

RULES AND REGULATIONS
FOR
HAPPY VALLEY HOMES, INC
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IMPORTANT NOTE: Violation of the Rules and Regulations can result in the termination of your tenancy.

SECTION 1: GENERAL

1.1: These rules and regulations apply to the manufactured housing park currently known as Happy Valley Homes, Inc., which is referred to in these rules and regulations as "Community."

1.2: The owner and/or operator and Agent for Community will be referred to in these rules and regulations as "Happy Valley."

1.3: No rental or subletting of manufactured houses is permitted. Under exceptional circumstances, Happy Valley may approve the occupancy of a home by a person other than the owner(s); however, prior written permission must be attained in advance.

1.4: The individual manufactured home spaces in Community rented to Homeowners by Happy Valley will be referred to in these rules and regulations as "lots."

1.5: The site rental agreement entered into between Happy Valley and Homeowner, of which these rules and regulations form an integral part, is referred to in these rules and regulations as "site rental agreement" or "agreement."

1.6: Any action required to be taken by Happy Valley pursuant to these rules and regulations may, unless otherwise specified, be taken by the property manager appointed by Happy Valley to act as its representative in connection with Community.

1.7: Any approval, consent, or waiver which these rules and regulations require to be obtained from Happy Valley must be obtained in writing, signed by an authorized representative of Happy Valley and obtained prior to doing the act for which approval, consent, or waiver is to be obtained, particularly prior to the initiation of any construction.

1.8: Any actions with which these rules and regulations deal must be taken in accordance with federal and state laws and regulations and in accordance with local ordinances, in addition to meeting the requirements of these rules and regulations.

1.9: Any alterations to Homeowner's manufactured home or improvements (including fencing, name signs and the like) constructed on Homeowner's lot must have the prior approval of Happy Valley, whether those alterations or improvements are required by the site rental agreement or these rules and regulations or whether they are voluntarily proposed by Homeowner. Improvements or alterations will usually be required to be made with factory-manufactured material.

1.10: Happy Valley may waive one or more requirements of these rules and regulations on a showing by Homeowner that special circumstances exist which distinguish its situation from that of other Homeowner. Any Homeowner's request for a waiver must be in writing and addressed to the property manager appointed by Happy Valley for Community. In acting on any request for a waiver, Happy Valley will consider the result to Homeowner if no waiver is granted, the expense to Happy Valley or Community if a waiver is granted, and the impact of any waiver on Community as it is now constituted or may reasonably be constituted in the future. Happy Valley may condition any waiver on Homeowner's payment of an amount to offset expenses associated with the waiver or may impose other reasonable conditions. If Homeowner is not granted a requested waiver, Homeowner may initiate dispute resolution as set forth in Section 13.

1.11: If Homeowner fails to complete improvements, do maintenance, or otherwise take some action required by these rules and regulations, Happy Valley has the option of taking that action for Homeowner. If Homeowner takes some action not in compliance with these rules and regulations (such as constructing an improvement without approval), Happy Valley has the option of undoing what Homeowner has done.

1.12: Happy Valley will not discriminate on the basis of race, color, sex, marital status, familial status, religion, national origin, or handicap as in accordance with state and federal laws. In determining how to meet this promise, Happy Valley will follow precedent under appropriate state and federal statutes.

SECTION 2: NEW MANUFACTURED HOME SET-UP

2.1: Homeowner will give Happy Valley 72 hours-notice before bringing its manufactured home into Community for set-up. On arrival, Happy Valley will instruct Homeowner and Homeowner's driver on where to park the manufactured home pending set-up.

2.2: Upon at Community for set-up, Homeowner will register with Happy Valley license number of the vehicle, which is towing its manufactured home, and the license number of the manufactured home, if required to be licensed. If the mobile home is not required to be licensed, Homeowner will register with Happy Valley the mobile home's correct color, model, and dimensions.

2.3: All aspects of manufactured home siting and set-up, including electrical, telephone, sewer, water, and cable television hook-ups, as well as provision of required foundation or footings, and any other necessary blocking, are the responsibility of Homeowner.

2.4: As a part of hooking-up to Community's water system, Homeowner will install a back flow device at its expense.

2.5: Homeowner is responsible for any damage caused to its lot, other lots, streets, or any portion of Community during the siting of its manufactured home and shall reimburse Happy Valley or other Homeowners, as appropriate, for any loss suffered.

2.6: Happy Valley is not responsible for top soil, final grading, gravel, or relocation of any utilities.

2.7: Homeowner is responsible for connecting its manufactured home to the sewer line with rigid pipe. The manufactured home must be placed on the lot so as to cover or enclose sewer and water connections, as required by law.

2.8: Homeowner must remove any towing hitch immediately after the manufactured home is placed on the lot.

2.9: Temporary steps must be removed within 30 days of set-up.

2.10: Homeowner will not be entitled to move into its manufactured home until siting and set-up have been approved by Happy Valley.

SECTION 3: MANUFACTURED HOME STANDARDS

3.1: Manufactured homes must be approved by Happy Valley prior to move-in.

3.2: Manufactured homes must be a minimum of 14' in width.

3.3: Homeowner is responsible for installing or constructing the following within 30 days of set-up of its manufactured home:

- a) Pre-treated, plain sided wood skirting, T-111 siding, with no design, compatible with the manufactured home and painted to match it, fiberglass or metal siding approved by Happy Valley pursuant to paragraph 1.11;
- b) An address number noting the lot number of the manufactured home on the front side of the manufactured home approximately 5' above ground level;
- c) One above ground hose bib with underground shut-off;

d) A storage building which:

- 1) is not smaller than 6' X 8' or larger than 15' X 10'
- 2) Is constructed of metal or pre-treated wood siding (whether or not prefabricated) painted to match the manufactured home; and
- 3) Is roofed with asphalt or metal shingles compatible with the color and style of the manufactured home.
- 4) A premanufactured plastic storage shed.

e) Optional: A deck or patio adjacent to the manufactured home parking area or, a carport which is:

- 1) A single piece measuring a minimum of 3' X 6' including steps;
- 2) skirted with manufactured skirting of a similar style and color as that used to skirt with manufactured home;
- 3) Equipped with suitable handrails;
- 4) A premanufactured plastic storage shed.

3.4: If Homeowner constructs a carport, the carport design must be submitted in writing and approved by Happy Valley.

3.5: All above-ground piping must be protected from freezing with adequate heat tape and wrapped with insulation. All above ground plumbing must be connected to an underground shutoff/gate valve, which is accessible.

3.6: Homeowner will provide Community with a SPACE LANDSCAPING WORKSHEET prior to Homeowner moving into the Community. The worksheet outlines a general landscaping plan for Homeowner to use as a model for preparing its own landscape plan for its lot. Prior to siting any manufactured home in Community, Homeowner must submit a space landscaping plan to Happy Valley for review and approval. Installation of landscaping according to Homeowner's approved plan must be completed within 90 days of move-in. Thereafter, any changes in landscaping must be approved by Happy Valley.

3.7: Homeowner is responsible for obtaining any building permits required for construction on Homeowner's lot.

3.8: No wood burning stoves or fireplaces are allowed in or out of home. Wood burning stoves installed before _____ shall be removed and not used.

SECTION 4: MANUFACTURED HOME LOT MAINTENANCE

4.1: Homeowner is responsible for maintaining, keeping clean and in good repair the exterior of its manufactured home, as well as the lot and all Homeowner structures such as gutters and downspouts, hose bibs and pipes, decks, steps, storage buildings, carports or garages, driveways and fences. Homeowner is responsible for repainting home, when necessary, in subdued colors according to current standards of the manufactured housing industry and with prior approval to Happy Valley. All wooden Homeowner structures shall be painted or stained as necessary to prevent their visual and physical deterioration.

4.2: Homeowner is responsible for maintaining all landscaping on its lot, including lawn, flowers, and shrubbery. Lawns must be mowed on a regular basis during the growing season, edged, and kept free of weeds and watered as necessary.

4.3: Absence of Homeowner from Community for an extended period will not relieve Homeowner of its maintenance responsibility and it should make arrangements for the care and maintenance of its lot during any absence.

4.4: Fences over 6' high will not be permitted. Chain link fences and cedar fences are allowed. Chain link fences require metal fence posts set in concrete and stretched fencing fabric with a top pole. All fence installation, including color of paint or stain, must be approved in writing by Happy Valley prior to installation and must comply with all local codes and ordinances. Homeowner is responsible for maintaining any fence located on their space.

4.5: Homeowner will respect Community common areas, and will not litter or leave property in those areas or on other lots. Children's toys should not be left in the streets. Homeowner will see that any of its guests will act similarly.

4.6: Garbage cans, firewood, gardening tools, equipment, and the like must be stored in Homeowner's storage shed out of sight or behind the manufactured home, visually screened from the street.

4.7: Only furniture items commonly accepted as outdoor or patio furniture may be left outside a manufactured home.

4.8: Neither clotheslines nor clotheslines poles are allowed. Articles of clothing, linens, rugs, and the like must not be draped over deck or porch railings or left outside the manufactured home.

4.9: On approval from Happy Valley, Homeowner may erect play equipment in its backyard. Any play equipment must be located behind the manufactured home and within the designated boundaries of Homeowner's lot. Each Homeowner erecting approved play equipment assumes responsibility for maintaining the equipment in serviceable condition during the time it is erected on the lot. If it appears to Happy Valley that any play equipment needs repair or is dangerous to use, approval for the equipment may be revoked. On any such revocation or on termination of the site rental agreement between Happy Valley and Homeowner, Homeowner will remove the equipment. Happy Valley assumes no responsibility to any Homeowner for monitoring the safety of play equipment.

4.10: All roof colors must be approved by Happy Valley. All roof shingles shall be of a common color, design, and manufacture. No roof may have tarps or other measures to prevent leaking more than 30 days in any calendar year. Damaged roofs must be repaired and meet building code.

SECTION 5: RESIDENTS AND GUESTS

5.1: The monthly rental rate agreed on in the site rental agreement is based on occupancy of the manufactured home by the persons identified in the agreement. Any additional residents must submit an application to Happy Valley prior to move-in.

5.2: The total number of permanent residents in any manufactured home shall not be greater than two per bedroom plus one in the manufactured home.

5.3: Homeowner is responsible for the actions of other occupants of its manufactured home, its guests, licenses, and invitees.

5.4: No commercial trade or business may be conducted out of Homeowner's manufactured home or on its lot in Community.

5.5: No one will carry on any obnoxious or offensive activity, which Happy Valley believes is or may become an annoyance or nuisance to Community.

5.6: Guests of Homeowner may not remain in Community for more than 14 days in any year (whether consecutively or cumulatively). Homeowners are responsible for their guests' actions. Guests desiring to become residents of the manufactured home, must apply for residency, and shall be subject to Happy Valley's approval.

5.7: Guests of Homeowner who qualify as residents under paragraph 5.6 must be identified to Happy Valley within 3 days following the 14 day guest residency period. Also within that 3 day period, the guest will be required to complete an application for residence similar to that completed by Homeowner when applying for a site rental.

5.8: Homeowner will respect the peace of Community and see that its guests do the same. Neither Homeowner nor its guests shall cause unreasonably loud or disturbing noise through parties, radios, televisions, stereo equipment, chain saws, motorcycles or the like.

5.9: Homeowner will provide Happy Valley with the name of a person to be contacted in the event of Homeowner's death.

SECTION 6: COMMON AREAS

6.1: Happy Valley will maintain those areas of Community which Homeowner is not responsible for maintaining pursuant to the site rental agreement or the rules and regulations (referred to herein as "common areas"). Homeowner's use of the common areas and their use by other occupants of Homeowner's manufactured home and Homeowner's guests, licensees, and invitees, is, however, at the risk of the user, and Happy Valley is not responsible for injuries or damages associated with the use of common areas or the personal property connected with them unless such injuries or damages are caused by Happy Valley's negligence or willful misconduct.

6.2: Homeowner, occupants of its manufactured home and its guests, licensees, and invitees, may use the Community common areas only for the purposes for which they were intended and may not do in common areas activities which would not be permitted on rented sites. Common areas may not be used for storage or parking.

SECTION 7: UTILITIES

7.1: Homeowner will pay for water, sewer, cable, and all other utilities. Homeowner is responsible for payment of charges for any garbage collection it desires.

7.2: Garbage containers may be moved to the curb on days when garbage is scheduled to be collected, but must otherwise be stored in accordance with the provisions of paragraph 4.7.

7.3: Sewer service to Homeowner's lot will be provided by Happy Valley. Electricity, water, and other utility services necessary for operation of Community common areas are provided by Happy Valley.

7.4: No C.B./home radio/TV antennas are allowed. Satellite TV dishes up to 39" in diameter may be allowed subject to placement in an unobtrusive location, i.e. not visible from the street. TV cable service may be provided at each space.

7.5: Paper towels, sanitary napkins, and other large items must not be flushed down toilets. Grease should not be poured down sinks. Any expense incurred in cleaning a sewer line blockage caused by Homeowner negligence or misuse will be charged to the Homeowner causing the blockage.

7.6: If Happy Valley has agreed to pay one or more of the utilities, Happy Valley reserves the right to later bill Homeowner separately for these or the utilities, Happy Valley reserves the right to later bill Homeowner separately for these or other utility services charges assessed by a utility provider for services provided to or for Facility spaces or common areas. Such separately billed utility fees and charge shall not be considered to be rent, and increases in such utility or service charges may not be preceded by advance notice. If Happy Valley elects to install utility meters in the Facility, Homeowner agrees to cooperate, in good faith, in permitting access to said Space for installation upon at least 24 hours advance notice. Happy Valley reserves the right to sub-meter utilities, and Homeowner will be responsible for their own utility costs. Happy Valley reserves the right to separate utility costs from the rent at a later date if Happy Valley provides utilities as part of the rent.

SECTION 8: PETS

8.1: Only those pets approved by Happy Valley will be allowed to be kept by Homeowner. Normally, only a single dog or two cats less than 20 pounds at maturity, is permitted. Visually handicapped Homeowners are allowed to

keep a guide animal as allowed by law. Pets which create a disturbance or problem will have to be removed from the park. All pets are to be neutered by age 6 months. Existing pets must be neutered.

8.2: Permission to keep any pet may be revoked by Happy Valley if at any time it determines that Homeowner is not properly caring for the animal; the animal is noisy, unmanageable or unruly, other Homeowners in Community are complaining about the animal is not consistently kept inside its keeper's manufactured home.

8.3: Outside dog runs, dog houses, or pet living outside a manufactured home are allowed if approved by Happy Valley. Dogs must not be allowed to roam unattended on Homeowner's lot, Community streets or common areas or other Homeowner's lots. All pets shall be attended within visual contact of Owner and on a leash when not inside the confines of Homeowner's manufactured home.

8.4: No pet food or dishes may be kept outside the manufactured home.

8.5: Excreta (pet droppings) on Homeowner's lot or elsewhere in Community must be cleaned promptly by pet owners.

8.6: No livestock including fowl, rabbits, goats, sheep, snakes, or dogs considered dangerous by Happy Valley are allowed.

SECTION 9: VEHICLES

9.1: Each lot is provided with off-street parking for two passenger vehicles. Homeowner is permitted to have no more than two vehicles per space, which when not in use must be parked in the off-street areas for Homeowner's lot.

9.2: Homeowner must request approval from Happy Valley to keep one additional vehicle. Any approval given will be conditioned on Homeowner providing an additional approved off-street parking space for the additional vehicle at Homeowner's expense. If approval is granted, Homeowner will be charged \$20.00 per month for the additional vehicle.

9.3: Happy Valley may require that any vehicle, including vehicles owned by Homeowners, not be allowed to enter or remain in Community, if, in Happy Valley's opinion, the vehicle is a) not properly maintained b) constitutes a hazard to Homeowners or c) is in such dilapidated condition that it distracts from the appearance of Community, or d) is not licensed or has expired plates. If Happy Valley intends to remove a vehicle from Community under this rule, it will give 24 hour notice to the Homeowner responsible for the vehicle, both as provided in the notice provision of the site rental agreement and by posting a notice on the windshield of the vehicle. If the vehicle is not then removed from Community within 24 hours, Happy Valley may tow the vehicle from Community at the risk and expense of the vehicle owner and the responsible Homeowner.

9.4: Homeowner is not allowed to park in Community, or to allow others to park, commercial vehicles or equipment (other than that temporarily present for the purpose of providing some service to Homeowner) or inoperable vehicles.

9.5: In addition to the off-street parking associated with Homeowner's lot, guests may park their cars in other parking areas designated by Happy Valley for that purposes, which includes all areas not restricted by state ordinances. Homeowner and its guests must ensure that guests' cars are parked in a location so as to not to block any neighbor's access or restrict traffic flow within Community.

9.6: No overnight parking on the streets by guest or Homeowners is allowed.

9.7: Approval of Happy Valley must be obtained before bringing any truck larger than one ton into Community.

9.8: Vehicles parked in violation of Community rules will be towed away and impounded at Homeowner's expense.

9.9: The speed limit within Community for all vehicles is limited to 15 miles per hour.

9.10: Motor homes, campers, trailers, boats, and other recreational vehicles are not allowed to be stored on Homeowner's lot.

9.11: Recreational vehicles may be left on Homeowner's lot for up to 48 hours to accommodate loading and unloading.

9.12: Three-wheelers, all-terrain vehicles or the like, whether or not in use, are not allowed in Community. Motorcycles are permitted in the park only if operated by non-resident guests and only on a temporary guest basis or operated as the primary source of transportation for the Homeowner. Motorcycles for Homeowner use will be considered one of the allowed vehicles as described in paragraph 9.1. Happy Valley may terminate permission for any motorcycle or other vehicles base on noise or appearance.

9.13: Driveways of vacant lots may not be used for guest or overflow parking without approval from Happy Valley.

9.14: Loud motor vehicles may not be operated in Community at any time.

9.15: No repair of vehicles, engines, or other similar equipment will be made within Community. Minor maintenance, such as oil, tire, and fluid changes are permitted if completed, including clean up, within 3 hours.

9.16: No motor oil or any other caustic or non-biodegradable substance shall be deposited in any street drain, sewer system, or on the grounds within the Community. Homeowner shall be responsible for any and all fines and the cost of cleaning up and caustic or non-biodegradable substances deposited by Homeowner in Community. Propane tanks larger than 5 gallons are now allowed in Community except for those attached to and used exclusively for recreational vehicles. Check with the park's trash hauler for information on how to recycle oil and other fluids.

SECTION 10: SUBLETTING

10.1: No rental or subletting of a manufactured home is permitted. Manufactured homes must be owner-occupied.

10.2: Any person occupying a manufactured home to care for it (i.e., a "house-sitter") during an absence by Homeowner in excess of 14 days must be approved by Happy Valley prior to occupying the manufactured home.

10.3: Under exceptional circumstances, Happy Valley may approve the occupancy of a home by a person other than the owner(s); however, prior written permission must be attained in advance.

10.4: Happy Valley reserves the right to rent homes owned by Community or Community owner(s).

SECTION 11: SALE OF MANUFACTURED HOMES

11.1: If Homeowner sells its manufactured home and the prospective purchases wishes to rent Homeowner's site, Homeowner will give Happy Valley notice of the prospective purchaser's desire at least 30 days prior to closing of the manufactured home sale.

11.2: Prospective purchases or a manufactured home must submit an application for residency and be approved by Happy Valley prior to purchasing or occupying any manufactured home in the Community. No sale of a manufactured home in Community shall obligate Happy Valley to accept a new purchaser unless an application has been received and approved prior to the sale. A prospective purchaser who would otherwise be approved by Happy Valley will not normally be approved if, homeowner and the prospective purchaser fail to submit an application before the sale closes. In such a case, the seller of the manufactured home may be liable to the purchaser for the cost of moving the manufactured home Community.

11.3: "For Sale" signs may be displayed in a window of the manufactured home or attached to the home and more than 24" wide by 18" in height and must be approved by Happy Valley.

SECTION 12: TERMINATION OF RENTAL AGREEMENT

12.1: Homeowner will give Happy Valley 72 hour notice before removing its manufactured home from its lot and Community.

12.2: On termination of the site rental agreement, Homeowner will remove its manufactured home and remove any improvements to the lot which Happy Valley requests it to move.

12.3: Homeowner is responsible for any damage caused to its lot, other lots, streets, or any portion of Community during the removal of its manufactured home and shall reimburse Happy Valley or other Homeowners, as appropriate, for any loss suffered.

SECTION 13: ENFORCEMENT AND DISPUTE RESOLUTION

13.1: These rules and regulations are conditions pursuant to which Homeowners occupy Community. Happy Valley may enforce rules and regulations which are conditions of occupancy by terminating the site rental agreement of the Homeowner who violates a rule or regulation.

13.2: If the basis for terminating a site rental agreement is within the dispute resolution process set forth in this section Happy Valley will follow that process prior to terminating an agreement.

13.3: The dispute resolution process set forth in this section applies to disputes between Homeowner and Happy Valley about certain Homeowner's and Happy Valley's obligations under the site rental agreement and the rules and regulations. The process is intended to serve as a vehicle for resolution of the minor disputes which commonly arise from time-to-time between Owners and Homeowners with respect to maintenance of premises, Homeowner conduct which disturbs other Homeowners and similar disputes. The process applies to all disputes arising in connection with the site rental agreement or these rules and regulations except for the types of disputes specifically excluded.

13.4: The dispute resolution process does not apply to the following disputes:

- a) Any matters excluded by law from being a part of the dispute resolution process, including the amount of rent, rent increases, nonpayment of rent, or the closure or the sale of Community;
- b) Charges due or claimed to be due under the site rental agreement or the rules and regulations, including rent, service charges, assessed fine, landscaping deposit, permit fees, additional occupants or vehicle charges, attorneys' fees, late charge, bad check fee, or interest, or the adjustment, computation, or modification of these charges;
- c) Matters which are issues necessary to the resolution of disputes which are not subject to this dispute resolution process and are in litigation (i.e., whether proper notice was given, whether a party is entitled to an award of attorneys' fees, or the like);
- d) Any claim for damages (which is otherwise subject to the process) where damages are reasonably anticipated to exceed \$2000.00;
- e) Any lien claim;
- f) Termination of tenancy once written notice of termination has been given by Happy Valley, whether or not that notice has been received by Homeowner;
- g) Term of the site rental agreement and renewal of the lease term;
- h) Sale of its manufactured home by Homeowner and Happy Valley's acceptance of the prospective purchaser as Homeowner;

- i) Disputes which involve a Homeowner whose tenancy has been terminated by Happy Valley;
- j) Personal disputes between Homeowners.

Happy Valley encourages open discussion between itself and Homeowner of any dispute which may arise between them in an effort to resolve that dispute. Any attempt by any party to informally resolve a dispute shall not be deemed a waiver of that party's right to mediate or arbitrate a dispute.

13.5: The dispute resolution process is to be used for disputes between Homeowner and Happy Valley and not disputes between Homeowners in Community; however, if Homeowner contends that another Homeowner in Community is violating one or more of these rules and regulations, Homeowner may give Happy Valley notice in writing of the perceived violation, and Happy Valley will investigate it. If Happy Valley concludes that a violation is occurring, which unreasonably interferes with a Homeowner's peaceful enjoyment of the Community, Happy Valley will initiate the dispute resolution process by notifying the violating Homeowner pursuant to the provisions of paragraph 13.6.

13.6: The dispute resolution works as follows:

In the event that a dispute arises between Happy Valley and Homeowner concerning the interpretation or enforcement of this Agreement or the Rules and Regulations, either party shall have the right to have the matter handled through alternative dispute resolution ("ADR") process set forth herein. Neither party shall have the right to assert as a legal claim or defense against the other the failure to submit a dispute to ADR, if that party did not also offer to submit the matter to ADR.

- A. INFORMAL MEETING: If a dispute arises under this Agreement or the Facility Rules and Regulations, either party may request a meeting to discuss the dispute. Said meeting may be either in person or by telephone and shall take place within 10 business days. Requests must be in writing, explain the dispute, and have merit. If the informal meeting does not resolve the matter, either party may request mediation. Any requests for mediation shall be made prior to the expiration of the informal meeting.
- B. MEDIATION: If the dispute was not resolve in the informal meeting as described in the paragraph above, either Homeowner or Happy Valley may request mediation of a dispute by notifying the other party in writing. Within 15 days of receipt of such a request both parties shall attempt to agree upon a mutually satisfactory mediator. If there is a cost for the mediation, it shall be shared equally between Happy Valley and Homeowner. The parties and the mediator will select time and place within 15 days of the mediator's selection in an attempt to mediate the dispute. The mediator may, at his or her option, select another mediator for assistance. The parties and mediator will conduct the mediation with the intent that the matter is jointly settled at that time and a written agreement between the parties is drafted and signed. If the dispute is not resolved through mediation, and if both parties agree, the dispute may proceed to arbitration. The arbitration procedure shall be in accordance with paragraph C below. Any requests for arbitration shall be made prior to the expiration of the mediation session.
- C. ARBITRATION: Any dispute that is not resolved through mediation may be submitted to arbitration. Both parties shall attempt to agree on a single arbitrator. If the parties are unable to do so, each party shall select its own arbitrator; the two chosen arbitrators shall then select a third arbitrator. The costs of arbitration shall be shared equally by the parties. The arbitrator(s) will schedule and conduct a hearing. Within 10 business days of the arbitration hearing, the arbitrator(s) shall serve written notice of the decision on the parties. The arbitration decision shall be final and binding in accordance with Oregon Law.

If either party does not want the arbitration to be final and binding, this must be stated in writing prior to arbitrating any disputes. If the parties do not agree to have the dispute arbitrated, the step after mediation is court.

The failure to pay any advance deposit, fee, or charge required by a mediator or arbitrator shall be deemed a waiver of the right to mediate or arbitrate.

MATTERS NOT SUBJECT TO ALTERNATIVE DISPUTE RESOLUTIONS

The mediation and arbitration provisions of this section shall not apply to the following matters:

- a. Closure of the Facility;
- b. Sale of the Facility;
- c. Rent (including, but not limited to, amount, increase, or non-payment of rent);
- d. Matters for which a non-curable notice of termination may be given to Homeowner under Oregon Law.

Happy Valley shall have the right to issue a notice of termination prior to asking for Alternative Dispute Resolutions (“ADR”) or even after Homeowner has asked for ADR. Entering into ADR does not mean that the Happy Valley has a duty to permit or waive any violations of Oregon Law, the Facility Rules and Regulations or the Rental Agreement/Lease. If, after issuance of a notice of termination, Homeowner fails or refuses to request ADR of the matter within the time set forth in the notice, and Happy Valley files for eviction, Homeowner shall be conclusively presumed to have waived the right to thereafter request ADR.

13.7: No failure of Happy Valley to enforce any one of these rules and regulations shall operate as a waiver of its right to enforce that or others of the rules and regulations and to insist on strict compliance with the rules and regulations.

SECTION 14: PARTIAL INVALIDITY

14.1: If any term or provision of this Agreement or any document referred to in this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the other document or the other application of such timer or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement or the other document shall be valid and be enforced to the fullest extent permitted by the law.

SECTION 15: AMENDMENT OF RULES

15.1: Happy Valley may propose changes in the Facility Rules and Regulations, including changes that make a substantial modification to Happy Valley’s bargain with Homeowner, and unless Homeowner’s in 51 percent of the rented spaces in the Facility object in writing within 30 days of receiving the proposed change, the change shall be effective for all Homeowners on a date not less than 60 days after the day that the notice was served by Happy Valley to Homeowner. ‘

HOMEONWER ACKNOWLEDGES THAT HE/SHE HAS RECEIVED A COPY OF THE ABOVE RULES AND REGULATIONS, HAS READ THEM, AND AGREES TO ABIDE BY THEM.

HOMEONWER: _____ DATE: _____

HOMEOWNER: _____ DATE: _____