

the
CHESTERFIELD
CO-OPERATIVE

To: Shareholders and Residents
From: Board of Directors
Date: April 8, 2009
Subject: House Rules

Enclosed are the revised, current, and complete House Rules (at last). Please discard all other versions you may have.

There are no significant changes in the House Rules; rather, they have been reorganized, with updated language, and the incorporation of related materials on insurance, maintenance, unit renovations, and the sublease addendum.

HOUSE RULES AND REGULATIONS OF THE CHESTERFIELD COOPERATIVE, INC.

1. COMPLIANCE

Residents shall comply with all of the rules and regulations herein set forth governing the building and premises owned by the Chesterfield Cooperative, Inc. (the "Corporation"), including corridors, balconies, lobbies, drives, parking areas, grounds, and any other appurtenances (collectively the "Building"). The owners of shares of the Corporation (the "Shareholders") agree that they, their families, subleases, guests, agents, invitees, and licensees will at all times observe all such rules and regulations.

The Board of Directors of the Corporation (the "Board") reserves the right to alter, amend, or modify the rules and regulations and the Shareholders agree to abide by any such alterations, amendments, or modifications provided that a copy of such rules and regulations is made available to each Shareholder prior to the time the same shall become effective. All Shareholders and subleasees will sign and certify that they have read and will comply with all House Rules and Regulations prior to moving into the building. The Board may assess fines according to the seriousness of any violation of the House Rules and Regulations.

The alleged violation of a House Rule is to be reported to and will be verified by the Resident Manager. If the Resident Manager determines that a violation has occurred, a copy of the House Rules and Regulations and a verbal notice will be given to the unit occupant by the Resident Manager. If a tenant is involved, a copy of said notice will also be given to the shareholder. If noncompliance with the rule continues, the Board will levy a fine and take other action as needed.

2. KEYS

a. Each shareholder or resident must provide the resident manager with a key to all locks on his/her apartment door for use in emergencies. Shareholders and residents have the option to authorize the Cooperative to release his/her keys to particular parties for nonemergency purposes.

b. **Locks and Exterior Door Knobs:** If any Shareholder, resident, or his/her agent rekeys a lock on an exterior apartment door, he or she shall provide a copy of the key promptly to the resident manger. If a Shareholder, resident, or his/her agent wishes to add a new lock to an existing apartment exterior door or change the appearance of the exterior door knob, he or she must obtain written permission from the Board of Directors.

c. Lost or Missing Keys: The resident manager will provide residents with access to their units, if the manager is in the building, as follows:

- i. During the resident manager's regular working hours (7:30 a.m.—3:30 p.m., Monday through Friday; 9:00 a.m.—1:00 p.m., Saturday): no fee.
- ii. During nonworking day and evening hours (3:30—10:00 p.m., Monday through Friday; 1:00—10:00 p.m., Saturday; 8:30 a.m.—10:00 p.m., Sunday): fee of \$25.00.
- iii. For all other hours: fee of \$50.00.

3. COMMON AREAS

a. Halls: The halls and passageways of the building shall not be obstructed or used for any purpose other than ingress and egress.

Smoking in all common areas of the building is prohibited. This prohibition includes all hallways, the lobby, stairwells, elevators, garage, laundry room, boiler room, and trash rooms in the building.

b. Windows and Building Exterior: No person shall interfere with the harmony of the exterior of the building. Residents shall not suffer or permit anything to be thrown or hung out of the windows or over the balconies of the building. No signs, notices, advertisements, or illuminations shall be inscribed or exposed to public view on or at any window or other part of the building. Residents shall not modify or alter the exterior of any apartment unless it has been approved in writing by the Board of Directors, which has the sole discretion to grant or deny such approval.

c. Laundry Room: The laundry room is open from 7:00 a.m. to 11:00 p.m. It is for the use of residents only. All laundry must be removed promptly from the washers and dryers.

4. NOISE AND NUISANCE

Residents shall not make or permit to be made any disturbing noises or do or permit any act that unreasonably interferes with the rights, comforts, or conveniences of any other resident.

Alleged violations should be reported to the Resident Manager or, if necessary, the police. Violators may be assessed a fine to be determined by the Board.

Contractors and other workers doing noisy work in the building may work in apartments only between the hours of 9:00 and 5:00 on weekdays. For more information, see the Chesterfield's policy on "Unit Renovations and Repairs."

For security as well as because of possible odor or noise, apartment doors are to be kept closed at all times.

Although smoking inside units is permitted, second-hand smoke should be confined to the smoker's unit to avoid creating a health risk and nuisance for neighbors.

5. PETS

No pets are allowed on the premises at any time. This includes pets belonging to guests of residents. If a pet is suspected of being kept in a unit, the Corporation will take the necessary steps to ensure that the pet is removed.

6. GARBAGE AND HAZARDOUS MATERIALS

Residents are not permitted to place containers or bags of any kind in public halls or other public areas of the building for collection.

a. Use of Trash Chute: Trash must be placed in a medium-sized bag, tied, and placed down the trash chute. The following items may not be put in the trash chute: food, liquids of any kind, diapers, items that can be recycled (see (c), below).

b. Use of Dumpster: Garbage items that are not permitted in the chute must be taken to the dumpster located in the rear parking lot. The dumpster is also to be used for all items too large for the garbage chute (such as pizza boxes).

c. Recyclable Items: The following items are to be recycled, using the specially marked containers in the trash room on each floor: newspapers; magazines; and bottles, aluminum cans, and plastic materials. All items in the last category must be empty and rinsed. Any bottles or other containers that are not empty must be disposed of in the dumpster.

d. Large Household Items/Unusual Garbage: Residents who wish to dispose of such items as sinks, toilets, paint, and furniture should consult the resident manager for instructions and will be responsible for any costs of such disposal. Residents are also responsible for arranging for the proper disposal of trash created by their contractors.

e. Hazardous Materials: Residents shall not permit any hazardous material, such as gasoline or other explosive or highly flammable materials, to be brought into the building.

7. RESIDENTS' UNITS

a. Compliance with Building Renovation Policy: Residents are expected to be aware of and comply with the Chesterfield's policy on "Unit Renovations and Repairs."

b. Electrical Equipment: All electrical equipment of any kind or nature installed or used in each apartment shall fully comply with all rules, requirements, or recommendations of the local fire marshal and the public authorities having jurisdiction. The Shareholder, alone, shall be liable for any damage or injury caused by such electrical equipment in such Shareholder's apartment or in any other part of the building.

c. Toilets: Toilets and other water or sewer equipment shall not be used for purposes other than those for which they were designed: no sweepings, diapers, rags, ashes, or other improper

articles shall be placed in a toilet.

d. Convector: Shareholders are responsible for the maintenance of their convectors and are liable for any damage to their or adjacent units caused by their convectors. Filters should be changed regularly, either through a service contract or by the Shareholder or resident. The Cooperative performs an annual cleaning and changing of filters for those Shareholders or residents who have filed the required permission form.

e. Smoke Detectors: Shareholders should test the smoke detectors located inside their units twice a year since they are a part of the safety net for the building.

d. Floor Covering:

- i. **Resident Owners.** Eighty percent (80%) of the floor area in each room and hallway, (but excluding bathrooms, closets, and kitchens), must be carpeted, with padding underneath, at the expense of the Shareholder.
- ii. **Rental Units.** One hundred percent (100%) of the floor area in each room and hallway (but excluding bathrooms, closets, and kitchens), must be carpeted, with padding underneath, at the expense of the Shareholder or resident. If a shareholder sublets his/her apartment, the apartment will be inspected by the Resident Manager prior to the effective date of each new lease to assure compliance with this rule. This requirement also applies to the renewal of existing leases.

e. Balconies: No cooking is allowed on the balconies. Carpeting is not permitted on the balconies. Decorative items or trellises are not to be installed on balcony walls if anchoring nails or screws are required. Owners or tenants considering installation of devices to receive radio or satellite communications must submit the specifications for these devices to the Board for approval before any installation takes place.

8. PARKING

a. Use of Parking Spaces: Parking spaces are only to be used for personal (noncommercial) vehicle and for only one vehicle. A Shareholder may designate another user so long as the user is a resident or guest of the building. The Resident Manager must be notified in writing of such use. Violators may be assessed a penalty of \$50.00 for each violation. Residents shall not permit their children to play in the Building's parking areas under any circumstances. Children must be accompanied by adults while in the parking areas.

b. Motorcycles: Motorcycles must be walked out of the garage and parking lot and started in the street.

c. Risk: Use of parking spaces shall be at the sole risk of the user of such spaces. The Corporation shall in no event be liable for the loss, destruction, theft of, or damage to any vehicle or its contents.

d. Common Areas:

- i. Parking or otherwise leaving a vehicle unattended in the common areas of the rear lot is permitted only adjacent to the rear (north) entrance for a period of 20 minutes and only to facilitate loading and unloading.
- ii. Parking that blocks sidewalks, driveways, or fire lanes or that impedes or prevents ready access to any entrance to or exit from the building or another vehicle is not permitted.
- iii. Parking or otherwise leaving a vehicle unattended in the front driveway is not permitted.
- iv. Parking vehicles in the parking area or garage that are not licensed and operable is not permitted.

e. Car Washing: Cars may be washed only in one's own parking space. Hoses may not be used.

9. RESPONSIBILITIES OF BOARD OF DIRECTORS AND COOPERATIVE EMPLOYEES

a. Authority of Managing Agent: In these regulations, whenever reference is made to the Board of Directors or the Corporation, such reference shall include the Managing Agent or Resident Manager when such authority is delegated by the Board of Directors to such Managing Agent or Resident Manager.

b. Entry to Unit by Workers: The agents of the Corporation and any contractor or worker authorized by the Corporation are authorized to enter any apartment at any time during normal working hours, 9:00 a.m. to 5:00 p.m. (except in the case of what the Board of Directors, the Managing Agent, the Resident Manager, or their designee determines in its sole discretion is an emergency, in which event entry may be at any time) for the purpose of accomplishing repairs, inspection, etc. The Corporation shall retain a key for this purpose. Private contractors hired by Shareholders will not be admitted to an apartment by management unless the Resident Manager has been informed in writing of such admission.

c. Cooperative Employees and Residents: If any money or articles of any description are left with any Building employee, such employee shall be the agent of the resident and not of the Corporation and shall be acting at the sole risk of the resident. The Corporation does not assume any responsibility for loss or damage in such cases.

10. LATE FEES

Monthly assessments are due and payable on the first of each month. A late fee of eight percent (8%) of the total monthly payment due shall be assessed against the Shareholder owning the shares of stock attributable to any unit for which the monthly assessment is not received in the hands of the Corporation's assessment collection agent by the 10th day of the month. Any late fee assessed pursuant to this provision shall be paid no later than the 10th day of the month following the month in which the late fee was assessed. If such late fee is not received by the 20th of the month, a \$50.00 fee will be assessed. These fees accrue monthly until paid.

11. SUBLEASES

No sublease shall be valid without the prior consent of the Board of Directors. Such consent will be denied only if the Board of Directors (or its representative) determines that the making or form of the proposed sublease does not conform to the provisions of the Corporation's Bylaws and Proprietary Leases governing subleases. Subleases must be for a minimum period of 6 months. All subleases must include the Chesterfield Cooperative Lease Addendum. Only those whose names are on the sublease may live in the unit. Any failure to abide by the provisions of this House Rule shall result in the assessment of a penalty of \$10.00 per day being assessed against the transgressing Shareholder for each day that such failure persists. A copy of the rental application, rental sublease, and new renter contact information must be provided to the Resident Manager 2 weeks prior to the subleasee's move-in to allow time for the interview process required in paragraph 12d.

12. MOVES

a. Permitted Times and Scheduling: All moves in and out of the Building shall be scheduled with the Resident Manager in writing 5 days in advance. Moves may only take place between the hours of 9:00 a.m. and 5:00 p.m., Monday through Saturday. Moves are not permitted Sundays and Holidays.

b. Fees: A moving fee per day, to be determined by the Board, shall be assessed against the Shareholder owning the shares attributable to a unit whenever said Shareholder (or any tenant of said Shareholder) moves in or out of the Building on Monday through Friday. Saturday moves shall be assessed a higher fee, also to be determined by the Board. Shareholders shall also reimburse the Cooperative over and above the moving fee for the actual costs of any breakage or other damage caused when they (or their tenants) move in or out of the Building.

c. Fine for Violation: Any violation of this rule will result in a fine of \$200.00 (over and above any amounts payable under House Rule 12 (b), above) against the Shareholder owning the shares of stock attributable to the unit in question.

d. A member of the Board of Directors or their designee will review the applications of all potential occupants of the building, both owners and renters. The required paperwork must be received 2 weeks prior to a scheduled move to process an application. Applicant owners or renters must acknowledge receipt of the House Rules (and incorporated documents; see 14.) prior to the approval of his/her application.

13. BICYCLES

No bicycle is to be brought into the building through the front lobby. Bicycles are to be brought into and taken out of the building through the door at the rear of the building or through the garage. Bicycles may be stored in the garage on a space available basis.

14. MISCELLANEOUS

The following documents are hereby incorporated in and made a part of the House Rules:

- a. **unit renovation guidelines**
- b. **memorandum on insurance and maintenance**
- c. **memorandum on maintenance and repairs**

15. FINES FOR NONCOMPLIANCE

The Board of Directors shall assess a fine for violation of any of the rules herein. The amount of the fine is at the sole discretion of the Board of Directors.

Unit Renovations and Repairs

1. Renovation/repair work must be confined to the hours of 9 to 5 Monday through Friday. Contractors must be licensed, bonded, and insured in the District of Columbia.
2. Contractors must park on the street or make arrangements with the resident manager before the work begins.
3. Contractors must coordinate any use of the elevator for equipment or materials with the resident manager and must avoid overloading or damaging the elevator.
4. Repairs requiring a shut-off of the building gas, water, or electricity require 2 days notice and the use of the Cooperative's plumber or electrician. The cost of the Cooperative's contractors to shut down and restart building utilities will be billed to the shareholder. (Use of the Cooperative's plumber or electrician for the entire project may save the shareholder money.)
5. Contractors must leave the building common areas clean every day and remove all debris from the Cooperative's property. The Cooperative's dumpsters may not be used except with permission of the resident manager.
6. For any renovation in excess of \$2,500, the shareholder must obtain a certificate of insurance from the project contractor naming the Chesterfield Cooperative as an insured.
7. The repair costs of any damages caused by a contractor will be billed to the shareholder.
8. The violation of any of these rules will result in the imposition of a fine, to be determined by the Board of Directors, not to exceed \$1,000 per violation.

April 2007

Shareholders' Maintenance Responsibilities

The shareholder's responsibility for maintenance is outlined in Paragraph 10 of the Proprietary Lease. Under that paragraph, shareholders are responsible for the maintenance of everything within the walls of their apartment. Under the proprietary lease, the shareholder is also responsible for all of the piping, conduits, and wiring —whether inside or outside the unit's walls—that service only that shareholder's unit.

For example, the Cooperative maintains vertical supply lines that provide water and electricity throughout the building, and the Cooperative is responsible for all repairs and damages resulting from this line. Extending off from this line are many smaller lines that supply individual convectors, bathrooms, and kitchens. In many units, these lines have been modified during renovations: these smaller lines supply only one unit's equipment, and they are the responsibility of that unit's shareholder. Every shareholder should carry appropriate insurance in case of damage to his or her own unit or other units.

A shareholder also may be held responsible for repairs to other portions of the building caused by an incident involving any item for which the shareholder has failed to fulfill his or her repair responsibility. The Cooperative may undertake repairs to stop damage or to repair damaged areas of the building in an emergency situation or if a shareholder fails to act; in such a situation, the shareholder will be assessed the costs of the repair.

Insurance

All shareholders need to purchase their own insurance to cover the following items:

1. Personal belongings
2. Liability for damages caused to other units
3. Upgrades that you have made to your unit
4. Housing – should your unit be damaged by fire or flood
5. Damages caused to your unit or the building from incidents relating to portions of your unit (piping) etc for which you are responsible up to the building's insurance deductible. As of

December 2007, the deductible amount is \$5,000; this amount can change when the Cooperative's insurance coverage is renewed.

The Cooperative's insurance does not cover any of the above items. You may purchase insurance from any reliable agent. An individual shareholder would usually purchase what is commonly known as an HO6 (Condominium/Cooperative) owner's policy. You can contact the Cooperative's insurance agent to obtain individual coverage: this can simplify the process in the event of a claim. (For information, contact Tilton Bernstein Management, Inc.)

January 15, 2008

Maintenance Responsibilities and Billing

By the terms of the proprietary lease and other governing documents of the Chesterfield Cooperative, it is the responsibility of shareholders to properly maintain equipment inside their units. This document provides information that may be helpful to shareholders for meeting this responsibility.

Responsibility

The maintenance and repair of equipment and appliances located inside a unit, and of plumbing, heating, air conditioning, and electrical lines that service only an individual unit, are the responsibility of the shareholder holding the proprietary lease for the unit. The maintenance and repair of plumbing, heating, air conditioning, and electrical lines that provide general service for the building (service more than one unit) are the responsibility of the Cooperative.

Contracting and Paying for Maintenance Work

Shareholders are responsible for contracting with licensed contractors for maintenance and repair work. The resident manager or management company can provide names of reliable contractors for such work. However, the Cooperative does not accept responsibility for the work. The shareholder must negotiate directly with the contractor in the event of a dispute.

Charges for work that is the shareholder's responsibility should be billed directly to the shareholder, not to the Cooperative. This will avoid confusion about responsibility (see below). However, even reliable companies sometimes make mistakes, especially when they are doing both Cooperative and individual unit work in the building on the same day. When this occurs, the Cooperative will make every effort to redirect the bill to the shareholder. In some cases, the Cooperative may receive a bill that should have been sent to the shareholder: in such cases, the Cooperative will pay the bill (so as not to jeopardize the Cooperative's account) and bill the shareholder.

Failure to Maintain a Unit

For any maintenance failure that poses a danger to the building or neighboring units, the Cooperative will take any steps allowed under the Cooperative's governing documents, including repairing the problem and billing the shareholder, issuing fines and assessments, or in extreme circumstances terminating a shareholder's interest. In the event of plumbing or other problems

that constitute building emergencies the Cooperative may take immediate action without consulting the shareholder.

Damage from One Unit to Another

If a maintenance problem or failure in one unit causes damage in another (for example, by a plumbing leak), it is the responsibility of the involved shareholders to arrange for repair and payment. Generally, the shareholder associated with the unit in which the leak originated is responsible for resulting damages. The Cooperative will not be involved in such situations. In some cases, shareholders' insurance policies and agents will be helpful in both solving the problem and payment. (Please note that every shareholder is responsible for insuring his or her unit and property. See the separate memorandum on insurance for details.)

Determining the Source of a Problem

If a shareholder does not know if a particular problem is his or her responsibility or results from a problem with a common element in the building (such as riser pipes), the shareholder shall notify the resident manager or managing agent, who will arrange for the problem to be diagnosed.

If it is determined that the problem results from a common element, the problem will be repaired at Cooperative expense. Any ensuing damage to the building structure will also be repaired at Cooperative expense. However, any damage to personal property is covered by shareholder's insurance (a homeowner policy for cooperatives) and not by the Cooperative.

If it is determined that the problem results from a fixture or other item that is a shareholder's responsibility but damage is occurring or large quantities of water are being wasted, the Cooperative will immediately repair the problem and bill the shareholder (or have the bill sent directly to the shareholder). Any question about the responsibility for such repairs should be filed with the board of directors in writing. If there is a question about the cost of the work, the shareholder must negotiate directly with the contractor; the board will only address whether the charge was properly assessed to the shareholder.

March 2009

SUBLEASE ADDENDUM

This Addendum to the sublease for Apartment # _____ ("Apartment"), in the building owned by The Chesterfield Cooperative, Inc. ("Cooperative"), is entered into as of _____, 20____ by and among _____ ("Sublessor"), and _____ ("Sublessee").

Recitals

- A. The Cooperative's House Rules require that this form of Sublease Addendum be signed by each Sublessor and Sublessee of any apartment in the Cooperative's building.
- B. The Sublessor and Sublessee wish to enter into a sublease of the Apartment and hereby enter into this Sublease Addendum, and incorporate the provisions of this Sublease Addendum into their sublease agreement.

The Sublessor and Sublessee agree that:

1. The Sublessee acknowledges that he or she has read and is familiar with the provisions of the Proprietary Lease (the "Proprietary Lease") a copy of which has been provided the Sublessee and receipt of which is hereby acknowledged, the By-Laws of the Cooperative, and House Rules, receipt of which are hereby acknowledged. Both the Sublessor and the Sublessee agree that the provisions of this sublease are subject to and subordinate in all respects to those documents, each of which may from time to time be modified or amended and all of which are incorporated herein by reference.
2. The Sublessee shall not occupy or use the Apartment or permit the same or any part thereof to be occupied or used for any purpose other than as a private dwelling apartment, in accordance with all applicable laws and regulations, or by anyone other than the Sublessee, members of the Sublessee's family.
3. Pursuant to and in accordance with the Proprietary Lease: (i) the Sublessee shall comply with all applicable rules relating to the occupancy and use of the building, and all applicable provisions of the Proprietary Lease; and (ii) the term of the sublease (not including renewals) shall not be less than one year.
4. If the Sublessor shall at any be in default in the payment of any rent or other amounts due under the Proprietary Lease, the Cooperative may, at its option, as long as such default shall continue, demand and receive the rent due or becoming due from the Sublessee, up to an amount sufficient to pay all sums due from the Sublessor to the Cooperative, and any such payment by the Sublessee to the Cooperative shall be

sufficient payment and discharge of such Sublessee's rent obligations to the Sublessor, to the extent of the amount so paid.

5. Sublessor and Sublessee agree to indemnify the Cooperative against and shall save the Cooperative harmless from all liability, loss, damage and expense (including attorney's fees) arising from injury to person or property occasioned by the failure of the Sublessee to comply with any provisions hereof, or occasioned wholly or in part by any act, default or omission of the Sublessee or any person dwelling or visiting on the premises, or by the Cooperative, its agents, servants, and contractors when acting as agents for the Sublessor or Sublessee as provided in this or the Proprietary Lease. This provision shall be in addition and cumulative of any provision contained in the Proprietary Lease. The Sublessor and Sublessee shall obtain and maintain insurance in amounts and coverages prescribed from time to time by the Cooperative.

6. The Sublessor and the Sublessee acknowledge and agree that, in the event of violation of any of the provisions of the Proprietary Lease, By-Laws, the House Rules, the sublease or this Addendum, the Cooperative may exercise any and all remedies extended to it in such documents, against the Sublessor, the Sublessee, or both including but not limited to a direct action by the Cooperative on behalf of the Sublessor against the Sublessee for summary eviction, possession, injunction and/or damages, which action is hereby authorized by the Sublessor.

7. All of the provisions hereof shall apply to the respective heirs, executors, administrators, successors and assigns of the Sublessor and Sublessee.

8. In the event of any inconsistency between the sublease and this Addendum, the provisions of this Addendum shall control.

IN WITNESS WHEREOF, the parties have signed this addendum as of the dates set forth below.

SUBLESSOR: _____
Date

SUBLESSEE: _____
Date