressive behavior. An animal is considered "aggressive" when its behavior reasonably causes fear for a resident, guest or Community employee or contractor. A single bite is sufficient reason, but not a prerequisite for removal under this rule. Properly trained and well-behaved "house dogs" capable of being comfortably maintained indoors, for which immunization and licensing in compliance with the local animal control ordinance (or other comparable municipal ordinance accepted by the local animal control) is current and is maintained current are permitted, provided that their behavior does not in any way become a nuisance to neighboring Residents. If Management receives a complaint regarding the behavior of a particular dog, which Management in its sole discretion determines to be valid, then Management may require either that the dog be permanently removed from the Community or that the resident provide evidence of successful formal obedience training by organizations operating to American Kennel Club standards, or equivalent. Dogs must be kept inside the Home except when taken outdoors on a leash for reasonable outdoor exercise periods. For this purpose, dogs may be walked on resident's rented Premises, within any designated dog park(s) and on the common areas or entrances to the Community. When outside the confines of the Home, all droppings must be

immediately removed by the resident. In no event may a resident permit their dog to trespass on another resident's residential Lot. Residents shall not, under any circumstances, permit their dogs to be caged, fenced, tied or otherwise left restrained but unattended outside the Home. No outside fences or animal restraining perimeters, whether above or below ground, dog houses, cages, or other containers or forms of restraint of any kind for the retention of animals will be permitted on the Lot, other than dog runs approved in writing by Community Management. Dog doors are not permitted. Persistent barking (barks or howls for ten (10) sustained minutes or more (day or night) on a regular and recurring basis) by any dog at any time of the day or night constitute unacceptable dog behavior. Management will investigate any and all written complaints concerning dogs from any neighboring Resident.

Cats. Domesticated, indoor cats for which immunization and licensing in compliance with the local animal control ordinance (or comparable municipal ordinance accepted by local animal control) is current and is maintained current are permitted. Cats must be kept inside the Home at all times. Management will investigate any and all written complaints concerning cats from any neighboring Resident.

Resident-Owned Homes. Should it become necessary for you to leave our Community and sell your home, the guidelines below apply to the sale and removal of the home. Please let us know if you would like help marketing your home; it is in everyone's best interest to find another qualified resident to purchase your home. Please note that for sale signs are not permitted in the community,

Right of First Refusal. Any home-owner in the community has the right to sell his/her home located in the Community, provided that management shall have the right of first refusal to purchase the home. The home-owner shall disclose management's right of first refusal in any purchase and sale agreement entered into for the sale of the home or such agreement will be null and void. Upon receipt of a fully executed purchase and sale agreement which discloses the right of first refusal, the home-owner must provide management with a copy of the agreement. Management shall have 3 days following receipt of the agreement to elect to purchase the home upon the same terms and conditions set forth in the executed purchase and sale agreement. In the event management does not timely elect to purchase the home, the home-owner is permitted to sell the home pursuant to that executed purchase and sale agreement and subject to these Rules and Regulations and the Lease. If the sale of the home under that purchase and sale agreement is not closed within thirty (30) days of the expiration of management's three (3) day election period, then the home-owner must repeat the right of first refusal process by resubmitting any agreement to management. Management may see injunctive relief, and any other available legal remedies, to enforce these provisions if the home-owner fails to comply.

Removal of a Resident Home. Before moving a home out of the Community, the home-owner must provide management with at least 48 hours prior written notice of the date and time the home will be removed, and the name and contact information of the licensed and insured home transporting company performing the move-out. The home may only be removed from the Community between the hours of 9:00 a.m. and 5:00 p.m. Monday through Friday, excluding holidays. The home-owner or home transporting company shall give a \$500 deposit in certified funds to management prior to the move-out to be used, if necessary, in management's discretion, to restore any damage to the homesite caused by the removal of the home. The home-owner shall solely be responsible for any damage to Community property or property of other residents resulting from the removal of his/her home. Management may seek injunctive relief to enforce these provisions if the resident fails to comply.

Violations. We will work together with the residents to make sure that our Community is a neat, clean and safe environment. To that end, if a resident, or a resident's action or inaction fails to comply with these Community Rules and Regulations, and or behaves in a manner that is not in the best interests of the community a written violation notice will be sent by management with a cure period, if applicable, within which the resident must cure the violation. If any violation may be cured and is not remedied within the specified time period, or another like violation occurs again after the written notice, the resident will be charged a fee and, if applicable, management's reasonable costs to cure or repair the violation. Management reserves the right to seek injunctive or other legal relief in cases where it is either unable to cure, or for repeated violations. Failure of the resident to cure any violation in the stated time period may be considered a breach of the Lease.

These Rules and Regulations are an important part of your Lease, and are included therein by reference. A copy of these Rules and Regulations is also posted at the Community Post Office, and on line in the Residents Portal of the Landlord's website. Any updates to these Rules and Regulations shall take effect with all Residents in the Community upon 30 days of the date upon which Management notifies Residents of such update.