

NOTICE OF REVISION TO RULES AND REGULATIONS

TO: ALL WALNUT MEADOWS RESIDENTS

We are pleased provide you with a copy of the revised Rules and Regulations for Walnut Meadows. These revised rules are a result of many meetings and discussions between the management and members of the community. We are grateful to many members of the community for their interest and ideas, and we encourage continued interest in the community.

Please note that in accordance with the Rules and Regulations, the revised Rules and Regulations shall become effective December 1, 2002.

WALNUT MEADOWS MANAGEMENT

Dated: December 2002

INDEX

Introduction	3
I. Admission Standards.....	3
II. Admission Procedures	4
III. Occupants	4
IV. Subleasing	5
V. Removing Home From Community	7
VI. Rent and Additional Fees	7
VII. Security Deposit	7
VIII. Taxes	8
IX. Utilities	8
X. General Rules	8
XI. Maintenance Responsibilities	10
XII. Lawns	11
XIII. Pets	12
XIV. Traffic & Vehicles	12
XV. Exterior Improvements	13
XVI. Changes in Regulations	14

Act No. 261 Notice attached

WALNUT MEADOWS COMMUNITY RULES AND REGULATIONS

Introduction:

Welcome to Walnut Meadows! It is our wish that this community shall enhance and improve your quality of life. We hope that you will enjoy our community center which includes a club house, swimming pool and other facilities; that you will take walks through the community areas to visit with the many friends you are sure to make. We also hope that you and your neighbors will always strive to maintain a quality of life that is enjoyed by all. In order to achieve these goals we have developed some guidelines by which we all can live. Once again, welcome to Walnut Meadows.

I ADMISSION STANDARDS

- 1 The following admission standards (the "Admission Standards") are designed as minimum qualifications, which must be met by all prospective community residents and continually, kept by all existing community residents of Walnut Meadows. These Admission Standards are to insure that all residents will abide by all community rules, will meet all of their financial obligations to Walnut Meadows, and will respect the rights of all community residents.
 - a "Homeowner" and "resident" when used herein shall mean the individual(s) that have title to the home located in Walnut Meadows.
 - b Owner shall mean Landowner or Holder of Title to Grounds.
- 2 All prospective community residents must:
 - a Comply with the age restriction of the Community whereby at least one of the occupants must be fifty-five (55) years of age or older.
 - b Agree to verify through surveys and affidavits to regularly determine the ages of occupants to ensure at least one (1) occupant is 55 years of age or older.
 - c Have a good credit history, which shall mean a history of prompt and full payment of all financial obligations. Prior credit problems evidenced by bankruptcy or other insolvency or receivership actions; by chronically delinquent payment or non-payment of other financial obligations; by prior or pending collection actions or judgments; or by lack of steady employment or income shall be evidence of unacceptable credit history.
 - d Have sufficient verifiable financial resources, which shall mean a sufficient source of steady income through earnings, investments or other regular, legitimate sources with which to meet all expected financial obligations.

e Have a record of fully complying with all obligations in prior residential arrangements; and

f have satisfactory personal references

II ADMISSION PROCEDURES:

- 1 All prospective homeowners must complete a Rental Qualification Questionnaire in person.
- 2 All prospective homeowners will be subject to a credit check and appropriate verification of information supplied in the Rental Qualification Questionnaire.
- 3 Upon fulfilling the Admission Standards, a Prospective resident shall be approved for a period of ninety (90) days. This approval may be revoked at any time prior to the end of the ninety day period if the Walnut Meadows Management learns of any facts which would have caused the rental qualification application to be denied had that fact or facts been known prior to the approval. Revocation shall be communicated to the prospective resident in writing to the address given on their application. After ninety (90) days the prospective resident must be re-qualified for residency.
- 4 A decision on all applications for residency shall be given to the applicant within thirty (30) days of the date the application was completed.

III OCCUPANT:

- 1 The maximum number of permanent occupants in homes located in Walnut Meadows, including legal dependents, shall be four (4) per home, unless otherwise decreased by local ordinance.
- 2 All homes must be occupied by the Homeowner or a family member such as a parent, grandparent or child of legal age (18+) as long as one occupant is 55 years of age or older.
- 3 The occupancy of each Walnut Meadows Home is intended for and restricted to persons who are 55 years of age or older. At least one (1) of the permanent occupants must be 55 years of age or older, however, such restriction shall not prohibit the occupancy of a Home by the following persons:
 - a the surviving spouse or other surviving cohabitant of a deceased resident of a Home who was fifty-five (55) years old or older at the time of death;
 - b The spouse or other cohabitant of a resident who is placed in a facility for the care of the elderly or the infirm on the advice of a medical doctor.

- 4 Only persons listed on a resident's Rental Qualification Questionnaire may reside in a home in Walnut Meadows. Any additional persons desiring to reside in a home in Walnut Meadows must be registered with the management of Walnut Meadows prior to the beginning of residency. Failure to do so will result in a penalty charge of one-year lease fees, or appropriate legal action, which may include eviction proceedings. If at any time there would be an increase in the home occupancy to over four (4), the residents will be asked to move within thirty (30) days.

Temporary guests are permitted for no longer than thirty (30) days. In no case shall the number of persons in any home be permitted to exceed the safe and/or lawful limits for the home.

In the event of a family emergency, family members will be allowed to stay in the home for a period not to exceed ninety (90) days with the written consent of the Management Company.

IV SUBLEASING AND SALE:

- 1 Residents may not sublet the premises or any portion or part thereof.
- 2 Any residents desiring to sell their home must notify the management of Walnut Meadows before the home is first placed on the market. The notification shall be in writing and shall give the full name, address and broker license number of the listing agent.
- 3 Walnut Meadows reserves the right to inspect any home in Walnut Meadows whenever it is listed or offered for sale or whenever the management of Walnut Meadows has reasonable cause to believe a home does not comply with any of the standards set forth in these rules or with any of the community's other rules and regulations.
- 4 The items which will be closely checked during the inspection are:
 - a A federal HUD Inspection Seal must be affixed to the home.
 - b A foundation that meets Towamencin Township and community standards to which the home is properly secured or anchored.
 - c All heating and/or air conditioning systems or equipment must be in good and proper working condition.
 - d All siding and roofing must be in good condition. Faded siding, rusty screws, dents and scratches are unacceptable.
 - e All doors including storm doors must be in good working condition. Badly dented doors are unacceptable.

- f All windows must be in good working condition. Broken glass, and unsightly window covering inside or out are unacceptable and shall be repaired and/or removed.
 - g All sheds must be in good condition. This shall include but not be limited to painting and overall structural integrity.
 - h All steps into the home must be in good condition. This shall include, but not be limited to, structural integrity of treads and risers, step foundation, and aesthetics.
 - i All additional resident owned management approved structures shall be maintained in an aesthetically, acceptable and safe condition.
 - j All heat tape must be in good working condition, properly applied and of the approved type. All homeowners must have a signed slip from an approved electrical underwriter inspector stating that the electric system in the home meets all currently applicable safety requirements.
 - k Smoke detectors are required in all homes: one (1) if bedrooms are all on one end of home and two (2) if there are bedrooms on each end. They must be in working order at all times.
- 5 Walnut Meadows Management requires a copy of the home inspection report to approve before the sale of the home when the home is to remain in Walnut Meadows with the new homeowner.
- 6 Written approval of a prospective buyer by Walnut Meadows Management is required before the sale of the home if the home is to remain in Walnut Meadows. When you have a prospective buyer(s), a Rental Qualification Questionnaire must be completed at the management office by this individual(s). All current fees and admission standards are applicable at the time the application is submitted. Title to the home to be sold must be transferred to the new homeowner at the time of sale.
- 7 If the prospective buyer is approved and the home is unapproved, the existing homeowner has thirty (30) days after the initial inspection to correct all faulty items, at the end of which time a second inspection will be conducted.
- 8 If an approved or unapproved home is sold to a buyer or there is a change in ownership of an existing home without prior approval by Walnut Meadows Management, the sale or change in ownership will be valid but the new purchaser will not be considered a resident of Walnut Meadows and the home will be required to be removed from the community immediately. The homeowner may, therefore, suffer substantial financial losses if he attempts to sell without the management's approval.

V REMOVING HOME FROM THE COMMUNITY:

Residents must notify the Walnut Meadows Management as soon as possible when they are planning to move. A minimum thirty (30) days written notice is required. The home may not be removed from Walnut Meadows unless all rent, fees, charges or assessments are paid to the end of the term. Walnut Meadows Management may prevent the removal of the home to enforce this rule. The residents are advised that prior to removing a home from Walnut Meadows, a removal permit must be obtained from all applicable Governmental Authorities. This removal permit must be shown to Walnut Meadows Management before commencing removal of the home. Walnut Meadows requires its personnel to make all disconnects from our utilities at the prevailing labor rates. The resident removing the home will be billed for disconnecting the home from the utilities. The resident must use all reasonable care upon removing the home and shall be responsible for any damage to common areas, which may occur. Removal of homes is not permitted on Saturday, Sunday, or holidays.

VI RENT & ADDITIONAL FEES:

- 1 Monthly rent includes sewer rental, snow removal from streets, trash removal, use of community center, and maintenance of common areas and other areas not leased by residents.
- 2 Rent is due the 1st day of each month. An additional fee of \$25.00 will be charged if the rent is not paid at the Walnut Meadows Management Office or by mail to 2600 Philmont Ave., Suite 401, Huntingdon Valley, PA 19006 by 5:00 p.m. Eastern Time the fifth day of each month. If sent by mail it must be received on or before the fifth day of the month.
- 3 Rent is payable in advance. **ALL RENT CHECKS ARE TO BE MADE OUT TO "FORTY FOOT FARMS".**
- 4 Should a check or money order which has been submitted for any payment be returned for insufficient or uncollected funds, there shall immediately become due and payable to Forty Foot Farms. an additional fee in the sum of \$25.00. If the replacement funds have not been received by Forty Foot Farms by 5:00 PM Eastern time on the tenth day of the month, an additional \$25.00 late payment fee will be due and payable to cover costs of administrative expenses.

VII SECURITY DEPOSIT:

- 1 A Security Deposit of two (2) months site rent is due at the time of approval of the Rental Qualification Questionnaire to become a resident of Walnut Meadows. One half of the security deposit will be refunded after the first year of the Lease. This Security Deposit shall not be considered as the first or the last month's site rent, and will be in addition to the first and subsequent monthly site rents due.
- 2 If you have fulfilled all of your obligations and responsibilities as outlined in the Lease Agreement, Community Rules and Regulations, and any future up-dated amendments or additions, the Security Deposit will be returned to you by mail if and when you decide to leave Walnut Meadows.

VIII TAXES:

Residents must pay all taxes assessed and levied against the home. Residents must furnish proof of payment of these taxes upon request by Walnut Meadows Management.

IX UTILITIES:

1 ELECTRIC & GAS:

Each Resident is responsible for the direct payment of the home site electric and/or gas bill. Each home site is individually metered for this purpose. Each new resident is responsible for setting up his individual utility accounts and will be responsible for all payments commencing with the date of closing.

2 WATER:

Each resident is responsible for the direct payments of the home site water bill to Forty-Foot Farms. Water bills will be issued quarterly. Each home site is individually metered for this purpose. A water deposit will be collected at time of signing lease.

3 SEWER:

The cost of public sewer use will be included in the monthly rental fee.

4 CABLE TV:

Access to Cable TV service will be provided but each Resident is responsible for monthly use charges to the Cable Company servicing Walnut Meadows.

X GENERAL RULES:

- 1 Residents assume all responsibilities of any kind associated with their personal property or person(s) in connection with occupancy.
- 2 To avoid damage to underground utility service, no digging in the ground, planting of shrubbery or installation of fences or posts will be permitted without prior written permission from the management. Proposals shall be requested in writing showing all details pertaining to said installation.
- 3 Avoid trespassing on another residents' site without their permission.
- 4 Loud parties, obstreperous and offensive behavior will not be tolerated under any circumstances.
- 5 Exterior street lamps for each home in Walnut Meadows must be left on from dusk to dawn. They go on automatically and are connected to your individual electric meter. The street lamp is the responsibility of Walnut Meadows from the exterior of the home to the lamp. Residents will be required to pay any repair bill for the street lamp due to damage caused by the resident. Residents are responsible for changing the light bulbs in the lamps.
- 6 Laundry may be hung outside on a portable umbrella type clothes pole. The pole must be removed prior to 6 p.m. Laundry may not be hung outside to dry on weekends.
- 7 Use of firearms, bow and arrows, BB guns, pellet guns and air rifles is prohibited in the community.
- 8 Operating any type of business from your home within the community is prohibited. Yard, garage or similar sales are permitted only with prior written approval from Walnut Meadows Management. Homes in the community are designed to be used solely for residential purposes.
- 9 Vendors will not be permitted to solicit in the community except by permission of Walnut Meadows Management.
- 10 Management shall not be liable for any damage or injury, which may be sustained by the resident or any other person, as a consequence of the failure, breakage, leakage or obstruction of the water, sanitary sewer, storm sewer, or electrical system; or by reason of the elements; or resulting from the carelessness, negligence or improper conduct on the part of any other resident or the resident's agent, guests, licensees, invitees, assignees, or successors; or attributable to any interference with, interruption of or failure, beyond the control of the owner, or any services to be furnished or supplied by the owner. Residents are urged to obtain the necessary insurance against these contingencies.

- 11 Walnut Meadows may require proof of residency at any time and may require verification through others such as taxing, licensing or similar authorities. Failure to provide all requested proofs of residency shall be grounds for eviction.
- 12 All residents who intend to be temporarily absent from the home for more than thirty (30) days must give prior notice to Walnut Meadows Management and make appropriate arrangements for emergencies if their home is to be completely unoccupied. In the event any home is unoccupied for more than thirty (30) days without prior notice; Walnut Meadows Management shall have the right to consider the home and all property on the site, as being abandoned. In that event, the home may be secured, disconnected from utilities and moved off the lot to a storage area or other location at the sole expense of the homeowner. Walnut Meadows Management will have no responsibility for safeguarding the manufactured home or its contents. A storage fee and all moving fees will then be charged against the homeowner.
- 13 A home destroyed or damaged beyond repair by reason of fire or other casualty must be removed from the community within fifteen (15) days of said casualty. Should insurance company personnel and/or adjusters require a reasonable additional period of time to inspect the property (not to exceed seven (7) additional days) Walnut Meadows Management will give its consent. All moving expenses, repair costs for community property, and repair costs for other homes shall be the responsibility of the homeowner.
- 14 Any resident who is hereafter convicted of being in violation of any federal, state, or local law relating to activities upon the property or is in violation of these Rules and Regulations or the Lease, is subject to eviction.
- 15 Kerosene heaters shall not be permitted.
- 16 Residents agree not to interfere with the selling of homes at Walnut Meadows and shall not visit the model community and/or sales office to disrupt the sales process. Residents agree not to picket, display signs, congregate, demonstrate, advertise, publicize, or engage in any disparaging or disruptive activities anywhere in the community, especially the model community, sales office, clubhouse, and community entrance.

XI MAINTENANCE RESPONSIBILITIES:

- 1 It is the responsibility of the resident to maintain their home. Walnut Meadows Management will notify any resident who lets the home, shed, awning, or block foundation get out of repair and give them ample opportunity to repair the items. If repairs are not made after a homeowner has been notified, Walnut Meadows may, after giving notice to the homeowner, repair the home and bill the homeowner for the work. The homeowner must pay the amount of any such bill within five (5) working days of receipt. Walnut Meadows Management shall not have any obligation to make the repairs.

- 2 Residents may use hose and water to wash the exteriors of their homes as needed, except during any water curtailment period.
- 3 Individual water lines are wrapped with electric heating tape, approved for use on plastic water lines from the home to and including the individual main shutoff valve. It is the resident's responsibility to maintain the water line on the home side of the water meter. The owner, not the resident, shall maintain the water meter and the water line on the supply side of the water meter. However, the resident shall be responsible for any damage caused by the resident to the water meter, and for any damage to any portion of the water line, including, without limitation, damage occurring by reason of freezing of the supply water lines under the house. It is also the resident's responsibility to maintain all above ground portions of the sewer line, which connects to the home. The sewer line must be water tight from the home outlet, to the inlet in the ground. Any damage caused by a resident to any portion of the sewer line, whether above ground or below ground, will be the resident's responsibility.
- 4 It is the resident's responsibility for maintenance and care of all utilities from the place of hook-up to individuals respective home. Furthermore, it is the resident's responsibility to cure and correct any defect which are in and among themselves in violation of any city, state, township or county code violations. It is management's responsibility to maintain and care for the water meter that management provides to the home. Residents shall not adjust or disturb the meters.
- 5 Walnut Meadows Management is only responsible for snow removal in the streets. Removal of snow in all driveways, parking areas and walkways is the sole responsibility of the resident.
- 6 Residents are solely responsible for maintaining their electrical connections in good and safe condition.
- 7 All homes must be maintained so as to fully comply with all applicable municipal, state or federal laws or regulations at all times. Residents shall comply with any notice or assessment from applicable governmental agencies with respect thereto within seven (7) days thereof.

XII LAWNS:

- a It is the responsibility of the resident to keep his lawn area neat and clean at all times. At no time should any firewood be stacked outside of the home or shed.
- b All lawns must be cut and trimmed at all times to a maximum height of three (3) inches and a minimum height of one (1) inch. The resident will also be responsible for fertilizing, and watering the lawn as is necessary to keep a nice healthy lawn. Any site with trees must rake up the leaves promptly, so that it will not kill the lawn. If any of the above items are not done the management may, after prior notice to the homeowner, perform the work, or

cause the work to be performed, and bill the homeowner. Payment must be made within five (5) days of being billed. Walnut Meadows Management shall not have any obligation to perform the foregoing work.

- c Anything planted in the ground on the home site, whether such planting is performed by management or by the residents, shall be considered the property of Walnut Meadows but must be maintained by the resident upon which site it has been planted. Residents moving from the community will not be permitted to remove trees, bushes, plants, or other shrubbery from their site. If Management determines that any pear tree that lines the street requires replacement, Management will replace that tree with another pear tree of the size normally planted on a newly constructed site.
- d Gardens and beds must be kept free of weeds and dead plant growth. If any of the above items are not done, Walnut Meadows Management may upon prior notice to the homeowner, perform the work. Or cause the work to be performed, and bill the homeowner. Payment must be made within five (5) days of being billed. Walnut Meadows Management shall not have any obligation to perform the foregoing work.

XIII PETS:

- 1 A house pet that does not exceed 15" shoulder height shall be allowed provided it resides in the manufactured home. A new resident may bring with him one pet that exceeds the 15" shoulder height restriction. Upon the demise of this pet the 15" shoulder height restriction will be enforced. No exterior pens or exterior animal shelters will be allowed. All pets must be registered with the Management.
- 2 The pet must be walked on a leash and never allowed to run free. "Pooper Scoopers" must be used to dispose of animal feces. Fecal matter must be discarded in trash bags only. A \$50.00 fine will be levied for the second violation of this regulation, and appropriate legal proceedings will commence for subsequent violations, including eviction.

XIV TRAFFIC AND VEHICLES:

- 1 The posted speed limit for all motorized vehicles is 15 MPH in the community. Reckless driving is prohibited.
- 2 The maximum number of vehicles per home site shall be two (2).
- 3 Parking of motor vehicles on the streets will not be permitted. Vehicles must at all times be parked in the parking spaces provided at each homesite; however guests automobiles may be parked temporarily on the street (not to exceed twenty-four (24) hours) only to the extent that said vehicles do not obstruct others from having authorized access to parking. At no time should any part of a car be on the lawn.

- 4 Parking of immobilized, disabled, unregistered or un-inspected vehicles is prohibited on the premises. The placing of the vehicle on jacks or blocks or performance of major repairs or the draining of crankcases and radiators is prohibited.
- 5 Operation or parking of non-conventional vehicle, e.g., all terrain vehicles, motorcycles, mini-bikes, dune buggies, snowmobiles, and go-karts, within the community is prohibited.
- 6 No person will be allowed to operate a motor vehicle in the community without an operator's license.
- 7 Tractors or trailers or heavy commercial vehicles are prohibited at any time within the community, except when moving homes.
- 8 Bicycles operated within the community will obey posted traffic signs and will be parked in storage sheds.
- 9 Parking and storage of boats, boat trailers, travel trailers, tent campers, pickup camper bodies, snowmobiles on trailers, and any and all other recreational vehicles will not be permitted.

XV EXTERIOR IMPROVEMENTS:

- 1 All trash taken from the house must be put in sealed plastic bags. No trashcans are permitted. All trash bags will be placed by the street edge of the lawn no earlier than 6:00 p.m. on the evening before scheduled pick-up. If trash bags are not put out on the specified days, the trash will not be taken by the collector.
- 2 One 8' x 8' shed will be provided for each home site. No other sheds or out-building of any kind shall be erected without the expressed, written approval of the management. Proposals shall be in writing showing all details and locations pertaining to installation.
- 3 Poured concrete for shed floors or any other use except as noted below is not permitted. Concrete sidewalks will only be allowed with the expressed written approval of the management in advance of any construction. A detailed plan showing location and size is required to be submitted prior to consideration of the request.
- 4 No signs, lettering or numerals of any kind are permitted to be affixed to, attached to or placed on or in any manufactured home or home site other than as expressly permitted in writing by Walnut Meadows Management. The only exception is that each home will be provided with a house number, which is placed by Walnut Meadows Management.

- 5 No exterior changes to a home or site will be permitted without prior written consent of Walnut Meadows Management in order to protect the appearance of the community. Specifically forbidden are changes that will increase or decrease the living space, changes that are unsightly or decrease the attractiveness of the manufactured home. The addition and/or covering of any porch or patio, whether enclosed or open is specifically prohibited unless pre-approved by management.
- 6 Only a TV satellite dish no more than (18") inches in diameter may be permitted, solely with the express written consent of Walnut Meadows Management as to its placement and screening, if required.
- 7 No work to a home or site will be permitted by un-insured contractors. Proof of liability insurance and worker's compensation must be submitted with the application for approval of any exterior improvement.

XVI CHANGES IN REGULATIONS:

- 1 Walnut Meadows Management may, in its sole discretion, modify, amend or add to these Rules and Regulations at anytime. Residents will be advised of changes in the regulations at least thirty (30) days in advance thereof. Walnut Meadows Management does not want to evict anyone from the community, but violations of these regulations make eviction necessary. Your suggestions and comments are always welcome and encouraged though we do ask that all complaints must be in writing. We reserve the right to enter any site (not the home) at any time. Please help us to maintain a high standard of living, for this is our constant mission.

Walnut Meadows Management shall determine any additional matters not specifically covered by the preceding Rules and Regulations.