INITIAL RULES AND REGULATIONS MILLER RANCH ASSOCIATION Dated October 28, 2003

Pursuant to the Declaration of Miller Ranch ("Declaration"), the Executive Board ("Board") of Miller Ranch Property Owners' Association ("Association") has adopted the following rules and regulations to govern the use and enjoyment of Miller Ranch ("Project"). The following rules and regulations, except as otherwise expressly stated, apply to all Owners and their families, lessees, employees agents, invitees and guests with respect to the use of the Units and any other portion of the Project. Defined terms not specifically defined in these Rules and Regulations shall have the meaning attached to such terms in the Declaration.

L <u>Use</u>

 The Project shall be used for residential purposes and for services, activities and recreation in conjunction with such residential use.

2. The Owner of each Unit that is a Duplex, Townhome or Condominium in the Project shall heat such Unit so as to maintain a minimum temperature in the Unit of no less than 55 degrees Fahrenheit from October 1st to May 30^{dt} of the year in order to minimize any damage which could result from the freezing of pipes, both individual and common, which pass near or through individual Units. This minimum heating requirement must be met even when the Unit is vacant.

3. To ensure a consistent appearance for the Units from the exterior of the Unit or building, the only window coverings allowed are those that appear white, off-white or beige in color from the exterior. Wood blinds in natural colors are also allowed.

4. All members subject to these rules and regulations shall respect the peace of their neighbors. In no event shall any such person play musical instruments, shout or operate audio equipment that may be heard outside that person's unit.

5. Each owner, member, guest or tenant is required to know and abide by the Community Documents, any Project Declaration and the Affordable Housing Restrictions.

II. <u>Use of Common Area</u>.

 No owner, member, guest or tenant may make any changes to the exterior of any buildings or the Common Areas without first applying to and obtaining the written authorization of the Design Review Board.

2. No Owner, member or tenant shall install any satellite dish, television antennae, machines or air conditioning units that are visible from the front of the unit or building, or from the street or on corner units, that are visible from side streets, or that protrude through the walls or roof of the Unit without first applying to and obtaining the written authorization of the Design Review Board. Any fixture permitted to be attached to the exterior of a Building shall be painted to match the exterior color of the Building.

3. No personal or household articles shall be placed or stored on or in any of the Common Area. These shall include, but are not limited to, bicycles, sports equipment, or any unsightly materials. The Association assumes no liability for, nor shall it be liable for, any loss or damage to articles left or stored in any Common Area.

4. The Association will maintain all standard front yard and common area lawns, trees and other vegetation. All backyard landscaping and fencing is installed by Owners shall be maintained by the Owner of the Unit in a sightly condition. Any resident wishing to plant additional vegetation or alter landscaping in the Landscaping Maintenance Area in any way must obtain approval of the Design Review Board and shall be required to maintain such additions at their own expense. Any damage to general common elements or landscaping shall be repaired at the expense of the person or persons causing the damage.

5. Each Owner of a Duplex, Townhome or Condominium shall at all times provide the Association or Manager with keys to his Unit. If the lock to a Unit is changed, the Owner of that Unit shall forthwith provide the Association with the key thereto. Any Owner failing to abide by the provision of this paragraph shall, in the event of an emergency or otherwise, be liable for damage resulting directly or indirectly from the failure by the Association to obtain entrance to that Owner's Unit. In addition, if any Owner fails to provide a key as provided here, the Association shall not be liable for any damage suffered by a Unit in the event the Association deems it necessary in its sole discretion to enter a Unit by force.

6. Owners are responsible for the snow shoveling of their own private walkways, driveways, porches and decks, from the common public sidewalks to the front and rear door of the Unit. The Association provides shoveling of all common walkways, but does not represent or guarantee that all common walkways will be kept clear at all times. Conditions of these walkways depend on snowfall and the availability of labor.

7. The storage of flammable or hazardous material that may unreasonably jeopardize the safety and welfare of any person or property is not permitted on or in the Project. The Association is not responsible for the theft or damage of items stored in the owners' storage.

units. Owners are encouraged to store items off the ground so as to avoid damage from moisture that may at times flow into storage areas. No visible storage is allowed in carports.

8. No person shall do or permit anything to be done within the Project, or bring or keep anything therein which would conflict with health and safety laws or with any insurance policy of the Association or with any rules of the Association or with any of the rules, regulations or ordinances of any governmental or quasi-governmental authority having jurisdiction over the Project.

9. No sign, advertisement or other lettering shall be exhibited, inscribed, painted or affixed by any Owner or other person on any part of the outside or inside of the Common Elements of the Project, nor shall any advertisement, announcements, or solicitation of any kind be distributed or passed out in any part of the Project, without prior written consent of the Executive Board.

10. No awnings or other projections shall be attached to the outside walls of the building without the prior written consent of the Design Review Board.

Unit Owners shall not place a load on any floor or in an attic storage area exceeding the floor load per square foot area which the floor was designed to carry and which is allowed by law or which may, in the reasonable opinion of the Executive Board, constitute a hazard to or may damage the building.

12. Smoking is allowed only within the individual Units and the balcony space(s) and patios associated with the Unit. Residents who smoke in the condominiums must keep their entry doors shut so as to not allow smoke to enter the common areas. Smoking is prohibited in the common areas including but not limited to open spaces, hallways, lobby, garages and storage areas.

13. Showing of Units for sale or lease by owners may be conducted at any hour as long as showings do not disturb other residents. For sale signs, open house signs, for lease signs and other signage are prohibited on the premises except for signs permitted by the Design Review Board. Open houses must be monitored by the owner or owner's representative at all times.

14. Owners may rent or lease their Units in conformity with the affordable housing restrictions, local zoning laws, ordinances and regulations. Leases shall be in writing and shall state that the lease is subject to the provisions of the governing documents of the applicable Association(s) and that failure by lessee to comply with the terms of the Association(s) governing documents shall be considered default under the lease.

Use of Limited Common Elements and Outdoor Areas.

 No charcoal grills, smokers or open flames are allowed on balconies, decks, patios or any Common Area: Outdoor gas and electric cooking devices are permitted. Balconies, patios and decks shall be used only for the purpose intended and not for storage of personal articles such as sporting equipment, for drying of garments, cleaning of rugs etc. No alterations may be made to these areas without first applying to and obtaining the written authorization of the Design Review Board.

 Doghouses, hammocks, patio enclosures, awnings and bicycles are not allowed on balconies, patios and common areas. Patio furniture shall be of a style and color which blends with the architectural character of the Project.

4 The sidewalks, driveways and entrances must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the Project unless otherwise authorized by the Design Review Board. Potted plants are allowed on private walkways and patios unless the Design Review Board determines that they are inappropriate or excessive.

 Fences may be erected only with the prior written approval of the Design Review Board. All fences must conform with the Design Guidelines and use approved fence designs.

6. All outside holiday lighting/decorating of any Unit shall be approved by the Executive Board and shall be tasteful and will only be allowed if such temporary installation does not dumage any exterior surface. The above must be removed completely between February I and November I of every year.

V. Vehicles and Parking

1. The number of vehicles parked at each Residential Unit is limited to the number of bedrooms of that Unit plus one, but in no event to exceed three vehicles per Unit. Vehicles parked at a Residential Unit must be parked in the garage, carport or designated parking space for such Residential Unit (or with respect to condominiums, the designated parking lot for such condominiums). Guest parking is allowed in designated guest parking areas for up to 24 hours at a time.

 Garages must be kept free of contents that would prevent the garage from being used by the number of cars it was designed to accommodate. No visible storage is allowed in carports.

 Garage doors must remain closed at all times other than when a vehicle is moving in or out of the garage.

 No servicing, maintenance or repair of vehicles may occur within the Project unless performed in a closed garage. Vehicles may not be washed in any right of way or alley within the Project. Vehicles may be cleaned or washed in a driveway or parking space for a period of one hour per week.

6 Garages, carports and designated parking spaces may be used only by owners of a Unit that have purchased the garage, carport or designated parking space with their unit.

7. In no event shall any garage be used for commercial or manufacturing purposes, nor shall any loud noise, nuisance, or excessive utility use be permitted. The garages shall be used primarily for parking of cars and trucks used routinely for transportation by an occupant of the Unit. No parking of inoperable vehicles shall be permitted within the Property, unless parked in a garage, and such inoperable vehicles will be counted as one of the vehicles attributable to such Residential Unit for the limits described in paragraph 1 above. Per County Code, garages cannot be converted to or used for habitation.

8. No motor vehicles shall impede snowplowing of the Association parking area. All motor vehicles shall be moved at least once every 48 hours to allow access for snowplowing and no vehicles may be stored upon the Association's property. "Storage" as it applies to motor vehicles shall mean and refer to any vehicles that are not regularly used by an Owner or tenant. If any motor vehicles are allowed to impede snowplowing, or are unlicensed and/or not moved at least every 48 hours, or belong to anyone other than an Owner, tenant, invitee or guest of an Owner, or, in the reasonable judgment of the Association are stored upon the Association's property, whether or not moved every 48 hours, such vehicle or vehicles may be towed not sooner than 24 hours after placing notice of such violation upon the motor vehicle, or in the event of emergency, without notice.

9. No street, driveway or parking area, unless specifically designated by the Association for such use, shall be used as a parking, storage, display or accommodation area for any type of commercial vehicle, vehicle for hire, or vehicle commonly used in the direct production of income (unless ¼ ton or less, unsigned and with all tools and equipment, including ladders, stored so that they are not visible from the street), house trailer, motor home, camper or any type of trailer, except as a temporary expedience for loading, delivery, emergency, etc.

V. Pets.

 Owners only are allowed a total of no more than two dogs and two cats or other common household pets per Unit, provided however, an Owner may petition the Executive Board of the Association for a variance from this requirement, which the Association is empowered to grant in its discretion.

When outside a unit or fenced yard, all dogs must be on a leash and attended to by their owner at all times.

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3. Pet owners are responsible for the conduct of their pets and shall not allow them to create any inconvenience, annoyance, hazard or unsightly mess on the Common Areas or adjoining property. Owners are responsible for immediately picking up after their pets in any area other than the Owner's backyard area.

VI. Garbage & Trash.

 Each Owner shall contract for trash removal and abide by all rules and regulations established by its trash removal provider.

2. Rubbish, trash or garbage outside of the Unit must be kept only in containers approved by the trash removal provider, and except for dumpsters placed in locations approved by the Association, muy not be placed outside the Unit before the morning of the day the trash is to be collected, and shall be promptly stored in an appropriate enclosure after the trash is collected.

3. No storage of trash will be permitted outside of any Unit. No littering of trash in Common Areas is allowed. No hazardous materials including flammable or toxic materials, such as but not limited to, paint, stain, thinners, gasoline, and medical waste, shall be placed in commonly owned trash dumpsters.

 Owners and renters are not allowed to use dumpsters provided for the use of other Units or portions of the Project.

VII. Insurance.

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 Nothing shall be done within the Project which might result in an increase in the premiums of insurance obtained for any portion of the Project or which might cause cancellation of such insurance.

2: Each owner must carry adequate personal property contents insurance, and liability insurance.

VIII. Renovation and Construction Procedures,

 Work hours for contractors and/or owners doing renovation work will be 8:00 am – 5:00 pm Monday through Friday. Contractors working on a condominium must register with the management office prior to starting work each day, and leave proper identification in exchange for keys. Contractors must have a certificate of insurance for liability and workers' compensation insurance on file with the Executive Board prior to the commencement of work in the Project.

Owners are responsible for any damage caused by their actions as well as the actions
of their contractors and agents.

4. Contractor parking is allowed on the premises only during normal construction hours.

Materials, supplies, tools and equipment may not be stored in the common areas at any time including but not limited to the driveways, garage, hallways, balconies and lobbies.

6. Owner and contractor will be required to take precautions for the protection of common areas, including hallway floors and walls, including plastic floor covering for jobs management requests. Contractor will be required to clean common areas daily at the completion of work each day.

 Association owned trash receptacles are not to be used by owner or contractor for renovation debris. All such debris is to be removed from the premises by owner or contractor on a daily basis.

8. Owner and contractors are prohibited from moving, painting, or otherwise tampering with any common line alarm system and fire sprinkler system. Owner and/or contractor will contact management prior to taking such systems off line. Appropriate charges will be billed to owner for management's participation in fire alarm and sprinkler system monitoring assistance.

VIII. Miscellaneous.

 Nothing shall be done within the Project that would be in violation of any statute, rule, ordinance, regulation, permit or validly imposed requirement of any governmental body. The Board may adopt a fine structure to enforce these Rules and Regulations, which is subject to change.

 Pursuant to the Declaration, the Board may promulgate such additional rules and regulations form time to time as the Board may deem necessary for the safety, care, cleanliness and maintenance of the Project.