

RULES AND REGULATIONS
OF
OLD TOWN GATEWAY
(Dated _____)

GENERAL

1. Old Town Gateway Owners Association, Inc. ("Association"), acting through its Board of Directors, has adopted the following Rules and Regulations ("Regulations"). These Regulations may be amended from time to time by resolution of the Board of Directors.

2. Wherever in these Regulations reference is made to "Owners," such term shall apply to the Owner of any Lot, to such Owner's tenants whether or not in residence, and such Owner's (or such tenant's) family, servants, employees, agents, visitors, guests, invitees or licensees. Wherever in these Regulations reference is made to the Association, such reference shall include the Association and the managing agent when the managing agent is acting on behalf of the Association.

3. The Owners shall comply with all the Regulations hereinafter set forth.

4. The Association reserves the right to alter, amend, modify, repeal or revoke these Regulations and any consent or approval given hereunder at any time by resolution of the Association or the Board of Directors.

RESTRICTIONS ON USE

5. No Owner shall obstruct any of the Common Areas nor shall any Owner place or cause or permit anything to be placed on or in any of the Common Areas without the approval of the Board. Nothing shall be altered or constructed in or removed from the Common Areas except with the prior written consent of the Board of Directors or the Covenants Committee, as appropriate.

6. The Common Areas shall be used only for the furnishing of the services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the Lots. The sidewalks shall be used for no purpose other than for normal transit.

7. Nothing shall be done or kept in any of the Common Areas which will increase the rate of insurance for the buildings or

contents thereof applicable for residential use without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in the Lot or on the Common Areas which will result in the cancellation of insurance or which would be in violation of any public law, ordinance or regulation. No gasoline or other explosive or inflammable material may be kept in any Lot or storage area. No waste shall be committed on the Common Areas.

8. All garbage and trash must be placed in the proper receptacles designated for refuse collection and no garbage or trash shall be placed elsewhere on any Common Area.

9. No playing or lounging shall be permitted, nor shall baby carriages, velocipedes, bicycles, playpens, wagons, toys, benches, chairs or other articles of personal property be left unattended in parking areas, sidewalks or lawns or elsewhere on the Common Areas.

10. The toilets and other water and sewer apparatus shall be used only for the purposes for which designed, and no sweepings, matches, rags, ashes or other improper articles shall be thrown therein. The cost of repairing any damage resulting from misuse of any of such apparatus shall be borne by the Lot Owner causing such damage.

11. Each Owner shall keep the Lot in a good state of preservation, repair and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

12. Nothing shall be done in any Lot or on the Common Areas which may impair the structural integrity of the buildings or which may structurally change the buildings nor shall anything be altered or constructed on or removed from the Common Areas, except upon the prior written consent of the Board of Directors.

13. No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the Owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property, and, if the latter, then the cost of such compliance shall be a Common Expense.

14. No Owner shall make or permit any disturbing noises in any building or do or permit anything which will interfere with the rights, comforts or convenience of other Owners. All Owners shall keep the volume of any radio, television, musical instrument or other sound producing device in their Lots sufficiently reduced at

all times so as not to disturb other Lot Owners. Despite such reduced volume, no Owner shall operate or permit to be operated any such sound producing devices in a Lot between the hours of eleven o'clock p.m. and the following eight o'clock a.m. if such operation shall disturb or annoy other occupants.

15. Except for permitted non-residential uses, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, exploitation or otherwise, shall be conducted, maintained or permitted on any part of the Property nor shall any "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted on any part of the Property or in any Lot without the prior written approval of the Covenants Committee, nor shall any Lot be used or rented for transient, hotel or motel purposes. The right is reserved by the Declarant and the Board of Directors or the managing agent, to place "For Sale," "For Rent" or "For Lease" signs on any unsold or unoccupied Lots, and the right is hereby given to any Mortgagee who may become the Owner of any Lot to place such signs on any Lot owned by such Mortgagee, but in no event will any sign be larger than one foot by two feet.

16. Draperies, curtains or venetian blinds must be installed by each Owner on all windows of the Lot and must be so maintained thereon at all times so that the exterior color will appear beige or off-white.

17. No Owner shall cause or permit anything to be hung, displayed or exposed on the exterior of a Lot or Common Areas appurtenant thereto, whether through or upon the windows, doors or masonry, of such Lot. The prohibition herein includes without limitation laundry, clothing, rugs, signs, awnings, canopies, shutters, radio or television antennas or any other items. Under no circumstances shall any exhaust fan, air conditioning apparatus, television or radio antennas or other items be installed by the Owner beyond the boundaries of the Lot. No clothesline, clothes rack or any other device may be used to hang any items on any window nor may such devices be used anywhere on the Common Areas except in such areas as may be specifically designated for such use by the Board of Directors.

PET RULES

18. No animals, livestock, poultry or reptiles of any kind, regardless of number, may be maintained, kept, boarded or raised, in any Lot or upon the Common Areas, except that the keeping of orderly domestic pets (e.g., dogs, cats or caged birds) not to exceed two pets which can leave the Lot per Lot without the approval of the Board of Directors, and aquarium fish and other limited species of animals which do not normally leave the Lot per

Lot and which do not make noise is permitted, subject to the Rules and Regulations adopted by the Board of Directors and provided, that such animals are not kept for breeding purposes.

19. A pet may be maintained in a Lot only for so long as it is not a nuisance. Any such pet causing or creating a nuisance or any unreasonable disturbance or noise may be permanently removed from the Property upon ten days written notice from the Board of Directors. Actions which will constitute a nuisance include but are not limited to abnormal or unreasonable crying, barking, scratching or unhygienic offensiveness.

20. Pets must be leashed or carried; leashes may not exceed a length which will permit close control of the pet.

21. Pet Owners are fully responsible for personal injuries and/or property damage caused by their pets and shall be deemed to have indemnified and agreed to hold the Association, each Owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Property.

22. All pets which may leave the Lot must be registered and inoculated as required by law and registered with the Association office and the Board of Directors may establish reasonable fees for registration, not to exceed the additional costs incurred by the Association resulting from the presence of the pets.

23. Owners of pets walked upon the Common Areas must promptly clean up their pet's droppings in all areas.

PARKING AND STORAGE

24. No personal property may be stored on the Common Areas. All personal property placed in any portion of the buildings or any Common Area, shall be at the sole risk of the Owner and the Association shall in no event be liable for the loss, destruction, theft or damage to such property.

25. Should an employee of the Association at the request of an Owner move, handle or store any articles or handle, move, park or drive any automobile placed in the parking areas, then, and in every such case, such employee shall be deemed the agent of the Owner. The Association shall not be liable for any loss, damage or expense that may be suffered or sustained in connection therewith.

26. Trailers, campers, recreational vehicles, boats and other large vehicles may be parked on the Property only in such parking areas, if any, as may be designated for such purpose by the Board of Directors. All vehicles shall be parked wholly within parking

space lines. No junk or derelict vehicle or other vehicle on which current registration plates are not displayed shall be kept upon any of the Common Area. Except in areas designated by the Board of Directors, vehicle repairs other than: (i) emergency maintenance, (ii) ordinary light maintenance (excluding fluid changes and other operations which might soil the Common Areas) and (iii) normal cleaning (in areas designated by the Board, if any) are not permitted on the Common Areas.

27. No vehicle shall be parked on the with conspicuous "For Sale" signs attached.

28. All Lot Owners shall observe and abide by all parking and traffic regulations posted by the Association or by municipal authorities. Vehicles parked in violation of any such regulations may be towed away at the Owner's sole risk and expense.

29. Parking so as to block sidewalks or driveways shall not be permitted. If any vehicle owned or operated by a Lot Owner shall be illegally parked or abandoned on the Property, the Association shall be held harmless by such Lot Owner for any and all damages or losses that may ensue, and any and all rights in connection therewith that the Owner or driver may have under the provisions of state or local laws and ordinances are hereby expressly waived. The Owner shall indemnify the Association against any liability which may be imposed on the Association as a result of such illegal parking or abandonment and any consequences thereof.

30. The agents of the Board of Directors or the managing agent, and any contractor or workman authorized by the Board of Directors or the managing agent, may enter any Lot upon reasonable notice to the Lot Owner at any reasonable hour of the day (except in case of emergency in which case entry may be immediate and without such permission) for the purpose of exercising and discharging their respective powers and responsibilities, including without limitation inspecting such Lot for the presence of 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.

31. Employees and agents of the Association are not authorized to accept packages, keys, money or articles of any description from or for the benefit of a Lot Owner. If packages, keys (whether for a Lot or an automobile), money or articles of any description are left with the employees or agents of the Association, the Lot Owner assumes the sole risk therefor and the Lot Owner, not the Association, shall be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith. The Association does not assume any responsi-

bility for loss or damage in such cases. Deliveries requiring entrance to a Lot Owner's dwelling will not be accepted.

COMMON FACILITIES

32. All persons using any of the Common Areas do so at their own risk and sole responsibility. The Association does not assume responsibility for any occurrence, accident or injury in connection with such use. No Lot Owner shall make any claim against the Association, its servants, agents, or employees, for or on account of any loss or damage to life, limb or property sustained as a result of or in connection with any such use of any of the Common Area. Each Lot Owner shall hold the Association harmless from any and all liabilities and any action of whatsoever nature by any tenants, guests, invitees or licensees of such Lot Owner growing out of the use of the recreational or common facilities, except where such loss, injury or damage can be clearly proved to have resulted from and been proximately caused by the direct negligence of the Association or its agents, servants or employees in the operation, care or maintenance of such facilities.

33. Any damage to the Common Areas or equipment caused by a Lot Owner or such Lot Owner's pets shall be repaired at the expense of the Lot Owner.

ASSOCIATION

34. All charges and assessments imposed by the Association are due and payable on the first day of each quarter, unless otherwise specified. Payment shall be made by check or money order, payable to the Owners Association. Cash will not be accepted.

35. Complaints regarding the management of the Property or regarding actions of other Lot Owners shall be made in writing to the managing agent, if any, or the Board of Directors.

36. No Lot Owner shall direct, supervise or in any manner attempt to assert control over or request favors of any employee of the managing agent or the Owners Association.

CONSIDERATION IN USE OF LOTS

37. All persons shall be properly attired when appearing in any Common Area of the Property.

38. All radio, television or other electrical equipment of any kind or nature installed or used in each Lot shall fully comply with all rules, regulations, requirements or recommendations of the

Board of Fire Underwriters and the public authorities having jurisdiction, and the Lot Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Lot.

39. No electrical equipment, other than normal business equipment such as copy machines, computers or word processing equipment, may be installed in any Lot without the prior written consent of the Board of Directors. No electrical equipment shall be installed in a Lot which causes interference with the normal operation of electrical equipment in other Lots. All electrical equipment of any kind or nature installed or used in each Lot shall fully comply with all rules, regulations, requirements or recommendation of the Board of Fire Underwriters and the public authorities having jurisdiction, and the Lot Owner alone shall be liable for any damage or injury caused by any electrical equipment in such Owner's Lot. If the Board of Directors so determine that such facilities or equipment causes an additional expense to the Owners Association, then such increase shall be assessed against the Lot Owner installing the facilities or equipment as a Limited Common Expense.

40. The installation of additional major appliances in any Lot is prohibited. Such prohibited appliances include, but are not limited to, washing machines, dryers, refrigerators, freezers, and additional dishwashers. Replacement of existing major appliances with other than comparable equipment is permitted only with the prior written approval of the Board of Directors or the Covenants Committee, as appropriate.

41. Lot Owners are cautioned against excessive use of soaps and other detergents in their appliances or plumbing apparatus which may cause overflow of suds in any dwelling or in any central waste disposal system. Detergents and soaps shall be used only pursuant to manufacturer's directions.

GENERAL

42. The planting of plants, flowers, trees, shrubbery and crops of any type is prohibited anywhere on the Common Area without the prior written consent of the Board of Directors. No fences may be erected around or on the Common Areas.

43. Solicitors are not permitted. If any Lot Owner is contacted by a solicitor on the Property, the managing agent must be notified immediately.