

RULES AND REGULATIONS OF VAIL'S GROVE COOPERATIVE, INC.

In the interest of the health, safety and welfare of the Cooperative and its Stockholders, the Cooperative, by its Board of Directors, has deemed necessary, for the proper and orderly management and control of Cooperative property, the following action.

By resolution of the Board of Directors, duly adopted on the 22nd day of June, 1984, and the 19th day of July, 1984, pursuant to Article II (4) of the Cooperative By-Laws, the Rules and Regulations of Vail's Grove Cooperative, Inc., heretofore adopted and from time to time amended, are hereby repealed, and the Rules and Regulations hereinafter set forth are adopted, effective immediately.

Violation of a Cooperative Rule is a breach of the Proprietary Lease and may subject it to cancellation. For any violation of the following Rules, the Board of Directors may cancel any consent or privilege associated therewith at the option of the Board, in addition to assessing an Improper Use Fee for each violation or continuous violation of such Rules by a Stockholder, members of the family, or guests, as set forth in such Rule(s).

Violations shall be based upon receipt of a signed written complaint. Improper Use Fees shall not be imposed unless such complaint has been substantiated by corroborated facts. The imposition of an Improper Use Fee shall not exclude or limit any other remedies the Cooperative may have.

Such fees shall be payable by the Stockholder and shall be billed to the Stockholder as additional rent with the regular quarterly billing or monthly. Fees shall be payable not more than twenty (20) days after the date of billing unless a written notice of protest and request for a hearing is received by the Cooperative at its main office within twenty (20) days from the mailing of written notice of the Board's assessment of an Improper Use Fee, sent certified mail, return receipt requested, or delivery in person to the Stockholder.

Should a violation of these Rules & Regulations come to the attention of the Board of Directors where no written complaint has been filed, and where the Office has made at least one official written attempt to resolve the matter with the Stockholder, the Board of Directors may, at its sole discretion, impose the applicable fine associated with the Rule being violated after the 10-day curing period.

Whenever the term Stockholder is used, it shall be intended to be the stock certificate holder or holders.

Any suggested Rule changes must be submitted in writing prior to the next Board meeting.

1. GRIEVANCE PROCEDURE - Any Stockholder aggrieved by any action of the Cooperative imposing an Improper Use Fee made pursuant to the Cooperative Rules & Regulations may, upon mailing or receipt of the notice of the Cooperative's action, delivered in person or sent certified mail, return receipt requested, forward to the Board of Directors written NOTICE OF PROTEST AND REQUEST for a review hearing. Said notice of protest and hearing request MUST be received by the Cooperative at its office within twenty (20) days from the date of mailing or receipt of such action by the Cooperative. The notice of protest and

request must contain a brief statement of the facts relied upon by the Stockholder and specifically state the nature of the relief requested. Failure of the Cooperative to receive such written notice of protest and request for hearing within the time limit set forth (20 days) will be deemed acceptance, by the Stockholder, of the Cooperative's action.

The Board Chairperson shall direct the appointment of a standing Grievance Committee, for a period of one-year, comprised of only one (1) Board member and three (3) Stockholders. The Board member shall serve as Chairman of the Committee, with no voting power. The Committee will consist of three (3) stockholders in good standing and three (3) alternates. Said Committee MUST convene for its first hearing not more than twenty (20) days from the timely receipt of the Stockholder's notice, or any Improper Use Fee imposed shall be deemed canceled. Failure of an aggrieved Stockholder to attend a designated hearing, except for good cause shown, shall constitute a waiver of the right to a hearing. At such hearing, the aggrieved Stockholder shall have opportunity to present all particulars on the issue and require the complainant to attend. The Committee may request the attendance of any persons believed by it to have knowledge of any facts bearing on the issue. The hearing shall be conducted by the Committee Chairman (appointed by the Chairman of the Board), who shall be responsible to report the Committee's decision to the Board. The Committee's decision shall be final. No further protest on the issues involved shall be heard and all appropriate improper use fees will be due and payable immediately.

The aggrieved Stockholder shall be promptly notified, in writing, of the Committee's decision. The hearing may be adjourned by the Chairman from time to time until the Chairman is satisfied that the fact-finding process has been completed and that the aggrieved Stockholder has had a reasonable opportunity to present all particulars on the issue.

2. CONDUCT - Stockholder shall not permit any unseemly noises or interference with the rights of any other Stockholder by any unlawful, offensive, or unseemly conduct or by creating offensive conditions. With respect to the unseemly noises occurring from construction, power tools and leaf blowers, Stockholder shall not permit the operation of power tools or construction of their home prior to 8:00 am and shall not permit the operation of power tools or construction past 8:00 pm and from 9 am to 5 pm on Sundays.

Stockholder shall not permit their dog to bark incessantly, i.e., longer than 5 minutes.

Stockholder shall be held legally and financially responsible for any acts of vandalism or malicious mischief by themselves, their families or their guests, and shall reimburse the Cooperative and/or its tenants for any damages or losses sustained.

Any conduct or actions of a Stockholder, members of the family, guests or others on the premises at the behest of the Stockholder, which results in financial loss or damage to the Cooperative, shall be billed to the Stockholder, as additional rent, plus an Improper Use Fee.

Violations of this Rule may result in the assessment of an Improper Use Fee of \$100.00.

3. REFUSE - Stockholder shall not throw any kitchen garbage, household paper waste or other refuse on any premises or on the lands or waters adjacent thereto, or upon any of the beaches or roads or walks of the property, and shall not bring glass material of any character to any recreational area. The Stockholder must remove debris from house renovations during and at the completion of work. Dumpsters must be removed at completion of work.

No dumping of building materials, appliances, abandoned cars, refuse, garbage, trash, leaves, grass, shrubbery, trees, or any other matter, shall be permitted anywhere on Cooperative property.

Dumpsters will not be permitted on Cooperative common property unless approved by the Board. Shareholders placing dumpsters on their leased land for refuse removal must notify the Office when the dumpster is to be delivered. If the dumpster is required on the shareholder's property longer than one month, the shareholder must request an approval for each extension.

Violations of this Rule may result in the assessment of an Improper Use Fee of \$100.00 plus \$25 per day until the problem is remedied.

Kitchen garbage and household paper waste for collection must be placed in plastic bags and stored in securely covered metal, wood or plastic containers and placed appropriately for pick-up by Town Refuse Service.

Accumulations of leaves, grass and shrubbery clippings must be placed in securely fastened Biodegradable paper bags (NO PLASTIC) and placed not more than ten (10) feet from a Cooperative road.

Stockholders shall maintain the leased premises in a neat and orderly manner to include, but not limited to, cutting of grass and shrubbery so as to conform to the community standards. Private contractors hired by Stockholder must be responsible for the removal of all clippings and tree and lawn debris immediately.

All branches must be cut into no more than 4-foot lengths and left neatly on the edge of the property in order for Cooperative's Buildings & Grounds to remove. Removal shall be subject to the Buildings & Grounds Chairperson's discretion.

Each violation of this Rule may result in the assessment of an Improper Use Fee of \$100.00 -- except violation of the improper use of the area north of Norton Circle, which will result in an Improper Use Fee of \$500.00, notwithstanding anything contained herein to the contrary.

4. VEHICLES - "Vehicles," as defined herein, shall mean and include automobiles, trucks, all trailers, motorcycles, dirt bikes, mopeds, go-carts, snowmobiles, boats or any unit primarily utilizing fuel or electricity as a means of propulsion, except a lawn or garden tractor.

Neither Stockholder, the family, agents, employees, guests, contractors nor others shall park vehicles on the Cooperative streets, roads or right-of-ways. Parking in the designated area adjacent to the Pavilion shall be subject to the discretion of the Cooperative. Parking in the beach area is primarily intended for those using the beach. Parking in the beach area, including overnight parking, is permissible when the beach is closed. Parking in the area north of Norton Circle shall be prohibited. This Rule shall not prohibit the loading or unloading of vehicles. Violations of this Rule shall subject such vehicles to removal and storage at the owner's cost and the assessment of an Improper Use Fee of \$100.00.

Passenger vehicles may be parked only on Stockholder's leased premises or in Cooperative common parking areas. All other vehicles, as the term is defined in this Rule, shall be parked only in areas designated by the Cooperative for such parking. Additionally, two vehicles

(e.g., boat, camper) may be stored on shareholder property when stored in a visible area. Any additional recreational vehicles including boats, jet skis, boat trailers, etc. are to be stored in the Boat Storage area at the North End of the Grove, after required registration in the Cooperative Office.

Unlicensed, unregistered vehicles stored on Shareholders property for more than 60 days must be covered with a professional grade car cover. An improper use fee of \$100.00 will be assessed for violation of this rule.

Anyone driving vehicles on the Cooperative's roads shall not exceed the speed of ten (10) miles per hour, as posted, and shall observe parking and other traffic regulations. An improper use fee of \$100.00 for each violation of this rule will be imposed. The Cooperative hereby adopts all laws, rules, regulations and ordinances of the State of New York as now or hereafter defined in the Vehicle and Traffic Laws for the control, operation or use of gas, electric or battery propelled vehicles on the roads and property of the Cooperative, and reserves the right to prosecute any such violation by complaint to the appropriate authorities.

No vehicle may be operated, used or parked on common Cooperative property unless it is registered with and licensed by the Department of Motor Vehicles of the State of New York or another state and is operated by a licensed driver.

A \$100.00 improper use fee will be charged for each violation of vehicle rules.

The Board at its discretion may also suspend the parking privileges and the right to use the Cooperative's roads for any violation of the rules pertaining to vehicles.

5. BICYCLES - Bicycles, as defined herein, shall include self-propelled units requiring no fuel, with front and rear wheels of the same diameter, each of which is eighteen inches (18") or more. Two-wheeled bicycles may be used on Cooperative roads and ways, but shall not be used on Cooperative walkways. All other wheeled units shall be considered toys and shall be prohibited from use on the roads and ways of the Cooperative except when used under the supervision of a responsible person.

No bicycle may be used within Vail's Grove without reflectors on both front and rear, and a front and rear light when operated after dark. The use of approved helmets at all times is highly recommended. Bicycles and toys shall not be left on the roads or rights-of-way of the Cooperative unattended.

Each violation of this Rule will result in the assessment of an Improper Use Fee of \$10.00.

6. FENCES - No fence or any structure resembling a fence may be erected without prior written approval of the Cooperative, which request for approval must be submitted to the Cooperative at least twenty-one (21) days prior to the next scheduled Board meeting. Any fence erected is to be no nearer than eighteen inches (18") from the nearest edge of the road and, at its highest point, no more than forty-eight inches (48") from the ground level; provided, however, that any fence or similar structure existing, which, in the sole opinion of the Board of Directors, unreasonably interferes with the use or enjoyment of any premises, must be removed by the Stockholder on twenty-one (21) days' written notice. If not removed, the Cooperative may remove such structure without further notice at the Stockholder's sole cost and expense.

A violation of this Rule will result in the assessment of an Improper Use Fee of \$100.00 and an additional \$25.00 a day until the problem is remedied.

7. PETS - This Rule requires that dogs must be licensed, and have a current rabies tag; allows a pet on its owner's premises unleashed and untethered, and prohibits a dog on common Cooperative property without being leashed or tethered and accompanied by a responsible person; prohibits a dog leaving any deposits on common Cooperative property; prohibits a pet, at all times from being on other tenant's property without their consent. Stockholders are encouraged to register their pet in the Office and for the pet to have ID tags. Dogs can run without a leash with supervision at the baseball field as long as the owner picks up after the dog.

The first violation of this Rule will result in the assessment of an Improper Use Fee of \$100.00 and, thereafter, \$50.00 for each such violation.

8. GATES - The Board of Directors reserves the right to establish gates at the entrances to the Cooperative property and to establish further Rules and Regulations controlling ingress and egress.

Ramp 2 is closed to all motor vehicle traffic, both inbound and outbound, between 7:00AM and 8:30AM on school days. Stockholders who both live and park along the dirt roads on either side of Ramp 2 are permitted to go down Ramp 2 and make a left turn onto Orchard. Stockholders that have driveways with access only to Ramp 2 are permitted to go down Ramp 2 to Vail's Lake Shore Drive. This means only parents dropping off children for the bus are permitted to drive up or down the ramp. Anyone using any part of Ramp 2 (other than the stockholders described above) is subject to an improper use fee of \$100.00 for each violation of this rule.

9. ONE PROPRIETARY LEASE - No Stockholder may be a lessee under more than one (1) Proprietary Lease at any one time, except with the consent of the Board of Directors, which will not be unreasonably withheld if the Board is satisfied that the application for more than one (1) Proprietary Lease is made in good faith; and

- a) Is temporary only and the Stockholder's first leased premises is immediately and in good faith offered for sale, and
- b) Only if both premises are subject to the Cooperative's Rules on Subletting, and
- c) Only provided that the Stockholder agrees to an Improper Use Fee of a minimum of \$25 per day if the first leased premises is not sold within Twelve (12) months (time being of the essence) from the date of the second Proprietary Lease.

10. ADDITIONAL LEASED LAND - In the interest of reducing maintenance costs, the Cooperative may hereafter offer, in writing, to lessees -- or accept written applications from lessees whose leased land is contiguous to common land, the opportunity to lease such contiguous land in exchange for the purchase of additional shares. Where such land is contiguous to more than one (1) leased parcel, all contiguous lessees shall be offered the option of leasing such land on the basis of an equitable proportion (as determined by the Cooperative) as the whole bears to the number of contiguous lessees. Failure of any lessee to exercise such option in the time limit specified in written notice shall constitute the right of any other contiguous lessee(s) to exercise their option to lease additional land. The Board of Directors in accordance with the following formula shall fix the additional shares:

$$\text{NEW SHARES} = \frac{\text{Proposed Additional Square Feet}}{\text{Total Present Square Feet}} \times \frac{\text{Total Present \# of Shares}}{4}$$

11. BEACH AREA - The Beach area may be used by the Stockholder and their family; or guests and friends only if actually accompanied by such Stockholder or member of the family. A responsible person must accompany all children under the age of ten (10) years. The Cooperative takes no responsibility for people swimming at the beach when a lifeguard is not on duty.

Lifeguard(s) will be on duty at such time as announced by the Cooperative. Special Beach Rules may be posted at the Beach area. Violations of Beach Rules may result in the Lifeguard(s) suspending Beach privileges. Anyone on the beach premises after closing is trespassing. Alcohol consumption is not permitted at any time except at Cooperative sponsored functions.

12. SIGNS – No political, advertising, or contractor’s signs may be displayed on Vail’s Grove property. Real estate information (e.g., “For Sale” or “For Rent”) may be displayed only on the Real Estate Bulletin Board at Ramp 1. Stockholders and their realtors will register with the Office manager who will place their 8½” by 11” papers with their real estate information in plastic sleeves for display on the Bulletin Board.

Individual real estate signs are prohibited on Vail’s Grove property. Violations of this Rule will result in an Improper Use Fee of \$100.00 and \$25.00 for each additional day that a sign is not removed from the Stockholder’s leased property.

13. ILLUMINATION - No unreasonable exterior illumination is permitted. Any existing exterior illumination shall be deemed reasonable unless and until notice to remove it shall have been given. A violation of this Rule shall subject the Stockholder to the assessment of an Improper Use Fee of \$100.00 for each day such violation continues after notice.

14. SEPTIC SYSTEMS - Written Cooperative approval is necessary prior to the installation of a new residential septic system or existing system, alterations, repair or upgrade. Application must include all required municipal approval. Putnam County requires review and approval by the Health Department of any work prior to commencement. Westchester County requires that a Septic System Repair Data Form be submitted by the licensed Health Department Contractor after work is completed.

A Residential Septic System Inspection will be required every two (2) years after a previous inspection by the Stockholder in the following instances:

1. Change of ownership (unless re-sold within 2 years of the last inspection)
2. The rental of the property (unless re-rented within 2 years of last inspection)

The Residential Septic System Inspection (open tank/four step) must be performed by a licensed inspector or sanitary engineer who performs the required test per the Cooperative’s standards. As-built drawings must be prepared and submitted (with the Contractor’s Board of Health license number) to the Cooperative.

All steel septic tanks found on leased land must be replaced immediately.

All drains (i.e. sinks, showers, bathtubs, toilets, clothes washers and dishwashers) are to be hooked into the new and/or altered septic system.

Any violation of this rule shall subject the stockholder to an assessment of an Improper Use Fee of \$100 and for each day after notice of such violation, as assessment of an additional Improper Use Fee of \$25 per day until Cooperative approval is given.

15. ALCOHOLIC BEVERAGES - DRUGS

SECTION 1: - TITLE

This Rule shall be known and cited as VAIL'S GROVE COOPERATIVE, INC. - RULE #15 REGULATING USE OF ALCOHOLIC BEVERAGES AND DRUGS IN PUBLIC PLACES.

SECTION 2: - LEGISLATIVE INTENT

The Board of Directors of Vail's Grove Cooperative, Inc., recognizes that consumption of alcoholic beverages in common areas must be adequately controlled so as to prevent general disorder, nuisances, littering, and other acts and conditions detrimental to the health, safety and welfare of the residents of Vail's Grove, and this Rule is intended to provide such control and regulation. No drugs may be used in common areas.

SECTION 3: - DEFINITIONS

As used herein, the following words shall have the meaning set forth:

3.1 "Alcoholic Beverage" shall mean and include all beverages as defined in Section "3" of the Alcoholic Beverage Control Law of the State of New York.

3.2 "Drugs" shall be defined as any controlled substance as same is defined in the Penal Laws of the State of New York, except that prescribed medications shall not be included in this definition.

3.3 "Container" shall mean any bottle, can, glass, cup or similar receptacle suitable for, or used to hold any liquid or drugs.

3.4 "Common Area" shall mean any street, park, playground, beach, parking lot, or any other Cooperative area to which the Stockholder and guests have access, except premises subject to a Proprietary Lease.

SECTION 4: No person shall consume or ingest any alcoholic beverage or use or possess any drugs in any common area within Vail's Grove Cooperative, Inc. Carrying on the person, holding or possessing any open, unsealed, resealed or partially full container of alcoholic beverage or drugs in a common area as herein above defined shall constitute a prima facie evidence of a violation of this section.

SECTION 5: Any open, unsealed or partially full container which contains an alcoholic beverage or drug found in any vehicle in any such common area shall be presumptive evidence that the same is in possession of all the occupants of said vehicle and in possession of the person last having control and custody of said vehicle.

SECTION 6: The foregoing prohibition against drinking alcoholic beverages in common areas or possessing open, unsealed, resealed or partially empty containers of such alcoholic beverage

shall not apply nor be a violation of this regulation in the event of a gathering function or event authorized by the Board of Directors of Vail's Grove Cooperative, Inc.

SECTION 7: A violation of Rule 15 shall subject the Stockholder to an assessment of an Improper Use Fee of \$100.00 for each such violation.

SECTION 8: If any clause, sentence, paragraph, section or part of this Rule shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

16. SUBLEASE - Stockholder desiring to rent in accordance with the Proprietary Lease must submit to the Cooperative at least ten (10) days prior to the beginning of the rental term a letter signed by licensed inspector or sanitary engineer according to the Cooperatives testing standards, certifying that the septic system is operating properly. The Cooperative assumes no responsibility for the contents or accuracy of the engineering report. The Cooperative will arrange for such inspection at Stockholder's expense.

It shall be the sole responsibility of the Stockholder to submit to the Cooperative a completed rental application and a non-refundable application fee payable to the Cooperative in the sum of \$350.00 with all related documents, including a Hold Harmless Agreement to allow the Office to initiate the vetting process, as may be required not less than twenty-one (21) days before the Board meeting preceding the date of expected occupancy. Use and occupancy prior to written Board approval may be grounds for Board disapproval of the application and shall subject the Stockholder to an assessment of an Improper Use Fee of \$25.00 per day for each day such violation continues. Use and occupancy prior to the date provided in the sublease agreement may be grounds for revocation of the Board's prior approval and shall subject the Stockholder to an assessment of an Improper Use Fee of \$25.00 per day for each day such violation continues.

Each Proprietary Lease issued by the Cooperative shall be deemed to be for the sole benefit of the Stockholder; as such name appears in the stock record book, and his or her immediate family. Use and occupancy of the leased premises, for any length of time, by any other person or persons, shall be deemed an unauthorized subleasing, unless previously approved by the Board of Directors, in writing, after due application. Such tenancy shall be subject to such rights and remedies by the Cooperative as may be provided in the Proprietary Lease and By-Laws, in addition to the assessment of an Improper Use Fee of \$25.00 per day for each day such violation continues.

Where the Board of Directors shall consent to a sublease, such sub lessee shall be deemed to have taken the place and stead of the lessee and the lessee shall thereafter, and during the term of said sublease be deemed a non-resident Stockholder.

17. SALE, MORTGAGE, REFINANCING AND TRANSFER OF OWNERSHIP

A) For Sale and Mortgage: It shall be the sole responsibility the Stockholder, on behalf of a proposed purchaser, to submit to the Cooperative a completed membership application. An application shall be accepted for processing if submitted not less than twenty-one (21) days before the Board meeting preceding the date of expected closing and must include:

- 1) The residential septic system inspection must be performed by a licensed inspector or sanitary engineer who performs the required test per the Cooperative's standards, and
- 2) If appropriate, request for Cooperative approval of Co-op loan (mortgage), and
- 3) A non-refundable application fee payable to the Cooperative in the sum of \$500.00.

B) For Refinancing: It shall be the sole responsibility of the Stockholder to submit to the Cooperative a completed refinance application. An application shall be accepted for processing if submitted not less than twenty-one (21) days before the Board meeting preceding the expected closing. A fee of \$150 shall be paid to the Cooperative's attorney for review of the new recognition agreement from the lender.

C) For Transfer of Ownership: It shall be the sole responsibility of the Stockholder to submit to the Cooperative a completed Application to: Add a Stockholder(s) to an Existing Stock Certificate and Proprietary Lease; or to Remove a Stockholder(s) from an Existing Stock Certificate and Proprietary Lease; and pay the applicable fees associated with each Application, twenty-one (21) days before the Board meeting at which the Stockholder wishes their request be voted upon. Stockholders are advised to consult with their Tax Advisor and/or Attorney prior to submitting either of these applications as a transfer of ownership may result in changes to Real Estate tax exemptions as well as may require the submission of a Gift Tax return to the IRS.

The Cooperative assumes no responsibility for the contents or accuracy of the sanitary engineer's report. The Cooperative will arrange for such inspection at the Stockholder's expense.

All sales, mortgages, refinancing and transfers of ownership require the written approval of the Cooperative in accordance with the Proprietary Lease. The Cooperative approval shall be subject to all the terms and provisions of the Proprietary Lease, Rules and Regulations, the Cooperative Offering Plan, and By-Laws as it may, from time to time, have been amended. Purchaser shall be required to acknowledge receipt of such documents at Purchaser's membership interview meeting, which will be arranged by the Cooperative after receipt of the completed membership application. The Cooperative will give written notice of its decision to the Purchaser and the Stockholder. The Cooperative will require ten (10) days notice prior to closing. A transfer fee of \$100.00 plus .05 cents a share, payable to the Cooperative from the Stockholder, shall be paid at or prior to closing on all sales. All closing documents must be in form acceptable to the Cooperative.

Use and occupancy by a proposed purchaser prior to Cooperative written approval of sale and closing shall be deemed an unauthorized sublease and shall subject the Stockholder to an assessment of an Improper Use Fee of \$25.00 per day for each day such violation continues, in addition to such other remedies available to the Cooperative.

18. HUNTING AND TRAPPING - Hunting or trapping shall not be permitted in Vail's Grove without the prior written approval of the Cooperative and possession of a current license or permit issued by the State of New York. Violation of this rule shall subject the Stockholder to an assessment of an Improper Use Fee of \$200.00 for each such violation.

19. FIREARMS - Discharge of firearms, or air guns, or use of bow and arrow, cross bow, slingshots, or other similar devices in Vail's Grove shall be prohibited without the prior

written approval of the Cooperative. Violation of this rule shall subject the Stockholder to an assessment of an Improper Use Fee of \$200.00 for each such violation.

20. ALTERATIONS - No Stockholder may change the exterior dimension of any structure or erect new structures on leased premises without the prior written consent of, and subject to such conditions as may be imposed by, the Board of Directors. Request for such consent must be submitted to the Cooperative at least twenty one (21) days (no exceptions) prior to the next scheduled Board meeting. Repairs necessitated by ordinary wear and tear shall not be subject to this Rule.

Demolition of any structure even for repair/replacement must be approved by the board in writing as required in Section 4G of your Proprietary Lease.

It shall be the sole responsibility of the Stockholder to submit to the Cooperative a completed alteration/new structure application, on the form designated, prior to the commencement of any work. In the case of catastrophic damage, for example a tree falling, work may proceed with the approval of the Real Estate Chairperson and the Executive Board (by phone). Initial Cooperative approval shall take into consideration the following:

PROPERTY LINE CLEARANCES

- a)** Side and rear yards ten (10) feet: applies to all structures, including (but not limited to) dwellings, garages, decks, porches, and/or detached sheds.
- b)** Front yard, twenty-five (25) feet from the street (same as (a) above). However, in certain circumstances where 25 feet does not exist between the dwelling and the road, allowance may be made with Board approval through the usual application process.
- c)** No structures of any kind shall be constructed less than forty (40) feet from the shoreline.

PLOT PLANS

Professional quality plot plans must be submitted, which will identify all boundaries and location of all structures (proposed and/or existing), as well as any easements that may be applicable.

BUILDING PLANS

A “concept” drawing must be submitted for initial approval, prior to submission of detailed, professionally drawn architectural plans. The concept drawing must show the projected dwelling as proposed, relative to existing structures and identify the proposed datum for vertical measurements, as well as length and width dimensions.

HEIGHT OF STRUCTURES

Structures may not exceed thirty (30) feet high. It is recognized that several factors will affect the ultimate height of the structure, including (but not limited to) location, topography, view and general character of the Grove. Structures in excess of thirty (30) feet shall be at the sole discretion of the Cooperative. The Cooperative will determine datum after review of the “concept” drawing.

SEPTIC SYSTEMS

The primary consideration with respect to the Rules governing septic systems is the protection and health of our Stockholders, and the preservation of the lake. The size of the lots in the Cooperative (with a few exceptions) precludes conformity with any State or Local rules. These Rules are intended to upgrade existing systems and provide for new systems within space limitations. In addition to such specific recommendations that the Real Estate Committee may make on submissions of septic plans, the following is vital:

- a) No tank may be installed less than ten (10) feet from a dwelling.
- b) Galleys/fields and dry wells must be twenty (20) feet from the house and at least twenty (20) feet from any “open pipe drain.”
- c) No structure of any type may be erected over septic fields.
- d) Non-emergency repair requires Board approval.
- e) Any increase in living area may require an increase in septic system capability. (See Rule 14)

Cooperative approval shall also take into consideration the following:

- a) Plot size, building dimension and coverage;
- b) Environmental impact;
- c) Neighborhood concerns; and
- d) On-site parking.

Cooperative Approvals:

The Cooperative’s conditional approval shall be subject to the issuance of any permits as may be required by municipal authorities. This Rule shall not be construed as a waiver of any municipal requirements, but is intended only to supplement such regulations. Final Cooperative approval may be granted upon the Cooperative’s receipt of plans endorsed “APPROVED” by all municipal authorities having jurisdiction over the application and such conditions as may be imposed by the Cooperative. Also a copy of the building permit must be filed with the Cooperative before starting construction and a copy of the Certificate of Occupancy must be filed in the office when work is completed. Construction must be commenced within twelve (12) months from the date of Cooperative approval or a renewal of the application, along with a required renewal fee (which will be one-half of the original fee), will need to be submitted for Board review.

Real Estate Committee Application Fees:

Applications for sheds, swing sets, play areas, hot tubs, etc. \$50.00

Replacement Construction:

Replacement or renewal of existing structures i.e., replace decks, fences, sheds	\$50.00
Exact replacement of entire existing structures due to repairs	\$50.00
Renewal application for already approved, unchanged construction	\$25.00
New Construction:	
Decks raised above 18 inches, a change in roof line, minor add-ons with permanent foundations under 100 square feet, property line fences	\$100.00
All new construction exceeding 100 square feet and requiring a foundation, addition of rooms outside the footprint, garages with foundations and roofs, second stories	\$350.00

EXTERIOR MAINTENANCE

Siding and roof must be completed within 18 months of start of construction.

Stockholders are required to maintain the exterior of their home in a neat and orderly manner as with their leased property already outlined in Rule 3. Where the exterior of a Stockholders home suffers from deterioration or damage due to neglect, time (aging), weather, or unfinished construction, the Stockholders will be notified by Vail's Grove Cooperative, Inc. by mail to correct or repair stated deficiency. Thirty (30) days will be allowed for correction of said repair consistent with the amount of work needed to finish said repair. Failure to act on or repair the stated deficiency by Stockholder of their home exterior will result in a violation of this rule.

Violation of this rule shall subject the Stockholder to an assessment of an Improper Use Fee of \$100.00, and for each day after notice of such violation, an assessment of an additional Improper Use Fee of \$25.00 until the Cooperative's final written approval is given.

Should an application be amended or denied by the Cooperative, applicants may avail themselves of the opportunity to file a protest with the Cooperative and request a meeting with the Real Estate Committee in an attempt to resolve any differences.

21. SATELLITE DISH ANTENNA - No stockholder may install a TV antenna of the satellite dish type more than 24" in diameter on leased premises without the prior consent of the Cooperative.

Violation of this rule will result in an assessment of an Improper Use Fee of \$100.00, and for each day after notice of such violation, an assessment of an Improper Use Fee of \$25.00 a day until Cooperative's final written approval is given.

22. CURFEWS - The Board of Directors by two thirds vote of Directors present at any regular or special meeting of the Board of Directors, may impose curfews within the bounds of the Cooperative applying to common areas of the Cooperative as the Board may, from time to time, deem necessary and advisable for the general health, safety, security and convenience of the stockholders. A violation of any curfew so imposed shall subject the stockholder to an Improper Use Fee of \$100.00.

23. RETURNED CHECKS - A \$35.00 fine will be imposed for all returned checks.

24. SPRINKLER SYTEMS - No underground sprinkler systems of any kind are permitted.

Any violation of this rule shall subject the stockholder to an assessment of an Improper Use Fee of \$100.00 and for each day after notice of such violation an assessment of an additional Improper Use Fee of \$25.00 per day until removed.

25. WATER CONSERVATION - When the State, or either County has imposed a water emergency; water watch; or any other drought condition calling for water conservation, the following applies to all Vail's Grove residents:

There will be no car washing.

There will be no watering of landscape with hoses or sprinklers.

There will be no washing down of driveways or roadways.

Car washing or landscape watering or washing of roadways or driveways will result in a \$100.00 Improper Use Fee for each occurrence

It is recommended that:

Water should not be left running when shaving, brushing teeth or washing.

Clothes and dishwashing appliances should be run only with full loads.

26. PRIVACY NOTICE: To protect and safeguard your privacy, Vail's Grove Cooperative, Incorporated (VGCI) has adopted a Privacy Policy.

Vail's Grove Cooperative will use non-public information about you received from you or third parties, ONLY as it deems necessary to the operation of the Cooperative. It will not disclose such information to any third parties without first obtaining your consent. Vail's Grove Cooperative will protect your information by maintaining same in locked file cabinets with access only by Cooperative personnel, specifically the Office Secretary and members of the Board of Directors with a legitimate need to access files for specific projects.

27. OIL STORAGE TANKS

SECTION NO. 1 – TANKS:

All oil storage tanks must be covered by insurance or equivalent. Proof of current insurance must be kept on file in Cooperative Office as well as proof of Policy renewals.

Any violation of this rule shall subject the stockholder to an assessment of an Improper Use Fee of \$100 and an assessment of an additional Improper Use Fee of \$25 per day until the proper insurance is obtained.

SECTION NO. 2 – SALES:

Proof of oil tank insurance or equivalent will be necessary at time of sale.

28. BOAT RAMP AND NORTH END STORAGE USE:

Adherence to this process by all residents ensures convenient and safe boat storage and boat use for all Vail's Grove Stockholders.

There will be dates designated in both the fall and the spring for moving water vehicles in and out of the storage area and in and out of the lake. These dates will be announced well in advance via posted notices at the mailboxes, the gates at the North End and the Boat Ramp and a robo-call from the office, as well as on the official Vail's Grove Web Site (www.vailsgrove.us). All residents who wish to make use of the storage area at the North End or the boat ramp next to the Pavilion are encouraged to do so on the designated dates. For those who are unable to move their water vehicles on the designated dates, access to the storage area and the boat ramp will be available by appointment only with designated key holders.

All water vehicles to be stored at the North End and/or to be launched from the boat ramp MUST be registered with the Vail's Grove Office and MUST display an official Vail's Grove registration sticker. This includes filing a form at the office describing the vehicle and providing verifiable ownership information by a Vail's Grove shareholder. Vehicles must have a current sticker before the gates (at either the storage area or the boat ramp) will be opened by authorized Vail's Grove personnel.

Authorized personnel for Vail's Grove who will have keys to the Boat Ramp and the gate at the North End will be Buildings & Grounds Chairperson and staff person, the Office Manager and a member of the Board in case of emergency. Buildings & Grounds will ensure that both gates are kept locked at all times. Appointments to move vehicles in and out of the North End Storage area must be made by calling the office to ensure that registration has been completed properly for the water vehicle being moved.

In addition, each boating season, five Vail's Grove shareholders who are members of the Boat Ramp and Storage Area Committee and meet the requirements for being members of the Cooperative in good standing will be assigned a key to the Boat Ramp to facilitate the moving of boats in and out of the lake during the season. Each key holder will be asked to:

- Sign for the key and agree to take financial responsibility so that if their key is lost or stolen they will pay to have the lock and all the outstanding keys replaced (approximately \$300).
- Keep a log of people borrowing the key (to be provided by the Office Manager) and submit the log to the Office on the first of each month of the boating season (June through November).
- Return the key to the Office Manager by Nov. 15 of the same year.

BY RESOLUTION OF THE BOARD OF DIRECTORS
VAIL'S GROVE COOPERATIVE, INC.

(Corporate Seal)

Revision Date: January 2010