University Commons

PERCY ROAD HOUSING, L.L.C. • 145 WINDWOODS DRIVE • HOPWOOD, PA 15445 • USA 724-438-1499 (OFFICE) • 724-437-1737 (FAX)

EXHIBIT B

RULES AND REGULATIONS

These Rules and Regulations are incorporated into and made a part of the Lease between
PERCY ROAD HOUSING, L.L.C., called "Landlord," and
, called "Tenant."

Tenant agrees to obey the Rules and Regulations. A failure by Tenant to obey any of these Rules and Regulations is a breach of the Lease, and Landlord can declare the Lease to be in default. Landlord may change, modify, or add to the Rules and Regulations as Landlord deems necessary. Once Landlord notifies Tenant of any changes, modifications, or additions, they will immediately become effective as part of Tenant's Lease.

Tenant is encouraged to purchase renter's insurance for Tenant's protection.

Landlord will employ a Two (2) Policy system.

THE ZERO TOLERANCE POLICY:

The Zero Tolerance Policy is reserved for severe infractions, and will result in eviction, which involves 24 hour notice to vacate the Apartment.

Obstruction of The Zero Tolerance Policy consists of, but is not limited to, the following:

DRUGS; Drug activity of any type by Tenant and/or Tenant's guests.

PHYSICAL AND/OR VERBAL ABUSE; Causing or threatening to cause any type of physical and/or mental harm.

VANDALISM; Destruction and/or theft of Landlord's or other Tenant's property.

SEXUAL ASSAULT; Conduct of a sexual or indecent nature toward another Tenant or guests that may or may not be accompanied by actual or threatened physical force or that induces fear, shame, or mental suffering.

HVAC; HVAC is set at a pre-determined temperature; tampering with the controls in any way as to cause the system to run longer is prohibited.

FIRE ALARM; Any tampering with or activation of the alarm by Tenant or Tenant's guest(s) without reasonable cause is prohibited.

WEAPONS; Possession of a firearm or weapon of any kind by Tenant or Tenant's guest(s) is prohibited.

APARTMENT CLEANINESS; To be determined by Landlord and/or RA, involves severe dirt and/or filth accumulation in or around the Apartment.

MORAL CONDUCT; Any conduct that does not follow with the intent of these rules.

THE THREE STRIKES POLICY:

Judicial Affairs at Penn State and parents or guardians of the Tenant at fault will be notified if said Tenant receives any strike immediately following the indiscretion.

Strike One: A written warning to be signed by both the RA and Tenant at fault.

Strike Two: A second written warning accompanied by a \$50.00 fine due before the end of two weeks after the date of the initial warning (note: failure to pay the fine will result in the third strike).

Strike Three: Eviction. Tenant will be given 24 hours to vacate the Apartment.

Obstruction of The Three Strikes Policy consists of, but is not limited to, the following:

ALTERATIONS; Tenant shall make no alterations or repairs of any kind to the Premises, including, but not limited to, painting or staining the walls, woodwork, and doors. Tenant may utilize only small nails to hang pictures and agree to pay the cost to repair any unreasonable damage caused as a result. Tenant may not drill holes of any type in the Premises. The use of any adhesives, stick-on hooks, or tape on walls, woodwork, or doors is prohibited.

ANTENNAS AND SATELLITE DISHES; The installation and use of antennas and satellite dishes are prohibited.

APARTMENT INSPECTIONS; Apartment inspections will be done monthly by the RA at random to determine the condition of the Landlord's property and whether it is deemed sufficient, unreasonable, or otherwise. Failure to participate is prohibited.

BREEZEWAY AND BALCONIES; The breezeways and balconies must be kept clean. These areas may not be used for storage of any kind. Tenant shall not hang anything in or throw anything from the breezeways, the staircase leading up to the second floor, or the balconies. Tenants shall not entertain in the breezeways or balconies.

BICYCLES; All bicycles are to be parked and stored in one of the two following areas:

- 1. Inside the locked Bicycle Storage Area on the second floor breezeway in the Building, which can be accessed by Tenant's key.
 - 2. Outside in the area provided by the Landlord.

Bicycles are not permitted inside the Apartment, Premises, or anywhere else inside or outside of the Building aside from afore mentioned facilities. Tenant may not store anything other than a bicycle in the Bicycle Storage Area. At both locations, bicycle racks will be available; however, Tenant is solely responsible to provide a lock to secure the bicycle to the rack, if desired. Tenant assumes all risk of loss to his/her bicycle and Landlord is not liable for any loss or damage to the bicycle, while it is being stored or otherwise.

ELECTRICAL; Tenant agrees to use only safe, properly wired, and approved electrical appliances. Tenant shall not install any wiring inside the Premises for any purpose.

FURNITURE; Tenant shall not remove any furniture, appliances, or furnishings from the Premises at any time. This rule specifically prohibits Tenant from removing any furniture for use outside of the Building.

GARBAGE; Tenant must dispose of garbage promptly; allowing garbage to accumulate in the Premises or anywhere inside the Building is prohibited. All garbage must be bagged and deposited INSIDE the garbage dumpster provided outside of the Building. Do to wild animals in the vicinity, including BLACK BEARS, there is to be no garbage left outside in the breezeway. Landlord reserves the right to impose a reasonable charge for littering, dumping, or failing to dispose of garbage appropriately.

GRILLS; Landlord will provide a picnic area with a grill adjacent to the Building. Tenant may grill only in this location. Tenant shall not utilize any other grill; no other grill is allowed either inside of outside of the Building.

GUESTS; Each Tenant shall only be permitted to have two guests at one time in said Tenant's Apartment. Tenant's guests shall at all times maintain order in the Premises and at University Commons. Tenant shall not permit guests to make any loud, improper, or boisterous noises or otherwise disturb the comfort or interrupt the sleep of other tenants of the Apartment and /or residents of University Commons. Tenant is responsible for his/her guests' behavior and actions.

HEATERS AND WINDOW AC; No heater of any kind, including, but not limited to, kerosene or space heaters, is permitted. No window AC units shall be permitted.

KEGS; Beer kegs of all kinds and sizes are prohibited in the Premises, Buildings, picnic areas, and all other locations at University Commons.

KEYS; Tenant will be charged \$25.00 for the loss of a key to the Apartment. If Tenant is locked out of the Apartment and Landlord is called to open the door, Tenant will be charged \$25.00, which is payable and expected at that time.

LAUNDRY; A coin-operated laundry is provided by University Commons in the Building for use by the Tenant for cleaning and drying laundry only. Tenant agrees not to store any property in the laundry room and assumes all risk of personal injury or property damage in connection with the use of the laundry room. Tenant agrees to notify the Landlord if anything in the laundry room is in need of repair.

LOCKS; Tenant may not add or change any lock on any door or window.

MOLD: In order to avoid mold and mold growth, it is important to prevent excessive moisture buildup in the Premises. Failure to remove moisture that might accumulate on surfaces or might seep inside walls or ceilings can encourage mold growth. Tenant understands that it is his/her responsibility to take measure to retard and prevent mold and mildew from accumulating in the Premises. These measures include, but are not limited to, the following:

- 1. Using appropriate climate control (air conditioning and heating) in order to ensure proper ventilation.
- 2. Keeping all heating, ventilating and/or air conditioning ducts in the Premises open and unblocked.
- 3. Removing visible signs of moisture accumulation on windows, walls, floors, and other surfaces, including, but not limited to sinks, vanities, counters and showers, as soon as reasonably possible.
 - 4. Keeping the Premises clean by regularly dusting, sweeping, and mopping.
 - 5. Using hood vents when cooking.
 - 6. Using exhaust fan(s) when showering.
 - 7. Using a shower curtain when showering.
 - 8. Regularly opening blinds to permit light into the Premises.
 - 9. Immediately wiping any water spillage.
 - 10. Performing all other measure reasonably designed to retard and prevent mold.

Tenant agrees to immediately notify Landlord, in writing, of the following:

- 1. Visible or suspected mold or mildew-like growth.
- 2. Leaks, moisture accumulation, or major spills in the Premises, Apartment, or Common Facilities.
- 3. Any failure or malfunction of the heating, air conditioning, ventilation or laundry systems.
 - 4. Musty or moldy odors.
 - 5, Leaking faucets or plumbing.
 - 6. Discoloration of walls, baseboards, door, windows frames, or ceiling.

- 7. Loose or missing grout or caulk around shower, sinks, faucets and countertops.
- 8. Any and all other evidence of moisture.

If Tenant fails to comply with these provisions, in addition to breaching Tenant's Lease, Tenant may be liable to the Landlord for property damage to the Premises and for any personal injury or property damage that may result to others, including but not limited to Tenant's guests and Co-tenants. Tenant agrees to hold Landlord harmless for all personal injury and property damage that may arise out of Tenant's failure to comply with these provisions, including, but not limited to, Tenant's obligation to notify Landlord, in writing, of any mod, mildew or moisture problems in the Premises. This means that if Landlord is sued as a result of mold, mildew or moisture in Tenant's Premises, and if Tenant has failed to comply with these provisions, Tenant must defend Landlord and pay any judgment for money damages awarded against Landlord.

MOPEDS OR MOTORCYCLES; All motorcycles, mopeds, or any other vehicles that contain combustible fuel (gasoline, diesel, kerosene, etc.) must be parked outside of the Building in the parking area(s). None of these vehicles are permitted inside the Premises or Building at any time.

NOISE; All televisions, radios, stereos, or any other appliance that creates sound shall be kept of a minimum sound level at all times, especially between the hours of 11 p.m. and 7 a.m. Loud noises, boisterous parties, or disturbances are not permitted. Tenant shall not make or permit any disturbing noises in the Premises and shall not do or permit anything that will interfere with the rights, comforts, or conveniences of the other tenants of the Apartment and/or residents of University Commons. Neither Tenant nor Tenant's guests may utilize the parking area(s) or other common facilities of University Commons in such a manner that interferes with the use and enjoyment of these facilities by other residents.

PARKING; Tenant shall be permitted to park one vehicle in the parking area(s) provided. Tenant may not park more than one vehicle in the parking area(s) without written permission from the Landlord. Tenant's vehicle must bear a current registration, license, and inspection certificate. Recreational vehicles, trucks (other than a standard size or small pick-up struck or van), boats, jet skis, and trailers are not permitted in the parking areas, with the exception that trailers and trucks used by Tenant while moving in and out of the Premises may be parked on the property for up to two (2) days.

Tenant will abide by all parking regulations and will not double-park, park in fire lanes, park in handicap spaces without a handicap insignia, obstruct the flow of traffic, park in prohibited areas, park in landscaped areas, or otherwise violate the parking provisions in force. Landlord has the right to remove any illegally parked vehicle, without notice to the owner or operator, and at the sole expense of the owner or operator.

PLUMBING; Tenant agrees to maintain a temperature in the Premises adequate to prevent freezing of water pipes during winter months. Tenant shall take all necessary

precautions to prevent hair, thread, string, rags, sanitary napkins, tampons, grease, rubbish, or other obstructions from entering the pipes, drains, and toilets. Tenant shall be responsible for the cost of repairing or clearing pipes, drains, and toilets that have been used for purposes other than normal use. Tenants shall not dispose of grease or fats in the sinks. These items must be disposed of in the garbage.

ROOF AND MECHANICAL ROOM; Neither Tenant nor Tenant's guest(s) are permitted on the roof of any Building for any purpose. Each Building contains mechanical room containing machinery and appliances that service the Apartments. Neither Tenant nor Tenant's guest(s) are permitted in the mechanical room(s) for any purpose.

SHOWER CURTAIN; Tenant is required to provide and use a shower curtain and bath mat in the bathroom. The shower curtain must be sufficiently long so that no water is permitted to flow onto the floor in the bathroom. Landlord will provide a shower rod for the curtain.

SOLICITATION; Solicitation is not permitted at University Commons, by either Tenant or outside solicitors, without the prior written approval of the Landlord. Landlord request Tenant's assistance in notifying Landlord of any solicitation or canvassing by others.

STAIRWELLS AND HALLS; Tenant may not hang anything from the Building's stairwells or in its hallways. Tenant may not store any items in the stairwells and hallways outside of the Apartment in which Tenant's Premises are located.

STORAGE; With the exception of the Bicycle Storage area, which is to be used solely to store bicycles, there are no storage areas outside of the Apartment. Tenant must store any property in his/her bedroom and, jointly with the Co-tenants, in the Common Areas of the Apartment.

VANDALISM; Playful or intentional vandalism anywhere in University Commons by Tenant or Tenant's guests, will not be tolerated. Any Tenant caught vandalizing any part of the property will be prosecuted to the fullest extent of the law, will be liable for all damages, and will be subject to immediate termination of their Lease.

WASHING AND REPAIRING VEHICLES; The washing of vehicles is prohibited. Car repairs, oil changes, or other car maintenance is prohibited.

WATERBEDS; Waterbeds are prohibited.

WINDOWS AND DOORS; Installed window blinds are furnished with the Apartment and Premises and shall not be removed. Tenant may not install or hang any curtains or window coverings of any kind and cannot hang blankets, towels, or sheets around or near the windows. No aluminum foil or cardboard is allowed in the windows and Tenant may not stick or hang anything in the windows, such as neon lights or posters.

Windows must be kept closed when the Apartment is unoccupied. Tenant is responsible for any damage to walls, carpet, or blinds because of failure to close windows. Residents must keep windows clean inside and outside.

Tenant shall not place any signs, awnings, or advertisements on the exterior of the Apartment. Tenant shall not sweep, shake, or throw anything out of the windows or doors or into the halls, stairways, or onto the outside grounds of the Building. Tenant may not hang laundry or any other objects in the windows or doors of the Premises.

IMPORTANT INFORMATION TENANT SHOULD BE AWARE OF:

COMPLAINTS AND REQUESTS FOR MAINTENANCE; All complaints and requests for maintenance by the Tenant must be made directly to the RA. Only in the case of an EMERGENCY may the Tenant contact the Landlord directly.

KITCHEN; Tenant is responsible for providing all eating and cooking implements and utensils, including, but not limited to, dishes, glassware, flatware, pots, and pans.

LINENS; Tenant is responsible for providing all linens for use throughout the Premises.

LIGHTBULBS; Tenant is responsible for purchasing and replacing all interior light bulbs as needed. All light bulbs must be clear and operational at the end of the Lease.

PEST CONTROL; Landlord shall provide all pest control. Tenant must notify Landlord of any infestation.