

EXHIBIT D

RULES AND REGULATIONS

OF

THE TOWN HOMES AT INDEPENDENCE

A. INTRODUCTION

1. The Town Homes at Independence ("Association"), acting through its Executive Board, has adopted the following Rules and Regulations ("Regulations"). These Regulations may be amended from time to time by resolution of the Executive Board.

2. Wherever in these Regulations reference is made to "Unit Owners," such term shall apply to the owner of any Unit, to his family, servants, employees, contractors, agents, visitors and to any guests, invitees or licensees of such Unit Owner and the family of such Unit Owner. 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 Unit Owners shall comply with all the Regulations hereinafter set forth governing the Building, deck, drives, recreational areas, grounds, parking areas and any other appurtenances.

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 Executive board.

5. Some Regulations are taken in whole or in part from the applicable provisions in the Declaration or the Act. In the event of any conflict or ambiguity, the applicable provisions of the Declaration or the Act shall govern.

6. Because a condominium combines proximate living with home ownership, it is imperative that each member of this community be aware and respectful of the rights of his/her neighbors and his/her own obligations. These Regulations are not designed to constrict lifestyles in any unreasonable manner, but rather are designed to ensure a clean, quiet, safe, and valuable environment for all.

7. The Executive Board is empowered by the Act, the Declaration, the Bylaws, and these Regulations to take such legal and/or administrative action as may be necessary to ensure that all those subject to the Regulations adhere to the provisions of these Regulations. Because violations either may be unintentional, the result of a misunderstanding, or easily remedied by informal means, an internal administrative

enforcement mechanism has been established in Section J of these Regulations. The Regulations will be enforced, without discrimination, for the benefit of all members of our community.

B. RESTRICTIONS ON USE

1. No part of the Condominium shall be used for any purpose except housing and the related common purposes for which the Condominium was designed. Each Residential Unit shall be used as a residence for a single family or housekeeping unit, its servants and guests.

2. There shall be no obstruction of the Common Elements. Nothing shall be stored on the Common elements without the prior written consent of the Executive Board except as herein or in the Bylaws expressly provided.

3. Nothing shall be done or kept in any of the Common Elements which will increase the rate of insurance for the Building or contents thereof applicable for residential use without the prior written consent of the Executive Board. No Unit Owner shall permit anything to be done or kept in his Unit or on the Common Elements which will result in the cancellation of insurance on the Building or contents thereof 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 Residential Unit or storage area. No waste shall be committed on the Common Elements.

4. All garbage and trash must be placed in designated trash areas as designated by the Executive Board.

5. 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 public areas of the Building or passageways, parking areas, sidewalks or lawns or elsewhere on the Common Elements,

6. Each Unit Owner shall keep his Unit 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, windows, any dirt or other substance.

7. Nothing shall be done in any Unit or on the Common Elements which may neither impair the structural integrity of the Building or which may structurally change the Building nor shall anything be altered or constructed on or removed from the Common Elements, except upon the prior written consent of the Executive Board.

8. No noxious or offensive activity shall be carried on in any Unit or on the Common Elements, nor shall anything be done therein which may be or become an annoyance or nuisance to the other Unit Owners or occupants. No Unit Owner shall make or permit any disturbing noises in the Building or do or permit anything which will

interfere with the rights, comforts or convenience of other Unit Owners. All Unit Owners shall keep the volume of any radio, television or musical instrument in their Units sufficiently reduced at all times so as not to disturb other Unit Owners. Despite such reduced volume, no Unit Owner shall operate or permit to be operated any such sound producing devices in a Unit 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 of the Building.

9. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profits, altruism, exploitation or otherwise, shall be conducted, maintained, or permitted on any part of the Condominium, nor shall any "For Sale" signs or other window displays or advertising be maintained or permitted on any part of the Condominium or in any Unit, nor shall any Unit be used for rent for any reason including 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," signs on any unsold or unoccupied Units, and the right is hereby given to any Posted Mortgagee who may become the owner of any Unit to place such signs on any Unit owned by such Mortgagee, but in no event will any sign be larger than one foot by two feet.

10. Draperies, curtains or Venetian blinds must be installed by each Unit Owner on all windows of his Residential Unit and must be so maintained thereon at all times.

11. No Unit Owner shall cause or permit anything to be hung, displayed or exposed on the Exterior of a Unit or common elements appurtenant thereto, whether through or upon windows, doors or masonry of such Unit. The prohibition herein includes without limitation laundry, clothing, rugs, signs, awning, canopies, shutters, radio or television antennae or other items. Under no circumstances shall any air conditioning apparatus, television or radio antennas or other items be installed by the Unit Owner beyond the boundaries of his Unit. A Unit Owner may, however, use a central radio or television antenna or cable facilities provided as a part of his Unit. No clothes line, clothes rack or any other device may be used to hang any items on their deck nor may such devices be used anywhere on the Common Elements except in such areas as may be specifically designated for such use by the Executive Board. No decks shall be used as storage areas or shall be enclosed or covered by a Unit Owner after settlement without the prior consent in writing of the Executive Board.

12. No Unit shall be used for any unlawful purpose and no Unit Owner shall do or permit any unlawful act in or upon his Unit.

13. No alterations externally visible from outside the Building shall be made to the deck without specific prior written approval by the Executive Board which may be given subject to reasonable conditions.

14. No noise or vibration shall be made or cooking or other odor created, nor

shall any work or other thing be done which shall unreasonably disturb, annoy or interfere with the rights, comfort or convenience of other occupants of the Building. All cooking equipment shall be used in such a way to prevent noxious odors from permeating the Building.

15. Except as may exist on the date hereof, no water beds or other furniture filled with a liquid or semi-liquid substance shall be installed or used in any Unit.

16. The exterior and interior portion of windows shall be cleaned by the Unit Owner.

C. PET RULES

1. No non-domestic animal life may be raised, bred or kept in any Unit or in the Common Elements. A maximum of two (2) dogs or cats or one dog and one cat may be kept in any Unit. Small animals other than dogs or cats (including, hamsters, birds, and fish) may be kept by a Unit Owner as household pets provided that such permitted species are not kept for any commercial purposes. Dogs or cats in excess of the permitted number and/or weight which are owned by grantees of Declarant at the time of conveyance of the Unit may be kept by such grantees, but may not be replaced.

2. A pet may be maintained in a Unit so long as it is not a nuisance. Actions which will constitute a nuisance include, but are not limited to, abnormal or unreasonable noise, crying, scratching or unhygienic offensiveness.

3. All pets must be registered and inoculated as required by law and registered with the Association. Tropical fish are excluded from this limitation.

4. Pets are not permitted in the swimming pools, the tennis court and such other areas as have been or may be designated as no pet areas by the Executive Board.

5. Pet owners are fully responsible for personal injuries and/or property damage caused by their pet.

6. Pets are not permitted in the swimming pools, the tennis court and such other areas as have been or may be designated as no pet areas by the Executive Board.

7. Four-legged pets must be kept on a leash and accompanied by an adult when outside of the Unit in or about the Building.

8. Any Owner of a pet permitted in the Building shall be obligated to exercise proper care and custody over the pet to ensure the health and welfare of the other residents of the Building and preservation of the Building and grounds.

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

D. PARKING AND STORAGE

1. Unless otherwise authorized by the Association, the Garage Units and parking areas may not be used for any purpose other than parking automobiles and small passenger vans. No buses, trucks, trailers, boats, vans (other than small passenger vans), stretch cars, recreational or commercial vehicles shall be parked in the parking areas, Garage Units or in driveways except in such areas, if any, specifically designated for such parking by the Executive Board. All vehicles must have current license plates and be in operating condition. No vehicles shall be parked on the Condominium property with conspicuous "For Sale" signs attached.

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

3. Parking so as to block sidewalks or driveways shall not be permitted. If any vehicle owned or operated by a Unit Owner, any member of his family, tenants, guests, invitees or licensees shall be illegally parked or abandoned on the Condominium property, the Association shall be held harmless by such Unit 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 Unit Owner shall indemnify the Unit Owners Association against any liability which may be imposed on the Unit Owners Association as a result of such illegal parking or abandonment and any consequences thereof.

E. RECREATIONAL FACILITIES

1. All persons using any of the recreational facilities 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 Unit 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 recreational facilities. Each Unit Owner shall hold the Association harmless from any and all liabilities and any action of whatsoever nature by any guests, invitees or licensees of such Unit Owner growing out of the use of the recreational 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.

2. In addition to all other rights which the Executive Board has for nonpayment of assessments, the Executive Board of the Association shall have the right to bar the use

by a Unit Owner of any of the recreational facilities for failure to make payment of any assessments or fees dues.

F. CONSIDERATION IN USE OF UNITS

1. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the Board of Fire Underwriters.

2. All contractors performing major work or alterations on a Unit or Limited Common Element shall file a certificate of insurance and indemnity with the management, which certificate must be approved by management before said contractors may begin work in the Building. Any Unit Owner who wishes to perform any interior alteration to his Unit shall:

(a) Refrain from making any interior alteration that will: (i) impair one or more of the structural integrity of the Buildings or any mechanical or electrical system therein; (ii) adversely affect either the fire retardant or sound absorbent quality of the Buildings; (iii) lessen the support of any portion of the Buildings; or (iv) violate any applicable law, ordinance or governmental rule, regulation or order;

(b) Obtain such insurance coverage with respect to such interior alteration as the Executive Board may reasonably require in order to protect the Association and the other Unit Owners, as well as the Unit Owner performing such alterations;

(c) Expeditiously complete all interior alterations without incurring any mechanics' or materialmen's liens;

(d) Pay the full cost of performing all such interior alterations;

(e) At such Unit Owner's expense secure all necessary governmental permits and approvals prior to performing all such alterations;

(f) Comply with all other requirements under Section 3.5 of the Declaration of Condominium.

G. GENERAL

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

2. Solicitors are not permitted on the premises. If any Unit Owner is contacted by a solicitor on the Property, the Managing Agent must be notified immediately.

3. The appearance of the Units shall conform to the Condominium's standards of integrity and appearance. Each Unit Owner is fully responsible for maintaining the Unit premises, Limited Common Elements appurtenant to such Unit in a good state of upkeep and cleanliness. If the Association and/or management has to intercede to maintain said premises, the Unit Owner shall be charged for such service.

H. THE INTERNAL DISPUTE RESOLUTION COMMITTEE

1. The Executive Board shall appoint five (5) Unit Owners to serve one (1) year terms as member of the Association "Internal Dispute Resolution Committee." Declarant is in control until 42 units are sold and settled. Three members shall constitute a quorum and two votes shall be required for any Committee decision. The Committee shall elect its own Chairman. No member of the Committee may serve on the Executive Board.

2. The "Internal Dispute Resolution Committee" shall be empowered to receive, investigate, attempt to resolve, hold hearings on, and recommend sanctions arising out of complaints from Unit Owners, lessees, mortgagees, or other aggrieved parties concerning alleged violations of the provision of the Declaration, the Bylaws and/or these Regulations.

3. Upon Receipt of a written and signed Complaint Form (to be provided by the management), the Chairman of the Committee shall present the same to the management who shall then attempt to informally resolve the dispute in a fair and equitable manner.

4. If the management has not resolved the dispute to the complainant's satisfaction within seven (7) days, the Committee shall then give the alleged violator at least ten (10) days notice of a hearing to be held to hear the charges of the complainant. Notice of the hearing date and time and the parties involved shall be publicly posted in the Building and mailed to the record address of any non-resident Owner. The hearing shall be held no more than thirty (30) days after the formal complaint has been filed with the Committee.

5. The public hearing shall be conducted as an informal, quasi-judicial proceeding. All parties shall have the right to be represented by counsel, to call witnesses, to introduce documentary or other evidence, and to confront and cross-examine witnesses. Formal rules of evidence shall not be used. Each party shall have the right to have the proceeding transcribed by a court reporter, but the costs shall be borne by the party requesting the transcriptions and shall be paid in advance.

6. In order to ensure an unbiased tribunal, no member of the Committee may sit and hear a case in which he/she has a personal relationship with either party to the proceeding or in which he/she is intimately involved in any other respect. If any member of the Committee shall excuse him/herself, or be otherwise unavailable, the Executive Board shall appoint another disinterested Unit Owner to temporarily sit in his/her stead.

7. After a full hearing on the dispute, the Committee shall make a written report to the Executive Board and shall recommend sanctions if a violation has been found. The Committee shall make recommendations in accordance with the following Sanction Schedule depending upon the seriousness and frequency of the violation(s):

- (1) Reprimand/warning
- (2) \$25.00 Fine
- (3) \$50.00 Fine
- (4) \$100.00 Fine
- (5) \$200.00 Fine
- (6) Any of such Fines per day or per occurrence, as appropriate.

8. Within ten (10) days after receipt of the Committee Report, the Executive Board shall ratify the Committee decision and recommendation, unless the Executive Board finds that the decision is unsupported by the evidence and/or constitutes a manifest abuse of discretion.

9. In the event the Executive Board does not ratify in accordance with paragraph 8, the Executive Board may hold a second full hearing on the matter. In such case, the Executive Board may also levy a fine higher than that provided in the Schedule above, and may also, in a proper case, require a repeat offender to deposit with the Association a Special Security Deposit of up to \$1,000.00 to protect the Association and its members against future violations.

10. Decisions of the Executive Board in these disputes are final as set forth in the Declaration.

11. An aggrieved Unit Owner, lessee, mortgagee, or occupant must first exhaust his/her internal remedies with the Committee and the Executive Board before he/she may seek redress in a court of law.